

2Q 2011 Financial Results

22 July 2011



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The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

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1. Financial highlights



2011 financial highlights

	Gross revenue	Net property income	Distributable income
2Q	+ 75.3%: S\$13.2 m	+ 75.7%: S\$13.1 m	+ 86.5%: S\$9.9 m
1H	+ 76.1%: S\$26.4 m	+ 77.0%: S\$26.2 m	+ 87.5%: S\$19.8 m

- Gross revenue increase mainly due to maiden contribution from the 2 new properties acquired in Indonesia in December 2010
 - Mochtar Riady Comprehensive Cancer Centre
 - Siloam Hospitals Lippo Cikarang
- Net asset value per unit stands at **78.05¢** as at 30 June 2011

Financial overview

S\$'000	2Q 2011	2Q 2010	Change	1H 2011	1H 2010	Change
Gross Revenue	13,223	7,543	+ 75.3%	26,403	14,994	+ 76.1%
Net Property Income	13,103	7,458	+ 75.7%	26,189	14,798	+ 77.0%
Distributable Amount	9,886	5,301	+ 86.5%	19,781	10,549	+ 87.5%
Distribution Per Unit (cts)						
• For the period	1.58	1.92	NC ¹	3.16	3.82	NC ¹
• Adjusted	1.58	0.85 ²	+85.9%	3.16	1.69 ²	+87.0%
Annualised Distribution Per Unit (cts)	6.37	6.63 ³	NC ¹	6.37	6.63 ³	NC ¹

NC = Not comparable

1) 2Q 2011 vs 2Q 2010 and YTD 30 June 2011 vs YTD 30 June 2010 are not comparable due to the effect of rights issue and acquisitions made in December 2010. (see also note 2).

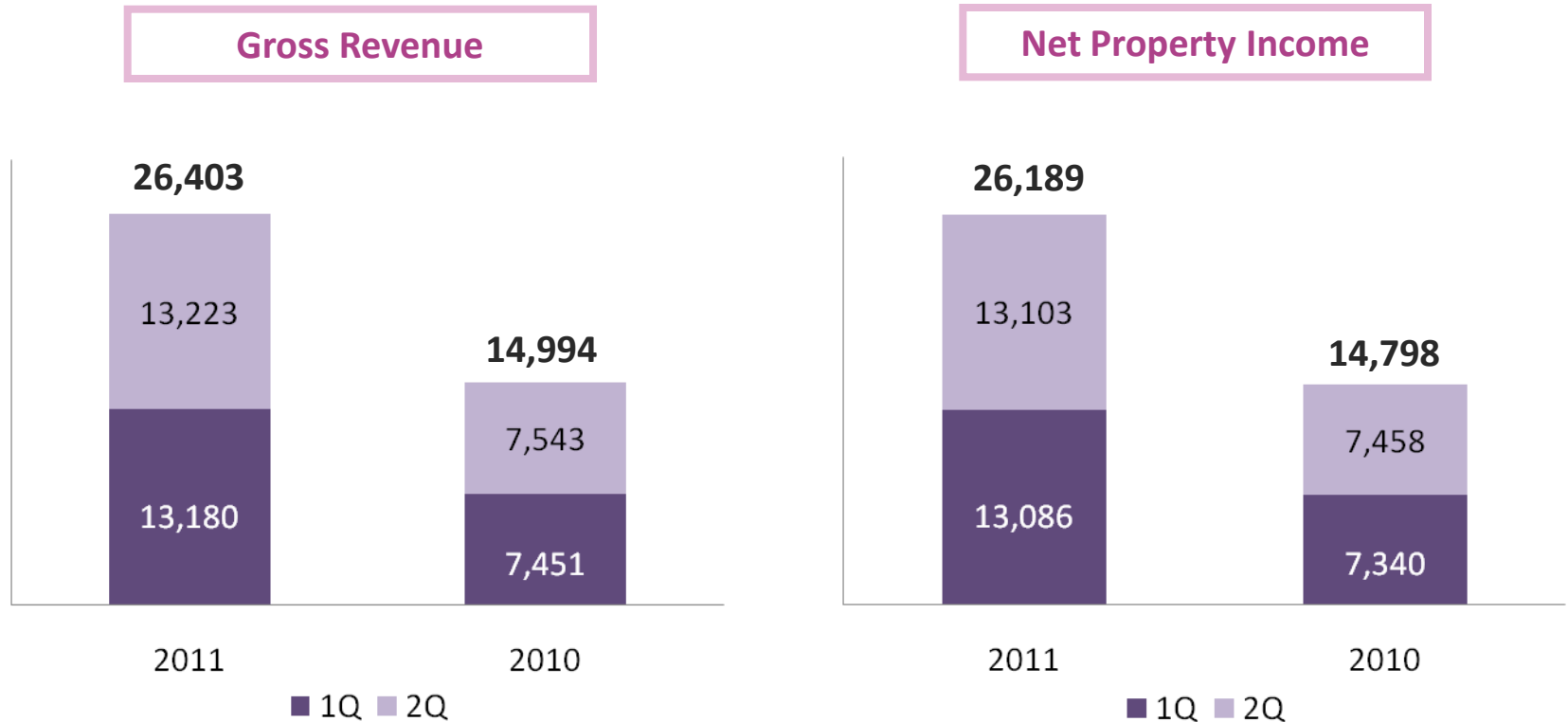
2) Restated to take into account the effect of the rights issue in December 2010.

3) Actual paid for FY 2010 and the distribution for 4Q 2010 was based on enlarged share base as a result of rights issue in December 2010.

- Based on 624,765,904 units issued at the end of the period

Gross revenue & net property income

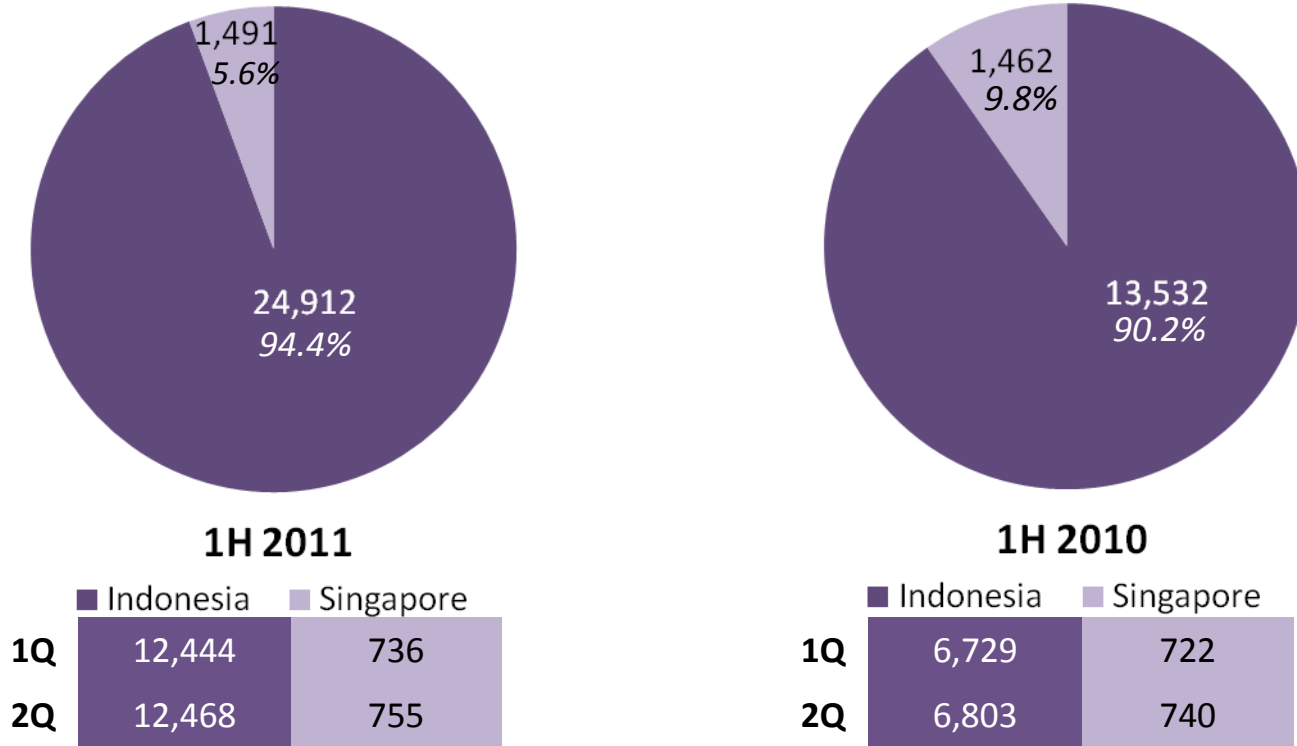
S\$'000



- Steady rental structure:
 - ❖ Fixed yearly rental increment for Singapore properties; base (2x percentage increase of Singapore CPI, capped at 2%) plus variable components (function of turnover growth) for Indonesia properties
- Long term leases denominated in Singapore dollars

Rental income: breakdown by geography

S\$'000



- Higher revenue to be generated from Indonesia:
 - ❖ First REIT to enjoy a variable rental growth component of 1.25% of total gross revenue of the four Indonesian assets in FY 2011, in addition to the annual escalation based on 2 times Singapore CPI (capped at 2%)

2. In review



First foray into South Korea

Acquisition in South Korea: Sarang Hospital: target completion in August 2011

The largest rehabilitation treatment and nursing services facility in Yeosu City – host of the 2012 World Expo



Purchase price	:	US\$13.00 million * SGD\$16.00 million <i>Based on the exchange rate of S\$1 = US\$0.81</i>
Land tenure	:	Freehold
Land area	:	2,142.00 sqm
Gross Floor Area	:	4,981.54 sqm
Lease terms	:	10 years with option to renew for 10 years from date of completion
Rental Escalation	:	2.00%

Official opening of MRCCC

The first in Indonesia to specialise in cancer diagnostic and treatment



- Opening ceremony on 7 July 2011
- Graced by the President of Republic of Indonesia, DR. H. Susilo Bambang Yudhoyono, and also attended by the First Lady
- Others VIPs included the Minister of Health and other Ministers from the Second United Indonesia Cabinet, Members of House Representative (DPR), Ambassadors, the Governor of DKI Jakarta and the ranks, Directors of state and private hospitals in Jakarta, senior doctors and specialists organizations, Lippo Group's top executives and other invitees

Asset enhancements at Lentor Residence

In line with our investment strategy to improve the returns and optimise the plot ratio of existing properties in the REIT's portfolio, we are developing an extension to the Lentor Residence

Details of extension



Extension details

A 5-storey building to, and adjoining, the existing building

Purpose

Nursing home

Floor area

Approximately 994 sqm

Estimated cost

S\$5.0 million

Expected completion

Mid 2012

3. DPU & price comparison



Consistent DPU

Quarterly DPU breakdown



- DPU for 2Q 2011 excludes the contribution from Adam Road property which was divested in 1Q 2011
- Actual paid for FY 2010 and the distribution per unit in 4Q 2010 was based on the enlarged share base as a result of the rights issue in December 2010

Distribution details

First REIT has maintained a payout policy of 100% of distributable income since listing in Dec 2006

1 Apr 2011 – 30 Jun 2011

Distribution Per Unit	1.58¢
- Taxable	0.08¢
- Tax-Exempt	1.20¢
- Capital	0.30¢
Book Closure Date	1 August 2011
Distribution Payment Date	29 August 2011

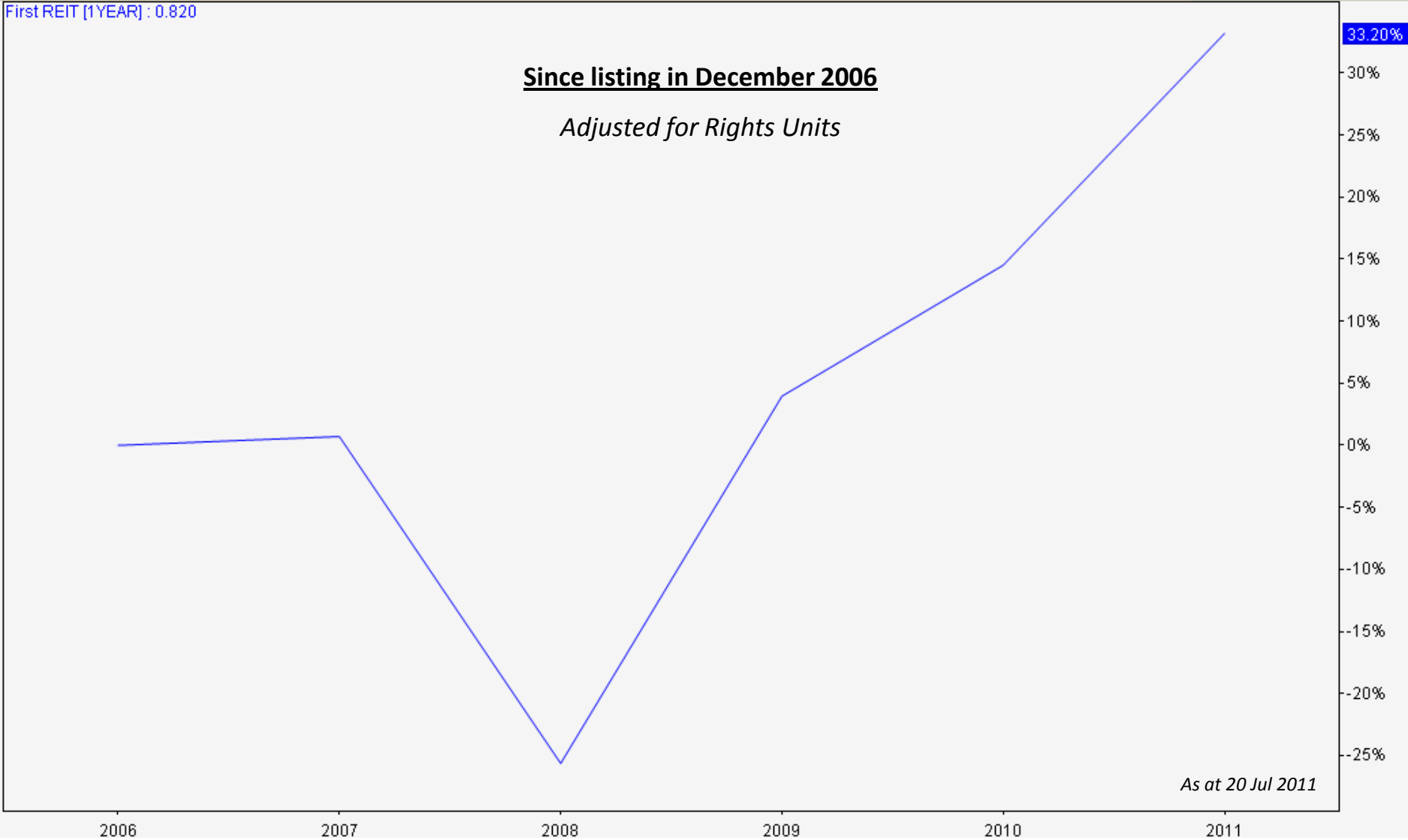
The ex-dividend date will be on 28 July 2011

- The gain on divestment of the Adam Road property in 1Q 2011 is estimated to be around S\$8.7 million
- Upon receiving the confirmation from the Inland Revenue Authority of Singapore of the tax treatment, the gain will be distributed (wholly or partially) to unitholders at the discretion of the Manager of First REIT in the coming quarters

First REIT share performance

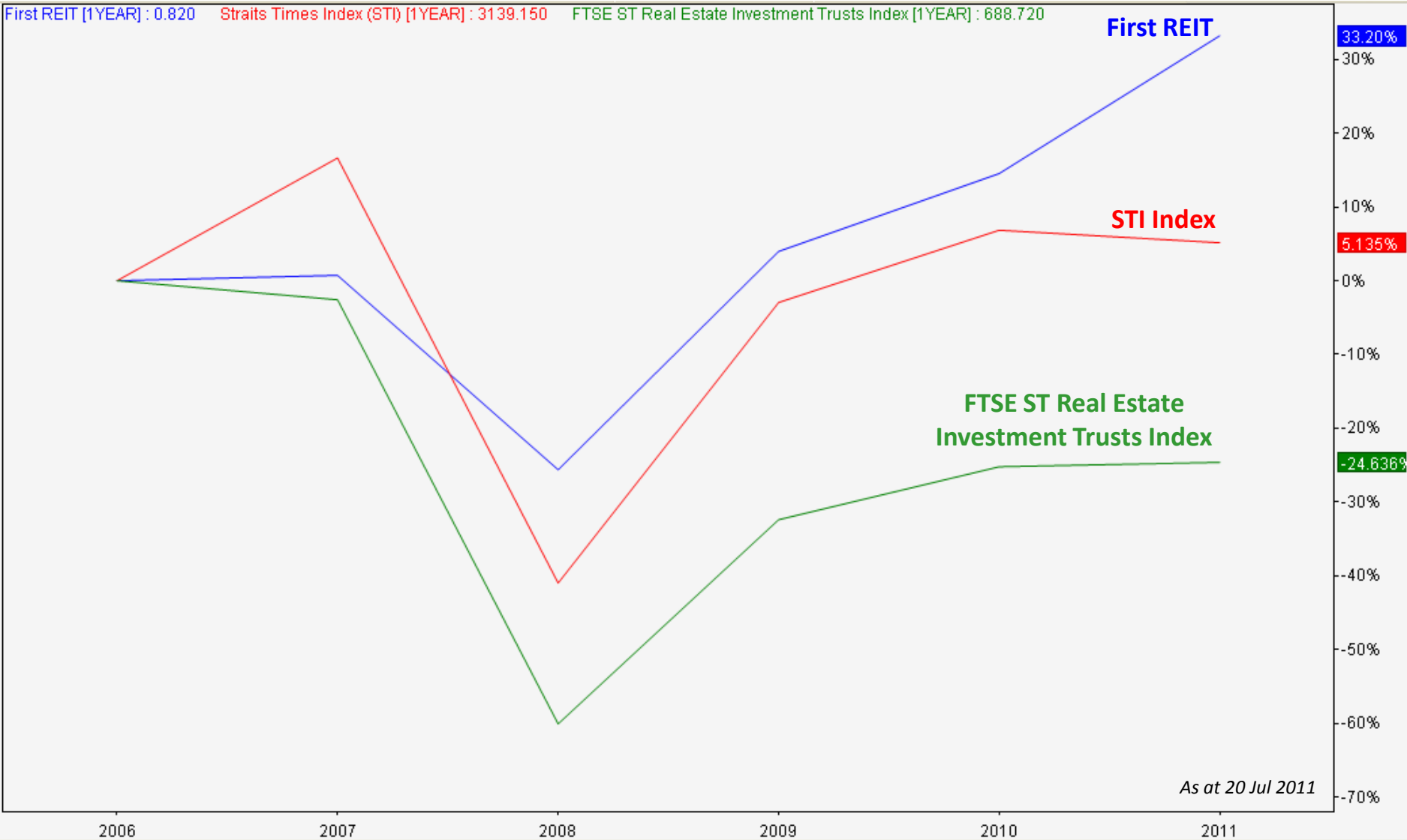
First REIT [1YEAR] : 0.820

Since listing in December 2006
Adjusted for Rights Units



As at 20 Jul 2011

First REIT vs STI Index vs FTSE ST REIT Index



4. Capital management



Healthy balance sheet

	In S\$'000	As at 30 Jun 2011	As at 31 Dec 2010
Assets	Non-current	584,645	612,800
	Current	43,335	41,771
	Total	627,980	654,571
Liabilities	Non-current	114,089	94,206
	Current	26,265	81,273
	Total	140,354	175,479
	Unitholders' Funds	487,626	479,092
	NAV/unit	78.05¢	77.00¢

- Non-current assets decreased from S\$612.8 million to S\$584.6 million due to divestment of the Adam Road property
- Non-current liabilities increased mainly due to drawdown of S\$50 million term Loan Facility to repay the withholding sum for the acquisition of Mochtar Riady Comprehensive Cancer Centre, and this was partly offset by the repayment of S\$27.4 million towards the S\$70 million Term Loan Facility with the net proceeds from the divestment of the proposed Adam Road property

Low gearing

Borrowings are secured by property assets

	As at 30 Jun 2011	As at 31 Dec 2010
Total Debt*	S\$80.6 million	S\$57.7 million
Interest Cover	15.0 times	11.6 times
Debt-to-Property	13.8%	9.4%

* before transaction costs

- The OCBC Bank term loan facility of S\$50.0 million was drawn down on 31 January 2011 to fund the balance payment of the MRCCC Acquisition
- Even after the drawdown of the loan, First REIT's gearing is still much lower than the regulatory limit of 35%

5. Portfolio highlights



Enlarged portfolio

First REIT now has 9 properties across Indonesia and Singapore

Indonesia




- 5 hospital properties with 815 beds
- 1 hotel and country club with 197 saleable rooms
- **15-year leases** with option to renew for 15 years
- Nearest date of renewal: Dec 2021

Singapore






- 3 nursing homes with 672 beds
- **10-year leases** with option to renew for 10 years
- Nearest date of renewal: Apr 2017

Indonesia

	Mochtar Riady Comprehensive Cancer Centre 	Siloam Hospitals Lippo Cikarang 	Siloam Hospitals Lippo Village 	Siloam Hospitals Kebon Jeruk 	Siloam Hospitals Surabaya 	Imperial Aryaduta Hotel & Country Club 
Type	Hospital	Hospital	Hospital	Hospital	Hospital	Hotel & Country Club
Land Area	4,145 sqm	9,900 sqm	17,442 sqm	11,420 sqm	6,862 sqm	54,410 sqm
Gross Floor Area	37,933 sqm	11,125 sqm	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm
Purchase Price	S\$170.5 million	S\$35.0 million	S\$94.3 million	S\$50.6 million	S\$16.8 million	S\$21.2 million
Appraised Value¹	S\$216.0 million	S\$41.3 million	S\$147.3 million	S\$82.0 million	S\$29.7 million	S\$34.1 million
Annual Rental	S\$18,635,000	S\$3,768,000	S\$13,218,000	S\$7,491,000	S\$2,963,000	S\$3,633,000
No. of Beds / Saleable rooms²	160	75	223	197	160	197
No. of Staff	32 full time & part time doctors and 54 nurses & medical staff	75 full time & part time doctors, 115 nurses and medical staff	211 full time & part time doctors and 397 nurses & medical staff	211 full time & part time doctors and 328 nurses & medical staff	257 full time & part time doctors and 249 nurses & medical staff	--
Year of Building Completion	2010	2002	1995	1991	1977	1994
Centre of Excellence	Oncology Digestive Unit	Urology, Internal Medicine, Trauma	Neuro-science centre, Heart centre	Urology centre, Orthopaedics	Fertility centre, Stroke centre	--
Lease Terms	15 years with option to renew for 15 years wef 30 Dec 2010	15 years with option to renew for 15 years wef 31 Dec 2010	15 years with option to renew for 15 years wef 11 Dec 2006	15 years with option to renew for 15 years wef 11 Dec 2006	15 years with option to renew for 15 years wef 11 Dec 2006	15 years with option to renew for 15 years wef 11 Dec 2006

1: MRCCC appraised by KJPP Willson dan Rekan in association with Knight Frank as at 6 September 2010. SHLC appraised by KJPP Damianus Ambur in association with Coldwell Banker Commercial Indonesia as at 6 September 2010. The other four Indonesia properties were each appraised by KJPP Hendra Gunawan & Rekan in association with Colliers International as at 28 December 2010 | 2: As at 28 December 2010

Singapore

	Pacific Healthcare Nursing Home @ Bukit Merah	Pacific Healthcare Nursing Home II @ Bukit Panjang	The Lentor Residence
			
Type	Nursing Home	Nursing Home	Nursing Home
Land Area	1,984 sqm	2,000 sqm	2,486 sqm
Gross Floor Area ("GFA")	3,593 sqm	3,563 sqm	2,983 sqm
Purchase Price	S\$11.8 million	S\$11.5 million	S\$12.8 million
Appraised Value¹	S\$11.1 million	S\$11.0 million	S\$12.1 million
Annual Rental	S\$971,000	S\$947,000	S\$1,051,000
No. of Beds / Saleable rooms	259	265	148
Year of Building Completion	2004	2006	1999
Title	30 years leasehold from 22 Apr 2002	30 years leasehold from 14 May 2003	99 years leasehold from 20 Aug 1938
Lease Terms	10 years with option to renew for 10 years wef 11 Apr 2007	10 years with option to renew for 10 years wef 11 Apr 2007	10 years with option to renew for 10 years wef 8 Jun 2007

1: Appraised by CB Richard Ellis (Pte) Ltd as at 28 December 2010

6. Prospects



Strong sponsor pipeline in Indonesia

Lippo Karawaci – the largest listed property company in Indonesia



Dominates Indonesia's Retail Malls and Hospitals

- ▶ Currently has 7 hospitals with 1,227 beds under the Siloam Hospitals network
- ▶ Nationally and internationally accredited

LK's 3 new hospitals

Siloam Hospitals Jambi



East Sumatra

- February 2011
- 59 beds
- 40 outpatient suites
- 3 operating theatres

Siloam Hospitals Balikpapan



East Kalimantan

- June 2011
- 104 beds
- 24 outpatient suites
- 3 operating theatres

Siloam Hospitals Makassar



South Sulawesi

- 4Q 2011
- 200 beds

LK's growth plans: 25 hospitals in 5 years

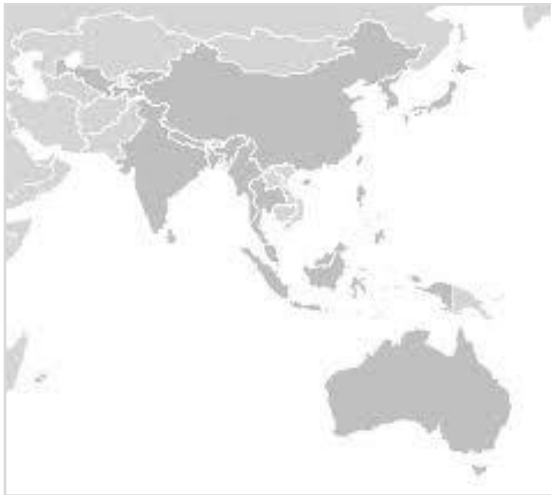
- ▶ Nov 2010: intends to quadruple Siloam hospital division to 25 hospitals and US\$500 million in annual revenues in five years
- ▶ Transformational hospital group scale-up to USD3.5 billion in 5 years

First REIT has a Right of First Refusal to acquire new healthcare properties from Lippo Karawaci, and has sufficient headroom for future acquisitions and funding if the need arises

Singapore & other markets

Singapore: Nursing Home Development Programme

- ▶ December 2010: Singapore government launched the S\$120 million “**Nursing Home Development Programme**” to boost healthcare in the home, nursing homes and community hospitals
- ▶ 6 new and upgraded nursing homes are expected to be completed over the next 3 years
- ▶ Demand for such facilities and the number of nursing home beds in Singapore are projected to increase from 9,300 to 14,000 by 2020



Possible acquisitions in other markets

- ▶ Will continue to hunt for quality and yield-accretive healthcare-related assets in Asia
- ▶ Target to raise asset base to S\$1 billion in the next two to three years

Thank You

Q&As

