

2Q 2012 Financial Results

24 July 2012



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



1 Financial Highlights

2 DPU & Price Comparison

3 Capital Management

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6 Prospects

23.1% rise in 2Q 2012 distributable income

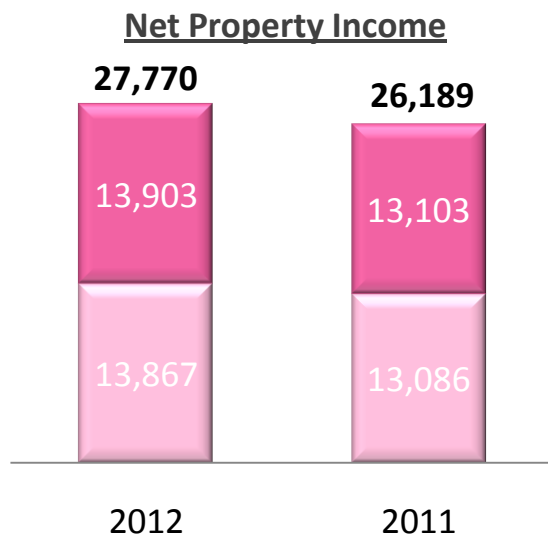
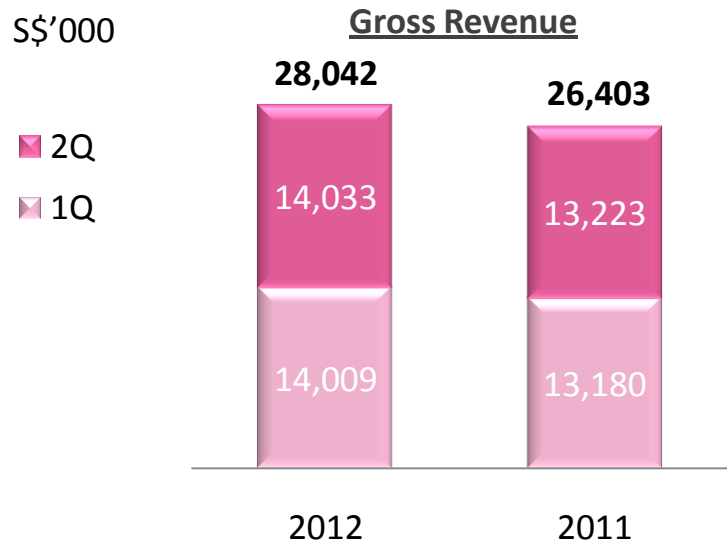
	2Q	1H
Gross Revenue	+ 6.1%: S\$14.0 m	+ 6.2%: S\$28.0 m
Net Property Income	+ 6.1%: S\$13.9 m	+ 6.0%: S\$27.8 m
Distributable Income	+ 23.1%: S\$12.2 m	+ 22.9%: S\$24.3 m

- ◀ **Gross revenue** increased mainly due to the contribution from Sarang Hospital (South Korea) which was acquired in August 2011 as well as higher rental income from the rest of the properties
- ◀ **NAV** per unit: **79.51¢** as at 30 June 2012

Singapore cts	2Q 2012	2Q 2011	Change	1H 2012	1H 2011	Change
Distribution Per Unit	1.93	1.58	22.2%	3.86	3.16	22.2%
Annualised Distribution Per Unit (excludes other gain)	6.39	6.33	0.9%	6.39	6.33	0.9%
Annualised Distribution Per Unit (includes other gain)	7.07	7.01 ¹	0.9%	7.07	7.01 ¹	0.9%

- 1 Actual distribution paid for FY 2011 and this included the other gain distribution. The other gain distribution paid is a portion of the total gain on divestment of Adam Road property.
- The other distribution to be paid for 2Q 2012 will be the final payment resulting from the total gain on divestment of the Adam Road property.

Resilient Trust structure ensures consistent returns



Steady rental structure

Indonesia

- Provision for yearly rental increment
- **Base** escalation (2x percentage increase of Singapore CPI, capped at 2%) + **variable** escalation (function of turnover growth)

Singapore | South Korea

- Fixed base rental
- Annual increment of 2.0%

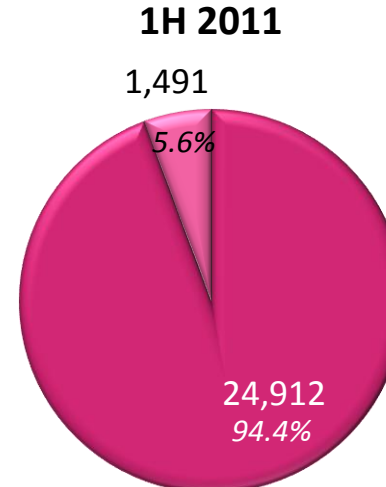
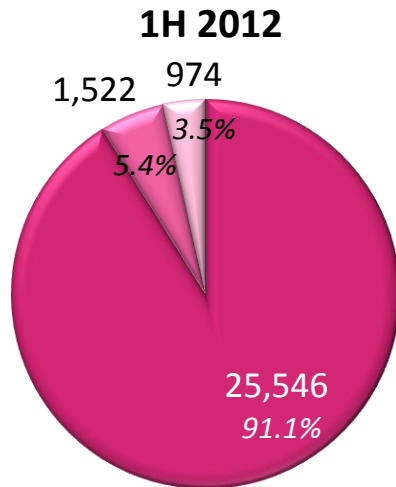
Stable, long-term master leases

- Long term leases of 10 – 15 years for each property
- Indonesia and Singapore properties' rental: **SGD**
 - Forex volatility is mitigated by pegging base rent for Indonesian properties to SGD
- South Korea property rental: **USD**

Rental income spread across 3 regions

S\$'000

- Indonesia
- Singapore
- South Korea



Higher revenue to be generated from Indonesia

- Additional variable rental growth component as a function of total gross revenue of Indonesian assets
- Acquisition of MRCCC and SHLC further boosts revenue from this region

Added dimension from new geographical region

- Sarang Hospital enjoys high occupancy rate, known for its rehabilitative treatment and nursing healthcare services
- One of the largest of such hospitals centrally-located in beach resort city Yeosu



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Consistent quarterly DPU payouts



- Actual paid for FY 2010 and the distribution per unit in 4Q 2010 was based on the enlarged unit base as a result of the rights issue in December 2010

Strong cash distribution model

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

1 Apr 2012 – 30 Jun 2012

Distribution Per Unit	1.93¢
- Taxable	0.07¢
- Tax-Exempt	1.19¢
- Capital	0.33¢
- Other gain	0.34¢
Book Closure Date	1 August 2012
Distribution Payment Date	29 August 2012

The ex-dividend date will be on 30 July 2012

- The other gain distribution is a portion of the total gain on divestment of the Adam Road property recognised in 1Q 2011

First REIT share performance

First REIT [1 YEAR] : 0.960

Since listing in December 2006

Adjusted for Rights Units



As at 23 Jul 2012

Powered by ShareInvestor Station (www.shareinvestor.com)

First REIT vs STI Index vs FTSE ST REIT Index

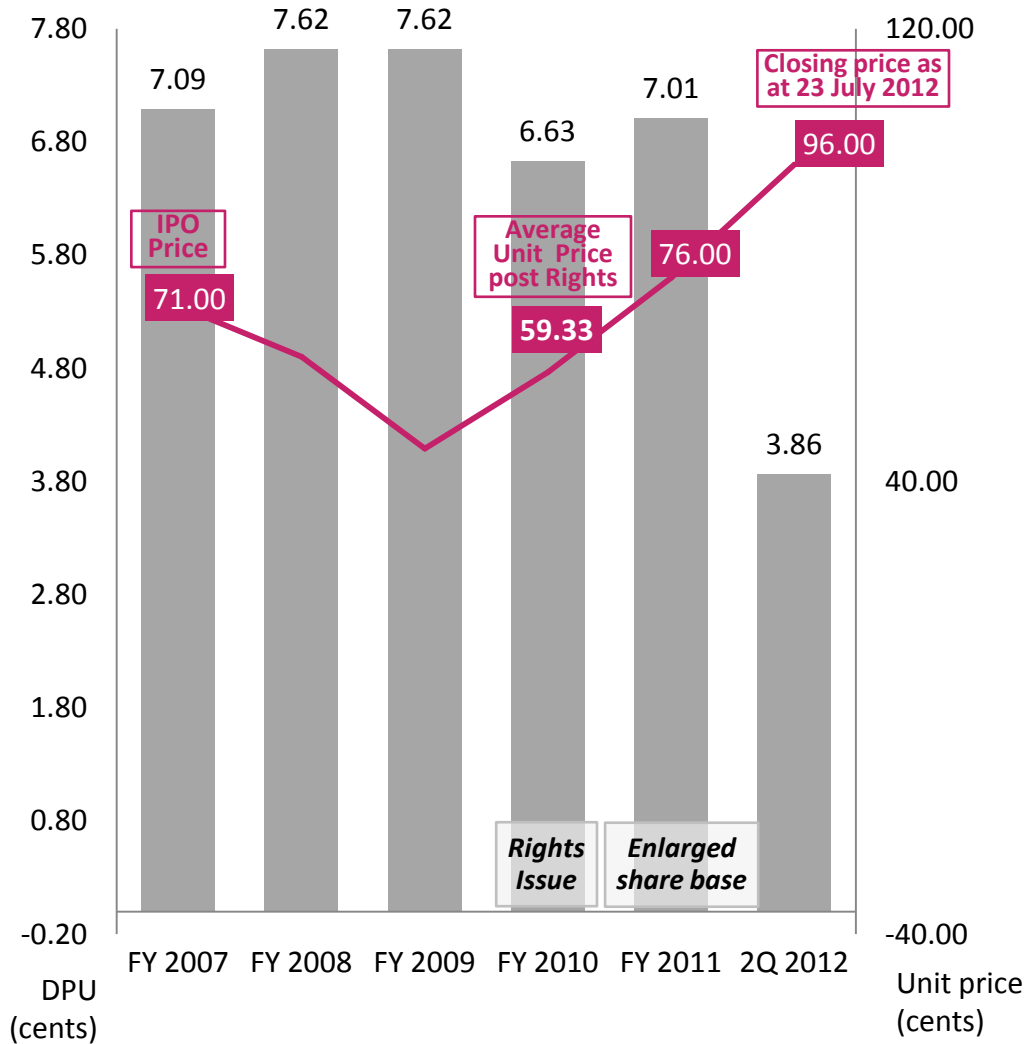
First REIT [1YEAR] : 0.960 Straits Times Index (STI) [1YEAR] : 2982.490 FTSE ST Real Estate Investment Trusts Index [1YEAR] : 690.200



As at 23 Jul 2012

Powered by ShareInvestor Station (www.shareinvestor.com)

% of total return – YTD & annualised



DPU Return: FY 2007 to 2Q 2012 : **39.83 cents**

Return on Average Unit Price : **36.67 cents**

Average Unit Price post Rights = (71.00 x 4 + 50.00 x 5)/9

• **Total return to date** : **76.50 cents**

• **% gain on Average Unit Price** : **128.9%**

• **% gain on an annualised basis** : **23.2%**



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Healthy balance sheet with strong financial position

S\$'000	As at 30 Jun 2012	As at 31 Dec 2011
ASSETS		
Non-current	619,388	618,453
Current	30,252	42,163
Total	649,640	660,616
LIABILITIES		
Non-current	79,684	79,586
Current	68,841	75,731
Total	148,525	155,317
<hr/>		
Unitholders' Funds	501,115	505,299
NAV/unit	79.51¢	80.50¢

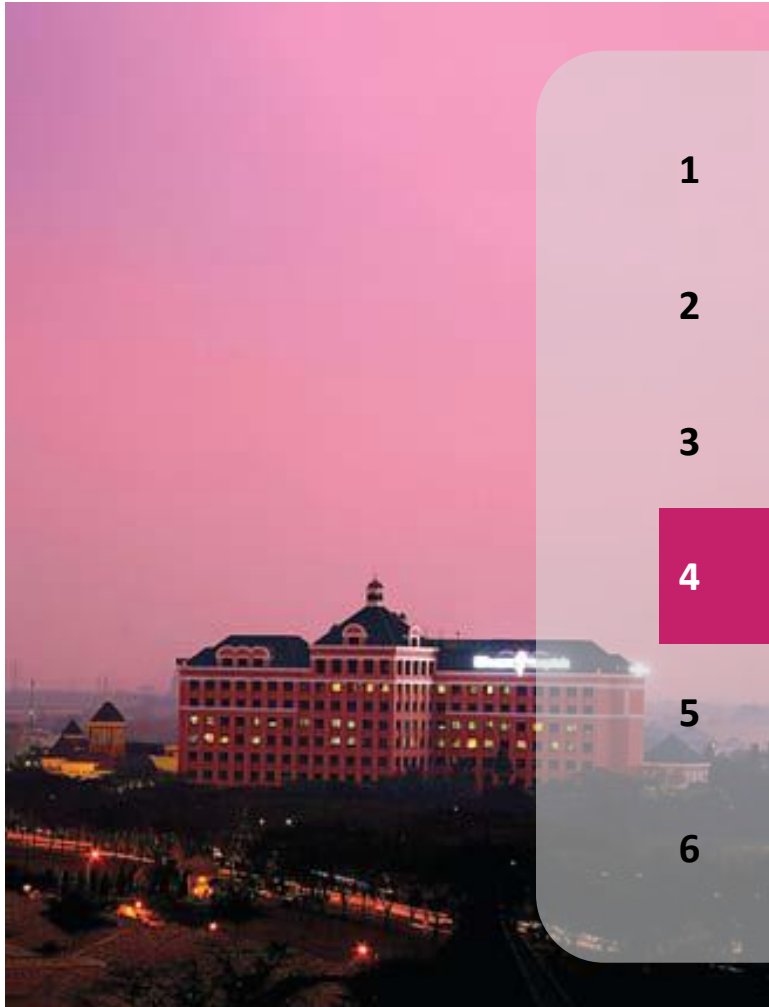
Low gearing with ample headroom for acquisitions

Borrowings are secured by property assets (except Sarang Hospital)

	As at 30 Jun 2012	As at 31 Dec 2011
Total Debt*	S\$98.3 million	S\$98.7 million
Interest Cover	11.8 times	12.3 times
Debt-to-Property	15.9%	16.0%

* before transaction costs

- In May 2012, First REIT secured a S\$168 million Transferable Term Loan Facility from OCBC Bank to refinance its outstanding loans and to finance any future acquisitions
- First REIT's gearing is still much lower than the regulatory limit of 35%



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On track to complete Lentor Residence extension

5-storey extension to The Lentor Residence will be completed this year in line with investment strategy to improve the returns and optimise the plot ratio of existing properties



Extension details

Purpose

Floor area

Estimated cost

Expected completion

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

Nursing home

Approximately 994 sqm

S\$5.0 million

2H 2012



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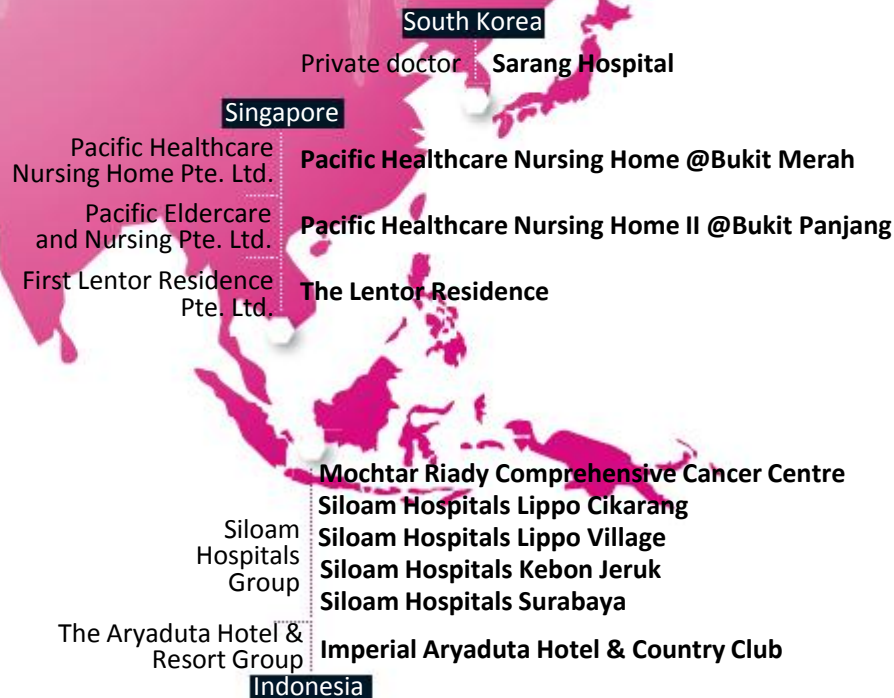
Enlarged portfolio: 10 properties across 3 regions

3 new acquisitions in the last 2 years

Indonesia: MRCCC & SHLC

South Korea: Sarang Hospital

First REIT now has 10 properties across Indonesia, Singapore and South Korea with sufficient funding in place for new acquisitions of up to S\$118 million



S\$618.9 million Value of Assets-Under Management <i>(as at 30 June 2012)</i>	136,433 sqm Total GFA of properties <i>(as at 30 June 2012)</i>
2017 Nearest date of rental renewals	1,943 Total number of beds / saleable rooms <i>(as at 31 Dec 2011)</i>
100% Total committed occupancy <i>(as at 30 June 2012)</i>	

Portfolio valuation since IPO

Property	Valuation since IPO (S\$m)						
	2006	2007	2008	2009	2010	2011	% (2011)
Indonesia							
Siloam Hospitals Lippo Village	132.5	139.0	138.5	146.8	147.3	153.8	24.9%
Siloam Hospitals Kebon Jeruk	71.2	75.1	74.1	81.2	82.0	85.9	13.9%
Siloam Hospitals Surabaya	23.6	25.8	26.2	27.4	29.7	30.9	5.0%
Imperial Aryaduta Hotel & Country Club	29.8	31.8	32.2	30.9	34.1	35.5	5.7%
Mochtar Riady Comprehensive Cancer Centre	-	-	-	-	216.0	217.5	35.2%
Siloam Hospitals Lippo Cikarang	-	-	-	-	41.3	41.3	6.7%
<i>Subtotal</i>	<u>257.1</u>	<u>271.7</u>	<u>271.0</u>	<u>286.3</u>	<u>550.4</u>	<u>564.9</u>	<u>91.4%</u>
Singapore							
Pacific Healthcare Nursing Home @ Bukit Merah	-	12.0	12.0	11.4	11.1	11.0	1.8%
Pacific Healthcare Nursing Home II @ Bukit Panjang	-	11.4	11.4	11.1	11.0	11.0	1.8%
The Lentor Residence	-	13.0	13.0	12.5	12.1	14.0	2.2%
Adam Road property ¹	-	17.5	17.5	19.6	28.2	-	-
<i>Subtotal</i>	-	<u>53.9</u>	<u>53.9</u>	<u>54.6</u>	<u>62.4</u>	<u>36.0</u>	<u>5.8%</u>
South Korea							
Sarang Hospital ²	-	-	-	-	-	17.1	2.8%
Grand Total	<u>257.1</u>	<u>325.6</u>	<u>324.9</u>	<u>340.9</u>	<u>612.8</u>	<u>618.0</u>	<u>100%</u>

1 The Adam Road property was divested on 25 March 2011

2 Based on the valuation of US\$13.2 million and exchange rate of US\$1 = S\$0.77

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**

Hospital	Hospital	Hospital	Hospital	Hospital	Hotel & Country Club	Type
Oncology Digestive Unit	Urology, Internal Medicine, Trauma	Neuro-science centre, Heart centre	Urology centre, Orthopaedics	Fertility centre, Stroke centre	--	Centre of Excellence
4,145 sqm	9,900 sqm	17,442 sqm	11,420 sqm	6,862 sqm	54,410 sqm	Land Area
37,933 sqm	11,125 sqm	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm	Gross Floor Area
S\$170.5 m	S\$35.0 m	S\$94.3 m	S\$50.6 m	S\$16.8 m	S\$21.2 m	Purchase Price
S\$217.5 m	S\$41.3 m	S\$153.8 m	S\$85.9 m	S\$30.9 m	S\$35.5 m	Appraised Value¹
165	112	223	197	160	197	No. of Beds / Saleable rooms
141 full time & part time doctors and 86 nurses & medical staff	81 full time & part time doctors and 101 nurses & medical staff	194 full time & part time doctors and 379 nurses & medical staff	196 full time & part time doctors and 295 nurses & medical staff	107 full time & part time doctors and 255 nurses & medical staff	--	No. of Staff
2010	2002	1995	1991	1977	1994	Year of Building Completion
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	Lease Terms

1: MRCCC was appraised by KJPP Rengganis, Hamid & Rekan in strategic alliance with CB Richard Ellis (Pte) Ltd as at 28 December 2011. The other five Indonesian properties were each appraised by KJPP Willson & Rekan in association with Knight Frank as at 28 December 2011.

Singapore & South Korea



Pacific Healthcare Nursing Home @ Bukit Merah



Pacific Healthcare Nursing Home II @ Bukit Panjang



The Lantor Residence



Sarang Hospital Yeosu City

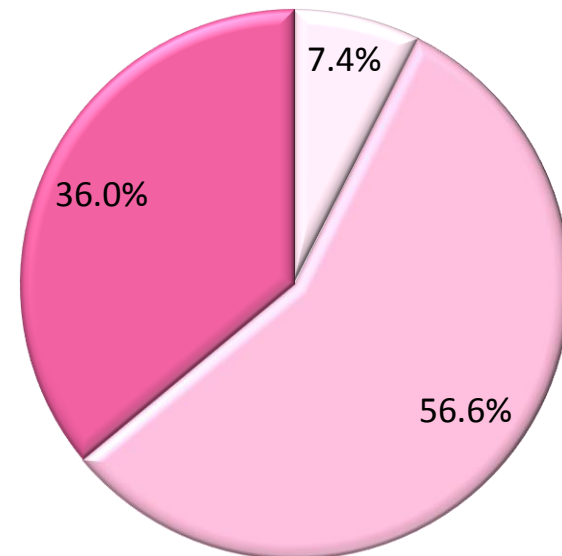
				Type
Nursing Home	Nursing Home	Nursing Home	Hospital	
1,984 sqm	2,000 sqm	2,486 sqm	2,142 sqm	Land Area
3,593 sqm	3,563 sqm	2,983 sqm	4,982 sqm	Gross Floor Area
S\$11.8 million	S\$11.5 million	S\$12.8 million	US\$13.0 million	Purchase Price
S\$11.0 million	S\$11.0 million	S\$14.0 million	US\$13.2 million	Appraised Value ¹
259	265	148	217	No. of Beds / Saleable rooms
2004	2006	1999	2010	Year of Building Completion
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	10 years with option to renew for 10 years wef 5 Aug 2011	Lease Terms

1: The Singapore properties were appraised by Colliers International Consultancy & Valuation (Singapore) Pte Ltd as at 28 December 2011. The South Korea property was appraised by Cushman & Wakefield (Korea) Ltd as at 28 December 2011.

Earliest rental renewals in 2017

Country	Master Lease	Expiry
Indonesia	Mochtar Riady Comprehensive Cancer Centre	Dec 2025
	Siloam Hospitals Lippo Cikarang	Dec 2025
	Siloam Hospitals Lippo Village	Dec 2021
	Siloam Hospitals Kebon Jeruk	Dec 2021
	Siloam Hospitals Surabaya	Dec 2021
	Imperial Aryaduta Hotel & Country Club	Dec 2021
Singapore	Pacific Healthcare Nursing Home @ Bukit Merah	Apr 2017
	Pacific Healthcare Nursing Home II @ Bukit Panjang	Apr 2017
	The Lantor Residence	Apr 2017
South Korea	Sarang Hospital	Aug 2021

Lease expiry profile as a % of GFA



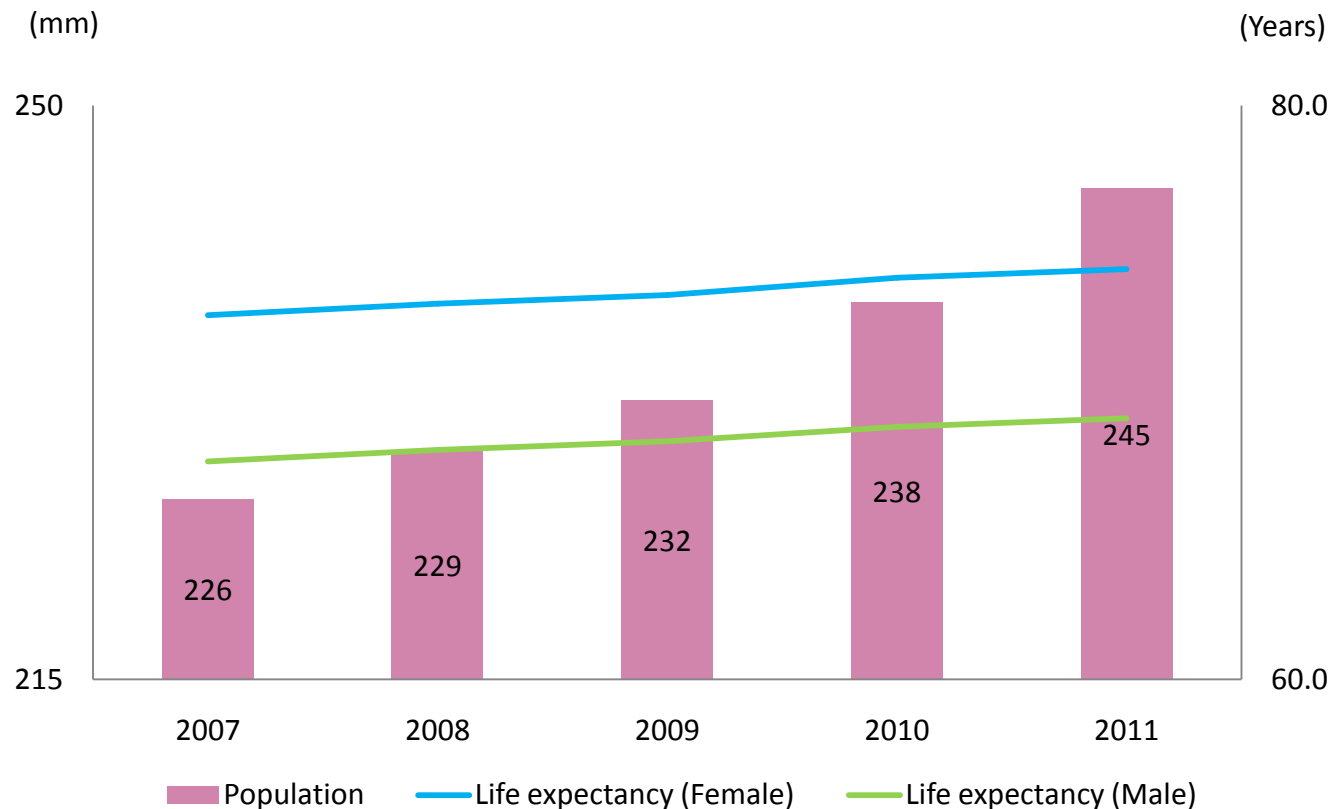
- Next 3 - 5 years
- Within 10 years
- More than 10 years



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Indonesia: longer life expectancies and ageing population

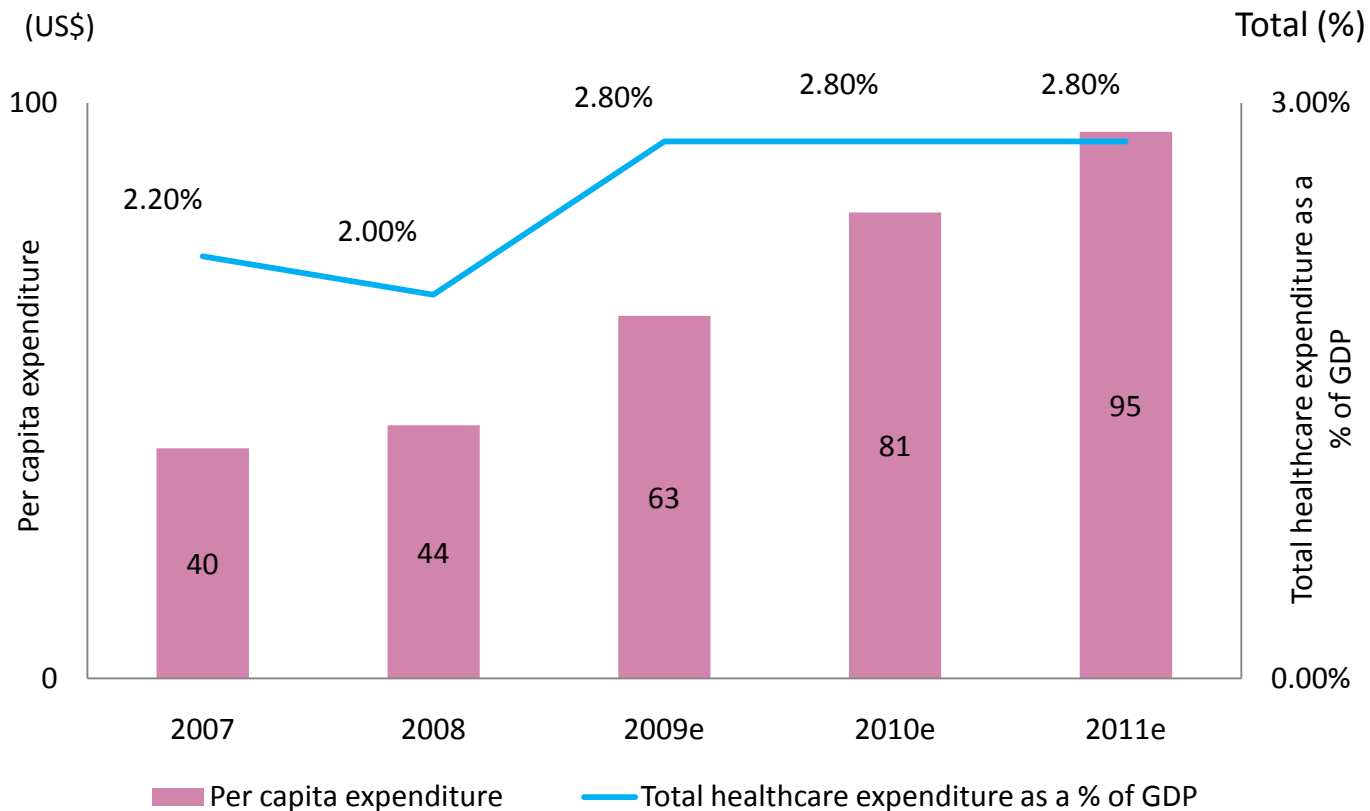
2011: 6.1% of the population consists of people above the age of 65, compared to 5% in 2009



Source: IMF, CIA World Fact Book, Indonesian Department of Health, Frost & Sullivan

Per capita healthcare expenditure in Indonesia

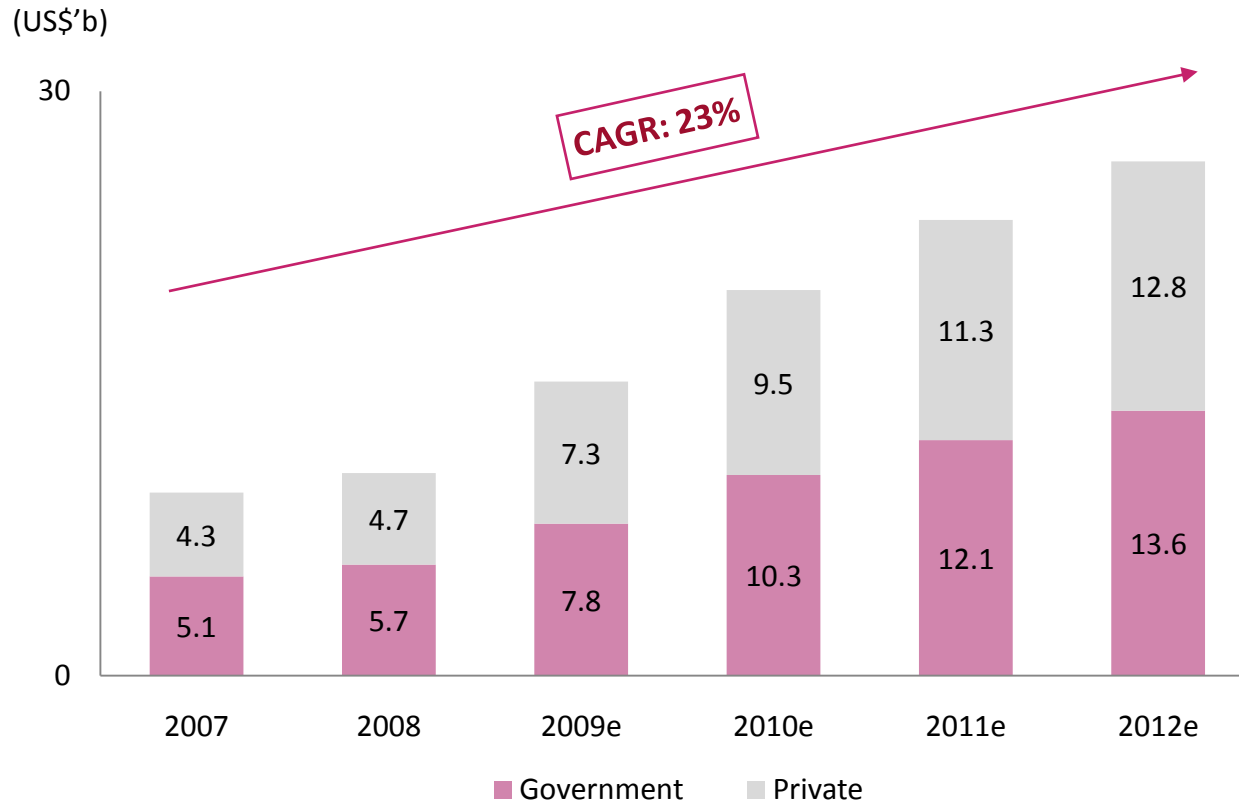
Indonesian per capita healthcare expenditure has continued to grow even through the 2008 economic crisis



Source: WHO, Frost & Sullivan.

Indonesia: private vs. government healthcare expenditure

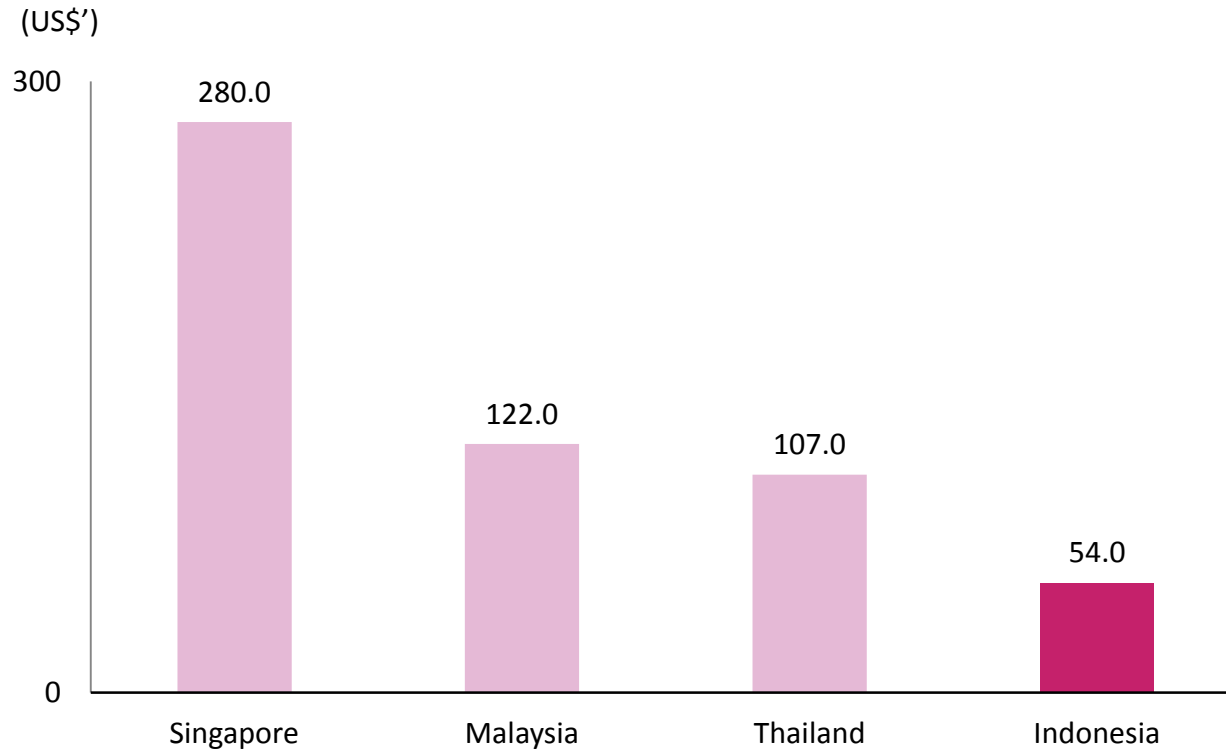
Outlook for Indonesia's healthcare expenditure likely to continue its positive growth trend, particularly with the growing penetration of universal public health insurance



Source: WHO, World Bank, Frost & Sullivan.

Average patient cost per tertiary hospital bed in Indonesia

Indonesia offers the most affordable hospitalisation cost among other countries despite facing the highest level of restraint in hospital bed capacity



Source: Frost & Sullivan.

Strong sponsor in Indonesia with healthy pipeline

Lippo Karawaci – the largest listed property company by revenue in Indonesia



Dominates Indonesia's Retail Malls and Hospitals

- ▶ Currently has 7 hospitals with 1,275 beds under the **Siloam & Hospitals** network
- ▶ Nationally and internationally accredited

LK's growth plans: 20 hospitals in the pipeline

- ▶ LK has 20 hospitals in the pipeline
- ▶ Transformational hospital group scale-up to USD3.5 billion in 5 years

First REIT has sufficient headroom for future acquisitions and funding if the need arises



Right-of-first-refusal to properties in various stages of completion

Completed developments to date



Siloam Hospitals Balikpapan

East Kalimantan

- 110 beds
- Completion: 2011



Siloam Hospitals Jambi

East Sumatra

- 100 beds
- Completion: 2011



Siloam Hospitals Makassar

South Sulawesi

- 411 beds
- Completion: 2012



Siloam Hospitals Manado

North Sulawesi

- 249 beds
- Completion: 2012

Right-of-first-refusal to properties in various stages of completion

Developments undergoing construction to date



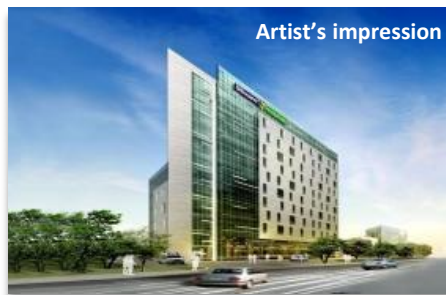
Siloam Hospitals Bali

- Bali**
- 246 beds
 - Completion: 2012



Siloam Hospitals Palembang

- Palembang**
- 334 beds
 - Completion: 2012



Siloam Hospitals TB Simatupang

- Simatupang**
- 300 beds
 - Completion: 2012



Singapore & other markets

Singapore: Nursing Home Development Programme

A slew of governmental measures aimed at making healthcare more affordable to Singaporeans; more subsidies to cover social care for the elderly and health screening for the elderly

- ▶ Launch of 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



Other markets: Continue to search for possible acquisitions

- ▶ 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

