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First REIT to acquire an integrated hospital and hotel in Manado and a hospital in Makassar for a total of S\$143 million

- Raises total asset size to S\$782 million



Siloam Hospitals Manado & Hotel Aryaduta Manado		Siloam Hospitals Makassar
Description	Integrated hospital and hotel	Hospital
Location	North Sulawesi	South Sulawesi
Established	June 2012	September 2012
Centre of Excellence	Trauma	Cardiology and trauma
Number of Beds / Rooms	224 & 200 respectively	416
Master Lessee	PT Lippo Karawaci Tbk	
Lease Terms	Conditional master lease agreements for lease terms of 15 years, with an option to renew for a further term of 15 years	

Average of Two Independent Valuations	S\$93.7 mil	S\$65.8 mil
Purchase Consideration	S\$83.6 mil	S\$59.3 mil
Discount to Valuation	10.78%	9.81%
Financing	Combination of committed debt and proceeds from a proposed private placement	Drawdown of committed debt

	Before the Acquisitions	After the Acquisitions
Pro Forma DPU	7.01 cents	7.45 cents
Pro Forma NAV per Unit	S\$0.81	S\$0.84

Pro forma financial effects of the Acquisitions on the DPU and NAV for FY2011, as if First REIT had purchased the properties on 1 January 2011, and held and operated the properties through to 31 December 2011

	Before the Acquisitions	After the Acquisitions
Pro Forma DPU	3.86 cents	4.06 cents
Pro Forma NAV per Unit	S\$0.80	S\$0.83

Pro forma financial effects of the Acquisitions on the DPU and NAV for the six months ending 30 June 2012, as if First REIT had purchased the properties on 1 January 2012, and held and operated the properties through to 30 June 2012

Key Benefits At A Glance

- Opportunity to purchase attractive and high quality properties in Manado City and Makassar City, Indonesia, at prices below valuation
- Increased absolute size of First REIT's asset base which may raise the profile of First REIT among global investors, enhance competitive positioning and ability to pursue future acquisitions
- Enables First REIT to grow through the acquisition of two hospitals which enhances the diversification of its portfolio across locations and medical specialisations
- Increased income stability and increase in weighted average lease to expiry, and reduction in the weighted average age of the properties, as properties are newly refurbished and built

SINGAPORE – 21 September 2012 – Bowsprit Capital Corporation Limited, as manager of First Real Estate Investment Trust (“**First REIT**” and as manager of First REIT, the “**Manager**”), announced today that First REIT has entered into conditional sale and purchase agreements for the proposed acquisition of two new properties in Indonesia. This move will boost First REIT's portfolio to span 12 properties across 3 regions, with a total asset size worth S\$782.2 million.

The proposed acquisitions (“**the Acquisitions**”) – comprising an integrated hospital and hotel in Manado, and another hospital in Makassar in Indonesia's southern province of Sulawesi – will be purchased from two wholly-owned units of PT Lippo Karawaci Tbk (First REIT's sponsor) for a combined purchase consideration of approximately S\$142.9 million.

The acquisition of **Siloam Hospitals Manado & Hotel Aryaduta Manado** at a consideration of S\$83.6 million will be funded by a combination of committed debt and proceeds from a proposed private placement exercise to be carried out by the Manager, whereas the purchase of the S\$59.3 million **Siloam Hospitals Makassar** will be financed entirely by a drawdown of committed debt.

Based on the average of two independent valuations from KJPP Willson & Rekan (in association with Knight Frank) and KJPP Rengganis, Hamid & Rekan (in strategic alliance with CB Richard Ellis (Pte) Ltd), the Manado and Makassar properties will be acquired at a discount of 10.78% and 9.81% respectively.

Siloam Hospitals Manado is a 224-bed hospital in Manado's Central Business District with an adjoining hotel – the 200-room **Hotel Aryaduta Manado**. Opened in June 2012, Siloam Hospitals Manado is a Centre of Excellence in trauma and is well-equipped with state-of-the-art equipment including a 1.5 Tesla MRI, a powerful 128-slice CT scan, 4D ultrasound, a modern endoscopy facility, and catheterization laboratory for complex cardiac diagnostic and intervention procedures.

The 416-bed **Siloam Hospitals Makassar**, located in the integrated township of Tanjung Bunga, caters to the growing residential and commercial area in Makassar City. It is similarly equipped with advanced equipment and facilities and is a centre of excellence in cardiology and trauma. It offers a hospital-on-wheels ambulance service along with haemodialysis and chemotherapy day care services.

PT Lippo Karawaci Tbk, First REIT's sponsor and Master Lessee of the two properties, has signed conditional master lease agreements for lease terms of 15 years, with an option to renew for a further term of 15 years. This is expected to benefit First REIT as it enjoys stability in gross rental income over the next 15 to 30 years. As well, the step-up feature of the base and variable rent components under both master leases are expected to provide locked-in organic growth in First REIT's cash flow.

Impact of the Acquisitions on Overall Portfolio

	Before the Acquisitions (as at 30 June 2012)	After the Acquisitions	Change
Asset Size	S\$618.9 m	S\$782.2 m	26.4%
Total Gross Floor Area	136,432 sq m	186,790 sq m	36.9%
Weighted Average Lease to Expiry	10.8 years	11.7 years	8.3%
Weighted Average Age of Properties	13.2 years	9.9 years	(24.6%)

Impact of the Acquisitions on Indonesia Portfolio

	Before the Acquisitions	After the Acquisitions	Change
Total Number of Hospital Beds	1,108	1,748	57.8%
Total Number of Guest Rooms	197	397	101.5%

Commenting on the latest acquisitions, the Chairman of the Manager Mr Albert Cheok said, “These two properties are of international standards in prime locations in the cities of Manado and Makassar. Siloam Hospitals Manado, with the adjoining Hotel Aryaduta Manado, targets the middle to upper middle-income segment of the hospitality market while the Siloam Hospitals Makassar is well-positioned in a growing residential and commercial area in the city. Both hospitals are equipped with the latest equipment and facilities and have specialized competencies such as trauma and cardiology. Together, they will serve local and expatriate patients well.”

Said Dr Ronnie Tan, Bowsprit’s Chief Executive Officer, “These acquisitions not only enhance First REIT’s growing portfolio of healthcare assets in Indonesia, Singapore and South Korea, but also further strengthens our income streams. The increased absolute size of our asset base will enhance our overall capital management flexibility, and serve to facilitate future acquisitions.”

“With the acquisition of these two latest properties, our total asset portfolio would exceed S\$780 million. Our investment goals remain clear, and with the good investment momentum we have set, together with the strong potential pipeline of assets in view, we are right on track to achieve our target of asset under management of S\$1 billion in the short to medium term.” Dr Tan added.

The transactions described above are subject to unitholders approval at an extraordinary general meeting (“EGM”) of unitholders. The unitholders’ circular in relation to the Acquisitions, together with a notice of the EGM to be convened, will be despatched to unitholders in due course after receiving approval from Singapore Exchange Securities Trading Limited.

Oversea-Chinese Banking Corporation Limited has been appointed as the sole financial adviser for the Acquisitions.

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About First REIT

First Real Estate Investment Trust ("First REIT") is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between Bowsprit Capital Corporation Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006.

First REIT is Singapore's first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and / or real estate-related assets in Asia that are primarily used for healthcare and / or healthcare-related purposes.

Managed by Bowsprit Capital Corporation Limited, First REIT's portfolio consists of ten properties located in Indonesia, Singapore and South Korea, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Mochtar Riady Comprehensive Cancer Centre, 6) Siloam Hospitals Lippo Cikarang, 7) Pacific Healthcare Nursing Home @ Bukit Merah, 8) Pacific Healthcare Nursing Home II @ Bukit Panjang, 9) The Lentor Residence and 10) Sarang Hospital.

Its hospital assets in Indonesia are operated by Siloam Hospitals Group, a division of PT Lippo Karawaci Tbk., a strong brand name in Indonesian healthcare industry supported by a team of international healthcare professionals, whereas the Imperial Aryaduta Hotel and Country Club is operated by The Aryaduta Hotel & Resort Group. In Singapore, the nursing homes at Bukit Merah and Bukit Panjang are operated by Pacific Healthcare Nursing Home Pte. Ltd. and Pacific Eldercare and Nursing Pte. Ltd. respectively. The Lentor Residence is operated by First Lentor Residence Pte. Ltd. Sarang Hospital in South Korea is managed by a private doctor.

Through First REIT, investors can participate in an asset class that has a focus towards Asia's growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia and the rest of Southeast Asia.

IMPORTANT NOTICE

The value of units in First REIT ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of First REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT. This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.