

Annual General Meeting

19 April 2016

FIRST  **REIT**

FIRST REAL ESTATE INVESTMENT TRUST



DISCLAIMER

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Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The value of units in First REIT (“Units”) and the income from them may fall as well as rise. 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.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager’s current view of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions – representative examples include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, shifts in expected levels of property rental income, change in operating expenses, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

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

FY2015 ACHIEVEMENTS

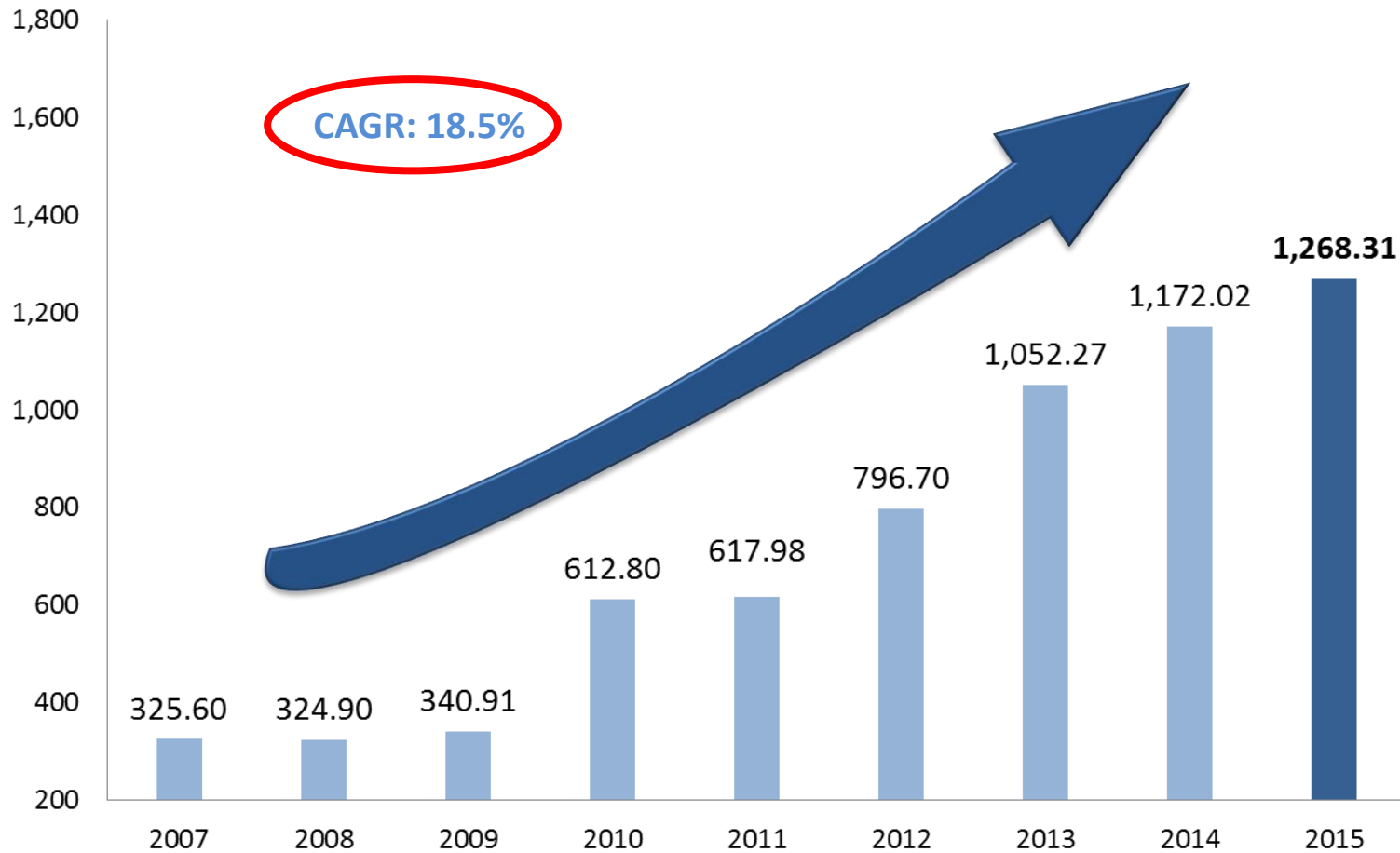
FIRST REIT
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Siloam Hospitals Kupang

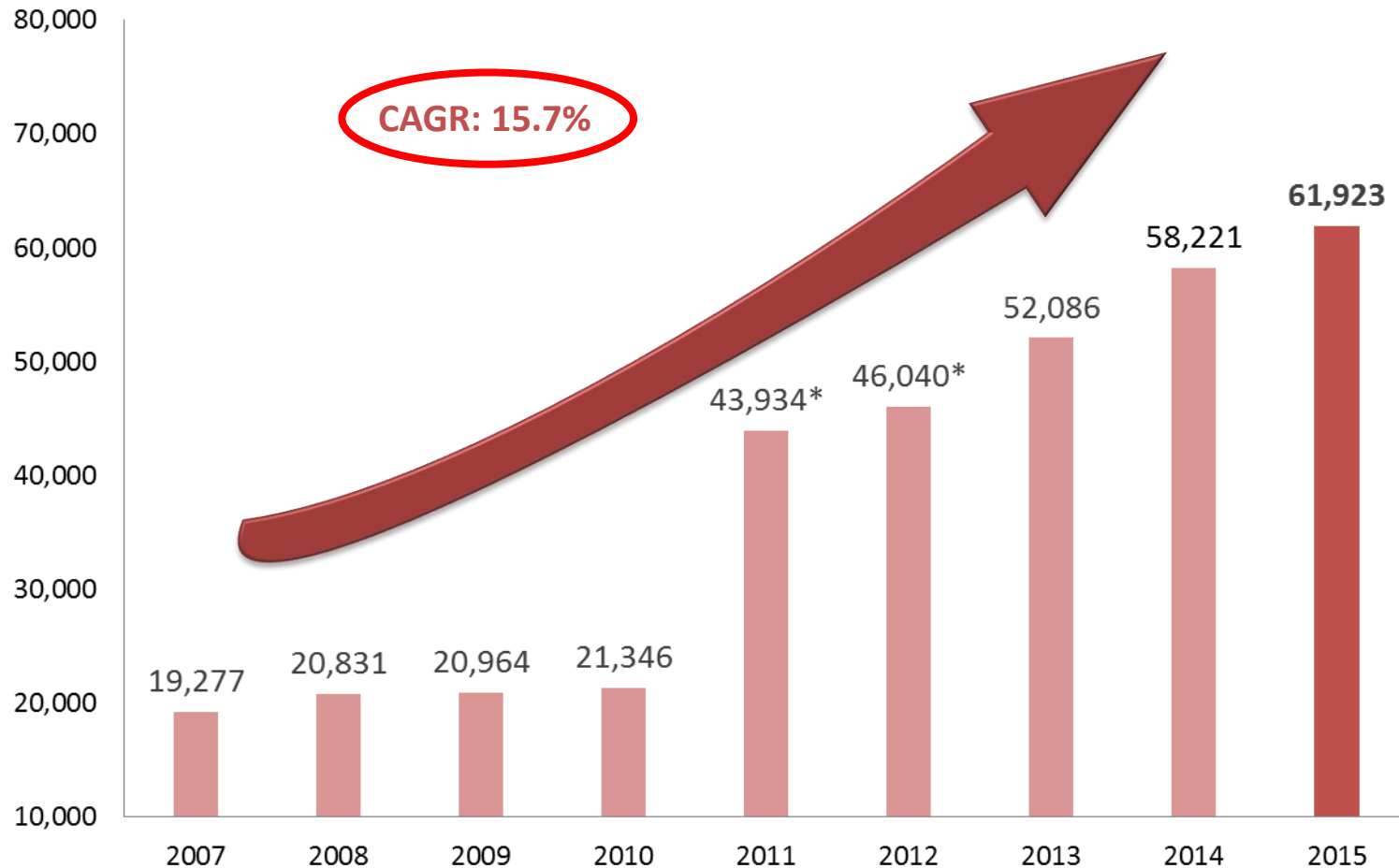
GROWTH IN ASSET SIZE

ASSETS-UNDER-MANAGEMENT (\$\$'million)



DISTRIBUTION INCOME ON THE UPTREND

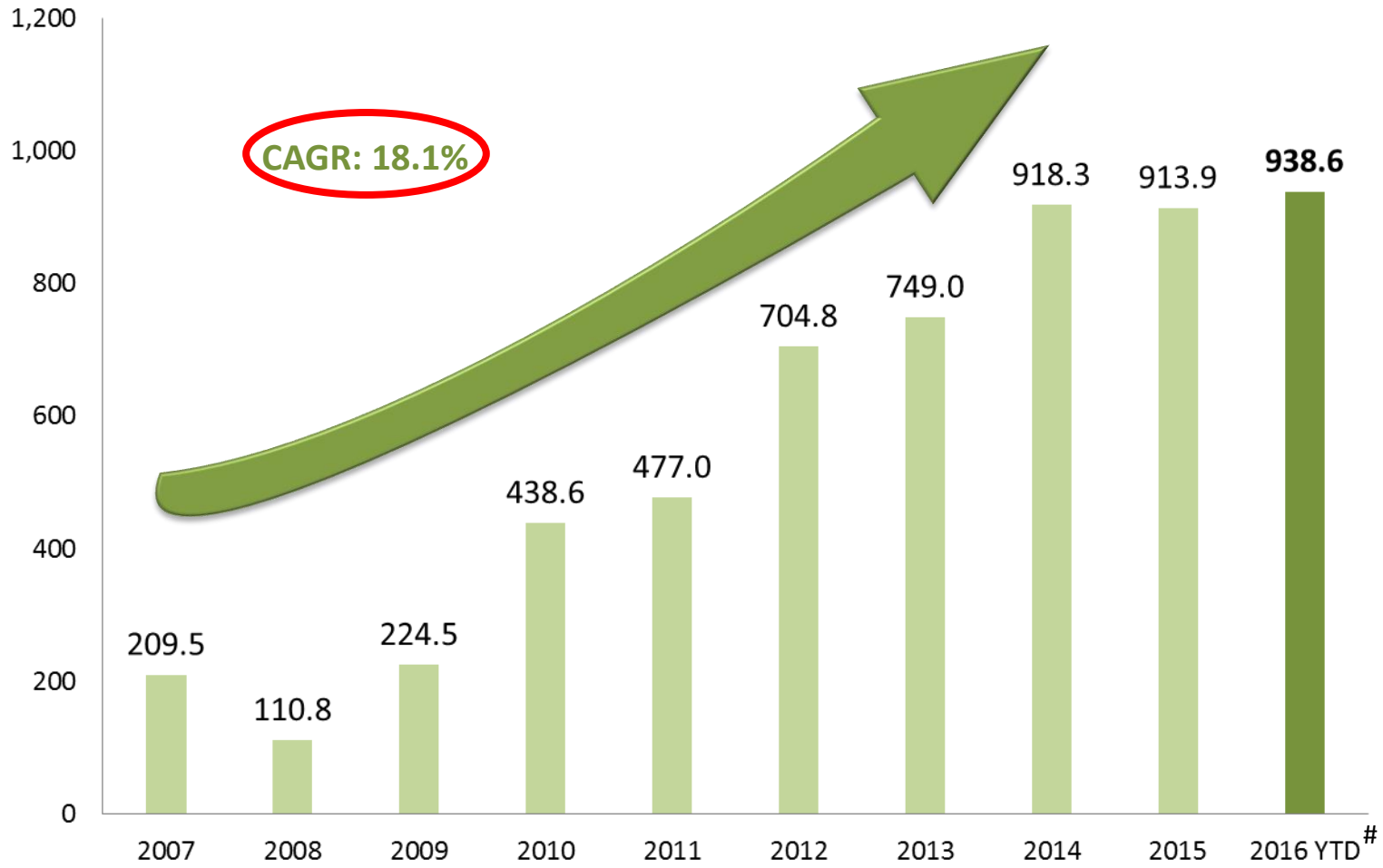
DISTRIBUTABLE AMOUNT (\$\$'000)



* Includes other gain distribution

STEADY INCREASE IN MARKET CAPITALISATION

MARKET CAPITALISATION (S\$'million)



[#] Based on closing price of S\$1.23 on 31 March 2016 and total number of units of 763,104,435

EXPANDING UNITHOLDER BASE

NO. OF UNITHOLDERS



Source: First REIT Annual Reports (2007 – 2014)

Note: For ease of presentation, the number of CPF and SRS Unitholders in each of the above years has been included and counted as 1.

RECENT TRANSACTIONS

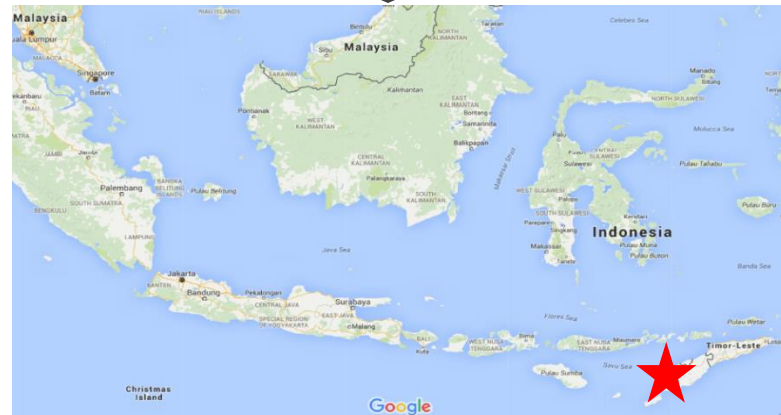
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Siloam Hospitals Surabaya

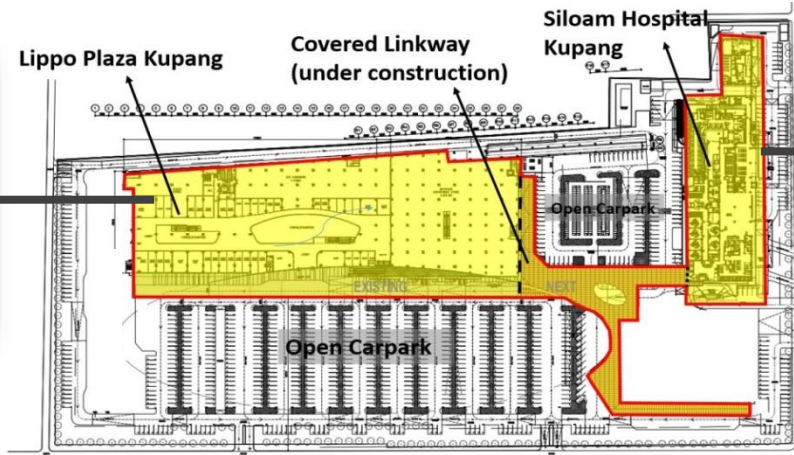
LATEST ACQUISITION: KUPANG PROPERTY

Kupang Property consists of a 4-storey hospital (**Siloam Hospitals Kupang - SHKP**) and a 3-storey mall (**Lippo Plaza Kupang - LPK**), located in Kupang, the capital city of East Nusa Tenggara.



Jalan Veteran No. 4, Arena Pameran Fatululi, Kupang, East Nusa Tenggara, Indonesia

KUPANG PROPERTY: ACQUISITION DETAILS



Property Type	Hospital & Mall	Master Lessee	PT Metropolis Propertindo Utama (Lessee of SHKP) PT Bumi Sarana Sejahtera (Lessee of LPK)
Purchase Consideration	S\$70.0 million	Base Rent	SHKP - Initial base rent of S\$3.84 million per annum LPK - Initial base rent of S\$3.10 million per annum 9.91% rental yield
Valuations	S\$75.42 million by Winarta¹ S\$73.34 million by W&R²	Base Rent Escalation	Takes effect from the fourth year and for subsequent years of the SHKP Master Lease at a rate equal to 2x percentage increase of Singapore CPI, capped at 2% LPK rent escalation starts from second year onwards
Discount to Valuation	7.19% <i>(based on higher of 2 valuations)</i>	Variable Rent	Takes effect from the fourth year and for subsequent years of the SHKP Master Lease based on SHKP Gross Operating Revenue growth No variable rent for LPK
Financing	Issuance of consideration units – S\$15.0 million Cash and debt – S\$55.0 million	Lease Term	15 years with option to renew for a further 15 years

¹ KJPP Winarta & Rekan as the valuation arm of Jones Lang LaSalle, appraised as at 1 October 2015

² KJPP Willson & Rekan in association with Knight Frank, appraised as at 7 October 2015

KUPANG PROPERTY: PROPERTY DETAILS

Jalan Veteran No. 4, Arena Pameran Fatululi, Kupang, East Nusa Tenggara, Indonesia

Description	SHKP – Four-storey with one basement floor, 133 vehicle parking spaces LPK – Three-storey with a rooftop		
Established	2014	Gross Floor Area	55,368 sqm
Hospital Beds	405	Centre of Excellence	Emergency & Trauma, Obstetrics, Gynaecology and Paediatrics
Property Classification	Hospital & Mall		



Siloam Hospitals Kupang



Lippo Plaza Kupang



- ▶ SHKP is the most modern and well-equipped facility in the whole East Nusa Tenggara province
- ▶ Offers various specialties including Internal Medicine, Anaesthesiology, Cardiology, Obstetrics & Gynaecology, Neurology and General Surgery
- ▶ SHKP is fitted with advanced diagnostic technologies including 128-slice dual source CT Scanner, X-ray systems, 4-Dimension USG, Mammography, Dental Panoramic system, MRI, Haemodialysis Facility, and a fully equipped medical check-up facility
- ▶ LPK has a rooftop on which a cinema and parking lots are located

AEI: SILOAM HOSPITALS SURABAYA

Artist's impression of the mixed development where the New SHS will be located



Description

12-storey hospital building with two podium floors and one lower ground floor, equipped with state-of-the-art medical equipment

The mixed development will comprise the New SHS, a private school, an ancillary mall, a hotel and apartment and adequate car parks

Gross Floor Area

24,246 sqm

Max. No. of Beds

488

Centre of Excellence

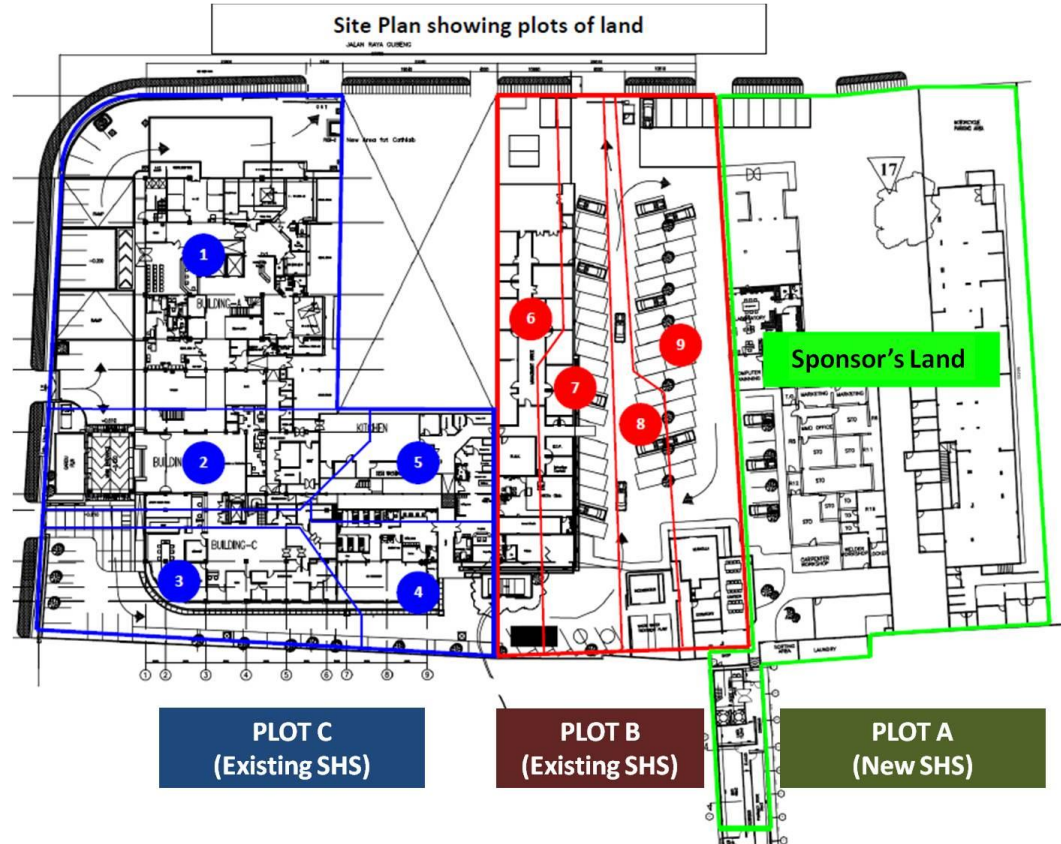
Cardiology, Emergency & Trauma, Fertility Treatment

Expected date of completion

2019

AEI: SILOAM HOSPITALS SURABAYA

- A New SHS, as part of a mixed development, will replace the Existing SHS in an **Asset Swap**
- The mixed development will be constructed on Plot A, Plot B and Plot C (where the existing SHS is situated)
- **The new SHS will be constructed on Plot A**
- On completion of development works and the issuance of the SLF* and hospital operation permits and licences, the Existing SHS will be swapped with the New SHS



The numbers 1 to 9 referred to in the site plan are the plots of the “Right to Build” (*Hak Guna Bangunan* or “**HGB**”) land titles which the existing SHS is situated on.

**Sertifikat Layak Fungsi (Functional and Worthiness Certificate)*

TRANSACTION SUMMARY

The SHS Asset Swap will be carried out through the following:

Divestment of Plot B (Completed)

- Divestment of Plot B for **S\$8.2 million** owned by First REIT to its Sponsor, PT Lippo Karawaci Tbk (Lippo Karawaci)

Development Works

- Lippo Karawaci will construct mixed development on Plot A (Sponsor's Land) and Plot B
- While Development Works is in progress, the Existing SHS will remain operational and this ensures **continuity in rental income** for First REIT

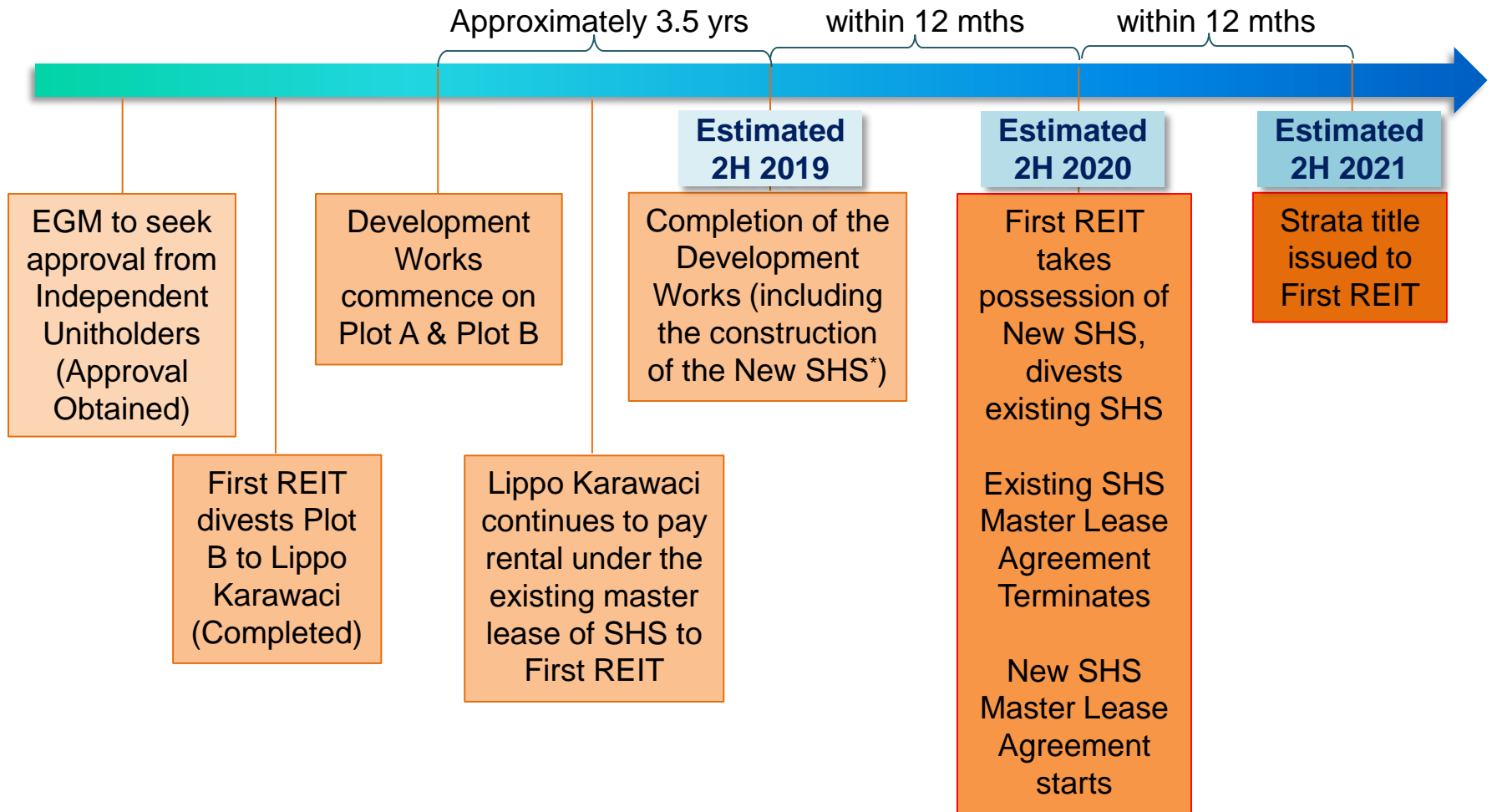
New SHS Acquisition and New Master Lease

- Upon completion of the New SHS, First REIT will acquire the New SHS located on Plot A for **S\$90.0 million** from Lippo Karawaci and enter into a new master lease agreement with Lippo Karawaci

Divestment of Existing SHS¹

- Divestment of Existing SHS located on Plot C for **S\$27.5 million** owned by First REIT to Lippo Karawaci

TRANSACTION TIMELINE (INDICATIVE)



PROPOSED ACQUISITION

FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST



Siloam Hospitals Yogyakarta

PROPOSED JOINT ACQUISITION



Entitled to all economic benefits, costs and undertakings related to Siloam Hospitals Yogyakarta (**SHYG**)

Joint acquisition



Entitled to all economic benefits, costs and undertakings related to Lippo Plaza Jogja (**LPJ**)



Integrated development in Yogyakarta consisting of a hospital (Siloam Hospitals Yogyakarta) and retail mall (Lippo Plaza Jogja)



Yogyakarta has one of the highest population densities in Java

SILOAM HOSPITALS YOGYAKARTA



Property Type	Hospital	Master Lessee	PT Lippo Karawaci Tbk
Purchase Consideration	S\$40.82 million	Base Rent	Initial base rent of S\$3.85 million per annum 9.4% gross yield
Valuations	S\$41.52 million by W&R¹ S\$45.20 million by Rengganis²	Base Rent Escalation	Takes effect from the fourth year and for subsequent years of the SHYG Master Lease at a rate equal to 2x percentage increase of Singapore CPI, capped at 2%
Discount to Valuation	9.69% <i>(based on higher of 2 valuations)</i>	Variable Rent	Takes effect from the fourth year and for subsequent years of the SHYG Master Lease based on SHYG Gross Operating Revenue growth
Financing	Drawdown of committed debt and internal cash	Lease Term	15 years with option to renew for a further 15 years
Property Title	Both SHYG and LPJ are held under one "Right to Build" (Hak Guna Bangunan or " HGB ") title certificate as current regulations do not allow the subdivision and issuing of separate strata titles. First REIT and LMIR Trust have therefore decided to jointly acquire the asset.		

PROPERTY DETAILS: SILOAM HOSPITALS YOGYAKARTA

Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta, Indonesia

Established	2015	Land Area	13,715 sqm
Hospital Beds	240	Gross Floor Area	12,474 sqm
Property Classification	Hospital	Centre of Excellence	Neuroscience and Cardiology



- ▶ SHYG is part of a 10-storey building with a basement and a mezzanine level, comprising the hospital and a retail mall
- ▶ Shares a multi-storey vehicle parking area with LPJ on the upper levels totalling 752 car lots and 875 motorcycle lots
- ▶ Newly furnished and fitted with state-of-the-art medical facilities and technologies, equipped with a helipad on the roof
- ▶ Centrally located in Yogyakarta, highly accessible and situated approximately five kilometres from the Adisucipto International Airport



1Q 2016 FINANCIAL HIGHLIGHTS

An aerial photograph of a modern, multi-story building with a glass facade. The building is surrounded by lush green trees and other urban structures. The "Siloam" logo is prominently displayed on the upper part of the building's facade. The logo consists of a stylized blue and yellow symbol followed by the word "Siloam" in a green, sans-serif font.

Siloam

**Mochtar Riady Comprehensive
Cancer Centre**

KEY HIGHLIGHTS

Newly-acquired properties boosted income streams while growth pipeline remains strong

- Portfolio of **17 properties** across Indonesia, Singapore & South Korea, with total **assets-under-management** at **S\$1.27 billion**

- Financial Performance**

	1Q 2016	1Q 2015	Y-O-Y ↑	FY 2015	FY 2014	Y-O-Y ↑
Gross Revenue (S\$'m)	26.5	24.7	7.1%	100.7	93.3	8.0%
Net Property Income (S\$'m)	26.2	24.2	8.1%	99.3	91.9	8.1%
Distributable Income (S\$'m)	16.2	15.3	6.2%	61.9	58.2	6.4%
DPU (cents)	2.11	2.06	2.4%	8.30	8.05	3.1%

- Annualised DPU of 8.49 cents translates to distribution yield of **6.9%**¹
- Received Unitholders' approval on 29 December 2015 for Asset Enhancement Initiative (AEI) of **Siloam Hospitals Surabaya**
- First REIT has a strong financial position with **no refinancing needs until 2017**
- Maintained **gearing below 35%** despite significant growth in portfolio value, distributable amount and DPU
- Announced the **proposed acquisition** of **Siloam Hospitals Yogyakarta** on 3 February 2016, which will increase total **assets-under-management** to **S\$1.31 billion** upon completion

¹Based on closing price of S\$1.23 on 31 March 2016

KEY FINANCIAL HIGHLIGHTS (\$\$'000)

Acquired 8 hospitals,
1 integrated hospital & mall and
1 integrated hospital & hotel in
the last 6 years

Indonesia: 2010

- MRCC
- SHLC

Singapore: Mar 2011

- Divestment of Adam Road property

South Korea: Aug 2011

- Sarang Hospital

Indonesia: 2012

- MD Property
- SHMK

Indonesia: 2013

- SHBL
- SHTS

Indonesia: 2014

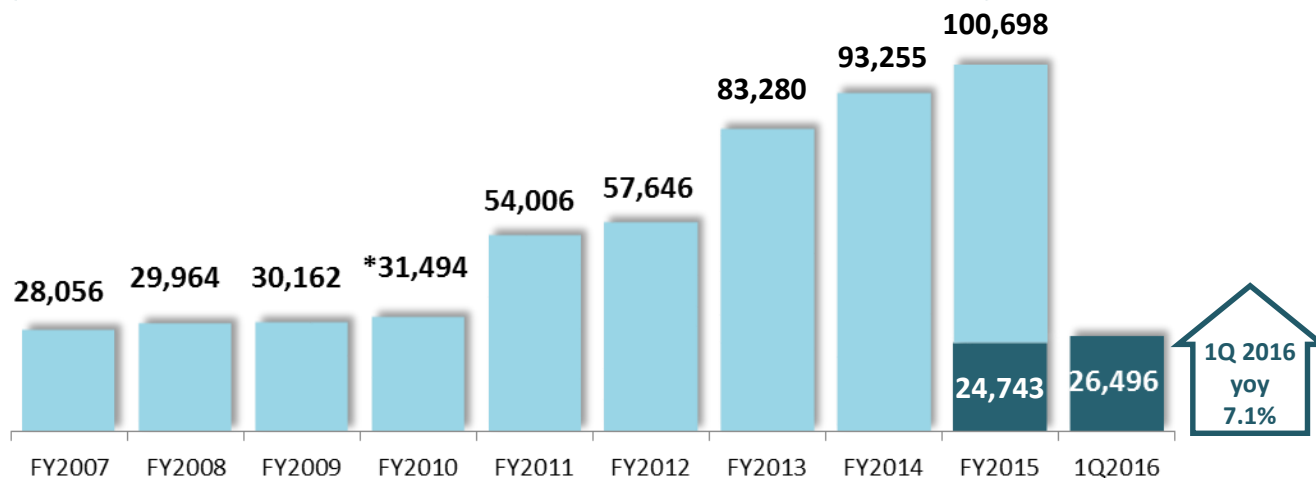
- SHPW
- SS

Indonesia: 2015

- Kupang Property

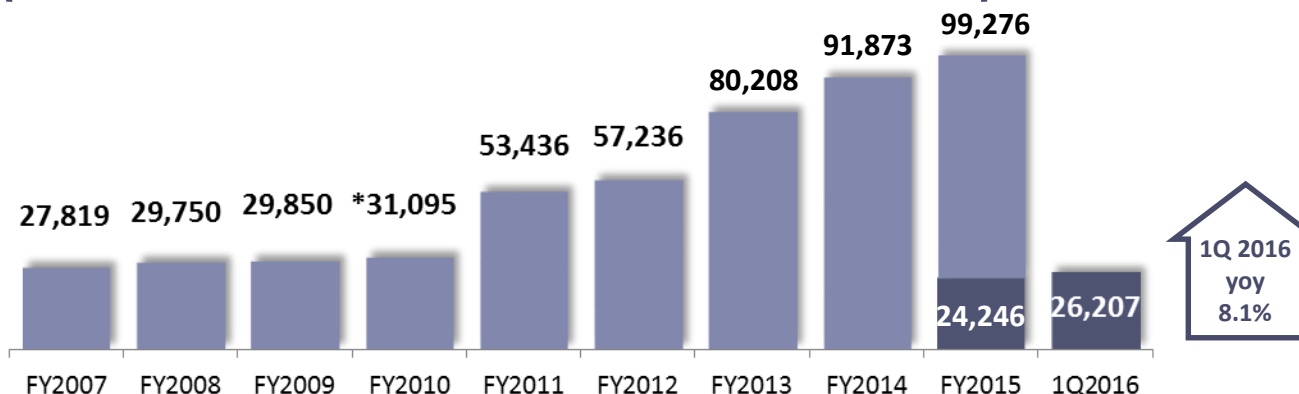
Gross Revenue

CAGR: 17.3%



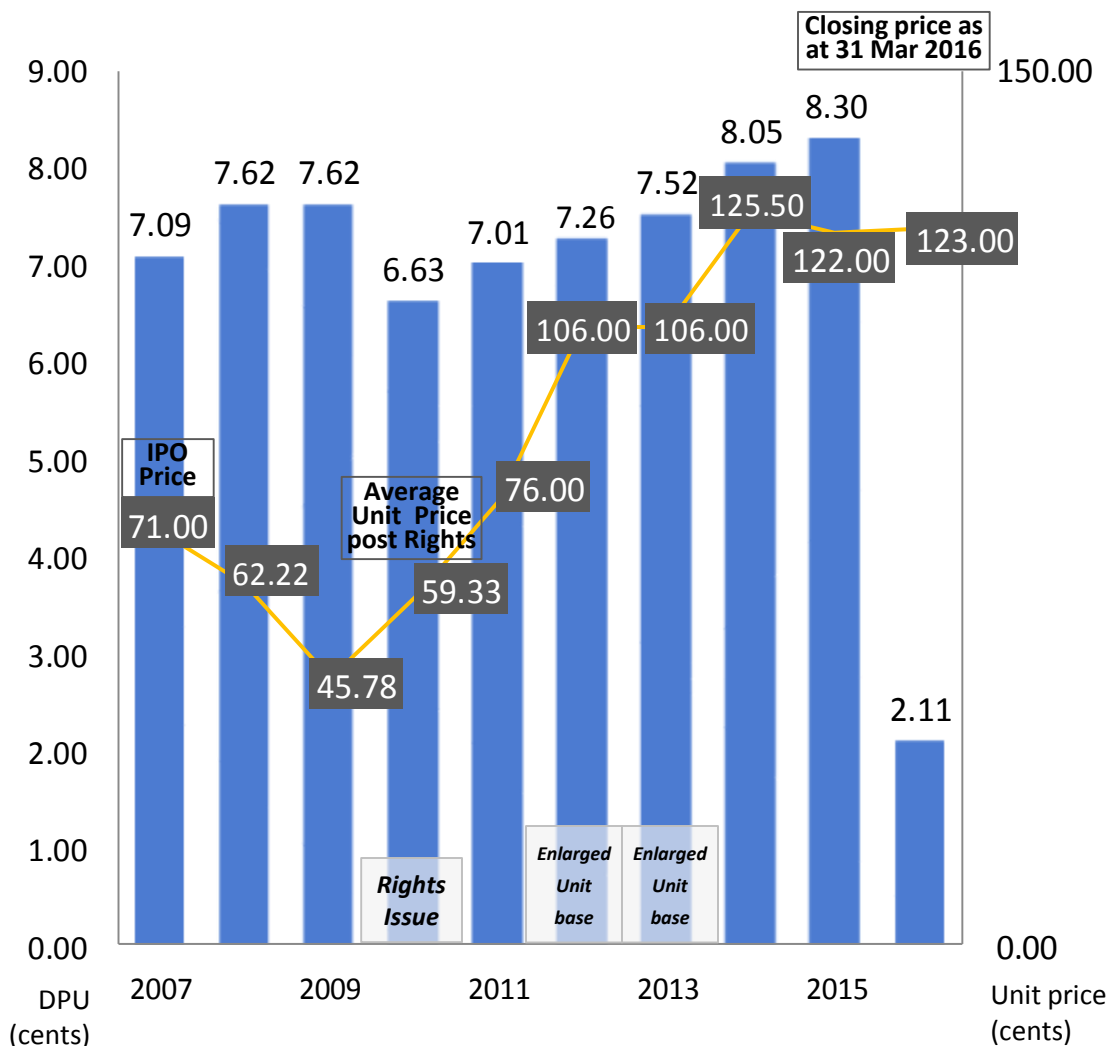
Net Property Income

CAGR: 17.2%



*Includes deferred rental income from Adam Road property as at 31 December 2010, which was divested on 25 March 2011

% OF TOTAL RETURN - YTD & ANNUALISED



DPU Return: FY 2007 to YTD : **69.21 cents**
 Return on Average Unit Price : **63.67 cents**
 Total return to date : **132.88 cents**
Average Unit Price post Rights = (71.00 x 4 + 50.00 x 5)/9 = 59.33

Illustration of First REIT's Unit Value since IPO

- Total amount invested (assumes S\$1,000 of First REIT Units at IPO and subscription to Rights Units) : S\$1,880.28
- Total worth of Investment (including Dividends from IPO to YTD) : S\$5,581.30
- Annualised total return¹ : **21.1%**

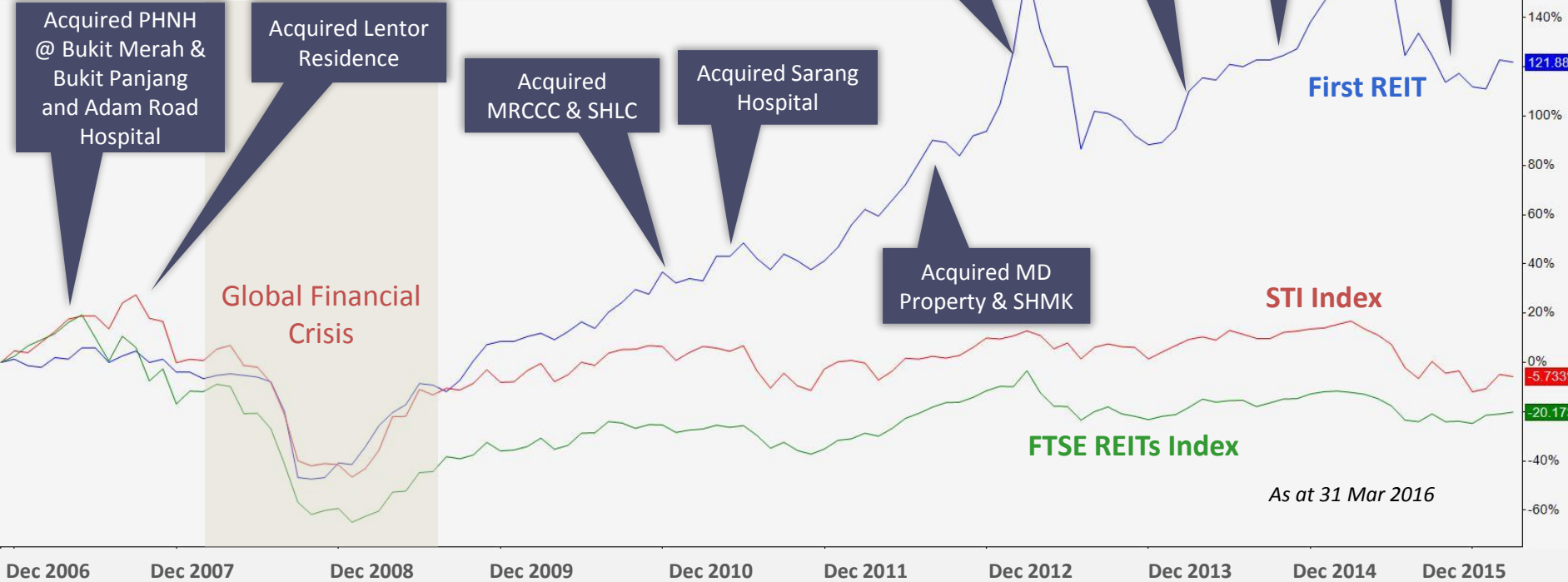
¹ Assumes Unitholder owned First REIT Units at the IPO price of S\$0.71 per unit and fully subscribed for the 5-for-4 Rights Issue at S\$0.50 per unit in 2010. The annualised total return will vary for investors who purchased Units in the secondary market at a market price that differs from the IPO price of S\$0.71 per unit and/or who did not fully subscribe for the 5-for-4 rights issue in 2010.

FIRST REIT vs BENCHMARK INDICES

Since listing in December 2006

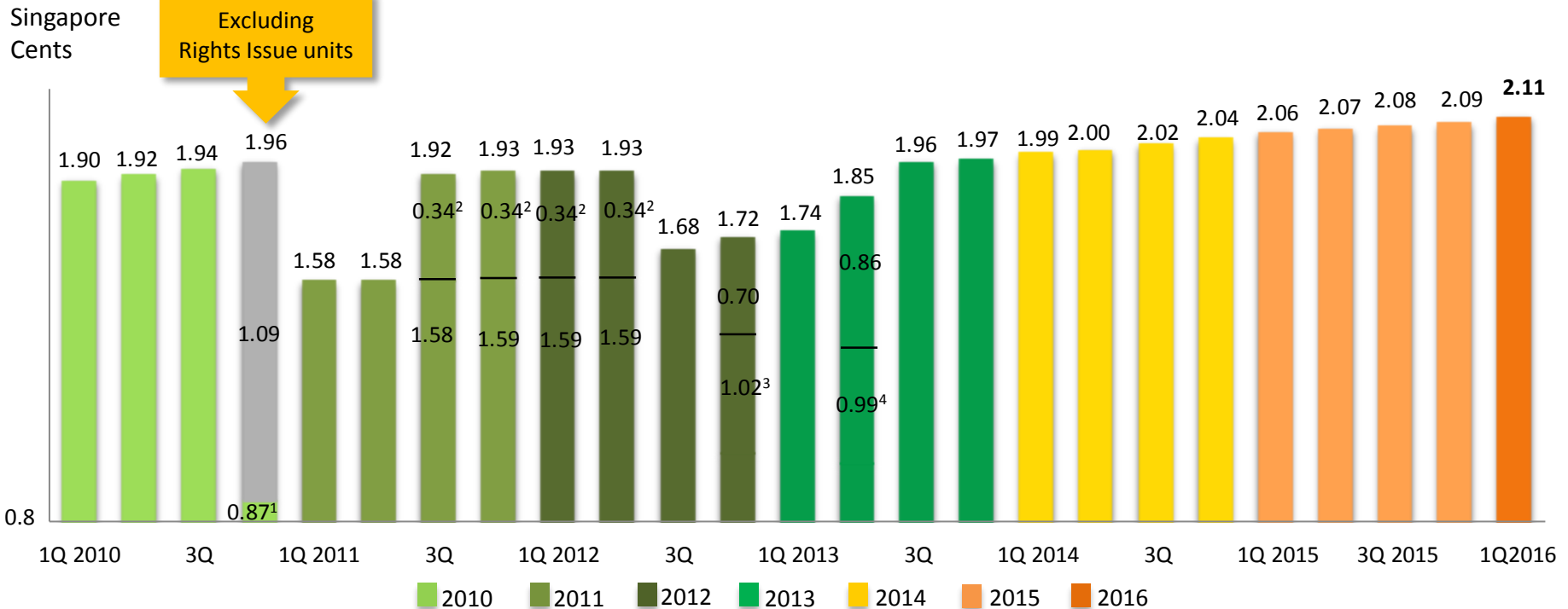
Adjusted for Rights Units

First REIT [1DAY] : 1.23
 Straits Times Index (STI) [1DAY] : 2840.90
 FTSE ST Real Estate Investment Trusts Index [1DAY] : 722.54



As at 31 Mar 2016

STEADY GROWTH IN QUARTERLY DPU



(1) 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

(2) The other gain distribution ("other gain") is the gain on divestment of the Adam Road property recognised in 1Q 2011, and was paid in 3Q 2011, 4Q 2011, 1Q 2012 and 2Q 2012

(3) The advance distribution of 1.02 cents per unit for the period from 1 Oct to 25 Nov 2012 was paid on 26 Dec 2012 and calculated based on applicable number of units in issue as at 25 Nov 2012

(4) The advance distribution of 0.99 cents per unit for the period from 1 Apr to 21 May 2013 was paid on 26 Jun 2013 and calculated based on applicable number of units in issue as at 21 May 2013

STRONG CASH DISTRIBUTION MODEL

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

Period	1 January 2016 to 31 March 2016
Distribution Per Unit	2.11¢
- Taxable	0.08¢
- Tax-Exempt	1.12¢
- Capital	0.91¢

Distribution Time Table	
Last trading day quoted on a “cum” distribution basis	21 April 2016
Ex-dividend date	22 April 2016
Book Closure Date	26 April 2016 at 5.00 pm
Announcement of Issue Price for DRP Units	26 April 2016
Submission of DRP Notice of Election and Tax Declaration Forms	17 May 2016 at 5.00 pm
Distribution Payment Date	30 May 2016
Listing of DRP Units	30 May 2016

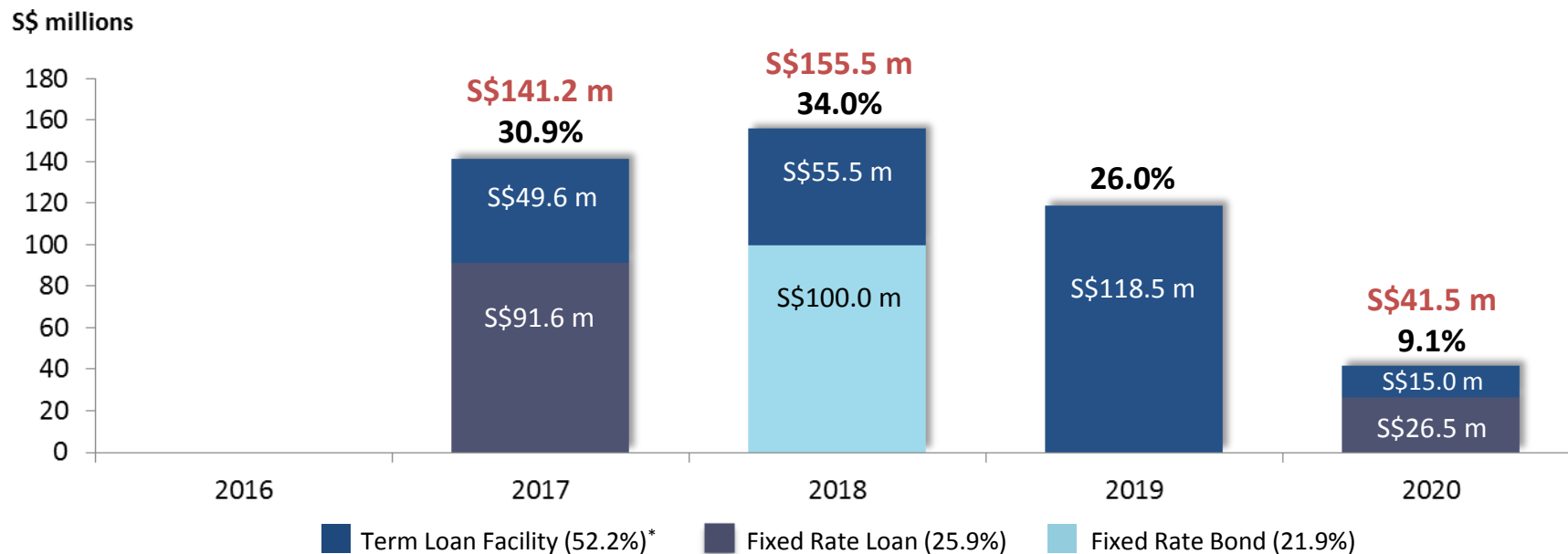
MAJORITY OF S\$ LOANS ARE ON FIXED RATE BASIS

To mitigate the impact of interest rate fluctuations, 85.3% of First REIT's debt is on a fixed rate basis

	As at 31 Mar 2016	As at 31 Dec 2015
Total Debt ⁽¹⁾	S\$456.7 million	S\$447.6 million
Gearing Ratio	34.5%	34.0%

⁽¹⁾ before transaction costs

Debt Maturity Profile



* Term loan amount of S\$171.6 million is hedged using interest rate swap

- First REIT has no refinancing needs until 2017
- Borrowings are secured by investment properties (except SHS, SS and Sarang Hospital)

OUR GROWTH STRATEGY



Siloam Hospitals

Siloam Hospitals Kebon Jeruk

CONTINUE ACQUISITION OF YIELD ACCRETIVE ASSETS

First REIT's potential pipeline for future acquisitions and AEs

Indonesia

Strong sponsor in Indonesia with healthy pipeline

- ▶ Right of First Refusal to LK's healthcare properties
- ▶ LK has 20 hospitals under Siloam Hospitals network
- ▶ 44 hospitals in the pipeline
- ▶ Nationally and internationally accredited
- ▶ Transformational hospital group scale-up to US\$3.5 billion in 5 years
- ▶ Other pipeline properties:
 - Siloam Hospitals Labuan Bajo, East Nusa Tenggara
 - Siloam Hospitals Bau-Bau, South East Sulawesi
 - Siloam Hospitals Sorong, West Papua
 - Siloam Hospitals Panakkukang Makassar, South Sulawesi
 - Siloam Hospitals Pluit, North Jakarta
 - Siloam Hospitals Cempaka Putih, Central Jakarta
 - BIMC Hospital Kuta, Bali⁽¹⁾
 - BIMC Hospital Nusa Dua, Bali⁽¹⁾

Potential Asset Enhancement Initiatives (AEIs)

- ▶ Siloam Hospitals Kebon Jeruk (SHKJ), West Jakarta
- ▶ Imperial Aryaduta Hotel & Country Club (IAHCC), Lippo Village Tangerang

Singapore & Other Markets

- ▶ Nursing homes
- ▶ Other quality and yield-accretive healthcare-related assets in Asia

Pipeline properties

Siloam Hospitals Balikpapan



East Kalimantan
• 232 beds

Siloam Hospitals Jambi



East Sumatra
• 100 beds

Siloam Hospitals Asri



South Jakarta
• 43 beds

Siloam Hospitals Medan



North Sumatra
• 350 beds

Siloam Hospitals Yogyakarta



Central Java

Siloam Hospitals Bandung



West Java

OPTIONS FOR FUTURE DEBT & EQUITY

Debt

- Secured Term Loans
- Medium Term Notes (MTN)
- Bonds



Equity

- Private Placement
- Payment to Vendor
- Perpetual Securities
- Distribution Reinvestment Plan

THANK YOU

Q&As

FIRST  **REIT**
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