

PRESS RELEASE dated 22 Oct 2007

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First REIT's 3Q07 distributable income exceeds forecast by 7.5% to S\$4.68 million

- Revenue exceeds forecast by 15.3% to \$7.02 million with contributions from four new acquisitions
- DPU of 1.72 Singapore cents is 7.5% above forecast; translates to annualised distribution yield of 8.65%
- Portfolio expansion continues with China MOUs

(S\$'000)	1 Jul 2007 – 30 Sep 2007		Change(%)
	<i>Actual</i>	<i>Forecast</i>	
Gross Revenue	7,023	6,090	15.3
Net Property Income	6,997	6,055	15.6
Distributable Income	4,612	4,374	5.4
Distribution Per Unit (cents)			
- For the period	1.72	1.60	7.5
- Annualised	6.70	6.36	5.3
Distribution Yield (%)			
- Based on closing price of 77.5 Singapore cents on 19 October 2007	8.65	8.21	5.4

SINGAPORE – 22 October 2007 – Bowsprit Capital Corporation (the “Manager”), the manager of First Real Estate Investment Trust (“First REIT”), Singapore’s first healthcare real estate investment trust, today announced distributable income of S\$4.68 million for First REIT’s third quarter FY2007 ending 30 September 2007. This exceeded forecast by 7.5%.

Distribution Per Unit (“DPU”) for the third quarter was 1.72 Singapore cents or 7.5% higher than forecast. This translates to an annualised DPU of 6.70 Singapore cents, representing a distribution yield of 8.65%, using the closing price of S\$0.775 per unit on 19 October 2007.

Actual revenue was booked at S\$7.02 million, exceeding the forecast by 15.3% from a base of S\$6.09 million. Net Property Income (NPI) grew 15.6% from a forecast of S\$6.06 million to an actual NPI of \$7.0 million.

The Books Closure and Distribution Payment dates are 1 November 2007 and 29 November 2007 respectively.

Revenue growth in the third quarter was driven by contributions in rental income from First REIT’s newly acquired properties – Pacific Healthcare Nursing Homes at Bukit Merah and Senja in April 2007, The Lentor Residence in June 2007 and the Adam Road Hospital in July 2007.

With the addition of four healthcare facilities in Singapore, First REIT’s total group assets amounted to S\$328 million while Net Asset Value (NAV) per unit was 0.88 Singapore cents, as of 30 September 2007.

Dr Ronnie Tan, Bowsprit’s CEO noted, “The regional macroeconomic environment, including Indonesia and Singapore where we have the bulk of our properties, remains positive for 2007. As such, we are confident of exceeding our forecast DPU of 6.51 Singapore cents for the full year.”

Potential Acquisitions

Providing an update on First REIT’s acquisition targets, Dr Tan added, “Leveraging on the buoyant regional healthcare markets, coupled with our strong acquisition pipeline, we are confident of raising our asset portfolio to S\$500 million before end of 2009.”



‘In fact, one of our strengths lies in our low gearing at approximately 16.5% giving us more options to fund prospective acquisitions. We have recently ventured into China, establishing agreements with hospitals located in Wuxi, Shanghai and Jiangsu province to explore potential acquisitions’

First REIT signed a Memorandum of Understanding (MOU) with Nantong Rich Hospital Co. Ltd. (“Nantong”) in August 2007 to invest in the property assets of a 500-bed hospital in Jiangsu province via a subscription of Redeemable Convertible Cumulative Preference Shares (RCCPS).

In September 2007, First REIT entered into a conditional agreement to invest in the property assets of the 200-bed Shanghai Woman and Child Healthcare Hospital and the proposed Hengshan Urology Hospital, both located in Shanghai.

Most recently, in October 2007, First REIT signed a MOU to acquire the 90-bed Wuxi New District Phoenix Hospital.

Besides acquiring assets from other vendors in the region, First REIT continues to explore potential acquisitions with its Sponsor, Lippo Karawaci in Indonesia.

About First REIT

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 eight properties located in Singapore and Indonesia, namely, 1) **Adam Road Hospital**, 2) **The Lentor Residence**, 3) **Pacific Healthcare Nursing Home @ Bukit Merah**, 4) **Pacific Healthcare Nursing Home @ Senja**, 5) **Siloam Hospitals Lippo Karawaci** (160 operational beds¹), 6) **Siloam Hospitals West Jakarta** (205 operational beds), 7) **Siloam Hospitals Surabaya** (160 operational beds), and 8) **Imperial Aryaduta Hotel & Country Club** (190 saleable rooms²), which is a popular choice with business travellers and also provides accommodation for out-of-town inpatients, outpatients and day-surgery patients as it is located near Siloam Hospitals Lippo Karawaci.*

Its Indonesian assets are operated by PT. Siloam International Hospitals, a wholly-owned subsidiary of PT. Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals. In Singapore, the Adam Road Hospital, Pacific Healthcare Nursing Home at Bukit Merah and Pacific Healthcare Nursing Home at Senja are operated by associates of Pacific Healthcare Holdings Limited while The Lentor Residence is operated by First Lentor Residence Pte Ltd.

Through First REIT, investors can participate in a new 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.

While the assets in its portfolio are located in only Singapore and Indonesia, First REIT's acquisition growth strategy leverages on the expected rising per capita healthcare

¹ The bed capacity of this hospital is 250.

² The room capacity of the hotel is 197.

expenditure in the region by targeting investments in healthcare and/or healthcare-related assets in key cities throughout Asia.

First REIT's current distribution policy is to distribute 100.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts, for the period commencing from its listing date (11 December 2006) to 31 December 2007, and thereafter to distribute at least 90.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts.

IMPORTANT NOTICE

The value of units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase 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.

This release may contain forward-looking statements that involve assumptions, 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the 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 current view of management on future events.