

Macquarie ASEAN Conference

24 - 26 August 2015

FIRST REIT
FIRST REAL ESTATE INVESTMENT TRUST



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



FIRST REIT

FIRST REAL ESTATE INVESTMENT TRUST

- 1 Overview of First REIT
- 2 Financial Highlights
- 3 Growth Prospects

FIRST REIT AT A GLANCE

01 WELL-DEFINED ACQUISITION STRATEGY

- Distinct growth strategy by acquiring yield-accretive properties in the healthcare and healthcare-related industry which fulfils its investment criteria

02 ASSET SIZE AND CLASS

- 16 assets: S\$S\$1,172.0 million (as at 31 December 2014)
- Indonesia: 10 hospitals, 1 integrated hotel & hospital and 1 hotel & country club
- Singapore: 3 nursing homes
- South Korea: 1 hospital

03 RESILIENT HEALTHCARE-RELATED REAL ESTATE INVESTMENT TRUST IN SINGAPORE

- Mandated to invest in quality, income-producing healthcare and/or healthcare-related real estate assets in Asia

04 LEASING TENANCY ARRANGEMENT

- Long lease terms of minimum 10 years up to 15 years with step up escalation

05 FINANCING ARRANGEMENT

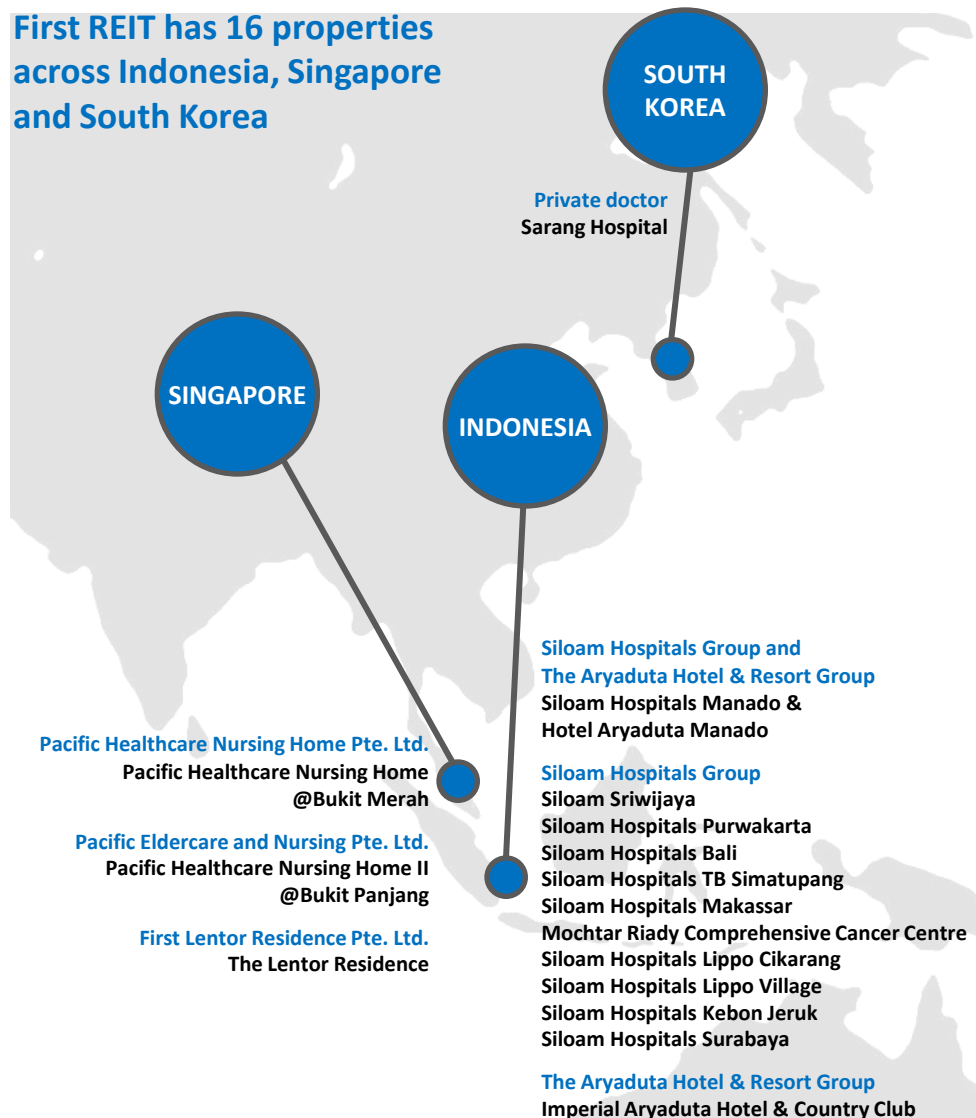
- Term loan with Banks
 - S\$301.6 million
- Fixed Rate Notes under the MTN Programme
 - S\$100 million

06 INSTITUTIONAL VS RETAIL INVESTORS

- Sponsor ≈ 34%
- Retail ≈ 33%
- Institutional ≈ 33%
- Number of Unitholders ≈ 8,300 + (as at March 2015)
- Total number of Units: 745,766,854

CURRENT PORTFOLIO: 16 PROPERTIES ACROSS 3 REGIONS

First REIT has 16 properties across Indonesia, Singapore and South Korea



S\$1,172 m

Total Assets-Under-Management

251,339 sqm

Total Assets-Under-Management

4,224

Maximum number of beds/ saleable rooms

10.8 years¹

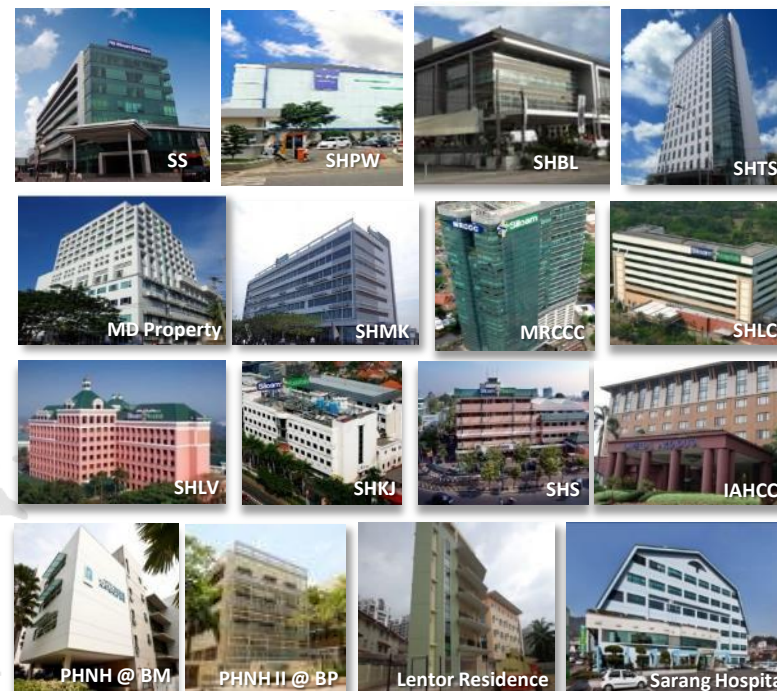
Weighted Average Lease Expiry

100%

Total Committed Occupancy

10-15 years

Long Lease terms with step up escalation



¹ As at 30 June 2015, the Weighted Average Lease Expiry of the portfolio is 10.8 years

PORTFOLIO VALUATION SINCE IPO

Property	Valuation since IPO (S\$m)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	%
Indonesia										
Siloam Hospitals Lippo Village	132.5	139.0	138.5	146.8	147.3	153.8	158.1	158.2	162.1	13.8%
Siloam Hospitals Kebon Jeruk	71.2	75.1	74.1	81.2	82.0	85.9	88.4	90.3	91.9	7.8%
Siloam Hospitals Surabaya	23.6	25.8	26.2	27.4	29.7	30.9	31.7	32.6	33.2	2.8%
Imperial Aryaduta Hotel & Country Club	29.8	31.8	32.2	30.9	34.1	35.5	36.4	38.7	42.1	3.6%
Mochtar Riady Comprehensive Cancer Centre	-	-	-	-	216.0	217.5	223.3	240.1	253.2	21.6%
Siloam Hospitals Lippo Cikarang	-	-	-	-	41.3	41.3	42.9	45.4	46.0	3.9%
Siloam Hospitals Manado & Hotel Aryaduta Manado	-	-	-	-	-	-	96.5	100.2	104.2	8.9%
Siloam Hospitals Makassar	-	-	-	-	-	-	66.8	70.5	72.3	6.2%
Siloam Hospitals Bali	-	-	-	-	-	-	-	117.1	121.6	10.4%
Siloam Hospitals TB Simatupang	-	-	-	-	-	-	-	112.1	116.5	9.9%
Siloam Hospitals Purwakarta	-	-	-	-	-	-	-	-	38.1	3.3%
Siloam Sriwijaya	-	-	-	-	-	-	-	-	43.8 ⁽¹⁾	3.7%
<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>744.1</u>	<u>1,005.2</u>	<u>1,125.0</u>	<u>96.0%</u>
Singapore										
Pacific Healthcare Nursing Home @ Bukit Merah	-	12.6	12.0	11.4	11.1	11.0	10.8	10.7	10.5	0.9%
Pacific Healthcare Nursing Home II @ Bukit Panjang	-	11.5	11.4	11.1	11.0	11.0	10.7	10.8	10.6	0.9%
The Lantor Residence	-	13.1	13.0	12.5	12.1	14.0	16.8	17.6	17.6	1.5%
<i>Subtotal</i>	-	<u>37.2</u>	<u>36.4</u>	<u>35.0</u>	<u>34.2</u>	<u>36.0</u>	<u>38.3</u>	<u>39.1</u>	<u>38.7</u>	<u>3.3%</u>
South Korea										
Sarang Hospital	-	-	-	-	-	17.1 ⁽²⁾	14.3 ⁽²⁾	8.0 ⁽²⁾	8.3 ⁽²⁾	<u>0.7%</u>
Grand Total	<u>257.1</u>	<u>308.9</u>	<u>307.4</u>	<u>321.3</u>	<u>584.6</u>	<u>618.0</u>	<u>796.7</u>	<u>1,052.3</u>	<u>1,172.0</u>	100%

⁽¹⁾ Based on the valuation by Winarta & Rekan in association with Jones Lang LaSalle, appraised as at 1 October 2014

⁽²⁾ Based on the exchange rate of US\$1=S\$1.2940 (as at 28 December 2011), US\$1=S\$1.2224 (as at 31 December 2012), US\$1=S\$1.2645 (as at 31 December 2013), US\$1=S\$1.3214 (as at 31 December 2014)

LEASE STRUCTURES ENSURE CONSISTENT RETURNS

Stable, long-term master leases: 10 – 15 years per property

Indonesia and Singapore properties' rental: **SGD**

- Forex volatility is mitigated by pegging base rent to SGD

South Korea property rental: **USD**

Resilient rental structure in place

Indonesia

- Fixed base rental
- **Annual base rental escalation** (2x percentage increase of Singapore CPI, capped at 2%)
- Additional **variable rental growth component** as a function of total gross revenue of Indonesian assets

Singapore | South Korea

- Fixed base rental
- **Annual increment** of 2%

Triple-Net Leases

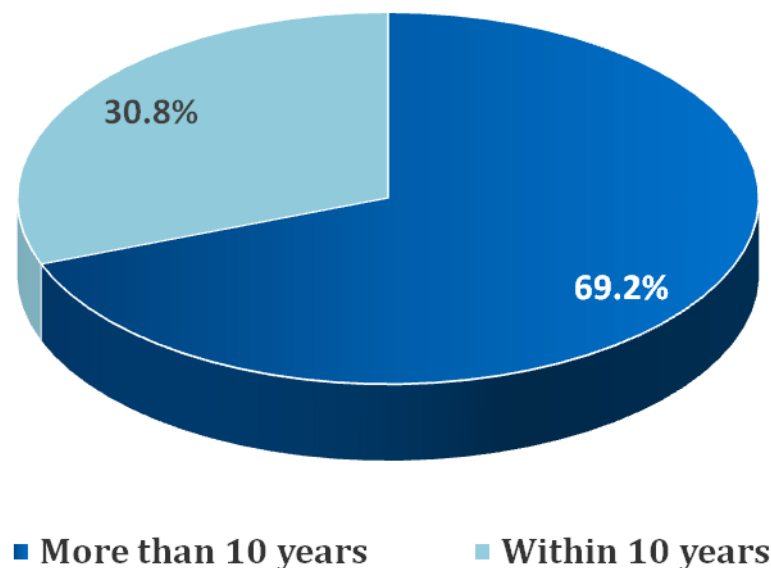
During the term of each of the Master Lease Agreements, the Master Lessee will bear all operating costs relating to the Properties, including:-

- ▶ **Maintenance**
- ▶ **Certain taxes**
- ▶ **Insurance**

WEIGHTED AVERAGE LEASE EXPIRY OF 10.8 YEARS

Master Lease	Expiry
Sarang Hospital	Aug 2021
Siloam Hospitals Lippo Village	Dec 2021
Siloam Hospitals Kebon Jeruk	Dec 2021
Siloam Hospitals Surabaya	Dec 2021
Imperial Aryaduta Hotel & Country Club	Dec 2021
Mochtar Riady Comprehensive Cancer Centre	Dec 2025
Siloam Hospitals Lippo Cikarang	Dec 2025
Pacific Healthcare Nursing Home @ Bukit Merah	Apr 2027
Pacific Healthcare Nursing Home II @ Bukit Panjang	Apr 2027
The Lantor Residence	Jun 2027
Siloam Hospitals Manado & Hotel Aryaduta Manado	Nov 2027
Siloam Hospitals Makassar	Nov 2027
Siloam Hospitals Bali	May 2028
Siloam Hospitals TB Simatupang	May 2028
Siloam Hospitals Purwakarta	May 2029
Siloam Sriwijaya	Dec 2029

Lease expiry profile as % of GFA





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KEY HIGHLIGHTS

Expanded income streams from larger portfolio of properties boosted revenue and DPU

- Portfolio of **16 properties** across Indonesia, Singapore & South Korea, with total **assets-under-management at S\$1.17 billion**

- Financial Performance**

	2Q 2015	2Q 2014	Y-O-Y ↑	1H 2015	1H 2014	Y-O-Y ↑
Gross Revenue (S\$'m)	25.0	23.0	8.5%	49.7	45.5	9.3%
Net Property Income (S\$'m)	24.6	22.7	8.3%	48.9	44.9	8.8%
Distributable Income (S\$'m)	15.4	14.4	7.2%	30.7	28.6	7.3%
DPU (cents)	2.07	2.00	3.5%	4.13	3.99	3.5%

- 2Q 2015 revenue and earnings increased year-on-year due to **contribution** from **Siloam Sriwijaya** and other properties in Indonesia and Singapore
- Annualised DPU of 8.33 cents translates to distribution yield of **6.0%**¹
- First REIT has a strong financial position with **no refinancing needs until 2017**
- Maintained **gearing below 35% limit** despite significant growth in portfolio value, distributable amount and DPU

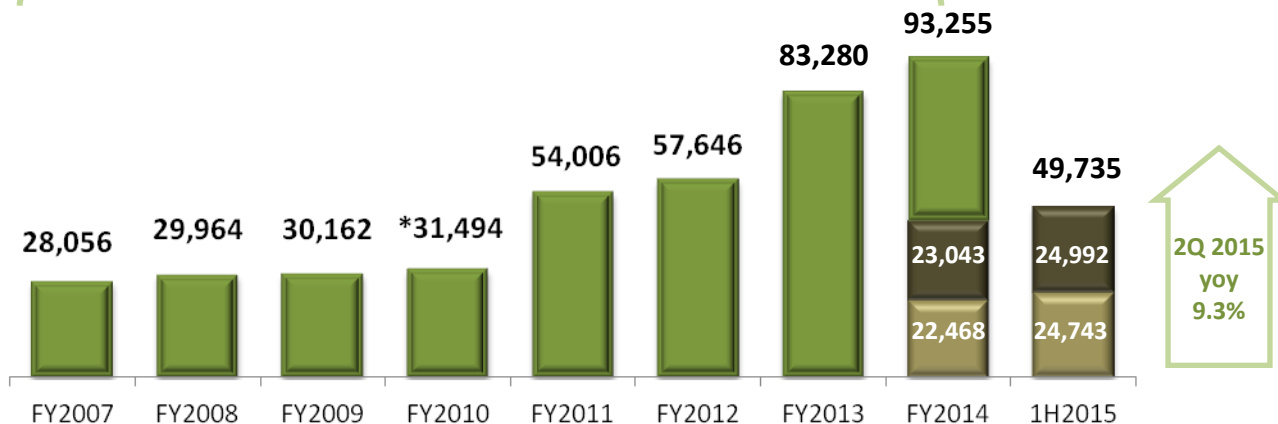
¹ Based on closing price of S\$1.395 on 13 August 2015

KEY FINANCIAL HIGHLIGHTS (S\$'000)

Acquired 8 new hospitals +
1 new integrated hospital &
hotel in the last 5 years

Gross Revenue

CAGR: 18.7%



Indonesia: Dec 2010

- MRCCC
- SHLC

Singapore: Mar 2011

- Divestment of Adam Road property

South Korea: Aug 2011

- Sarang Hospital

Indonesia: Nov 2012

- MD Property
- SHMK

Indonesia: May 2013

- SHBL
- SHTS

Indonesia: May 2014

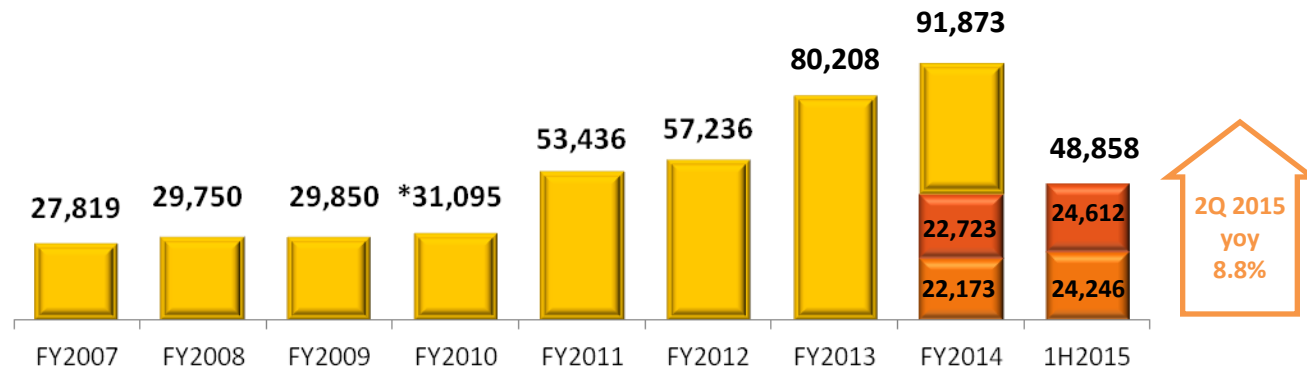
- SHPW

Indonesia: Dec 2014

- SS

Net Property Income

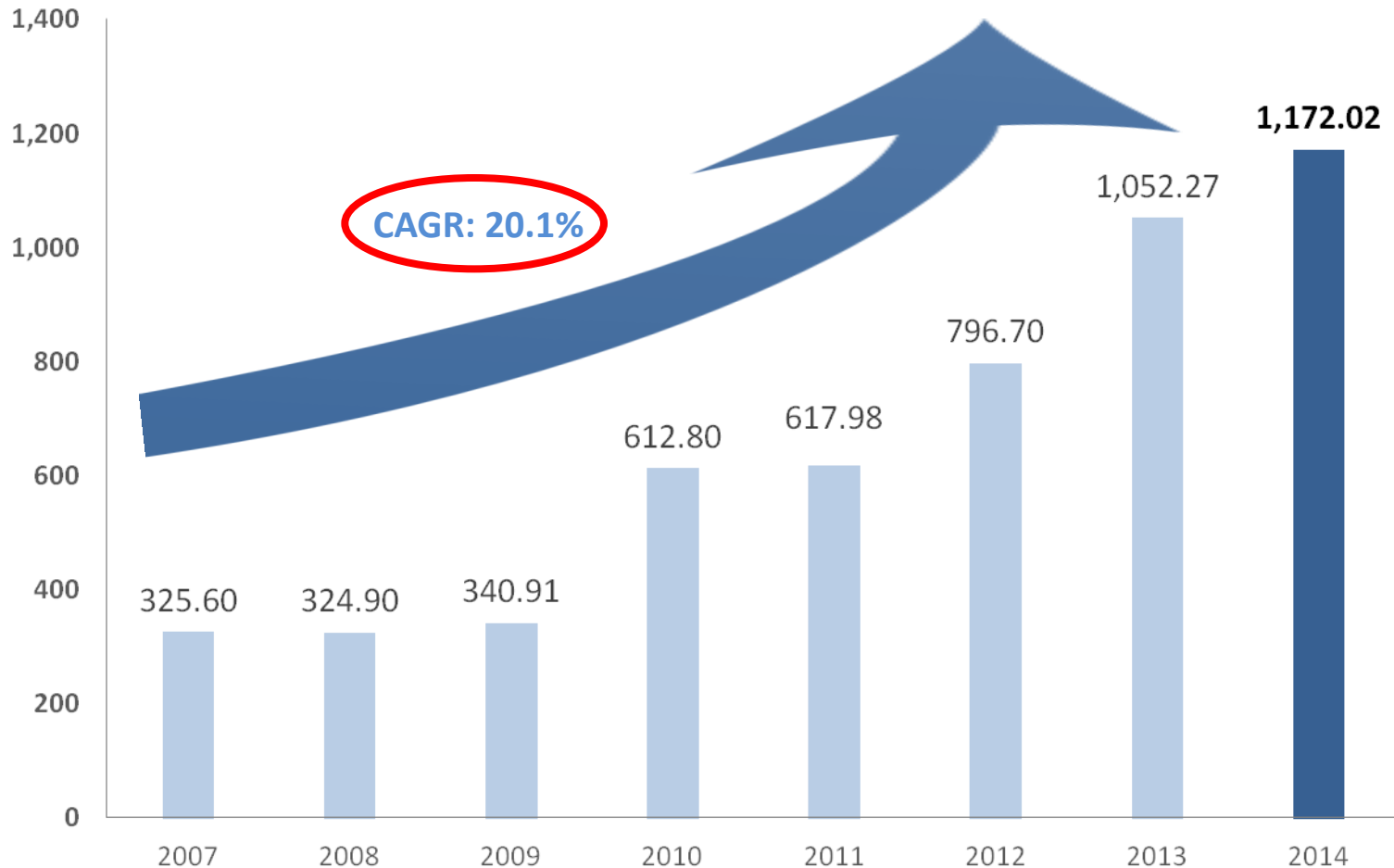
CAGR: 18.6%



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

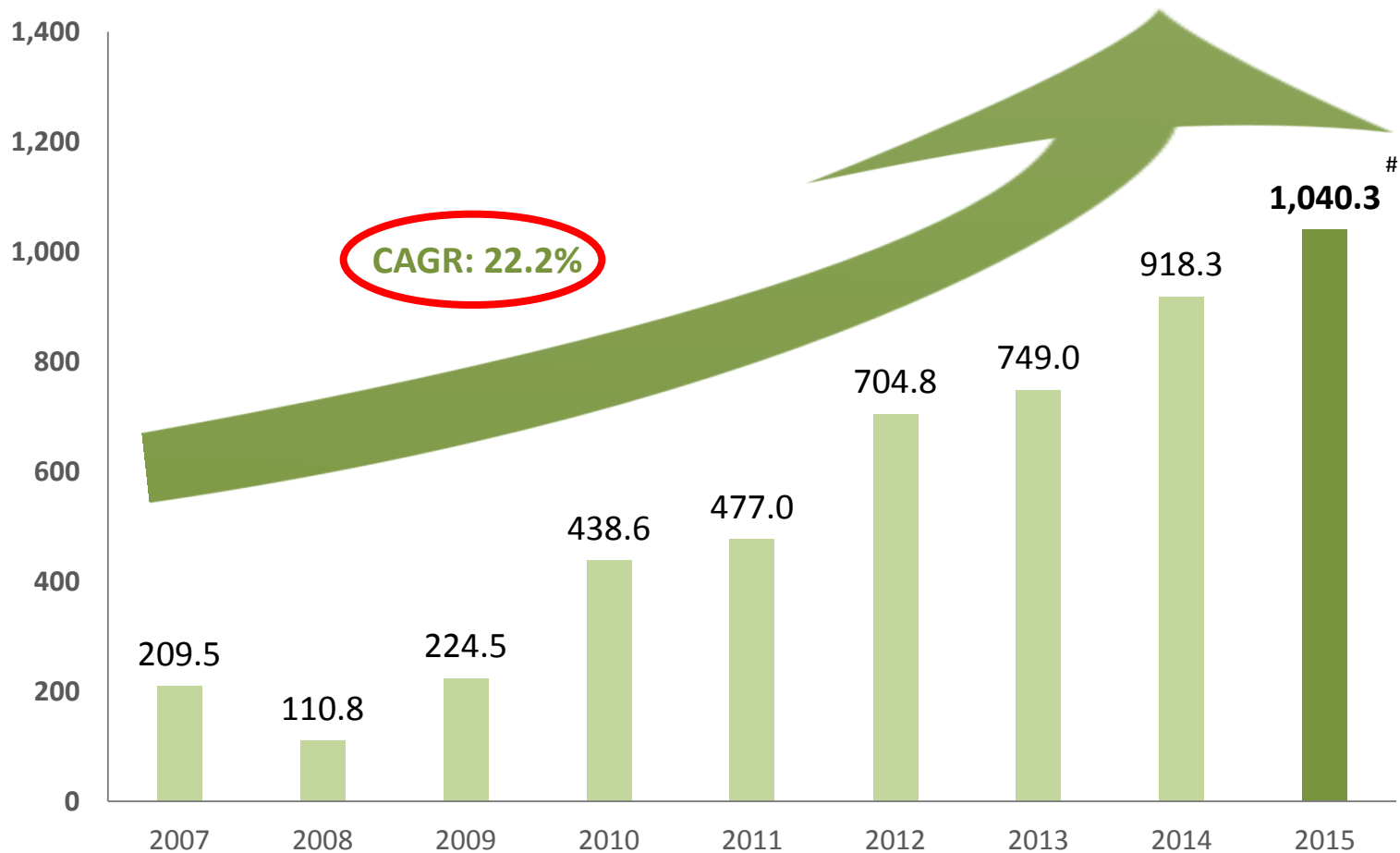
GROWTH IN ASSET SIZE

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



ACHIEVED S\$1 BILLION IN MARKET CAPITALISATION

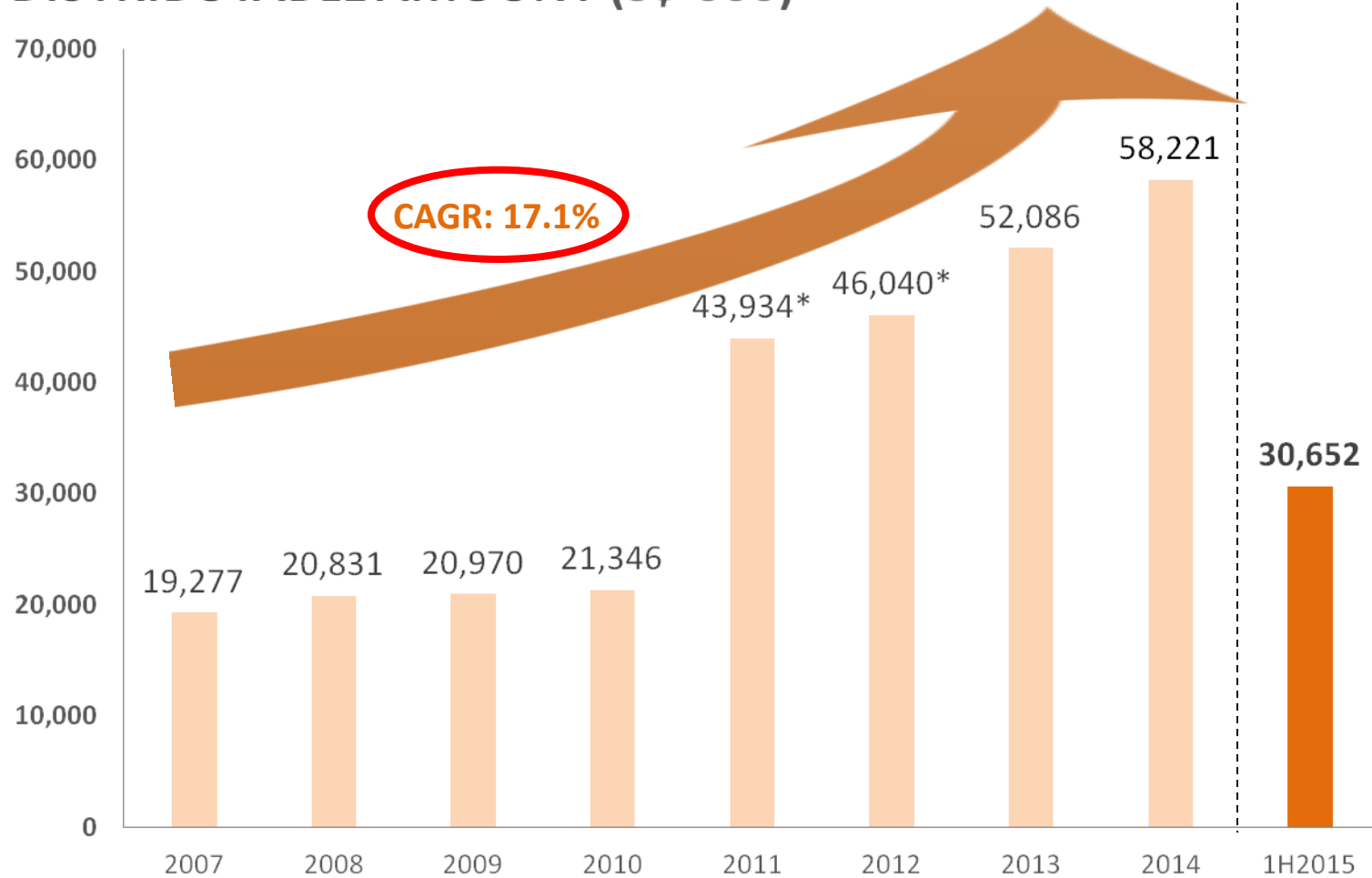
MARKET CAPITALISATION (S\$'million)



[#] Based on closing price of S\$1.395 on 13 August 2015 and total number of units of 745,766,854

DISTRIBUTION INCOME ON THE UPTREND

DISTRIBUTABLE AMOUNT (\$\$'000)



* Includes other gain distribution

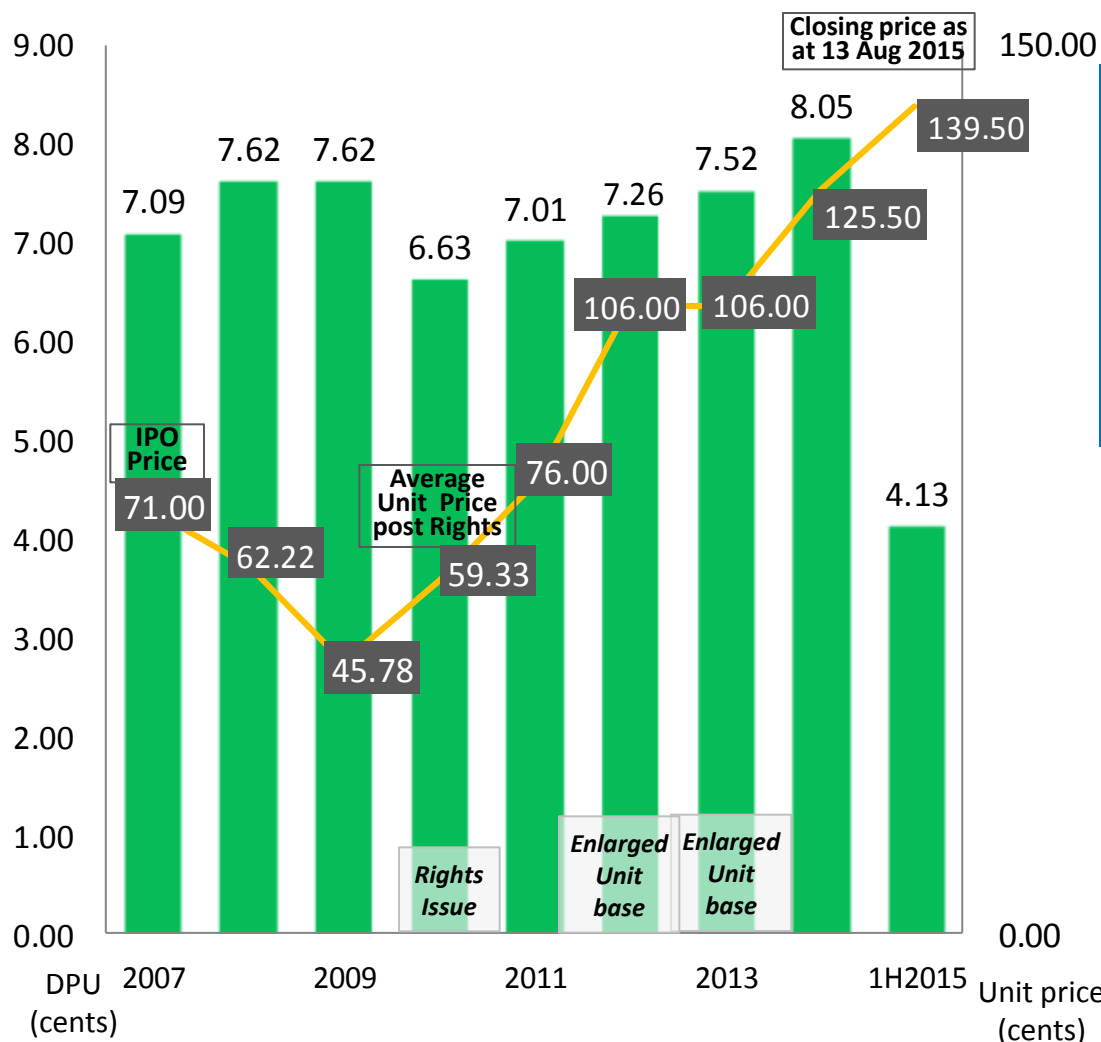
BEST 5 PERFORMERS OF 2014

NAME OF TOP 10 PERFORMING REITS	SGX Code	Market Cap (\$m)	Total Return 2014 % ¹	Dvd Ind Yld %
FORTUNE REIT	F25U	2,482.9	38.5	5.4
SUNTEC REIT	T82U	4,904.4	34.4	4.8
CAPITARETAIL CHINA TRUST	AU8U	1,337.4	29.4	6.1
CAPITACOMMERCIAL TRUST	C61U	5,168.2	27.7	4.9
FIRST REAL ESTATE INVT TRUST	AW9U	918.3	26.8	6.4
MAPLETREE COMMERCIAL TRUST	N2IU	2,966.3	25.7	5.5
MAPLETREE GREATER CHINA COMM	RW0U	2,577.7	21.3	6.7
MAPLETREE LOGISTICS TRUST	M44U	2,925.5	20.1	6.4
MAPLETREE INDUSTRIAL TRUST	ME8U	2,572.5	19.6	7.0
FRASERS COMMERCIAL TRUST	ND8U	961.0	18.7	6.2

Source: SGX My Gateway, Bloomberg (Data as of 2 January 2015)

¹ Total returns incorporate both price changes and reinvested dividends

% OF TOTAL RETURN - YTD & ANNUALISED



DPU Return: FY 2007 to YTD : **62.93 cents**

Return on Average Unit Price : **80.17 cents**

Total return to date : **143.10 cents**

Average Unit Price post Rights = $(71.00 \times 4 + 50.00 \times 5) / 9 = 59.33$

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\$5,905.18**
- Annualised total return¹ : **24.7%**

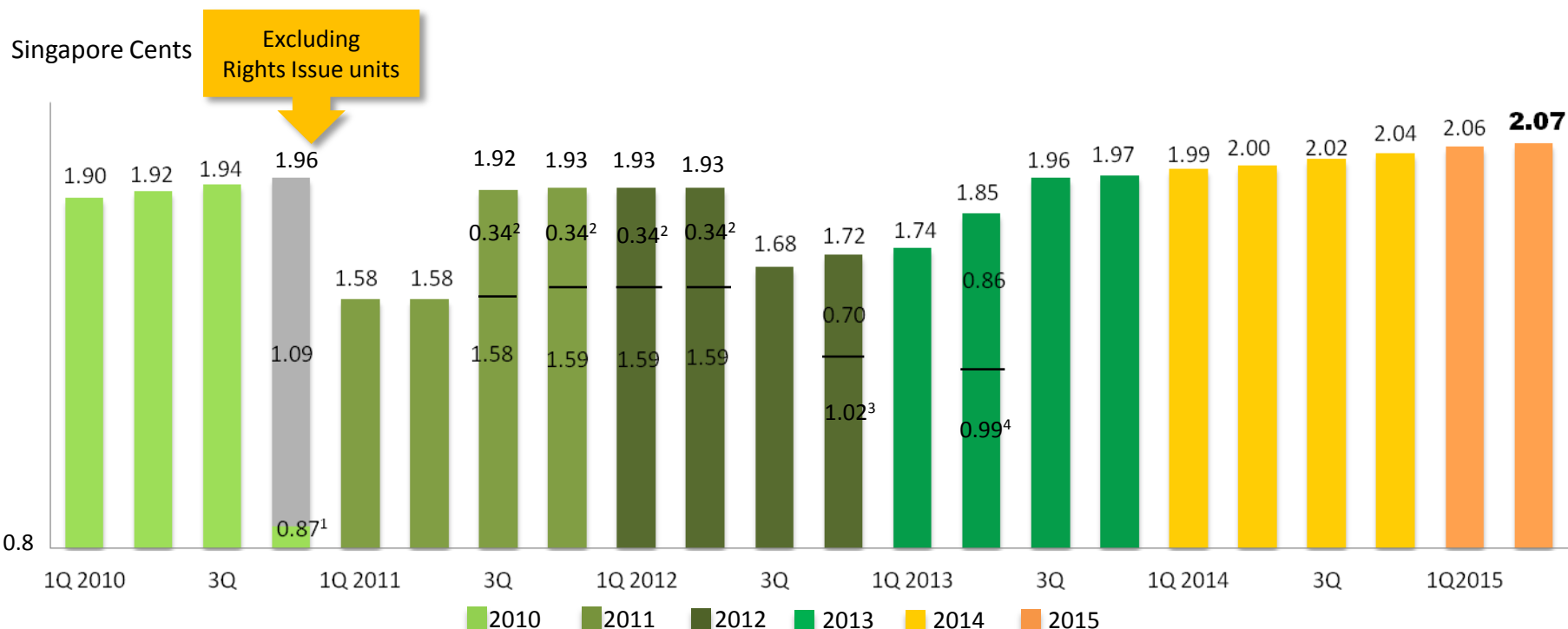
¹ Assumes Unitholder owned First REIT Units at the IPO price of S\$0.71 per unit and fully subscribed for the 5-for-4 Rights Issue at S\$0.50 per unit in 2010. The annualised total return will vary for investors who purchased Units in the secondary market at a market price that differs from the IPO price 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

First REIT [1DAY] : 1.395 Straits Times Index (STI) [1DAY] : 3091.780
 FTSE ST Real Estate Investment Trusts Index [1DAY] : 727.26



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 April 2015 to 30 June 2015
Distribution Per Unit	2.07¢
- Taxable	0.07¢
- Tax-Exempt	1.09¢
- Capital	0.91¢

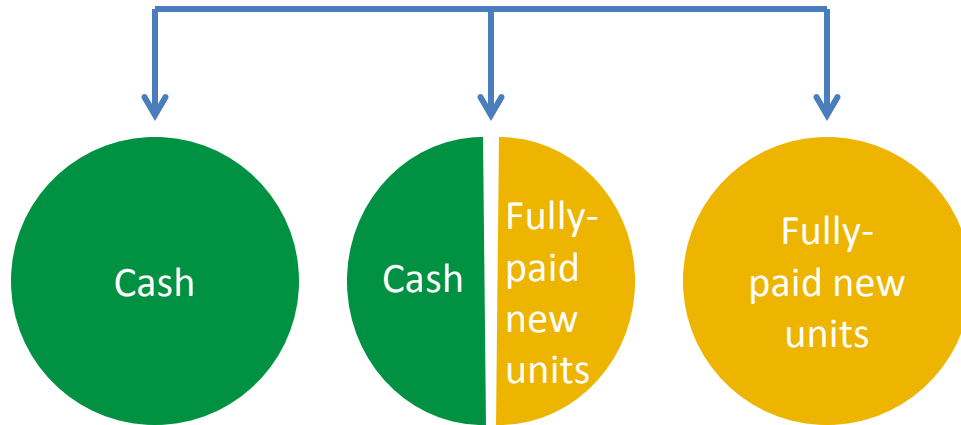
Distribution Time Table	
Last trading day quoted on a “cum” distribution basis	23 July 2015
Ex-dividend date	24 July 2015
Book Closure Date	28 July 2015 at 5.00 pm
Announcement of Issue Price for DRP Units	28 July 2015
Submission of DRP Notice of Election and Tax Declaration Forms	17 August 2015 at 5.00 pm
Distribution Payment Date	28 August 2015
Listing of DRP Units	28 August 2015

DISTRIBUTION REINVESTMENT PLAN



Distribution

Options for First REIT Unitholders



- Unitholders will be able to increase their unitholdings in First REIT without incurring brokerage fees, stamp duties (if any), and other related costs
- The issue of new Units in lieu of cash distributions will serve to enlarge First REIT's capital base
- The cash retained thereof will strengthen First REIT's working capital to fund future growth and expansion

ALL S\$ LOANS ARE ON FIXED RATE BASIS

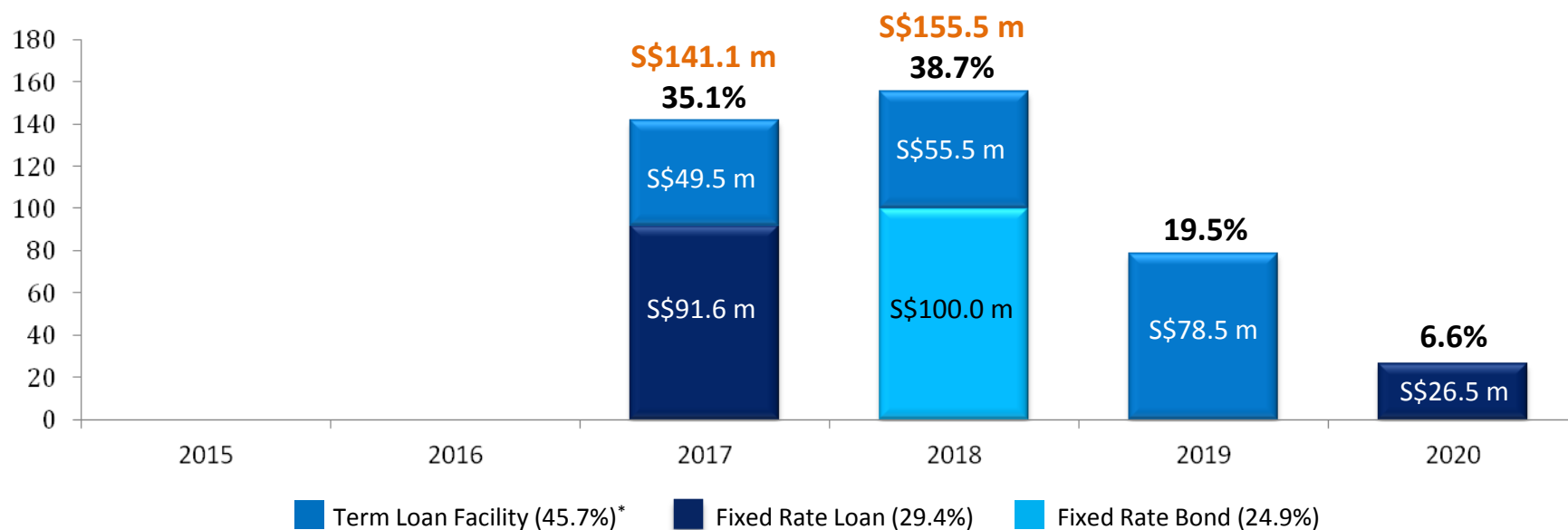
To mitigate the impact of interest rate fluctuations, 95.3% of First REIT's debt is on a fixed rate basis

	As at 30 Jun 2015	As at 31 Dec 2014
Total Debt ⁽¹⁾	S\$401.6 million	S\$401.3 million
Gearing Ratio	32.9%	33.1%

⁽¹⁾ before transaction costs

Debt Maturity Profile

S\$ Millions



* Term loan amount of S\$164.8 million is hedged using interest rate swap as at 15 January 2015



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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
- ▶ 46 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 Semarang, Central Java
 - Siloam Hospitals Kendari, South East Sulawesi
 - Siloam Hospitals Pluit, North Jakarta
 - Siloam Hospitals Kemang, South 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 Surabaya (SHS), East Java**
- ▶ **Siloam Hospitals Lippo Cikarang (SHLC), East Jakarta**
- ▶ 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 Kupang



East Nusa Tenggara
• 405 beds

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
- Distribution Reinvestment Plan

THANK YOU Q&As



APPENDICES



1 Property Details



FIRST REIT PROPERTY: INDONESIA



Siloam Sriwijaya



**Siloam Hospitals
Purwakarta**



**Siloam Hospitals
Bali**



**Siloam Hospitals
TB Simatupang**

Type	Hospital	Hospital	Hospital	Hospital
Centre of Excellence	Emergency, Trauma	Emergency, Trauma	Trauma, Orthopaedics, Cardiology	Trauma, Cardiology, Oncology, Neuroscience
Land Area	--	7,990 sqm	9,025 sqm	2,489 sqm
Gross Floor Area	15,709 sqm ⁽¹⁾	8,254 sqm	20,958 sqm	18,605 sqm
Purchase Price	S\$39.16 m	S\$31.0 m	S\$97.3 m	S\$93.1 m
Appraised Value	S\$43.79 m ⁽²⁾	S\$38.1 m	S\$121.6 m	S\$116.5 m
Max no. of Beds / Saleable rooms	347	203	295	271
Year of Building Completion	2012	2005 & 2008	2012	2013
Lease Commencement Date	29 December 2014	28 May 2014	13 May 2013	22 May 2013
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	28 December 2029	27 May 2029	12 May 2028	21 May 2028

⁽¹⁾ The strata floor area of Siloam Sriwijaya is 15,709 sqm

⁽²⁾ Appraised as at 1 October 2014 by KJPP Winarta & Rekan in association with Jones Lang LaSalle

FIRST REIT PROPERTY: INDONESIA



**Siloam Hospitals
Manado and Hotel
Aryaduta Manado**



**Siloam Hospitals
Makassar**



**Mochtar Riady
Comprehensive
Cancer Centre**



**Siloam Hospitals
Lippo Cikarang**

Type	Integrated Hospital & Hotel	Hospital	Hospital	Hospital
Centre of Excellence	Trauma	Trauma, Cardiology	Oncology Digestive Unit	Urology, Internal Medicine, Trauma
Land Area	5,518 sqm	3,963 sqm	4,145 sqm	9,900 sqm
Gross Floor Area	36,051 sqm	14,307 sqm	37,933 sqm	11,125 sqm
Purchase Price	S\$83.6 m	S\$59.3 m	S\$170.5 m	S\$35.0 m
Appraised Value	S\$104.2 m	S\$72.3 m	S\$253.2 m	S\$46.0 m
Max no. of Beds / Saleable rooms	224 beds / 200 rooms	416	375	126
Year of Building Completion	2011	2012	2010	2002
Lease Commencement Date	30 Nov 2012	30 Nov 2012	30 Dec 2010	31 Dec 2010
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	29 Nov 2027	29 Nov 2027	29 Dec 2025	30 Dec 2025

FIRST REIT PROPERTY: INDONESIA



**Siloam Hospitals
Lippo Village**



**Siloam Hospitals
Kebon Jeruk**



**Siloam Hospitals
Surabaya**



**Imperial Aryaduta
Hotel & Country Club**

Type	Hospital	Hospital	Hospital	Hotel & Country Club
Centre of Excellence	Neuroscience, Cardiology	Urology centre, Orthopaedics	Fertility services, Stroke centre	--
Land Area	17,442 sqm	11,420 sqm	6,862 sqm	54,410 sqm
Gross Floor Area	27,284 sqm	18,316 sqm	9,227 sqm	17,427 sqm
Purchase Price	S\$94.3 m	S\$50.6 m	S\$16.8 m	S\$21.2 m
Appraised Value	S\$162.1 m	S\$91.9 m	S\$33.2 m	S\$42.1 m
Max no. of Beds / Saleable rooms	260	201	160	197
Year of Building Completion	1995	1991	1977	1994
Lease Commencement Date	11 Dec 2006	11 Dec 2006	11 Dec 2006	11 Dec 2006
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	10 Dec 2021	10 Dec 2021	10 Dec 2021	10 Dec 2021

FIRST REIT PROPERTY: SINGAPORE & SOUTH KOREA



Pacific Healthcare Nursing Home @ Bukit Merah



Pacific Healthcare Nursing Home II @ Bukit Panjang



The Lentor Residence



Sarang Hospital

Type	Nursing Home	Nursing Home	Nursing Home	Hospital
Land Area	1,984 sqm	2,000 sqm	2,486 sqm	2,142 sqm
Gross Floor Area	3,593 sqm	3,563 sqm	4,005 sqm	4,982 sqm
Purchase Price	S\$11.8 m	S\$11.5 m	S\$12.8 m	US\$13.0 m
Appraised Value	S\$10.5 m	S\$10.6 m	S\$17.6 m	US\$6.3 m
Max no. of Beds / Saleable rooms	259	265	208	217
Year of Building Completion	2004	2006	1999 & 2013 (new extension building)	2010
Lease Commencement Date	11 Apr 2007	11 Apr 2007	8 June 2007	5 Aug 2011
Lease Terms	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years
Lease Expiry Date	10 Apr 2027	10 Apr 2027	7 June 2027	4 Aug 2021