

**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

**PARKWAY LIFE REIT REPORTS 37.6% INCREASE IN GROSS  
REVENUE TO S\$16.3 MILLION FOR 1Q 2009**

- Net property income increases 36.6% to S\$15.2 million
- DPU increases 16.6% to 1.89 cents, representing annualised distribution yield of 10.0%
- No immediate refinancing risks with committed credit facilities; low gearing of 23.0%
- Resilient business model poised to benefit from positive long term prospects

<b>TOTAL PORTFOLIO</b>	<b>1 Jan 09 to 31 Mar 09 (1Q 2009) S\$'000</b>	<b>1 Jan 08 to 31 Mar 08 (1Q 2008) S\$'000</b>	<b>Increase / (Decrease) %</b>
<b>Gross revenue</b>	<b>16,338</b>	<b>11,874</b>	<b>37.6</b>
<b>Net property income</b>	<b>15,177</b>	<b>11,112</b>	<b>36.6</b>
<b>Income available for distribution</b>	<b>11,392</b>	<b>9,772</b>	<b>16.6</b>
<b>Available Distribution Per Unit (cents)<sup>1</sup></b>			
- DPU for the period	<b>1.89</b>	<b>1.62</b>	<b>16.6</b>
- Annualised DPU	<b>7.56</b>	<b>6.49</b>	<b>16.6</b>
<b>Annualised Distribution Yield (%), based on closing market price of S\$0.76 as at 31 March 2009</b>	<b>9.95</b>	<b>8.54</b>	<b>16.6</b>

*Mr Yong Yean Chau, Chief Executive Officer of the Manager: "During these times of unprecedented market turbulence, Parkway Life REIT has relied on the cornerstone of our success: prudence, stability, and a focus on value-creation to buck the trend and deliver excellent results."*

Singapore, 7 May 2009 – Parkway Trust Management Limited (the "Manager"), the manager of Parkway Life Real Estate Investment Trust ("PLife REIT"), is pleased to announce a strong set of figures for the first quarter ended 31 March 2009 ("1Q 2009").

PLife REIT registered gross revenue of S\$16.3 million and net property income of S\$15.2 million for 1Q 2009, representing an increase of 37.6% and 36.6% respectively over the previous corresponding period ("1Q 2008"). This was achieved on the back of higher revenue from its Singapore Hospital Properties and

<sup>1</sup> The number of units used to calculate the DPU comprises 602,750,354 units and 601,690,558 units issued at 31 March 2009 and 31 March 2008 respectively, and units to be issued as partial satisfaction of the Manager's management fees.

positive contributions from its Japan Properties. As at 31 March 2009, the committed occupancy for its properties stood at 100% across its portfolio.

Income distributable to Unitholders grew 16.6% to S\$11.4 million for 1Q 2009. As a result, distribution per unit (“DPU”) increased correspondingly to 1.89 cents for 1Q 2009 and 7.56 cents on an annualised basis. Based on a market price of S\$0.76 as at close of market on 31 March 2009, PLife REIT’s Unitholders would enjoy an annualised distribution yield of 10.0% for 1Q 2009.

### **Sustainable growth supported by lease structure with downside protection**

Mr Yong Yean Chau, Chief Executive Officer of the Manager, said, “We are delighted to maintain our growth momentum despite very difficult market conditions. PLife REIT’s portfolio of quality assets, long term committed leases and inflation-linked rent revision formula has enabled us to stretch our earnings potential and deliver strong, stable returns to our Unitholders.”

As at 31 March 2009, all of PLife REIT’s properties have a weighted average lease term to expiry of 13.65 years<sup>2</sup>.

The Group has 93.0% of leases with downside protection to its revenue. In addition, the Group is guaranteed revenue growth under its unique lease structure, where minimum rent for its Singapore Hospital Properties is set to increase by CPI + 1% annually. Following a CPI rate of 5.25% in 2008, the guaranteed rent for its Singapore Hospital Properties increased 6.25% in the second year of lease term commencing 23 August 2008. As a result of higher rental revenue from its Singapore Hospital Properties and additional revenue contribution of S\$3.7 million from its Japan Properties, PLife REIT enjoyed good topline growth for 1Q 2009.

### **Strong balance sheet with no immediate refinancing risks**

PLife REIT is cushioned against refinancing risks currently facing the broader Singapore REIT sector, having secured longer term credit facilities with a weighted average term to maturity of 2.4 years for all its debts. These include three year credit facilities, comprising a term loan facility and several revolving credit facilities totalling JPY 13,660 million (S\$213.5 million), fully drawn down to finance the acquisition of the Japan properties. The Group further secured a two year committed S\$100 million multicurrency revolving credit facility, which was partially used to refinance a maturing term loan of S\$34 million which fell due in February 2009.

To mitigate interest and foreign exchange risks, PLife REIT has fixed the interest rates for all its debts for three years via interest rate swaps. It has also fully hedged its net income from Japan for five years with foreign currency forward contracts.

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<sup>2</sup> Based on monthly gross rental income as at 31 March 2009

PLife REIT had also established a S\$500 million Medium Term Note (“MTN”) Programme in August 2008, which can be tapped to refinance existing debt, fund acquisitions and for general working capital purposes.

Commented Mr Yong, “Amidst the current tight credit situation, PLife REIT is in an advantageous position with no refinancing requirements until the second half of 2010. We are geared at 23.0%, among one of the lowest in the Singapore REIT sector and well within the statutory limit of 60.0%. Bolstered by a strong balance sheet, we are equipped with the strength and flexibility to fund future growth.”

### **Resilient business model poised to benefit from positive long term prospects**

Despite the deepening global recession and an expected 6.0% to 9.0% contraction in Singapore’s GDP for 2009, according to recent estimates by the Ministry of Trade and Industry, PLife REIT remains positive about its prospects, given the continued growth in demand for premium healthcare in the region over the medium to long term.

“Coupled with low gearing, we are in an excellent position to ride the growth when the market recovers”, Mr Yong concluded.

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### **Awards**

In October 2008, PLife REIT was awarded the “Most Transparent Company Award 2008” from SIAS (Securities Investors Association Singapore) Investors’ Choice Awards 2008 in the New Issues Category, providing recognition to PLife REIT for maintaining the highest standard of corporate governance and transparent communication. In February 2009, PLife REIT was awarded the 2008 “Best Managed Small-Cap Corporate” in Singapore by Asiamoney, for its effective management vision and strategy, exemplary business achievements, and commitment to growing Unitholders’ value.

### **About Parkway Life REIT**

Parkway Life Real Estate Investment Trust (“PLife REIT”) is Asia’s largest listed healthcare REIT by asset size. It invests in income-producing real estate and real estate-related assets that are used primarily for healthcare and healthcare-related purposes (including but are not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and devices).

PLife REIT’s total portfolio size stands at approximately S\$1.04 billion as at 31 March 2009. It owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital, and East Shore Hospital, covering an aggregate of 1,039 licensed beds. In

addition, it has 10 assets located in Japan, namely a pharmaceutical product distributing and manufacturing facility in Chiba Prefecture, and nine high quality nursing homes in Chiba Prefecture, Hyogo Prefecture, Kanagawa Prefecture, Osaka Prefecture, Saitama Prefecture and Tokyo Prefecture.

Citigroup Global Markets Singapore Pte. Ltd. and UBS AG, acting through its business group, UBS Investment Bank were the joint global co-ordinators, joint bookrunners and joint lead underwriters to the initial public offering of Parkway Life REIT.

**For media queries, please contact:**

***Kreab Gavin Anderson***                      ***Tel: +65 6339 9110***  
Jean Zhuang / Archanaa Raja  
Mobile: +65 9061 1075 / +65 9066 7432  
Email: [jzhuang@kreabgavinanderson.com](mailto:jzhuang@kreabgavinanderson.com) / [araja@kreabgavinanderson.com](mailto:araja@kreabgavinanderson.com)

**Important Notice**

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

The value of the 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 Sponsor, the Manager, HSBC Institutional Trust Services (Singapore) Limited as trustee of Parkway Life REIT, the Joint Lead Underwriters, DBS Bank Ltd, or any of their affiliates.

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 SGX-ST does not guarantee a liquid market for the Units.

The past performance of Parkway Life REIT or the Manager is not necessarily indicative of the future performance of Parkway Life REIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.