

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

**PARKWAY LIFE REIT'S 2Q FY2008 RESULTS OUTPERFORMS
FORECAST**

- Gross rental revenue at S\$12.49 million, exceeds forecast by 8.83%
- Net property income at S\$11.70 million, exceeds forecast by 8.14%
- Distribution Per Unit ("DPU") for the period is 1.66 cents, exceeds forecast by 6.35%

	1 Apr 2008 to 30 Jun 2008 S\$'000			Increase / (Decrease) %	
	Minimum Guaranteed ¹	Forecast ²	Actual	Actual Vs Minimum Guaranteed	Actual Vs Forecast
Gross revenue	11,250	11,475	12,488	11.00	8.83
Net property income	10,598	10,823	11,704	10.44	8.14
Income available for distribution	9,186	9,411	10,009	8.96	6.35
DPU for the period (cents) ³	1.53	1.56	1.66	8.96	6.35
Annualised DPU (cents)	6.12	6.25	6.65	8.96	6.35

Singapore, 25 July 2008 – Parkway Life Real Estate Investment Trust ("PREIT") is pleased to announce its second quarter results for the period 1 April to 30 June ("2Q"), for the financial year ending 31 December 2008 ("FY2008"). Parkway Life REIT was listed on the Mainboard of the Singapore Exchange on 23 August 2007.

¹ The minimum guaranteed rent is based on a total rent of S\$45 million (annualised) guaranteed in the first year of the lease term, prorated to 3 months. All other expenses are assumed to be the same as the forecast figures in the Prospectus.

² As stated in Prospectus dated 7 August 2007. No comparisons against a corresponding period in the previous year can be made as no pro forma financials are available. SGX-ST had granted PREIT a waiver from the requirement to prepare historical pro forma statements of total return, cash flow statements and balance sheets for the purpose of this initial public offering. The forecast figures are derived by prorating the forecast figures from the Projection Year 2008 (from 1 January 2008 to 31 December 2008) based on full exercise Over-allotment Units as disclosed in the Prospectus.

³ The number of units used to calculate the DPU comprise 601,885,618 units issued at 30 June 2008, and units to be issued as partial satisfaction of Parkway Life REIT Manager's management fees.

Parkway Life REIT saw higher gross rental revenue as a result of higher than expected revenue from its Singapore hospital assets, as well as additional income from its three new Japanese assets. Gross rental revenue was at S\$12.49 million for 2Q FY2008. This is an 11.00 % increase over the minimum guaranteed rent of S\$11.25 million or an 8.83% increase over the forecast figure of S\$11.48 million. Net property income was at S\$11.70 million for 2Q FY2008, a 10.44% increase over the minimum guaranteed rent of S\$10.60 million or an 8.14% increase over the forecast figure of S\$10.82 million. Income available for distribution was at S\$10.01 million for 2Q FY2008, an 8.96% increase over the minimum guaranteed rent of S\$9.19 million or a 6.35% increase over the forecast figure of S\$9.41 million. Total expenses for 2Q FY2008 were at S\$2.92 million, or a 22.10% increase over the forecast figure of S\$2.39 million. This is mainly a result of increased contributions to management and sinking fund for Mount Elizabeth Hospital under property expenses and higher trust level expenses under non-property expenses. The impact of the increase in expenses to DPU is not expected to be significant.

DPU for 2Q FY2008 is 1.66 cents, in line with the increase in income available for distribution. The annualised DPU is 6.65 cents. The distribution payment date is expected on 27 August 2008.

Ms Justine Wingrove, Chief Executive Officer of Parkway Trust Management Limited, the manager of Parkway Life REIT said, "PREIT continues to enjoy a strong set of results which have improved quarter-on-quarter. We believe that the private healthcare sector remains robust even amidst the current volatile market conditions. As a result, PREIT will not only enjoy strong growth from its current portfolio, but will also benefit from attractive asset acquisition opportunities."

Diversification of PREIT's portfolio

PREIT's total portfolio size stands at S\$902.20 million, following the acquisition of its latest assets earlier this year. On 16 May 2008, PREIT completed its first investment of a pharmaceutical products distributing and manufacturing facility in Chiba prefecture Japan, for a total purchase price of S\$35.00 million. On 30 May 2008, it completed its investment of two high quality nursing homes in Yokohama City, Kanagawa Prefecture, and Ibaraki City, Osaka, for a total purchase price of S\$35.00 million. The purchase price of the pharmaceutical products distributing and manufacturing facility, and the two nursing homes, collectively, (the "Japan Properties") and the acquisition costs have been fully funded by debt, and have increased the total portfolio size by S\$70.00 million.

For 2Q FY2008, gross rental revenue from the Japan Properties is S\$0.52 million, net property income is S\$0.47 million and income available for distribution is S\$0.13 million. The total annualised percentage contribution of the Japan Properties is 8.00% by asset size, gross revenue and net property income.

Strong performance at Singapore hospitals

Total gross rental revenue from the Singapore hospitals for 2Q FY2008 was S\$11.97 million, a 4.30% increase from the forecast figure of S\$11.48 million or a 6.40% increase from the minimum guaranteed total rent of S\$45.00 million per year. The gross rental revenue figure of S\$11.97 million comprised of total base rent of S\$7.50 million and variable rent of S\$4.47 million.

Outlook for 2008

PREIT will continue to focus on yield-accretive acquisitions across Asia Pacific. Its low gearing level at 10% provides it with financial flexibility and sustainable debt capacity to fund future acquisitions. PREIT's target gearing is at 40% to 45%.

Ms Wingrove added, "We will endeavour to provide stable and sustainable returns to Unitholders. We continue to focus on asset enhancement initiatives within our current portfolio and will also proactively identify yield-accretive assets for acquisition in our target markets including China, India, Japan, Malaysia, Singapore, Taiwan, Australia and Thailand."

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About Parkway Life REIT

Parkway Life Real Estate Investment Trust ("PREIT") is the largest healthcare REIT in Singapore by asset size. It was established to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and/or 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 services).

PREIT's total portfolio size is at S\$902 million as at 30 June 2008. 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 three assets located in Japan, namely a pharmaceutical products distributing and manufacturing facility in Chiba prefecture and two high quality nursing homes in Yokohama City, Kanagawa Prefecture, and Ibaraki City, Osaka.

<p>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.</p>
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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.

This announcement 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, shifts in expected levels of property rental income, changes in operating expenses, property expenses, 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 Manager's current view of future events.