NEWS RELEASE
FOR IMMEDIATE RELEASE

PARKWAY LIFE REIT OUTPERFORMS FORECAST WITH STRONG 3Q FY2008 RESULTS

- **Gross revenue exceeds forecast by 16.31% at S$13.35 million**
- **Net property income exceeds forecast by 15.22% at S$12.47 million**
- **Distribution Per Unit of 1.71 cents, exceeds forecast by 9.57%**
- **Annual minimum guaranteed rent for Singapore Hospital Properties increased by 12.22%**
- **Locked-in long term leases with weighted average lease term to expiry of 14.12[1] years**
- **Outlook positive with secured long term financing; no refinancing risks until 2011**

TOTAL PORTFOLIO	1 July 2008 to 30 September 2008 (3Q,2008) S$'000		Increase / (Decrease) %
	Forecast[2]	Actual	Actual Vs Forecast
Gross revenue	11,475	13,347	16.31
Net property income	10,823	12,470	15.22
Taxable income available for distribution	9,411	10,312	9.57
DPU for the period (cents)[3]	1.56	1.71	9.57
Annualised DPU (cents)	6.25	6.85	9.57

Singapore, 4 November 2008 – Parkway Trust Management Limited (the "**Manager**"), the manager of Parkway Life Real Estate Investment Trust ("**PREIT**"), is pleased to announce a strong set of figures for the third quarter results for the period from 1 July to 30 September, for the financial year ending 31 December 2008 ("3Q FY2008"). Total Net Property Income for 3Q FY2008 is S$12.47 million, exceeding the forecast figure by 15.22%. The distributable income to Unitholders for 3Q FY2008 is

[1] Based on Gross Revenue as at 30 September 2008.

[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 for 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 comprises 602,086,274 units issued at 30 September 2008, and units to be issued as partial settlement of PREIT Manager's fees.

S$10.31 million, an increase of 9.57% over forecast. In line with the increased distributable income, the distribution per unit ("DPU") for 3Q FY2008 at 1.71 cents, or 6.85 cents on an annualised basis, is 9.57% above forecast. The distribution payment date is expected on 5 December 2008.

Ms Justine Wingrove, Chief Executive Officer of the Manager said, "We are pleased to achieve yet another quarter of good results, driven mainly by improved performances from current assets and acquisition activities which have yielded positive returns. We remain committed to our strategy of delivering stable returns to Unitholders."

Strong performance of existing properties

The defensive nature of PREIT will ensure that Unitholders continue to enjoy stable and sustainable returns from its portfolio of properties in the current challenging market conditions. With all the properties' long-term master leases, the weighted average lease term to expiry of PREIT's existing portfolio as at 3Q FY2008 is 14.12 years[4] with 97.9%[5] of the leases having rent review provisions.

During the period, PREIT also experienced strong organic growth from the Singapore Hospital Properties given its favourable rental structure with an annual rent review pegged to CPI+1%. For the 2nd year of the lease term of the Singapore Hospital Properties which commenced on 23 August 2008, the minimum rent was revised upwards by 12.22%.

SINGAPORE HOSPITALS POFTFOLIO	1 July 2008 to 30 September 2008 S$'000				Increase / (Decrease) %	
	Minimum Guaranteed (3Q,2007)	Minimum Guaranteed (3Q,2008[6])	Forecast[7] (3Q,2008)	Actual (3Q,2008)	Actual Vs Minimum Guaranteed (3Q,2007)	Actual Vs Forecast (3Q,2008)
Gross revenue	11,250	11,840	11,475	12,198	8.43%	6.30%
Net property income	10,598	11,188	10,823	11,444	7.98%	5.74%
Taxable income available for distribution	9,186	9,776	9,411	10,004	8.90%	6.30%
DPU for the period (cents)[8]	1.53	1.62	1.56	1.66	8.90%	6.30%

[4] Based on Gross Revenue as at 30 September 2008.

[5] In terms of Net Lettable Area

[6] The minimum guaranteed rent of the lease for Singapore Hospital Properties for 3Q FY2008 comprise 1st Year minimum guaranteed rent from 1 July to 22 August 2008 and revised 2nd Year minimum guaranteed rent from 23 August to 30 September 2008

[7] 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 for the Projection Year 2008 (from 1 January 2008 to 31 December 2008) based on full exercise Over-allotment Units as disclosed in the Prospectus.

[8] The number of units used to calculate the DPU comprises 602,086,274 units issued at 30 September 2008, and units to be issued as partial settlement of PREIT Manager's fees.

Building a diversified portfolio

PREIT remains focused on diversifying its portfolio through the acquisition of quality and yield-accretive assets in its target markets. In 3Q FY2008, PREIT acquired another seven high quality nursing homes in various parts of Japan in the Hyogo, Chiba, Kanagawa, Saitama and Tokyo prefectures for a total purchase price of ¥7,845,200,000 (approximately S$105.7 million[9]). The acquisition which was fully funded by debt, led to a 12.6% quarter-on-quarter increase in PREIT's portfolio[10] from six properties totalling S$901.4 million to thirteen properties totalling S$1.0 billion.

As at 3Q FY2008, the enlarged portfolio signified greater geographical diversification with Singapore and Japan accounting for 81% and 19% of the Net Property Income respectively. Asset diversification has strengthened with the portfolio weighting (based on asset value) now comprising of hospitals at 62%, medical offices at 19%, nursing homes at 15%, and pharmaceutical facilities at 4%.

The strong set of figures for 3Q FY 2008 was largely boosted by an increased contribution of S$1.15 million gross revenue from the Japan Properties as well as higher revenue received from the Singapore Hospital Properties.

Secured financing through effective capital management

As part of its effective capital management strategy, PREIT entered into three-year long-term facilities worth S$100.6 million on 29 September 2008, which had been fully drawn down in October 2008 to partially refinance its short-term facilities. PREIT subsequently secured another S$100 million three-year revolving credit facility in October 2008. The combined credit facilities will refinance substantially all the short term borrowings of PREIT into long-term debt obligations.

Ms Wingrove commented, "By replacing short-term credit facilities with longer term facilities, PREIT faces no refinancing risk. In terms of future growth, adequate and diversified financing sources that have been secured will also provide us with the flexibility and acquisitive power to support our future expansion."

In terms of funding for future acquisitions, PREIT established a S$500 million multicurrency medium-term note programme in August 2008, and is looking into extending existing committed revolving credit facilities from short-term to long-term financing.

PREIT's gearing currently stands at 19.7%. Its target gearing level is between 40.0% to 45.0%.

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[9] The JPY ¥ reference in this release is based on the exchange rate of SGD1 = ¥74.219.

[10] Based on latest appraised values of the properties

Prospects for Asian healthcare sector remain positive

On the back of rising affluence, ageing populations and increasing healthcare trends, the underlying fundamentals for private healthcare in Asia continue to be positive over the medium to long term. In Singapore, private healthcare expenditure has been increasing at a compounded annual growth rate of 4.76% over 2000 to 2007. Despite lower tourist arrivals due to the recent economic slowdown, Singapore, positioned as a regional provider of world-class medical services, continues to see healthy demand both domestically and from foreign medical travellers, and targets to attract one million international patients annually by 2012.

"Despite challenging market conditions, we remain optimistic about our medium and long-term prospects. This is due to several factors, namely our rental lease structures that protect against downside risk while providing for good future rental growth, our low gearing, a 100% occupancy across the portfolio and investment grade credit rating of BBB+. Looking ahead, PREIT will continue to focus on exploring yield-accretive acquisition opportunities while effectively managing our capital structure and exercising prudent investment practices to enhance our portfolio and increase value to Unitholders", concluded Ms Wingrove.

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Awards

In October 2008, PREIT was awarded the "Most Transparent Company Award 2008" from SIAS (Securities Investors Association Singapore) Investors' Choice Awards 2008 in the New Issues Category. It provides recognition to PREIT for maintaining the highest standard of corporate governance and transparent communication.

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 stands at S$1.0 billion as at 30 September 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 10 assets located in Japan, namely a pharmaceutical products 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.

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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.