NEWS RELEASE
FOR IMMEDIATE RELEASE

PARKWAY LIFE REIT REPORTS STEADY GROWTH IN 1Q 2015

- **Overall DPU Growth of 14.0% for 1Q 2015**
- **DPU Growth of 0.7% from the recurring operations notwithstanding the divestment in December 2014**
- **Divestment Gain to be distributed equally in the four quarters of FY2015**
- **Successful execution of Maiden Asset Recycling enhances the value of PLife REIT**

TOTAL PORTFOLIO	1Q 2015 S$'000	1Q 2014 S$'000	Increase %
Gross revenue	**24,773**	**24,604**	**0.7**
Net property income	**23,165**	**22,984**	**0.8**
Income available for distribution	**19,463**	**17,066**	**14.0**
- from recurring operations	17,936	17,816	0.7
- from distribution of divestment gains	2,277	-	n.m.
- amount retained for capital expenditure	(750)	(750)	-
Available Distribution Per Unit (cents) [1]			
- **DPU for the period**	**3.21**	**2.82**	**14.0**
- **Annualised DPU**	**12.84**	**11.28**	**14.0**
Annualised Distribution Yield (%), based on closing market price of S$2.36 as at 31 March 2015	**5.44**	**4.78**	**14.0**

Singapore, 29 April 2015 – Parkway Trust Management Limited (the "Manager"), as manager of **Parkway Life Real Estate Investment Trust** ("PLife REIT" or the "Group"), one of Asia's largest listed healthcare REITs, announced today its results for the first quarter ended 31 March 2015 ("1Q 2015").

Notwithstanding the divestment of seven Japan nursing homes in December 2014, the Distribution Per Unit (DPU) from its recurring operations continue to grow by 0.7% to 2.84 Singapore cents in 1Q 2015. The gain from the divestment will be distributed equally in the four quarters of FY2015, with a payout of 0.37 Singapore cents for 1Q 2015. On an overall

[1] The number of units used to calculate the DPU correlates to the number of units in issue as at end of respective periods.

basis, the DPU for 1Q 2015 has increased by 14.0% to 3.21 Singapore cents, from 2.82 Singapore cents in the corresponding period a year ago ("1Q 2014").

Despite the divestment in December 2014, PLife REIT's 1Q 2015 gross revenue at S$24.8 million continue to register a growth of 0.7% as compared to S$24.6 million in 1Q 2014. For this quarter, the revenue growth was primarily driven by higher rent from the Singapore properties. As PLife REIT had successfully re-deployed the capital proceeds from the divestment with the acquisition of 7 Japan properties by 1Q 2015, the new properties are expected to start contributing to the Group's revenue from 2Q 2015 onwards. The divestment gains (after tax) of S$9,110,000 will be equally distributed to unitholders throughout the four quarters in FY2015.

Gearing remained at a healthy level of 34.4% as at 31 March 2015, with ample headroom for growth. The weighted average term to maturity is 3.6 years, with a low current effective all-in cost of debt of 1.5%.

"We are very pleased with the results accomplished during the first quarter of 2015. The results show that we are on track with our proven strategies as we continue to see our work bearing fruit, with yet another quarter of steady DPU growth since IPO. Our rejuvenated portfolio of assets following the maiden asset recycling initiative has also placed us in a better position as we prepare the ground for our next phase of growth," said Mr Yong Yean Chau, Chief Executive Officer of the Manager.

Maiden Asset Recycling Initiative Enhances Value of PLife REIT

As at 1Q 2015, PLife REIT has successfully completed the maiden asset recycling initiative with the divestment of seven Japan properties at S$88.3 million and re-deploying its freed up capital to acquire 7 new Japan properties at S$126.1 million. By divesting its less strategic assets at an exit yield of 5.9% and further acquiring better assets at a more accretive yield level of 6.4%, the maiden asset recycling initiative had unlocked value for PLife REIT as it rebalanced and enhance the quality of its Japan portfolio.

Mr Yong commented: "Our maiden asset recycling initiative was the highlight of our first quarter performance. Our strong position as a first mover in the growing Japan elderly healthcare market has allowed us to capitalise on the opportunity to monetise from our less strategic assets to acquire better value properties as we fortify our growth in Japan. This successful initiative is a testament of our exemplary track record in the market as we continue to establish long term partnerships with high quality healthcare operators and provide quality offerings in this sector."

Reinforced Capital Structure Preserves Resiliency of the REIT

As a start to the new fiscal year, PLife REIT reinforces its capital structure in 1Q 2015. By extending the loans due in FY2015 for 5 years[2], there will be no long-term debt refinancing needs till FY2016.

As part of the REIT's prudent capital and financial management, it has put in place foreign currency forward contracts and interest rate swaps, to mitigate the impact of foreign exchange risk and interest rate exposure respectively. As a result, the REIT has fully hedged its Japan net income till 1Q 2020 and about 82% of interest rate exposure are hedged for an average duration of 4 years. This aims to enhance the stability of distribution to unitholders, especially given the recent volatility in Japanese Yen and rising interest rate environment.

On 12 March 2015, Moody affirmed the REIT's Baa2 issuer rating, as well as a provisional (P)Baa2 senior unsecured rating to the S$500 million multicurrency Medium Term Note Programme, with Stable Outlook.

"The long-term prospects of the regional healthcare industry will continue to be robust due to rising demand for better quality private healthcare services driven by the fast-ageing populations. Grounded on stronger foundation as we build on our successful strategies to drive growth, PLife REIT remains positive as it looks forward to another successful year", added Mr Yong.

– *End* –

[2] Termed out the JPY bridging loans via a JPY 5-year term loan facility with interest rate hedged for 5 years.

About Parkway Life REIT

Parkway Life Real Estate Investment Trust ("PLife REIT") is one of Asia's largest listed healthcare REITs 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 owns a well-diversified portfolio of 47 properties with a total portfolio size of approximately S$1.6 billion as at 31 March 2015. It owns the largest portfolio of strategically-located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In addition, it has 43 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 42 high quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots at Gleneagles Intan Medical Centre Kuala Lumpur in Malaysia.

For media queries, please contact:

Bell Pottinger
Tel: (65) 6333 3449   Fax: (65) 6438 3442
Chelsea Phua –cphua@bell-pottinger.com / (65) 8322 6409
Priscilla Loh – ploh@bell-pottinger.com / (65) 9423 4810

Important Notice