

NEWS RELEASE
FOR IMMEDIATE RELEASE

PARKWAY LIFE REIT DELIVERS STRONG 1Q 2010 RESULTS

- **Gross revenue increases 14.1% to S\$18.6 million**
- **Net property income increases 13.4% to S\$17.2 million**
- **DPU increases 9.7% to 2.07 cents for 1Q 2010, representing annualised distribution yield of 6.09%**
- **Well-positioned for growth on improving economy and growing regional healthcare demand**

<u>TOTAL PORTFOLIO</u>	1 Jan 10 to 31 Mar 10 (1Q 2010) S\$'000	1 Jan 09 to 31 Mar 09 (1Q 2009) S\$'000	Increase / (Decrease) %
Gross revenue	18,649	16,338	14.1
Net property income	17,206	15,177	13.4
Income available for distribution	12,500	11,392	9.7
Available Distribution Per Unit (cents) ¹			
- DPU for the period	2.07	1.89	9.7
- Annualised DPU	8.28	7.56	9.7
Annualised Distribution Yield (%), based on closing market price of S\$1.36 as at 31 March 2010	6.09	5.56	9.7

Singapore, 6 May 2010 – Parkway Trust Management Limited (the “Manager”), as 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 2010 (“1Q 2010”).

PLife REIT registered gross revenue of S\$18.6 million and net property income of S\$17.2 million for 1Q 2010, representing an increase of 14.1% and 13.4% respectively over the previous corresponding period (“1Q 2009”). The higher revenue was due primarily to additional revenue contribution amounting to S\$1.8 million from the eight nursing homes acquired in Japan in 4Q 2009. Furthermore, higher revenue was driven by the higher rent from the existing

¹ The number of units used to calculate the DPU comprises 604,001,311 units and 602,750,354 units issued at 31 March 2010 and 31 March 2009 respectively, and units to be issued as partial satisfaction of the Manager’s management fees.

properties. Property expenses for 1Q 2010 were S\$1.4 million, a S\$0.3 million increase from 1Q 2009 primarily incurred due to the Japan nursing homes acquisition.

Distributable income increased 9.7% from S\$11.4 million in 1Q 2009 to S\$12.5 million in 1Q 2010. Correspondingly, Distribution per Unit (“DPU”) for 1Q 2010 rose to 2.07 cents from 1.89 cents in 1Q 2009. Annualised DPU for 1Q 2010 was at 8.28 cents, outperforming 7.56 cents in 1Q 2009 mainly due to the yield accretive Japan acquisitions and higher rent from the Singapore Hospitals. Based on a market price of S\$1.36 as at close of market on 31 March 2010, PLife REIT’s Unitholders would enjoy an annualised distribution yield of 6.09% for 1Q 2010.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, “It gives us great satisfaction to present our investors with a strong set of results to start off the financial year 2010. Our targeted investment strategy, supported by ongoing prudent financial and capital management, has enabled us to make timely acquisition of attractively-priced and yield-accretive assets, such as the Japan nursing homes in 4Q 2009. Going forward, riding on the economic recovery and increasing demand for quality healthcare assets, PLife REIT will continue to leverage on our strong fundamentals to propel acquisitive growth, by actively seeking assets that enhance the overall stability and yield-generating ability of our portfolio.”

Prudent capital and financial management

PLife REIT continues to be prudent about financing and capital management and places great emphasis on its ability to meet all obligations, maintaining a strong balance sheet with ample, diversified funding sources. As at 31 March 2010, PLife REIT’s gearing was 28.2%, well within the 60% limit allowed under the Monetary Authority of Singapore’s Property Funds Guidelines.

In March 2010, PLife REIT issued a S\$50 million 3-year Floating Rate Notes (“FRN”) under its Multicurrency Medium Term Note (“MTN”) Programme established in 2008. Part of the proceeds were used to refinance the S\$34 million bank borrowings due in 2H 2010. This lengthens the weighted average term to maturity for all of PLife REIT’s debts to 2.48 years as at 31 March 2010, representing little near term re-financing risk. Both the MTN and FRN have been assigned BBB ratings by Fitch Ratings.

For the Japan nursing homes acquisitions, PLife REIT has entered into various interest rate swaps and foreign currency forward contracts to hedge its floating rate loans and net foreign income from Japan respectively.

Well-poised to step up on growth plans

While the global economy has shown signs of improvement in recent months, its sustainability remains uncertain. Nevertheless, given PLife REIT's financial strength and stable, defensive nature, the Group is optimistic about its prospects in the medium to long-term. Recently, the Singapore government announced that it has upgraded the GDP growth forecast for 2010 from 4.5%-6.5% to 7%-9%, on the back of improvements in the Singapore and external economies. PLife REIT believes it is poised to be a beneficiary of the economic recovery and increasing consumer demand, which will provide further boost to rental.

Moving ahead, PLife REIT is well-positioned for growth given its clear investment strategy and increasing regional presence in the niche, expanding healthcare market. In addition to Singapore and Japan, PLife REIT is focused on further expanding its reach to other markets that are seeing high growth in the healthcare sector to strengthen its foothold in the region.

"The demand for quality private healthcare in the region will remain resilient and continue to grow, with increasingly affluent and sophisticated patients demanding better quality healthcare services. Fast-ageing populations, coupled with growing social acceptance of nursing homes, are also expected to further drive demand for PLife REIT's high quality healthcare assets", concluded Mr Yong.

- ENDS -

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\$1.15 billion as at 31 March 2010. It owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital, and Parkway East Hospital, covering an aggregate of 1,039 licensed beds. In addition, it has 18 assets located in Japan, namely a pharmaceutical product distributing and manufacturing facility in Chiba Prefecture, and 17 high quality nursing homes in various prefectures of Japan.

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 / 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 in Parkway Life Real Estate Investment Trust (“Parkway Life REIT” and the units in Parkway Life REIT, the “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, Parkway Trust Management Limited, as manager of Parkway Life REIT (the “Manager”), or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of Parkway Life REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the 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.