ParkwayLife REIT

NEWS RELEASE

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PARKWAY LIFE REIT POSTS DOUBLE-DIGIT GAINS IN 1Q 2011

- **Gross revenue increased 15.2% year-on-year to S$21.5 million**
- **Net property income increased 14.6% year-on-year to S$19.7 million**
- **DPU increased 14.4% year-on-year to 2.36 cents**
- **Well-equipped for continued growth in robust Asia healthcare sector**

TOTAL PORTFOLIO	1 Jan 11 to 31 Mar 11 (1Q 2011) S$'000	1 Jan 10 to 31 Mar 10 (1Q 2010) S$'000	Increase / (Decrease) %
Gross revenue	21,492	18,649	15.2
Net property income	19,720	17,206	14.6
Income available for distribution	14,297	12,500	14.4
Available Distribution Per Unit (cents) [1] - DPU for the period - Annualised DPU	2.36 9.44	2.07 8.28	14.4 14.4
Annualised Distribution Yield (%), based on closing market price of S$1.71 as at 31 March 2011	5.52	4.84	14.4

Singapore, 5 May 2011 – Parkway Trust Management Limited (the "Manager"), as manager of Parkway Life Real Estate Investment Trust ("PLife REIT") is delighted to announce yet another solid set of figures for the first quarter ended 31 March 2011 ("1Q 2011").

PLife REIT registered gross revenue of S$21.5 million and net property income of S$19.7 million for 1Q 2011, representing an increase of 15.2% and 14.6% respectively over the previous corresponding period ("1Q 2010"). The higher revenue was due primarily to revenue contribution amounting to S$2.6 million from the 11 new Japan nursing homes acquired in June and July 2010 as well as the acquisition of the Fukufuku-kan nursing home in January 2011. Furthermore, revenue was propelled by the higher rent from the Singapore properties, mainly due to increased growth rate of CPI + 1% (i.e. 1.73%) in Year Four of the lease term commencing 23 August 2010.

[1] The number of units used to calculate the DPU comprises the number of units in issue as at 31 March 2011 and units in issue and issuable as at 31 March 2010 respectively.

Property expenses for 1Q 2011 was S$1.8 million, representing a S$0.3 million increase from 1Q 2010 primarily incurred due to the Japan nursing home acquisitions. Net property income for 1Q 2011 was S$19.7 million, a 14.6% increase from the S$17.2 million in 1Q 2010.

As a result of the yield-accretive Japan acquisitions, higher rent from the Singapore properties and interest cost savings, distributable income for 1Q 2011 outperformed that of 1Q 2010 by 14.4% to S$14.3 million. Consequently, distribution per Unit ("DPU") for 1Q 2011 rose to 2.36 cents from 2.07 cents in 1Q 2010.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, "We are pleased to jump-start the financial year 2011 with a good set of 1Q results. Following a string of yield-accretive acquisitions and asset enhancement initiatives since 2010, we have now an expanded portfolio of 33 high-quality properties. Our solid portfolio, growth strategies and prudent financial management strategies have positioned us to continue performing well. PLife REIT remains committed to delivering good and sustainable results for our Unitholders for the year ahead."

Vigilance towards capital and financial management

PLife REIT remains vigilant towards financial and capital management, with its success evidenced by a 11.1% or S$0.3 million reduction in finance costs in 1Q 2011 despite the growth of the portfolio, as a result of approximately S$0.7 million in interest cost savings from the refinancing and re-pricing exercises announced in August 2010 and January 2011 respectively. This was offset by higher financing costs incurred to finance the Japan properties acquired in June/July 2010 and January 2011.

As at 31 March 2011, PLife REIT's weighted average term to debt maturity was 3.7 years, and effective all-in cost of debt was 1.96%. Gearing level stands at 34.3%, well within the 60% limit allowed under the Monetary Authority of Singapore's Property Funds Guidelines and representing further debt headroom for future acquisitions.

For FY2011, the Manager of PLife REIT will receive 100% of its management fees in cash, from the previous arrangement of receiving 80% in the form of cash and 20% in the form of PLife REIT units.

Update on Japan

In regards to the earthquake events that struck the northeast area of Japan in March 2011, none of PLife REIT's Japan properties have been structurally affected as most of its properties are located in the Kansai and Kyushu regions, which are not the earthquake affected areas. In addition, business continues to be in operation at all its 30 Japan properties with none of them located within the evacuation zone of the Fukushima nuclear plants, and our nearest property is at least 200 kilometers away from the nuclear plant site. PLife REIT's Japan portfolio also complies with strict seismic safety standards and is covered by fire, earthquake, volcanic eruption and/or tsunami insurance. The Management of PLife REIT will continue to closely monitor the situation in Japan and provide updates should there be any further significant developments.

Well-equipped for continued growth in robust Asia Pacific healthcare sector

Notwithstanding uncertainties in the global economy including rising inflation, the Group remains optimistic about its prospects in the medium to long-term. This is due to its favourable rental lease structures, where at least 88.3% of the Singapore and Japan portfolio have downside revenue protection and 66% of the total portfolio is pegged to CPI-linked revision formulae for good future rental growth potential.

Commented Mr Yong, "The regional healthcare industry remains robust due to the persistent rise in demand for better quality private healthcare, driven in no small part by growing affluence, fast-ageing populations and increasing social acceptance of nursing homes. PLife REIT's enlarged portfolio of healthcare assets places us in a good position to capture the demand of the resilient and growing healthcare industry in the Asia Pacific."

Moving ahead, PLife REIT seeks to continue extracting value from its portfolio and generate operating synergies to optimise the performance of its portfolio. PLife REIT, in line with its clustering approach towards portfolio expansion, will actively source for acquisition opportunities in regional markets where the healthcare sectors are mature and experiencing sustainable growth.

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About Parkway Life REIT

Parkway Life Real Estate Investment Trust ("PLife REIT") is one of 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$1.3 billion as at 31 March 2011. 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 30 assets located in Japan, namely one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture, and 29 high quality nursing home and care facility properties in various prefectures of Japan.

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