ParkwayLife REIT

NEWS RELEASE

FOR IMMEDIATE RELEASE

PARKWAY LIFE REIT REPORTS GOOD 1Q 2012 RESULTS

- **Gross revenue increased 6.0% year-on-year to S$22.8 million**
- **Net property income increased 5.6% year-on-year to S$20.8 million**
- **DPU increased 8.5% year-on-year to 2.56 cents**
- **On steady growth path with robust healthcare outlook and enlarged regional footprint**

TOTAL PORTFOLIO	1 Jan 12 to 31 Mar 12 (1Q 2012) S$'000	1 Jan 11 to 31 Mar 11 (1Q 2011) S$'000	Increase / (Decrease) %
Gross revenue	22,776	21,492	6.0
Net property income	20,830	19,720	5.6
Income available for distribution	16,260[1]	14,297	13.7
Income retained for capital expenditure	(750)	-	100.0
Income to be distributed (after deducting income retained for capital expenditure)	15,510	14,297	8.5
Distribution Per Unit (after deducting income retained for capital expenditure) (cents)[2] - DPU for the period - Annualised DPU	 2.56 10.24	 2.36 9.44	 8.5 8.5
Annualised Distribution Yield (%), based on closing market price of S$1.795 as at 30 March 2012	5.70	5.26	8.5

Singapore, 3 May 2012 – Parkway Trust Management Limited (the "Manager"), as manager of Parkway Life Real Estate Investment Trust ("PLife REIT") is pleased to announce its results for the first quarter ended 31 March 2012 ("1Q 2012").

PLife REIT registered gross revenue of S$22.8 million and net property income of S$20.8 million for 1Q 2012, representing an increase of 6.0% and 5.6% respectively over the previous corresponding period ("1Q 2011"). The higher revenue was due primarily to full-quarter

[1] Comprise of one-off IRAS tax adjustment (S$0.6 million).

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

contributions from the Japan property acquired in January 2011 and acquisition made in Japan[3] in March 2012. Furthermore, revenue was driven by higher rent from the Singapore properties, mainly due to increased growth rate of CPI + 1% (i.e. 5.3%) in Year Five of the lease term commencing 23 August 2011.

In tandem with portfolio growth, property expenses for 1Q 2012 increased S$0.2 million year-on-year to S$2.0 million. Net property income for 1Q 2012 was S$20.8 million, a 5.6% or S$1.1 million increase from S$19.7 million in 1Q 2011.

As a matter of prudence, PLife REIT will be retaining approximately S$3.0 million (S$0.75 million per quarter) of income available for distribution for FY2012 to fund the capital expenditure needs of its existing properties, thereby reducing its reliance on debt. The impact of the above retention is mitigated by the one-off adjustment by IRAS for the Years of Assessment 2008 to 2010 in 1Q 2012.

As a result of the yield-accretive Japan acquisitions, higher rent from the Singapore properties and interest cost savings, distributable income for 1Q 2012 increased 8.5% year-on-year to S$15.5 million. Consequently, distribution per Unit ("DPU") for 1Q 2012 rose to 2.56 cents, from 2.36 cents in 1Q 2011.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, "We are pleased to deliver a good set of 1Q 2012 results despite challenging global market conditions. This has been made possible through carefully calibrated growth and effective cost-control, supported by stable rental revenue gains at our Singapore properties. We remain focused on executing our strategies to maintain our financial strength and steady growth pace for 2012."

Dynamic financial and capital management

PLife REIT remains steadfast in its approach of dynamic financial and capital management, successfully reducing its finance costs in 1Q 2012 by 10.2% or S$0.2 million, achieved mainly through interest cost savings from the lower locked in hedged rates arising from the extension of interest rate hedges completed in August 2011. This was offset by additional financing costs incurred to finance the properties acquired in March 2012.

[3] PLife REIT announced on 28 February 2012 the acquisition of three nursing home properties in Japan, which was completed on 6 March 2012.

As at 31 March 2012, PLife REIT's weighted average term to debt maturity was 2.86 years, and effective all-in cost of debt was 1.61%. Gearing level stands at 35.3%, well within the 60% limit allowed under the Monetary Authority of Singapore's Property Funds Guidelines. With ample debt headroom and diversified funding sources in place, PLife REIT is well-positioned for future acquisitions and growth.

Increasing revenue diversity, enlarging regional footprint

Over the last quarter, PLife REIT announced the acquisition of three nursing home properties in Japan and its entry into a new market via the acquisition of strata-titled units/lots at the Gleneagles Medical Centre Kuala Lumpur in Malaysia[4]. With the latest acquisition in Japan, PLife REIT's portfolio has grown to 36 properties worth approximately S$1.4 billion. This places PLife REIT in a good position to benefit from the resilient growth of the Asia-Pacific healthcare sector, which continues to see increasing demand for quality private healthcare services bolstered by ageing populations, rising affluence and medical tourism.

Moving forward, PLife REIT remains cautiously optimistic about its near to medium term acquisition prospects. Mr Yong commented, "Our first foray into Malaysia signifies PLife REIT's strategy to further diversify our revenue sources in growing healthcare markets, which will enlarge our earnings base whilst preserving overall portfolio defensiveness. We will continue to seek out yield-accretive acquisition opportunities in regional markets with strong healthcare demand drivers, to further strengthen our position and generate greater value for Unitholders."

- ENDS -

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 36 properties with a total portfolio size of approximately S$1.4 billion as at 31 March 2012. It owns the largest portfolio of strategically-located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital,

[4] As announced on 28 February 2012, the acquisition of strata-titled units/lots at Gleneagles Medical Centre Kuala Lumpur is expected to be completed by August 2012.

covering an aggregate of 730 beds[5]. In addition, it has 33 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 32 high quality nursing home and care facility properties in various prefectures of Japan.

For media queries, please contact:

Kreab Gavin Anderson Tel: +65 6339 9110
Jean Zhuang / Clarence Koh
Mobile: +65 9061 1075/ +65 9229 1719 / +65 9800 7690
Email: jzhuang@kreabgavinanderson.com / ckoh@kreabgavinanderson.com

Important Notice

This press release 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 ("PLife REIT" and the units in PLife 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 PLife REIT, 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 PLife 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 PLife REIT or the Manager is not necessarily indicative of the future performance of PLife REIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

[5] As at 31 December 2011.