

NEWS RELEASE
FOR IMMEDIATE RELEASE

PARKWAY LIFE REIT DELIVERS STRONG 2Q and 1H 2011 RESULTS

- **Gross revenue increased 14.1% to S\$21.4 million for 2Q 2011**
- **DPU increased 13.4% to 2.37 cents for 2Q 2011**
- **Singapore Hospital Properties to enjoy 5.3% increase in Minimum Guaranteed Rent for fifth year of lease term commencing 23 August 2011**
- **Poised for sustainable growth with strengthened balance sheet, defensive portfolio and clear expansion strategy**

TOTAL PORTFOLIO	1 Apr 11 to 30 Jun 11 (2Q 2011) S\$'000	1 Apr 10 to 30 Jun 10 (2Q 2010) S\$'000	Increase %	1 Jan 11 to 30 Jun 11 (1H 2011) S\$'000	1 Jan 10 to 30 Jun 10 (1H 2010) S\$'000	Increase %
Gross revenue	21,378	18,736	14.1	42,870	37,385	14.7
Net property income	19,606	17,304	13.3	39,326	34,510	14.0
Income available for distribution	14,315	12,624	13.4	28,612	25,124	13.9
Available Distribution Per Unit (cents)¹						
- DPU for the period	2.37	2.09	13.4	4.73	4.16	13.9
- Annualised DPU	9.48	8.35	13.4	9.46	8.31	13.9
Annualised Distribution Yield (%), based on closing market price of S\$1.84 as at 30 June 2011	5.15	4.54	13.4	5.14	4.52	13.9

Singapore, 4 August 2011 – Parkway Trust Management Limited (the “Manager”), as manager of Parkway Life Real Estate Investment Trust (“PLife REIT”) has announced a good set of results for the second quarter (“2Q 2011”) and first six months (“1H 2011”) ended 30 June 2011.

PLife REIT registered gross revenue of S\$21.4 million for 2Q 2011, a 14.1% increase from the previous corresponding period (“2Q 2010”). This was primarily due to revenue contribution from the Japan nursing home properties acquired in June/July 2010 and January 2011 as well as higher rent from the existing properties. For 1H 2011, gross revenue increased 14.7% from the same period last year (“1H 2010”) to S\$42.9 million.

¹ The number of units used to calculate the Distribution per Unit (“DPU”) comprise of the number of units in issue as at 30 June 2011 and units in issue and issuable as at 30 June 2010 respectively.

In tandem with portfolio growth, property expenses for 2Q 2011 and 1H 2011 were S\$1.8 million and S\$3.5 million respectively, increasing S\$0.3 million and S\$0.7 million year-on-year. As a result, net property income rose 13.3% and 14.0% year-on-year to S\$19.6 million for 2Q 2011 and S\$39.3 million for 1H 2011.

Finance costs fell 14.1% and 12.6% for 2Q 2011 and 1H 2011 respectively, primarily due to interest cost savings from the refinancing and repricing exercises announced in August 2010 and January 2011. This was offset by higher financing costs incurred mainly to finance the Japan properties acquired in 2010 and January 2011.

As a result of the yield-accretive acquisitions, higher rent from existing properties and savings from finance cost reduction, distributable income for 2Q 2011 and 1H 2011 rose 13.4% and 13.9% respectively to S\$14.3 million and S\$28.6 million. Distributable income per Unit ("DPU") for 2Q 2011 rose from 2.09 cents in the same period last year to 2.37 cents.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, "We are pleased to continue delivering strong results for the first half of 2011, notwithstanding uncertainties in the global markets. This was made possible by our strategy of staying financially prudent and well-equipped to act swiftly on growth opportunities at all times."

Singapore Hospitals to enjoy higher Minimum Guaranteed Rent for 5th year of lease term

Under its CPI + 1% rental revision formula, PLife REIT's Singapore Hospital Properties are assured of annual rental increments in tandem with Singapore's prevailing inflation rate. With CPI growth of 4.3%, the Singapore Hospital Properties are set to enjoy a 5.3% increase in Minimum Guaranteed Rent for the fifth year of lease term (commencing 23 August 2011 to 22 August 2012) over the total rent payable for the previous year.

Further strengthening of balance sheet

As part of continuous efforts to strengthen its financial position, PLife REIT has extended interest rate swap hedges with notional amount of S\$208.6 million (approximately 45% of its loan portfolio) for an average of 3.5 years to capitalise on the current low interest rate environment. This will enable the Group to enjoy annual cost savings of approximately S\$1.5 million, and a 15.8% reduction of effective all-in cost of debt from 1.96% to 1.65% with effect from August 2011. For the remaining period of FY2011, interest cost savings is approximately S\$0.6 million.

As at 30 June 2011, PLife REIT's weighted average term to debt maturity was 3.45 years. Gearing level was 34.3%, 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-equipped for future acquisitions and growth opportunities.

Poised for long-term growth in regional healthcare sector

PLife REIT is cautious about its near to medium-term acquisition prospects, in view of ongoing global uncertainties. Nonetheless, the long-term outlook of the regional healthcare sector remains robust as it continues to see growing demand for quality private healthcare and elderly care services, propelled by rising affluence and fast-ageing populations.

Mr Yong added, "PLife REIT enjoys a good mix of defensiveness and growth potential, supported by our stable of high quality properties, clear growth strategy and long-term master lease structure. Currently, 88.3% of our total portfolio has downside revenue protection and 66% are pegged to CPI-linked revision formulae²."

"These factors put us in a favourable position to continue seeking both organic and inorganic growth opportunities to ensure stable, sustainable returns to our Unitholders."

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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 owns a well-diversified portfolio of 33 properties with a total portfolio size of approximately S\$1.3 billion as at 30 June 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 752 beds³. In addition, it has 30 assets located in Japan, including one pharmaceutical product distributing and manufacturing

² As at 30 June 2011.

³ As at 22 September 2010

facility in Chiba Prefecture as well as 29 high quality nursing home and care facility properties in various prefectures of Japan.

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