NEWS RELEASE
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PARKWAY LIFE REIT DELIVERS ROBUST 3Q 2011 RESULTS

- Gross revenue increased to S$22.0 million for 3Q 2011
- DPU increased 6.8% to 2.40 cents for 3Q 2011 and 11.4% for YTD Sep 2011
- Finance costs reduced by 34% reduction despite growth of portfolio
- Completed second Japan nursing home asset enhancement initiative, with 1.43% increase in fixed gross rent for unexpired lease term
- Positive long-term outlook with healthy balance sheet, robust regional healthcare growth

<table>
<thead>
<tr>
<th>TOTAL PORTFOLIO</th>
<th>1 Jul 11 to 30 Sep 11 (3Q 2011) S$'000</th>
<th>1 Jul 10 to 30 Sep 10 (3Q 2010) S$'000</th>
<th>Increase</th>
<th>Increase</th>
<th>1 Jan 11 to 30 Sep 11 (YTD Sep 2011) S$’000</th>
<th>1 Jan 10 to 30 Sep 10 (YTD Sep 2010) S$’000</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>22,046</td>
<td>21,171</td>
<td>4.1</td>
<td>64,916</td>
<td>58,556</td>
<td>10.9</td>
<td></td>
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<tr>
<td>Net property income</td>
<td>20,145</td>
<td>19,437</td>
<td>3.6</td>
<td>59,471</td>
<td>53,947</td>
<td>10.2</td>
<td></td>
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<tr>
<td>Income available for distribution</td>
<td>14,537</td>
<td>13,616</td>
<td>6.8</td>
<td>43,149</td>
<td>38,740</td>
<td>11.4</td>
<td></td>
</tr>
<tr>
<td>Available Distribution Per Unit (cents)(^1)</td>
<td>2.40</td>
<td>2.25</td>
<td>6.8</td>
<td>7.13</td>
<td>6.41</td>
<td>11.4</td>
<td></td>
</tr>
<tr>
<td>- DPU for the period</td>
<td>9.60</td>
<td>9.00</td>
<td>6.8</td>
<td>9.51</td>
<td>8.54</td>
<td>11.4</td>
<td></td>
</tr>
<tr>
<td>- Annualised DPU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annualised Distribution Yield (%), based on closing market price of S$1.83 as at 30 Sep 2011</td>
<td>5.25</td>
<td>4.92</td>
<td>6.8</td>
<td>5.20</td>
<td>4.67</td>
<td>11.4</td>
<td></td>
</tr>
</tbody>
</table>

**Singapore, 3 November 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 third quarter (“3Q 2011”) and nine months (“YTD Sep 2011”) ended 30 September 2011.

PLife REIT registered gross revenue of S$22.0 million for 3Q 2011, a 4.1% year-on-year increase from the previous corresponding period (“3Q 2010”). This was primarily due to full

\(^1\) The number of units used to calculate the Distribution per Unit (“DPU”) for 2011 and 2010 comprise of the number of units in issue as at 30 September 2011 and units in issue and issuable as at 30 September 2010 respectively.
quarter revenue contribution from the Japan nursing home properties acquired in July 2010 and January 2011. Revenue was also driven by higher rent from the Singapore properties due to a rental growth rate of 5.3% under the CPI + 1% rent revision formula for Year 5 of the lease term commencing 23 August 2011. For the year to-date (“YTD Sep 2011”), gross revenue increased 10.9% from the same period last year (“YTD Sep 2010”) to S$64.9 million.

In tandem with portfolio growth, property expenses for 3Q 2011 and YTD Sep 2011 were S$1.9 million and S$5.4 million respectively, increasing S$0.2 million and S$0.8 million year-on-year. As a result, net property income rose 3.6% to S$20.1 million for 3Q 2011 and 10.2% to S$59.5 million for YTD Sep 2011, year-on-year.

As a result of the yield-accretive acquisitions, higher rent from existing properties and savings from lower financing costs, distributable income for 3Q 2011 and YTD Sep 2011 rose 6.8% and 11.4% respectively to S$14.5 million and S$43.1 million. Distributable income per Unit (“DPU”) for 3Q 2011 rose from 2.25 cents in the same period last year to 2.40 cents.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, “We are pleased with our 3Q 2011 performance, and remain focused on steady growth and prudent financial management for the rest of the year. Our strategies have proven to be robust and viable, helping us in maintaining a strong financial position with continual growth in our revenue amid market uncertainty.”

Well-managed finance costs and debt headroom
Despite the growth of the portfolio, financing costs fell by 34.0% and 20.9% for 3Q 2011 and YTD Sep 2011 respectively. While higher financing costs were incurred to fund the Japan properties acquired in 2010 and 2011, overall financing costs have reduced primarily due to interest cost savings from the refinancing and re-pricing exercises announced in August 2010 and January 2011 respectively, as well as lower locked-in hedged rates arising from the recent extension of interest rate hedges with effect from August 2011.

As at 30 September 2011, PLife REIT’s weighted average term to debt maturity was 3.19 years, and effective all-in cost of debt was 1.63%. Gearing stands at a healthy level of 36.6%, representing further debt headroom of S$212.3 million before reaching 45% gearing.

Second yield-accretive Japan nursing home asset enhancement initiative
As part of PLife REIT’s efforts to boost organic revenue growth, it continuously explores ways to extract greater value from its existing portfolio. In July 2011, PLife REIT completed its second
Japan nursing home asset enhancement initiative ("AEI"), which involved the conversion of a 94m² under-utilised indoor pool area to an income-producing Day Service facility area at Sawayaka Nokatakan ("Nokatakan AEI"). The converted area, which adjoins the existing Day Service facility area, increases the maximum day service capacity which in turn optimises the overall day care service component of Sawayaka Nokatakan. At a low capital outlay of JPY9.45 million (S$0.15 million\(^2\)), the converted area is expected to yield an annual Return on Investment of at least 10.0%, resulting from a 1.43% increase in fixed gross rent for the current unexpired lease term of approximately 18.9 years effective on 26 July 2011.

The Nokatakan AEI is also PLife REIT’s maiden AEI effort with K.K. Sawayaka Club, its largest nursing home operator\(^3\). This signifies the mutual commitment between PLife REIT and its nursing home operators in building long-term strategic partnerships, realising potential gains for both parties.

Stable outlook with strong fundamentals and positive long-term healthcare sector prospects
While PLife REIT remains cautious about its near to medium-term acquisition prospects amid ongoing global uncertainties, its enlarged portfolio of high quality healthcare properties places it in a good position to continue benefitting from the resilient Asia Pacific healthcare industry. The long-term outlook of the regional healthcare sector remains positive, with growing demand for quality private healthcare and elderly care services driven by rising affluence and ageing populations.

Mr Yong added, “Our latest AEI has equipped one of our Japan properties to better cater to the needs of an ageing population. We would continue to seek out such opportunities to add more value to our investments, and in turn contribute to stable, sustainable returns to our Unitholders.

“With 87.9% of our total portfolio having downside revenue protection, and relying on our solid fundamentals, we also expect to comfortably ride out the current economic uncertainty as we continue to act on arising opportunities”, Mr Yong concluded.

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\(^2\) Based on an assumed exchange rate of S$1.00 to JPY65.00.

\(^3\) As at 30 September 2011, K.K. Sawayaka Club operates 7 out of PLife REIT’s 29 Japan nursing homes.
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 33 properties with a total portfolio size of approximately S$1.3 billion as at 30 September 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 beds4. In addition, it has 30 assets located in Japan, including one pharmaceutical product distributing and manufacturing 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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4 As at 22 September 2010
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.