

**NEWS RELEASE**  
**FOR IMMEDIATE RELEASE**

**PARKWAY LIFE REIT WRAPS THE YEAR UP  
WITH SUSTAINED GROWTH**

- **Gross revenue up 7.2% to S\$94.1 million in FY 2012**
- **Net property income up 7.6% to S\$86.4 million in FY 2012**
- **DPU up 7.5% to 10.31 cents in FY 2012**
- **Japanese Yen income hedges extended to derive further stability in distributions**
- **Sixth Japan asset enhancement initiative completed at an ROI of 10.0%**

<b>TOTAL PORTFOLIO</b>	<b>1 Oct 12 to 31 Dec 12 (4Q 2012) S\$'000</b>	<b>1 Oct 11 to 31 Dec 11 (4Q 2011) S\$'000</b>	<b>Increase %</b>	<b>1 Jan 12 to 31 Dec 12 (FY 2012) S\$'000</b>	<b>1 Jan 11 to 31 Dec 11 (FY 2011) S\$'000</b>	<b>Increase %</b>
<b>Gross revenue</b>	<b>23,987</b>	<b>22,847</b>	<b>5.0</b>	<b>94,074</b>	<b>87,763</b>	<b>7.2</b>
<b>Net property income</b>	<b>22,105</b>	<b>20,837</b>	<b>6.1</b>	<b>86,426</b>	<b>80,308</b>	<b>7.6</b>
<b>Income available for distribution (after deducting income retained for capital expenditure)</b>	<b>16,314</b>	<b>14,902</b>	<b>9.5</b>	<b>62,405</b>	<b>58,051</b>	<b>7.5</b>
<b>Available Distribution Per Unit (cents)<sup>1</sup></b>						
- DPU for the period	<b>2.69</b>	<b>2.47</b>	<b>9.5</b>	<b>10.31</b>	<b>9.60</b>	<b>7.5</b>
- Annualised DPU	<b>10.76</b>	<b>9.88</b>	<b>9.5</b>	<b>10.31</b>	<b>9.60</b>	<b>7.5</b>
<b>Annualised Distribution Yield (%), based on closing market price of S\$2.15 as at 31 December 2012</b>	<b>5.00</b>	<b>4.60</b>	<b>9.5</b>	<b>4.80</b>	<b>4.47</b>	<b>7.5</b>

**Singapore, 25 January 2013** – 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 results for the fourth quarter (“4Q 2012”) and full year (“FY 2012”) ended 31 December 2012.

PLife REIT registered gross revenue of S\$24.0 million for 4Q 2012, a 5.0% increase from the previous corresponding period (“4Q 2011”). This was primarily due to a full quarter’s revenue contribution from the Japan and Malaysia properties acquired in March and August 2012 respectively. Revenue growth was further driven by higher rent from PLife REIT’s Singapore properties as rent grew by 6.31% (under the CPI+1% rent review formula) for Year 6 of the lease term that commenced on 23 August 2012.

<sup>1</sup> The number of units used to calculate the Distribution per Unit (“DPU”) comprise the number of units in issue as at 31 December 2012 and 31 December 2011 respectively.

For FY 2012, gross revenue increased 7.2% from the same period last year (“FY 2011”) to S\$94.1 million, due to revenue contribution from new properties acquired in 2011 and 2012, and higher rent derived from existing properties, offset by the Japanese Yen depreciation in 4Q 2012. As a result, net property income rose 6.1% and 7.6% year-on-year to S\$22.1 million and S\$86.4 million for 4Q 2012 and FY 2012 respectively.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, “We are pleased with the set of results that we have achieved for the year despite challenging market conditions. Our DPU for 4Q 2012 reached another historical high and has grown 69.2% since listing. The success of our efforts bears testament to our strategy to bolster the strength of our property portfolio whilst effectively managing our finances.”

Finance costs rose marginally by 1.7% for 4Q 2012, mainly due to additional financing costs incurred to finance the properties acquired in March and August 2012 and higher amortisation of transaction cost relating to debt facilities. This was offset by the depreciation of the Japanese Yen over the quarter. On a full-year basis, for FY 2012, finance costs fell 2.4% despite the growth of the portfolio, helped largely by the lower locked-in hedged rates arising from the extension of interest rate hedges which was completed in August 2011.

As a result of the yield accretive acquisitions, higher rent from the Singapore properties, savings from lower financing costs over the year and a one-off gain on tax adjustment by the Inland Revenue Authority of Singapore<sup>2</sup>, distributable income for 4Q 2012 and FY 2012 increased 9.5% and 7.5% respectively to S\$16.3 million and S\$62.4 million. DPU for 4Q 2012 grew from 2.47 cents in the same period last year to 2.69 cents, which in turn saw DPU for FY 2012 grow by 7.5% to 10.31 cents.

### **Stable and defensive fundamentals to support continual growth**

PLife REIT continues to enjoy the effects of the interest cost savings from the lower locked-in hedged rates arising from the extension of interest rate hedges which was completed in August 2011. To ensure stable distributions to its Unitholders, PLife REIT has in place a natural hedge strategy to match its assets and liabilities that are denominated in Japanese Yen. In 2012, it extended its Japanese Yen-denominated net income hedge for five years till the first quarter ended 31 March 2017 (“1Q 2017”), insulating it from volatility in the Japanese Yen.

In addition, with the completion of the pre-emptive refinancing exercise in 25 June 2012<sup>3</sup>, PLife REIT will have no refinancing needs for its existing total debt portfolio until FY2014. As at 31 December 2012, PLife REIT’s weighted average debt maturity period stood at 2.45 years. Its gearing stood at 32.9%, well below the 60% gearing limit imposed under the Monetary Authority of Singapore’s Property Funds Appendix, representing ample debt headroom for future acquisition opportunities.

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<sup>2</sup> Representing the difference between the taxable income previously distributed and the quantum finally agreed with the Inland Revenue Authority of Singapore (“IRAS”) for the Years of Assessment 2008 to 2011 and had been adjusted under the rollover adjustment mechanism agreed with the IRAS. This represents a gain of approximately S\$0.2 million and S\$0.7 million for 4Q 2012 and FY 2012 respectively.

<sup>3</sup> Refer to announcement dated 2 August 2012 for details.

### **Further organic growth to deliver additional value**

On 30 November 2012, PLife REIT completed its sixth Asset Enhancement Initiative (“AEI”) for its Japan portfolio, involving the creation of a central kitchen at Sawayaka Obatake Nibankan to facilitate the catering and preparation of food for other K.K. Sawayaka Club<sup>4</sup> facilities in the vicinity. At a low capital outlay of approximately JPY12.0 million (S\$0.2 million<sup>5</sup>), the AEI yield attractive returns for PLife REIT as gross rent for the unexpired lease term of approximately 17.5 years<sup>6</sup> would increase by 5.04%, translating to a return on investment of 10.0%.

Mr Yong concludes, “Moving into 2013, we will build on our past successes in delivering both organic and inorganic growth. We will continue exploring the market for compelling opportunities that may arise in order to benefit from the growing demand for quality healthcare services in the Asia-Pacific region.”

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### **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 37 properties with a total portfolio size of approximately S\$1.4 billion as at 31 December 2012. 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 730 beds<sup>7</sup>. In Japan, it has 33 assets, 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. It also owns strata-titled units/lots at Gleneagles Intan Medical Centre Kuala Lumpur in Malaysia.

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<sup>4</sup> As at 31 December 2012, K.K. Sawayaka Club operates 10 out of PLife REIT’s 32 nursing homes.

<sup>5</sup> Based on an assumed exchange rate of S\$1.00 to JPY63.45.

<sup>6</sup> With effect from 1 December 2012.

<sup>7</sup> As at 31 December 2012.

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**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.