

NEWS RELEASE
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PARKWAY LIFE REIT DELIVERS ROBUST 2Q and 1H 2012 RESULTS

- Net property income up 9.3% to S\$21.4 million for 2Q 2012
- DPU up 4.9% to 2.48 cents for 2Q 2012
- Pre-emptive refinancing with four-year S\$80 million Revolving Credit Facility lengthens debt maturity to 2.92 years, with no refinancing needs until FY2014
- Singapore Hospital Properties to enjoy 6.31% increase in minimum guaranteed rent for sixth year of lease term commencing 23 August 2012
- Completed the acquisition of strata-titled units/lots in Malaysia
- Unlocking portfolio value with fifth Japan asset enhancement initiative at 18.5% ROI

TOTAL PORTFOLIO	1 Apr 12 to 30 Jun 12 (2Q 2012) S\$'000	1 Apr 11 to 30 Jun 11 (2Q 2011) S\$'000	Increase %	1 Jan 12 to 30 Jun 12 (1H 2012) S\$'000	1 Jan 11 to 30 Jun 11 (1H 2011) S\$'000	Increase %
Gross revenue	23,401	21,378	9.5	46,177	42,870	7.7
Net property income	21,437	19,606	9.3	42,267	39,326	7.5
Income available for distribution (after deducting income retained for capital expenditure)	15,013	14,315	4.9	30,523	28,612	6.7
Available Distribution Per Unit (cents)¹						
- DPU for the period	2.48	2.37	4.9	5.04	4.73	6.7
- Annualised DPU	9.92	9.48	4.9	10.08	9.46	6.7
Annualised Distribution Yield (%), based on closing market price of S\$1.88 as at 29 June 2012	5.28	5.04	4.9	5.36	5.03	6.7

Singapore, 2 August 2012 – 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 second quarter (“2Q 2012”) and first six months (“1H 2012”) ended 30 June 2012.

PLife REIT registered gross revenue of S\$23.4 million for 2Q 2012, a 9.5% increase from the previous corresponding period (“2Q 2011”). This was primarily due to a full quarter’s revenue contribution from the three Japan properties acquired in March 2012, and higher rent from the Singapore properties mainly due to increased growth rate of CPI + 1% (i.e. 5.3%) in Year 5 of

¹ The number of units used to calculate the Distribution per Unit (“DPU”) comprise the number of units in issue as at 30 June 2012 and units in issue and issuable as at 30 June 2011 respectively.

the lease term commencing 23 August 2011. For 1H 2012, gross revenue increased 7.7% from the same period last year ("1H 2011") to S\$46.2 million due to revenue contribution from the properties acquired in 2011/2012, and higher rent from the existing properties.

Property expenses for 2Q 2012 and 1H 2012 were S\$2.0 million and S\$3.9 million respectively, increasing S\$0.2 million and S\$0.4 million year-on-year in tandem with PLife REIT's portfolio growth. Net property income rose 9.3% and 7.5% year-on-year to S\$21.4 million and S\$42.3 million for 2Q 2012 and 1H 2012 respectively.

Finance costs fell 2.5% and 6.3% for 2Q 2012 and 1H 2012 respectively despite portfolio growth, mainly due to interest cost savings from the lower locked-in hedged rates arising from the extension of interest rate hedges completed in August 2011.

As a result of the yield accretive Japan acquisitions, higher rent from Singapore properties and savings from lower financing costs, distributable income for 2Q 2012 and 1H 2012 increased 4.9% and 6.7% respectively to S\$15.0 million and S\$30.5 million. Distributable income per Unit ("DPU") for 2Q 2012 grew from 2.37 cents in the same period last year to 2.48 cents.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, "We are pleased to report a fruitful first half of 2012 as we continued to grow both organically and through yield accretive acquisitions and strengthen our financial position, despite challenging market conditions."

Pre-emptive refinancing eliminates refinancing needs until FY2014

On 25 June 2012, PLife REIT put in place a four-year S\$80.0 million committed and unsecured Revolving Credit Facility (the "Facility") for the pre-emptive refinancing of short-term loan facilities as well as the S\$50.0 million Floating Rate Notes ("FRN")² maturing in FY2012 and FY2013 respectively.

At the same time, the Group has purchased and cancelled S\$35.75 million of the outstanding FRN using the Facility. The remaining S\$14.25 million of the FRN will be covered by the Facility when the FRN falls due in March 2013.

Following the successful completion of this exercise, PLife REIT would have no refinancing needs for its existing total debt portfolio until FY2014, with its weighted average debt maturity period lengthened from 2.86 years (as at 31 March 2012) to 2.92 years (as at 30 June 2012). The staggered debt maturity profile also reduces the "bunching" effect of significant amounts of loan expiring in a single year. As at 30 June 2012, PLife REIT's gearing stood at 36.4%, well below the 60% gearing limit imposed under the Monetary Authority of Singapore's Property Funds Guidelines.

Mr Yong said, "This pre-emptive refinancing exercise is in line with PLife REIT's ongoing dynamic financial and capital management strategy. With diversified, long-term financing sources in place, we offer our investors a safe shelter whilst staying in prime position to move quickly as and when growth opportunities arise."

² In March 2010, the Group issued a S\$50 million 3-year FRN under its S\$500 million Multicurrency Medium Term Note Programme, bearing a floating interest rate per annum equal to the sum of 1.05 per cent and the six-month Singapore dollar swap offer rate payable semi-annually in arrears. The proceeds of the loan was used to refinance existing bank borrowing, as well as used for the general working capital purposes of Parkway Life REIT.

Singapore Hospitals to enjoy higher Minimum Guaranteed Rent for 6th 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 5.31%, the Singapore Hospital Properties are set to enjoy a 6.31% increase in Minimum Guaranteed Rent for the sixth year of lease term (commencing 23 August 2012 to 22 August 2013) over the total rent payable for the previous year.

Completion of Acquisition of Strata-Titled Units/Lots in Malaysia

PLife REIT has completed the acquisition of strata titled units/lots within Gleneagles Medical Centre, Kuala Lumpur, Malaysia on 1 August 2012 ("GMCKL Portfolio"). The GMCKL Portfolio³ which marks PLife REIT's first foray into Malaysia, is strategically located in a well known medical precinct in Kuala Lumpur and enjoys close to full occupancy with a good tenancy profile.

As one of the growth markets identified to enhance portfolio diversity, PLife REIT will continue to be on the lookout for acquisition opportunities to increase its presence in Malaysia.

Unlocking greater value with new Refurbishment AEI concept

In May 2012, PLife REIT completed its fifth asset enhancement initiative ("AEI") for its Japan portfolio with the roll-out of its new "Refurbishment AEI" concept, whereby property refurbishment costs are being borne by PLife REIT in exchange for incremental rent from its Lessees.

The maiden Refurbishment AEI at its Maison des Centenaire Ishizugawa nursing home property ("Ishizugawa") involved improvement works being carried out to the lift systems, interior finishing and façade of the property. The AEI is expected to yield an annual Return on Investment of 18.5%, resulting from a 2.0% increase in gross rent for the current unexpired lease term of approximately 14.5 years effective 1 June 2012.

The Refurbishment AEI at Ishizugawa which serves to preserve the competitiveness of the property and revenue sustainability of the nursing home operator, Miyako Kenkokai Medical Corporation ("Miyako") is PLife REIT's second successful AEI collaboration with Miyako.

Mr Yong commented, "The Refurbishment AEI is one example of PLife REIT's innovative asset management strategies as we continuously seek to unlock greater value from our portfolio. This initiative is mutually beneficial to both PLife REIT and our nursing home operators, who have been supportive of such collaborative upgrading efforts. We will continue to proactively explore accretive AEI opportunities to add value to our properties and deliver 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 REITs by asset size. It invests in income-producing real estate and real estate-

³ The GMCKL portfolio constitutes approximately 23.1% of the total share value of GMCKL – comprising three retail units, three medical consulting suite units, entire 8th floor and 69 car park lots.

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 30 June 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 beds⁴. 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 9800 7690

Email: jzhuang@kreabgavinanderson.com / ckoh@kreabgavinanderson.com

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⁴ As at 31 December 2011.