



ParkwayLife REIT

("PLife REIT")



Q1 2009 Results Presentation

7 May 2009



Disclaimer

- ❑ This Presentation is focused on comparing actual results for the period from 1 January 2009 to 31 March 2009 (“Q1 2009”) versus actual results for the period from 1 January 2008 to 31 March 2008 (“Q1 2008”). This shall be read in conjunction with PLife REIT 2009 First Quarter Unaudited Financial Statement and Distribution Announcement in SGXNet.

- ❑ This Presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

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Q1 2009 Highlights

Q1 2009 Highlights



Strong Revenue & DPU growth

- Gross revenue grew by 37.6%
- Net property income grew by 36.6%
- DPU at 1.89 cents; continued DPU growth at a rate of 18.9% since IPO



Downside revenue protection – favourable lease structure

- 93%¹ of total portfolio with downside revenue protection
- No downside risks to Singapore Hospitals revenue as it is protected by minimum guaranteed rent, which is set to grow by at least CPI + 1% yearly (in the event CPI is negative, minimum growth is 1%)
- Rent review increase of 6.25% for Singapore Hospitals, due to the strong CPI growth of 5.25% in the second year of lease
- Long committed leases - weighted average lease term to expiry is 13.65 years²

Note: 1. Based on net lettable area as at 31 March 2009

Note: 2. Based on monthly gross rental income as at 31 March 2009

Q1 2009 Highlights (cont'd)



Strong Balance Sheet

- Low gearing of 23.0%
- No immediate refinancing risks, existing debt has a weighted average term to maturity of 2.4 years
- Interest rate risk and foreign currency risk fully hedged for 3 years and 5 years respectively



100% distribution policy in FY2009

- Parkway Life REIT is committed to distribute 100% of its distributable income for FY2009



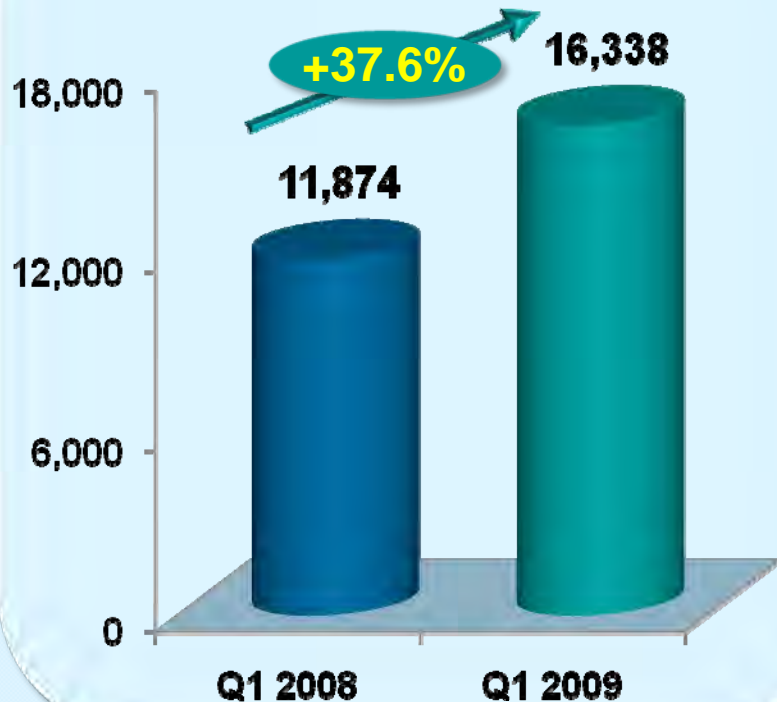
Financial Highlights

Strong Revenue and DPU Growth

- Revenue grew by 37.6% to \$16.3 million
- DPU grew by 16.6% to \$11.4 million

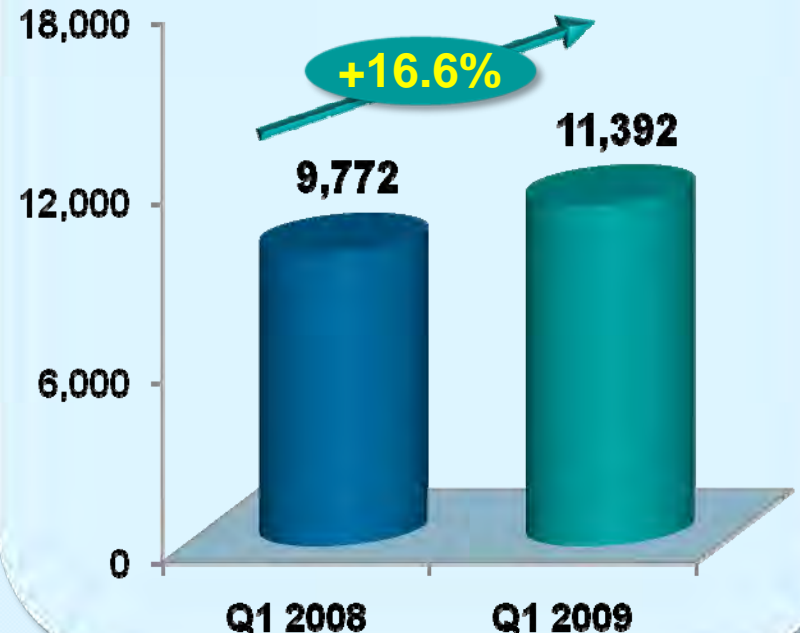
Higher Year-on-Year Revenue

Revenue (S\$'000)



Higher Year-on-Year Distribution

Distributable Income (S\$'000)



Strong Revenue & DPU Growth (cont'd)

- DPU grew by 16.6% to 1.89 cents

Consolidated Income Statement	Year-on-Year (Actual)		Variance
	(S\$'000)	Q1 2009	Q1 2008
Gross Rental Revenue	16,338	11,874	37.6
Net Property Income	15,177	11,112	36.6
Income Available for Distribution	11,392	9,772	16.6
Available Distribution Per Unit (Cents) ¹			
- For the period	1.89	1.62	16.6
- Annualised	7.56	6.49	16.6

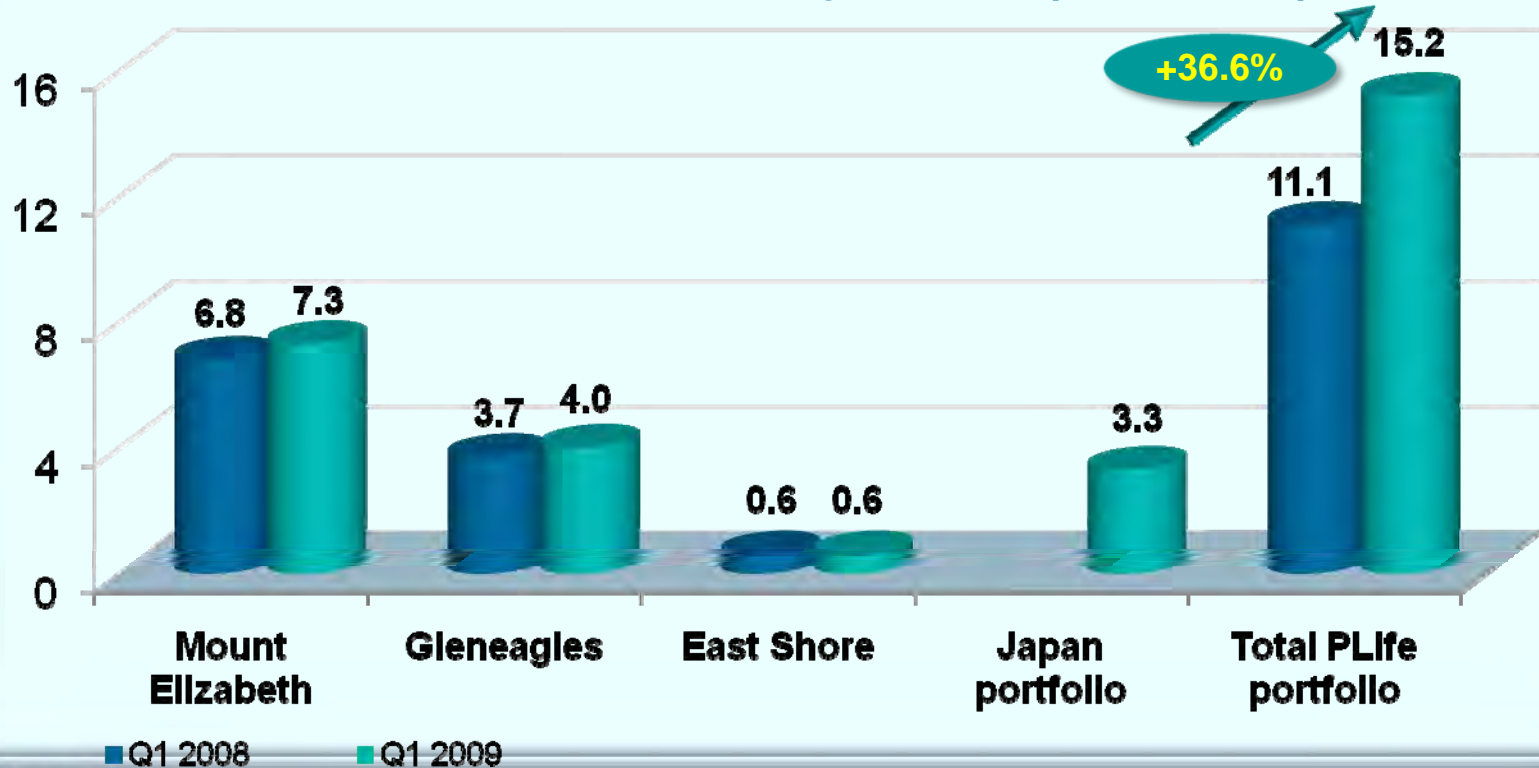
Note:

- The number of units used to calculate the Distribution per Unit ("DPU") comprise 602,750,354 and 601,690,558 units issued at 31 March 2009 and 31 March 2008 respectively and units to be issued as partial satisfaction of Parkway Life REIT Manager's management fees .

NPI Grew Strongly by 36.6%

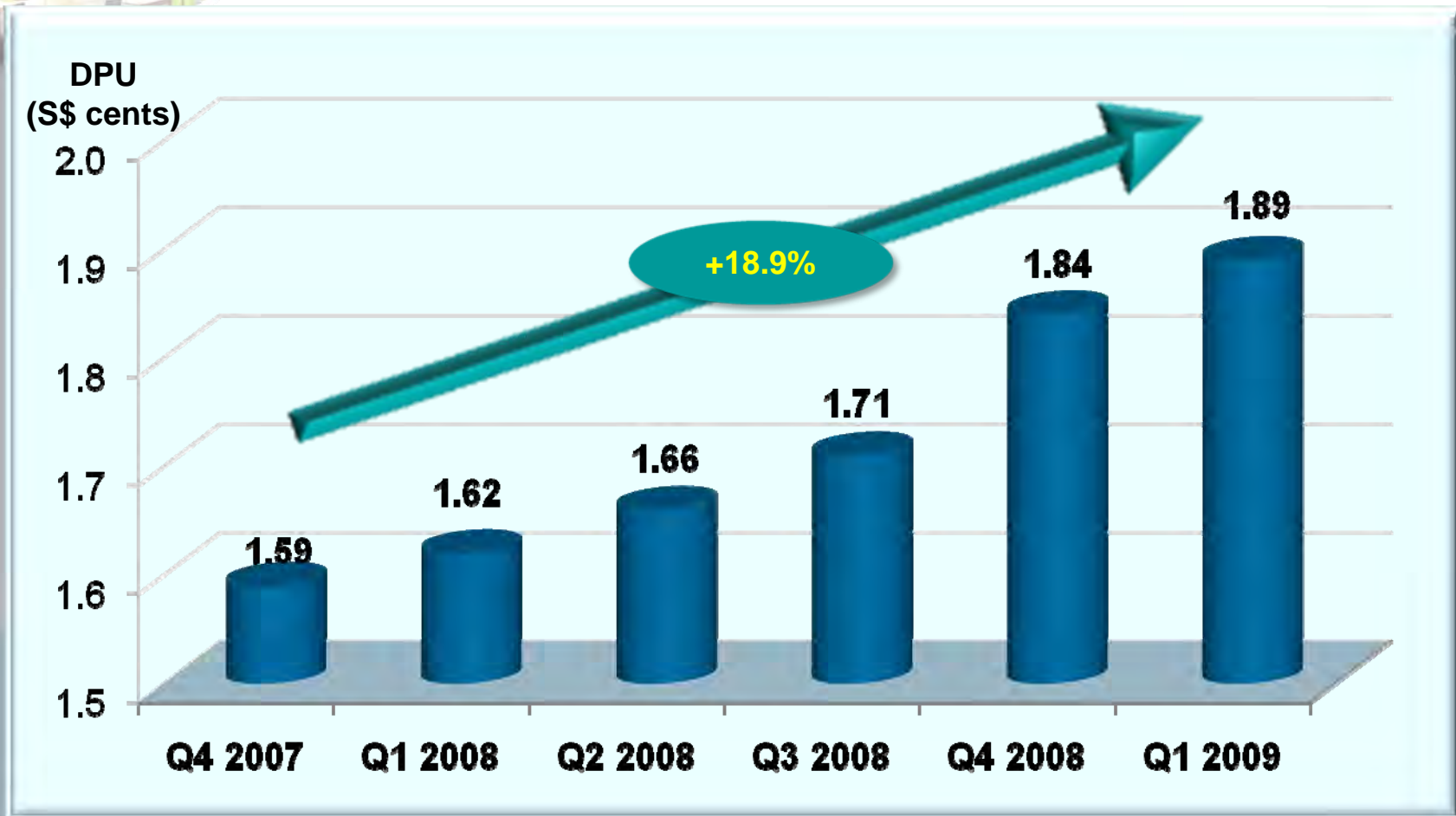
- Increase in NPI is due to:
 - Upward rent revision of Spore hospitals by 6.25%; and
 - Rent contributions from Japan properties

Breakdown of Net Property Income (S\$' million)



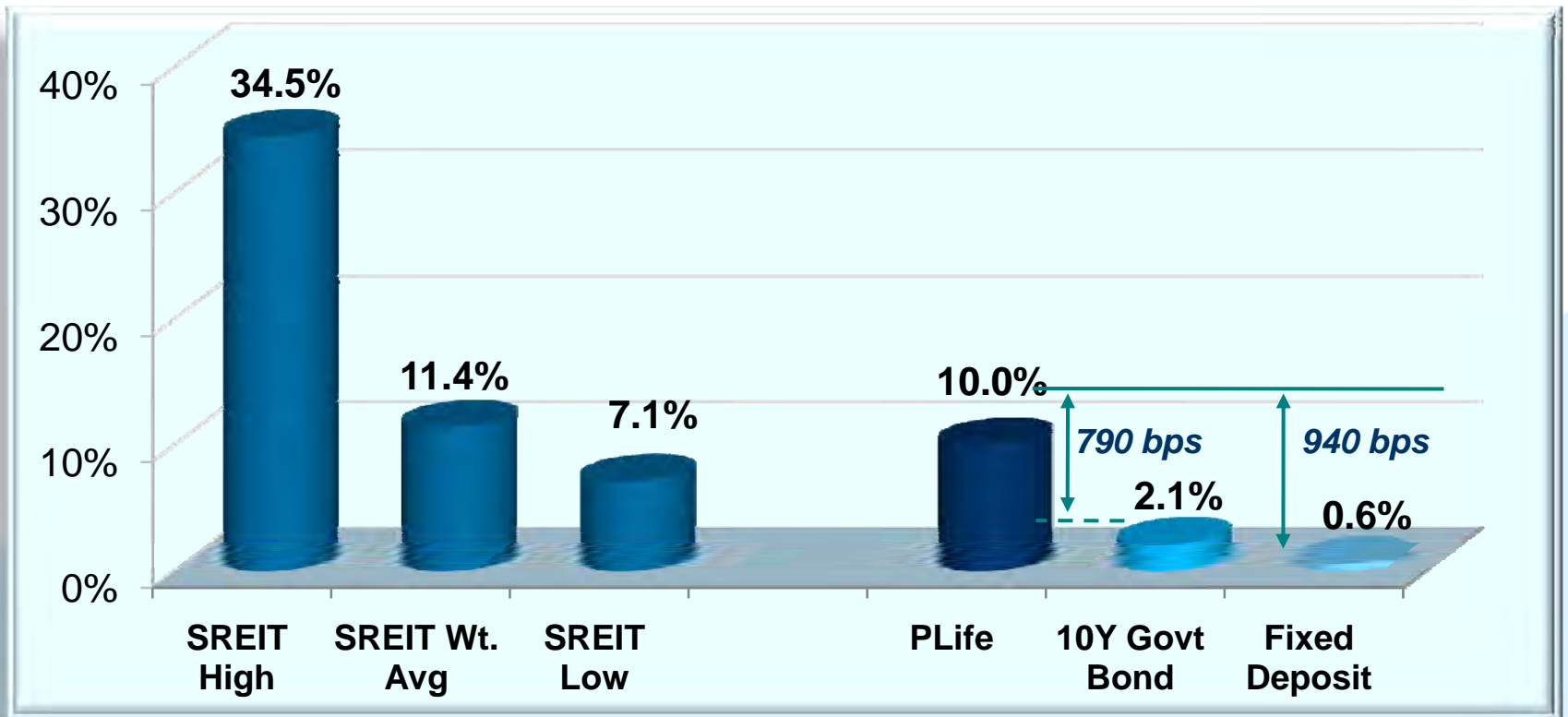
Strong DPU Growth of 18.9%

- DPU has grown steadily from 1.59 cents to 1.89 cents, at a growth rate of 18.9% since IPO



Attractive Yield of 10%

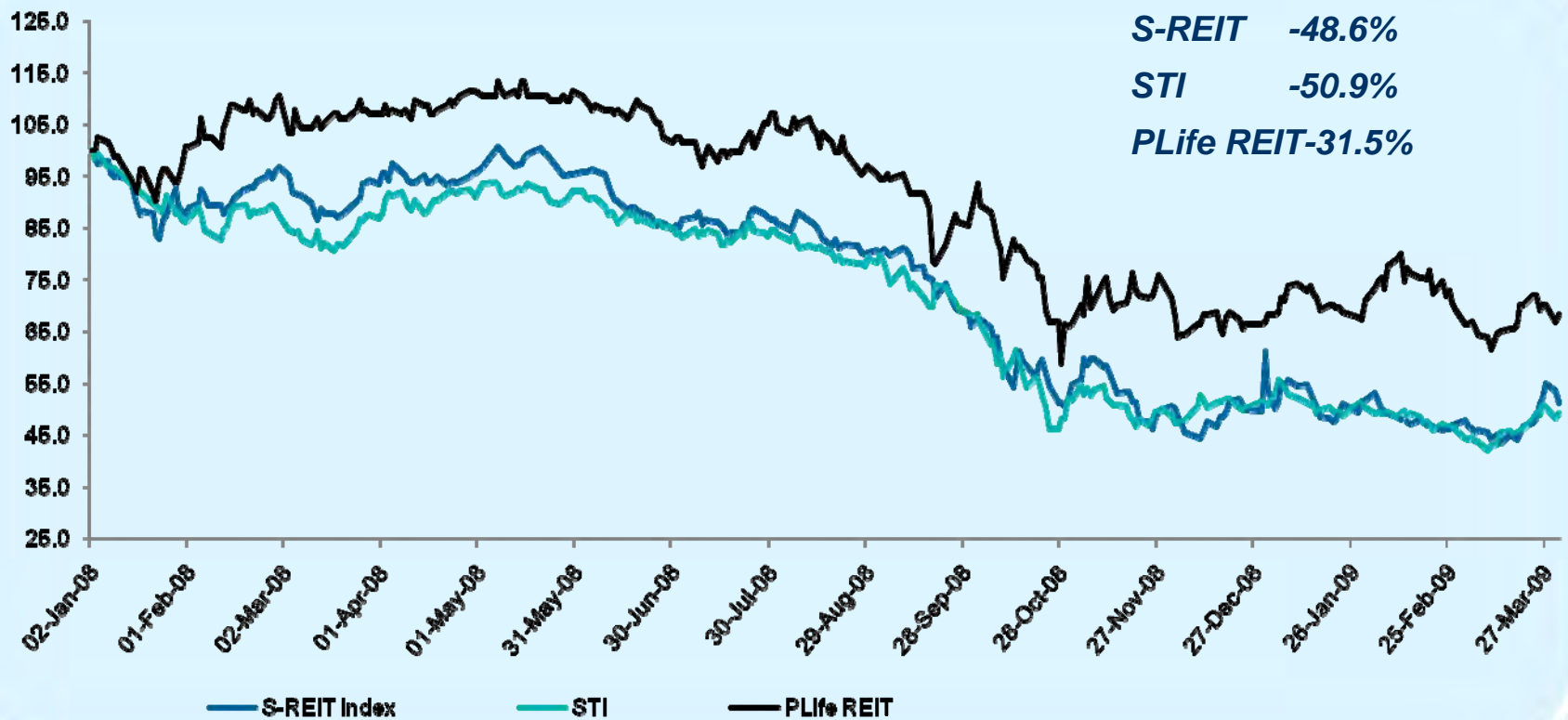
- 790bps higher than 10-yr Singapore Government Bond
- 940 bps higher than fixed deposit rates
- Defensive nature of PLife REIT adds on to the attractiveness of 10.0% yield



Source: Bloomberg

Unit Price Relative Performance

PLife REIT's unit price has outperformed the STI Index and S-REIT consistently





Capital and Financial Management

Strong Balance Sheet

- Low gearing of 23.0%

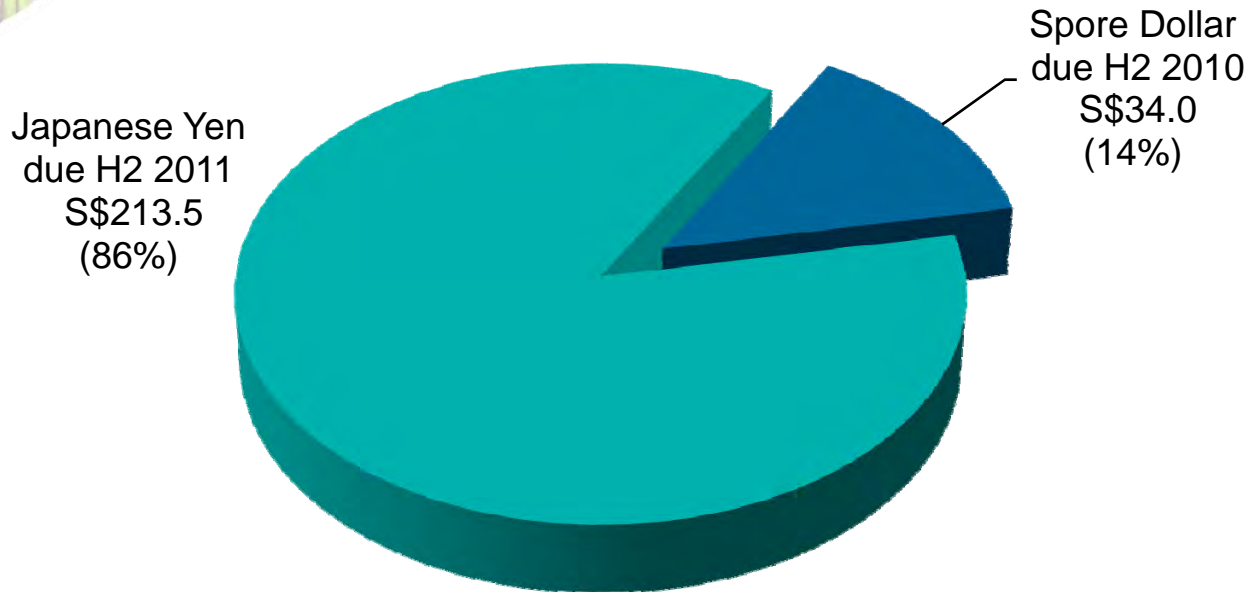
Consolidated Balance Sheet (in S\$'000)	As at 31 March 2009	As at 31 December 2008	Variance Commentary
Total Assets	1,074,064	1,080,566	Decrease is mainly due to depreciation of Japanese Yen.
Total Debt	247,506	252,150	Decrease is mainly due to depreciation of Japanese Yen.
Net assets attributable to Unitholders	809,256	809,131	
Gearing ¹(%)	23.0	23.3	

Note:

1. Total Gross Borrowings before transaction costs ÷ Total Assets

Debt Maturity Profile

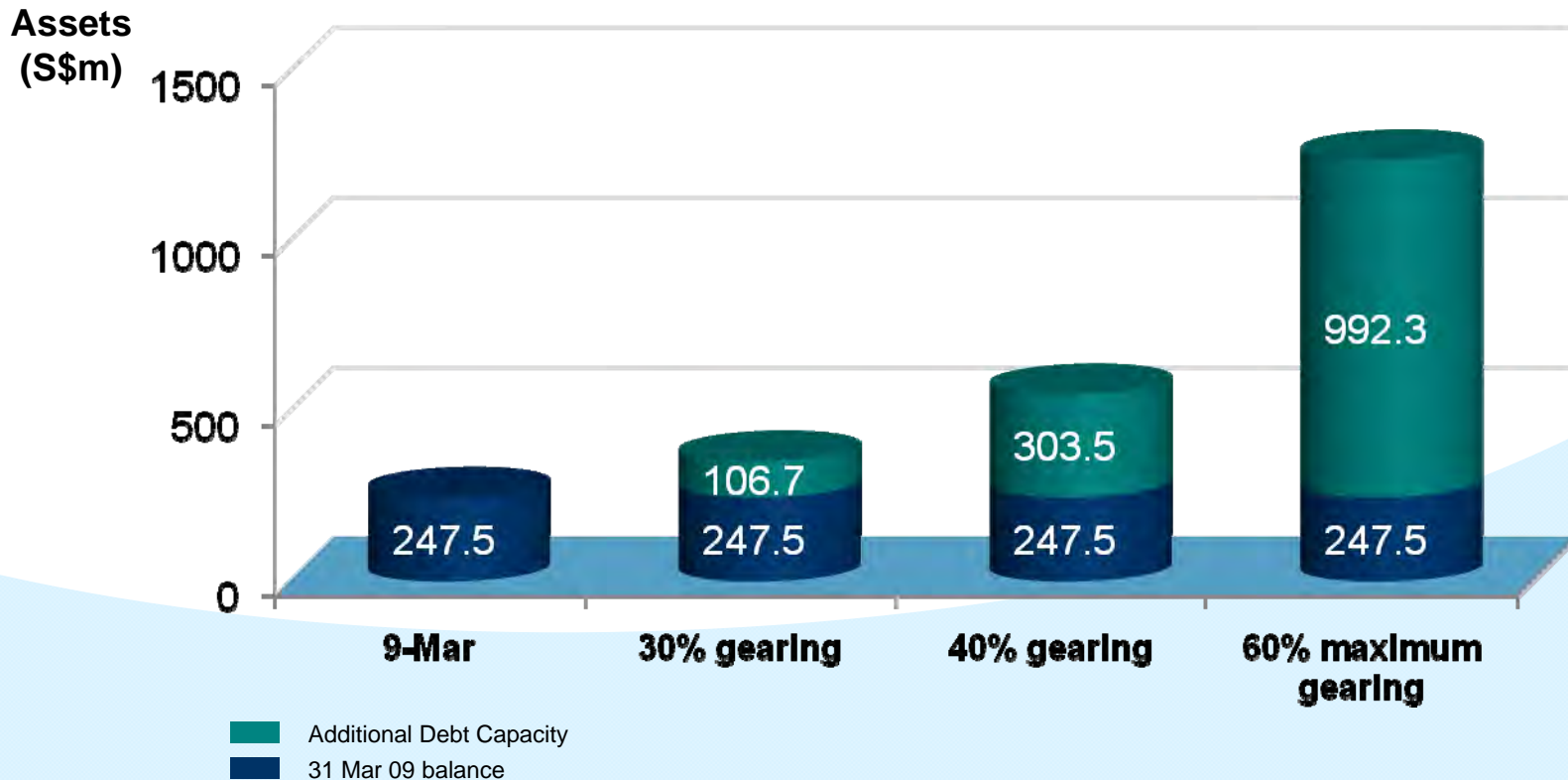
- ❑ No immediate refinancing risks until 2nd half of 2010



- ❑ Drawn down committed term loan and revolving credit facilities with a weighted average term to maturity of 2.4 years
- ❑ Interest rate fixed for 100% of debt
- ❑ Effective Borrowing Rate of 2.89%
- ❑ Interest Cover Ratio of 6.7 times

Strong Debt Headroom

- ❑ Debt headroom of \$303.5m and \$992.3m before reaching 40% and 60% gearing respectively
- ❑ Provides flexibility and capacity for opportunistic buy





Distribution Details

Stock Counter	Distribution Period	Distribution per unit (Cents)
PLife REIT	01 January 2009 to 31 March 2009	1.89

Distribution Timetable

Ex-Date: 13 May 2009, 9.00am

(Units will be traded ex-date)

Books Closure Date: 15 May 2009 at 5pm

Distribution payment Date: 11 June 2009



Appendix A



Our Growth Strategy

Long-term Strategy

The manager plans to undertake the following strategies...

Long term Strategy

Acquisition growth strategy

Third Party Acquisition

- Acquisition focused on acquiring mature and prime assets from 3rd parties

Sponsor's Acquisition

- Acquisition focused on acquiring mature and prime assets in the pipeline of Sponsor

Asset management strategy

- Pro-active asset management strategy
- Maximise overall performance of PLife REIT's property portfolio

Enhance value of properties and maximise risk-adjusted returns to Unitholders

... "we aim to deliver regular and stable distributions and achieve long-term growth for our Unitholders" – PLife REIT

Market Conditions: Global Financial Crisis

Adapting acquisition strategy to market conditions

Economic Challenges

- Credit crisis in the US causing recession in the US and the rest of the world
- Falling real estate and equity prices curtail consumption

Financial Challenges

- Credit crisis leads to massive risk aversion among lenders and credit rating agencies
- REITs face heightened risk of rating downgrade
- REITs face major refinancing risks when rolling over financing
- Higher yield demand as share price falls

Opportunities

- Operators more willing to consider sell and leaseback arrangements
- Falling asset prices imply better yielding assets
- More realistic asking prices
- Weaker competitor funds facing credit crunch
- Defensiveness of healthcare sector makes Parkway Life REIT more resilient to deteriorating economic environment
- Strong balance sheet with low gearing allows capacity for opportunistic buys, as compared to competing funds

Impact on Acquisition Strategy

Opportunistic acquisitions – target higher yielding assets

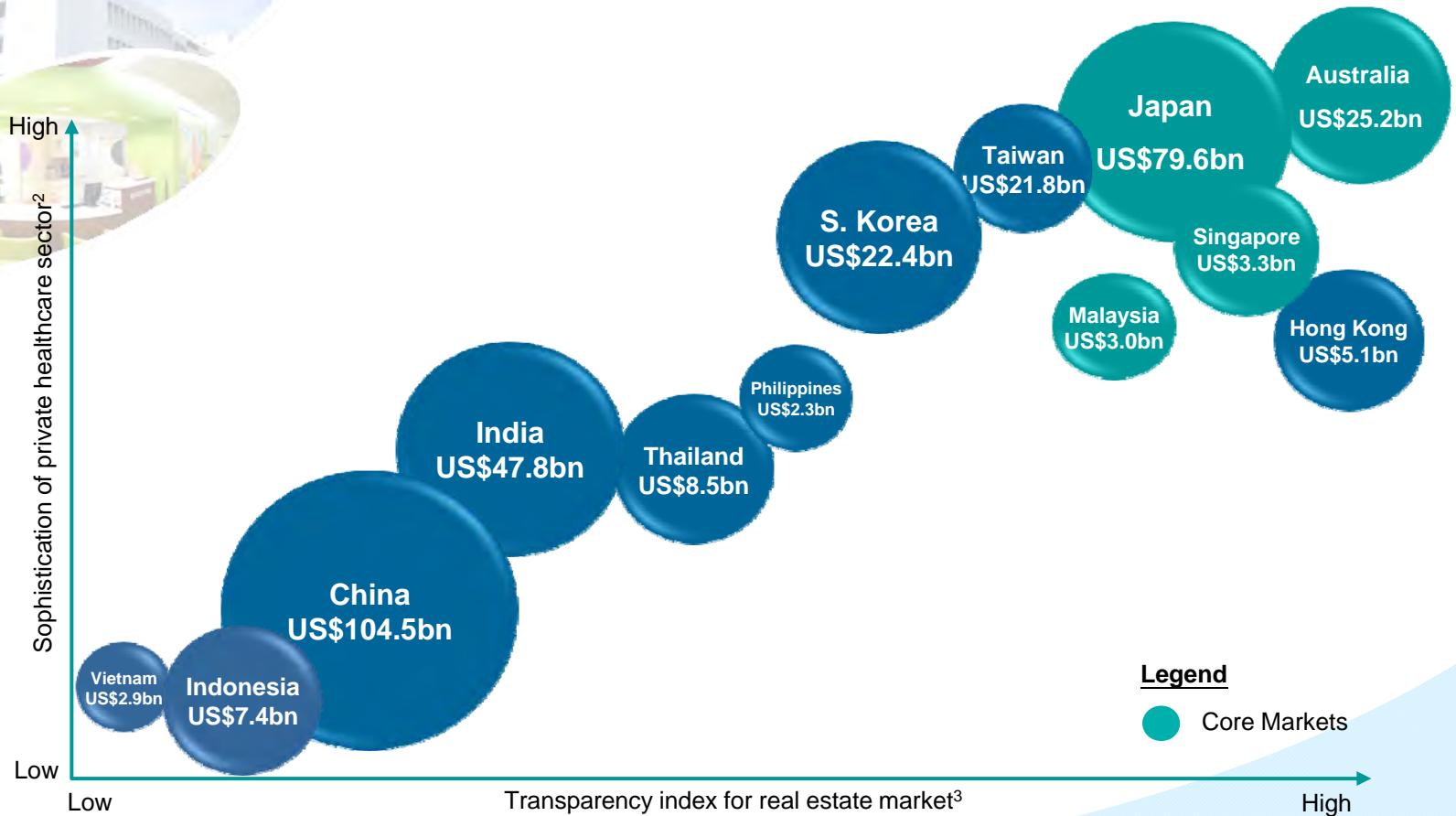
Take advantage of market condition to scoop up good yielding assets at low price

Target mature healthcare assets with good quality tenants to minimise credit risk

Use of longer term financing to reduce refinancing risks

Maintain strong balance sheet for effective capital management

PLife REIT's Core Markets



PLife REIT's Core Markets represent c.33.0% of the total Asian private healthcare expenditure of c.US\$334 billion

Source: Frost & Sullivan as of 2008

Notes:

- 1 Size of bubble denotes the market size in terms of private healthcare expenditure.
- 2 Sophistication of private healthcare sector as measured by: (1) ratio of private vs. public hospitals; (2) private healthcare spending per capita; (3) number of specialists per capita; and (4) number of nurses per capita.
- 3 Sources: Jones Lang LaSalle, LaSalle Investment Management



Portfolio Highlights

ParkwayLife REIT – Portfolio

Largest Healthcare REIT in Asian Region with an enlarged portfolio of S\$1.05 billion ¹

SINGAPORE



Mount Elizabeth Hospital



Gleneagles Hospital



East Shore Hospital



JAPAN



P-Life Matsudo



Bon Sejour Shin-Yamashita



Bon Sejour Ibaraki



Palmary Inn Akashi



Palmary Inn Suma



Senior Chonaikai Makuari Kan



Himawari Home Kamakura



Smiling Home Medis Musashi Urawa



Fureai no Sono Nerima Takanodai



Smiling Home Medis Koshigaya Gamo

Note:

1. Based on latest Appraised Values for the properties as at 31 December 2008

Competitive Strengths of the Properties



Long Term Master Leases Enhances Portfolio Resilience

- Weighted average lease term to expiry of 13.65 years¹
- 100.0% committed occupancy

Growing Demand for Private Healthcare

Favorable Lease Structure Ensures Good Organic Growth

- Rent review provision for 97.9% of the leases (by NLA)
- Unique rent review formula pegged to CPI + 1% for the Singapore Hospital Properties; where CPI is negative it shall be deemed to be zero

Stability And Sustainability of Returns to Unitholders

Minimal Exposure To Escalating Operating Expenses

- Largely borne by Lessees

Operational Synergies with Parkway Holdings Limited

Diversified And Quality Portfolio

Note:

1. Based on Gross Revenue (as at 31 March 2009)

Portfolio Key Statistics

Properties	<p><u>Singapore</u> Mount Elizabeth Hospital, Gleneagles Hospital East Shore Hospital</p> <p><u>Japan</u> P-Life Matsudo, Bon Sejour Shin-Yamashita, Bon Sejour Ibaraki, Palmary Inn Akashi, Palmary Inn Suma, Senior Chonaikai Makuhari Kan, Himawari Home Kamakura, Smiling Home Medis Musashi Urawa, Fureai no sono Nerima Takanodai, Smiling Home Medis Koshigaya Gamo</p>
Type	3 Hospitals & Medical Centres, 9 Nursing Homes, 1 distributing and manufacturing facility
Net Lettable Area ¹	153,403 sq m
Committed Occupancy	100.0 %
Purchase Price on Acquisition ²	S\$949.7 million
Appraised Value ³	S\$1,048.0 million
Weighted Average Lease Term To Expiry (By Gross Rental Income)	13.65 years
% of Leases (By NLA) with rent review provision	97.9 %
Major Lessees	Parkway Hospitals Singapore Pte Ltd; Nippon Express Co., Ltd; ZECS Community Corporation; Asset Co., Ltd, Riei Co., Ltd., Himawari Corporation, Medis Corporation, Shonan Fureai no Sono

Notes:

1. Based on aggregate strata area for Mount Elizabeth Hospital and Gleneagles Hospital ,gross floor area for East Shore Hospital and net lettable areas for 10 Japan properties
2. As at the date of acquisition for the respective properties and based on an exchange rate of S\$1.00 to 75 units of JPY for Q2 acquisitions and S\$1.00 to 74.219 for Q3 acquisitions.
3. As at 31 December 2008 and based on an exchange rate of S\$1.00 to 62.62 units of JPY

Our Initial Portfolio - Singapore



Property	Mount Elizabeth Hospital	Gleneagles Hospital	East Shore Hospital	Total (Singapore)
Type	Hospital and Medical Centre			
Land Tenure	67 years	75 years	75 years	Average 72 years
Gross Floor Area (sq m) ¹	58,139	49,003	10,993	118,135
Licensed Beds ²	505	380	154	1,039
Operational beds ²	339	280	154	773
Operating theatres ²	13	12	4	29
Medical Centre Units and Car Park Lots ²	30 medical centre units; 363 car park lots	10 medical centre units; 121 car park lots	28 medical centre units; 75 car park lots	68 medical centre units; 559 car park lots
Year of Completion	Hospital Building (1979) Medical Centre (1979 & 1992)	Hospital Building (1991 & 1993) Annexe Block (1979) Medical Centre (1991 & 1993)	Hospital Building (1982) Medical Centre (1987)	-
Committed Occupancy	100%			
Name of Lessee (s)	Parkway Hospitals Singapore Pte Ltd			
Net Initial Yield ³	5.3%	5.7%	6.7%	5.5%
Purchase Price	S\$524.4m	S\$216.0m	S\$34.2m	S\$774.6m
Appraised Value ⁴	S\$528.7m	S\$262.7m	S\$40.2m	S\$831.6m
Awards and Accreditation	JCI Accreditation, first private hospital in Asia to win Asian Hospital Management Award; SQC status since 1998, Superbrands status since 2002	JCI Accreditation; Asian Hospital Management Award; SQC Award in 2002 (re-certified 2007); Superbrands status since 2002	JCI Accreditation; SQC status in 1998	-

Notes:

1. Aggregate strata area for Mount Elizabeth Hospital and Gleneagles Hospital and gross floor area for East Shore Hospital

2. As at 31 March 2007

3. Based on purchase price on acquisition as at 23 August 2007; and minimum guaranteed rent in first year of lease, after deducting MCST and insurance expense

4. Appraised Value by independent valuer, DTZ Debenham Tie Leung (SEA) Pte Ltd, material date of valuation as at 31 December 2008

Our Japan Portfolio



Property	P-Life Matsudo	Bon Sejour Shin-Yamashita	Bon Sejour Ibaraki
Type	Pharmaceutical product distributing & manufacturing facility	Paid nursing home with care service	
Land Tenure	Freehold	Freehold	50 years
Land Area (sq m)	8,449	1,653	3,051
Net Lettable Area (sq m)	3,240	3,273	3,651
Number of Units (Rooms)	NA	74	94
Year of Completion	2005; Additional works were completed in 2007	2006	2008
Committed Occupancy	100.0%		
Name of Lessee (s)	Nippon Express Co., Ltd (Master Lessee) Inverness Medical Japan Co., Ltd (Sub-Lessee)	ZECS Community Corporation	
Lease Guarantor	NA	ZECS Co., Ltd.	
Back-Up Operator	NA	Japan Care Service Co., Ltd.	
Net Initial Yield ¹	5.3%	6.1%	6.7%
Purchase Price ²	¥2,590 m (S\$34.5m)	¥1,440 m (S\$19.2m) ³	¥1,177 m (S\$15.7m) ³
Date of Acquisition	16 May 2008	30 May 2008	
Appraised Value ⁴	¥2,562 m (S\$40.9m)	¥1,410 m (S\$22.5 m)	¥1,150 m (S\$18.4m)
Appraiser/ Date	Colliers Halifax/ 31 December 2008	DTZ Debenham Tie Leung K.K. / 31 December 2008	

Notes:

1. Based on purchase price on acquisition; and gross rental after deducting property tax and insurance expense
2. Based on an exchange rate of S\$1.00 to 75 units of JPY for Q2 acquisitions and S\$1.00 to 74.219 for Q3 acquisitions.
3. Inclusive of consumption tax
4. Exclusive of consumption tax; at an exchange rate of S\$1.00 to 62.62 units JPY

Our Japan Portfolio (cont'd)



Property	Palmary Inn Akashi	Palmary Inn Suma	Senior Chonaikai Makuhari Kan	Himawari Home Kamakura
Type	Paid nursing home with care service			
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	5,891	2,676	2,853	1,307
Net Lettable Area (sq m)	6,562	4,539	4,361	1,689
Number of Units (Rooms)	96	59	107	53
Year of Completion	1987; Conversion works were completed in 2003	1989	1992; Conversion works were completed in 2004	1992; Conversion works were completed in 2003
Committed Occupancy	100.0%			
Name of Lessee (s)	Asset Co., Ltd	Asset Co., Ltd	Riei Co., Ltd	Himawari Corporation
Rent Guarantor	Kenedix Inc			
Back-Up Operator	NA	NA	Medis Corporation	Riei Co., Ltd
Net Initial Yield ¹	7.19%	7.15%	6.78%	6.66%
Purchase Price ²	¥1,456 m (S\$19.6m)	¥844 m (S\$11.37m)	¥1,403 m (S\$18.9m)	¥955 m (S\$12.9m)
Date of Acquisition	29 September 2008			
Appraised Value ⁴	¥1,560 m (S\$24.9m)	¥898m (S\$14.3m)	¥1,499m (S\$23.9m)	¥1,011 m (S\$16.1m)
Appraiser/ Date	Colliers Halifax/ 31 December 2008			

Notes:

1. Based on purchase price on acquisition; and gross rental after deducting property tax and insurance expense
2. Based on an exchange rate of S\$1.00 to 75 units of JPY for Q2 acquisitions and S\$1.00 to 74.219 for Q3 acquisitions.
3. Exclusive of consumption tax; at an exchange rate of S\$1.00 to 62.62 units JPY

Our Japan Portfolio (cont'd)



Property	Smiling Home Medis Musashi Urawa	Fureai no sono Nerima Takanodai	Smiling Home Medis Koshigaya Gamo	Total (Japan)
Type	Paid nursing home with care service			1 distribution facility & 9 nursing homes
Land Tenure	Freehold			-
Land Area (sq m)	802	2,282	1,993	30,957
Net Lettable Area (sq m)	1,603	2,526	3,824	35,268
Number of Units (Rooms)	44	64	100	691
Year of Completion	1991	1988; Conversion works were completed in 2005	1989; Conversion works were completed in 2005	1987 to 2008
Committed Occupancy	100.0%			
Name of Lessee (s)	Medis Corporation	Shonan Fureai no Sono	Medis Corporation	10 Lease Agreements with 7 Tenants
Rent Guarantor	Kenedix Inc			-
Back-Up Operator	Riei. Co., Ltd	Medis Corporation	Shonan Fureai no Sono	7 of 9 have back-up Operator Agreements
Net Initial Yield ¹	6.87%	6.98%	6.74%	6.5%
Purchase Price ²	¥612 m (S\$8.2m)	¥1,286 m (S\$17.3m)	¥1,289 m (S\$17.4m)	¥13,052m (S\$175.07m)
Date of Acquisition	29 September 2008			-
Appraised Value ⁴	¥657m (S\$10.5m)	¥1,423m (S\$22.7m)	¥1,380m (S\$22.0m)	¥13,550m (S\$216.4m)
Appraiser/ Date	Colliers Halifax/ 31 December 2008			-

- Notes:
- Based on purchase price on acquisition; and gross rental after deducting property tax and insurance expense
 - Based on an exchange rate of S\$1.00 to 75 units of JPY for Q2 acquisitions and S\$1.00 to 74.219 for Q3 acquisitions.
 - Exclusive of consumption tax; at an exchange rate of S\$1.00 to 62.62 units JPY



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