



ParkwayLife REIT

(“PLife REIT”)



3Q 2009 Results Presentation

5 November 2009



# Disclaimer

- ❑ This Presentation is focused on comparing actual results for the period from 1 July 2009 to 30 September 2009 (“3Q 2009”) versus the period from 1 July 2008 to 30 September 2008 (“3Q 2008”) and for the period from 1 January 2009 to 30 September 2009 (“YTD 3Q 2009”) versus the period from 1 January 2008 to 30 September 2008 (“YTD 3Q 2008”). This shall be read in conjunction with PLife REIT 2009 Third 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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# 3Q 2009 Highlights

# 3Q 2009 Highlights



## Strong Revenue & Net Income Growth

- Gross revenue grew by 23.6% (3Q Y-O-Y) and 29.8% (YTD 3Q Y-O-Y)
- Net property income grew by 23.3% (3Q Y-O-Y) and 29.0% (YTD 3Q Y-O-Y)



## Continued DPU Growth since IPO

- DPU for 3Q 2009 at 1.91 cents
- Strong growth of 20.1% since IPO
- Remains committed to distributing 100% of taxable income to Unitholders



## Attractive Yield of 6.5%<sup>1</sup>

- > 400 bps higher than 10-yr Singapore Government bond
- > 500 bps higher than fixed deposit rates
- Defensive nature of PLife REIT adds to attractiveness of yield

Note:

1. YTD 2009 annualised distribution yield based on the share price of S\$1.16 as at 30 September 2009



## 3Q 2009 Highlights (cont'd)



### Sustainable Returns from Increased Minimum Guaranteed Rent

- Minimum Rent for Singapore Hospitals for the 3<sup>rd</sup> Year of Term is S\$52.7 million
- With CPI growth of 3.36%, 3<sup>rd</sup> Year Minimum Guaranteed Rent set to increase over previous year by 4.36% based on (CPI + 1%) formula
- Rate Effective for the period 23 August 2009 to 22 August 2010
- Strong and Sustainable Returns for Unit holders as Singapore Hospital Properties contributes approximately 80% of the revenue of PLife REIT





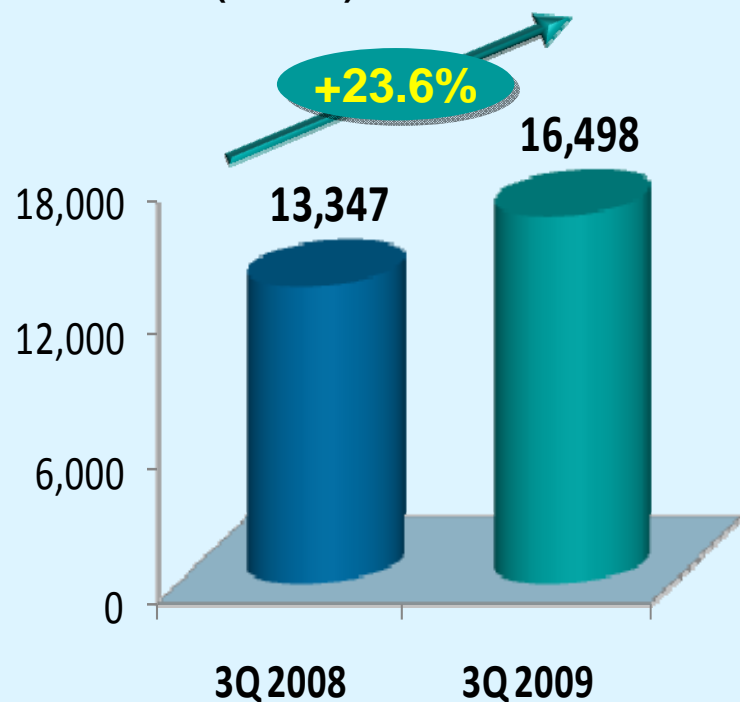
# Financial Highlights

# Strong Revenue Growth

- 3Q 2009 Revenue grew by 23.6% to \$16.5 million
- YTD 3Q 2009 Revenue grew by 29.8% to \$48.9 million

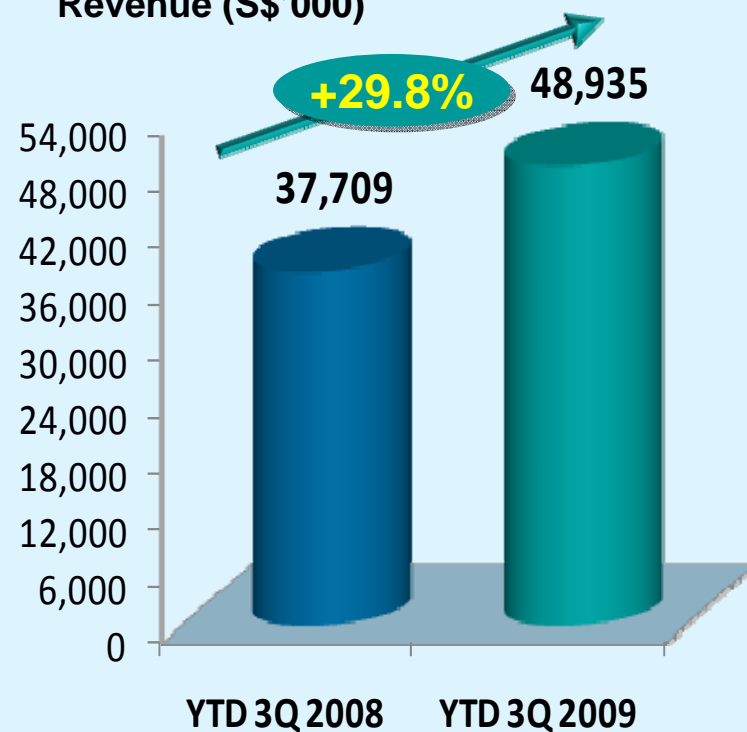
## Higher Year-on-Year Revenue

Revenue (S\$'000)



## Higher Year-on-Year Revenue

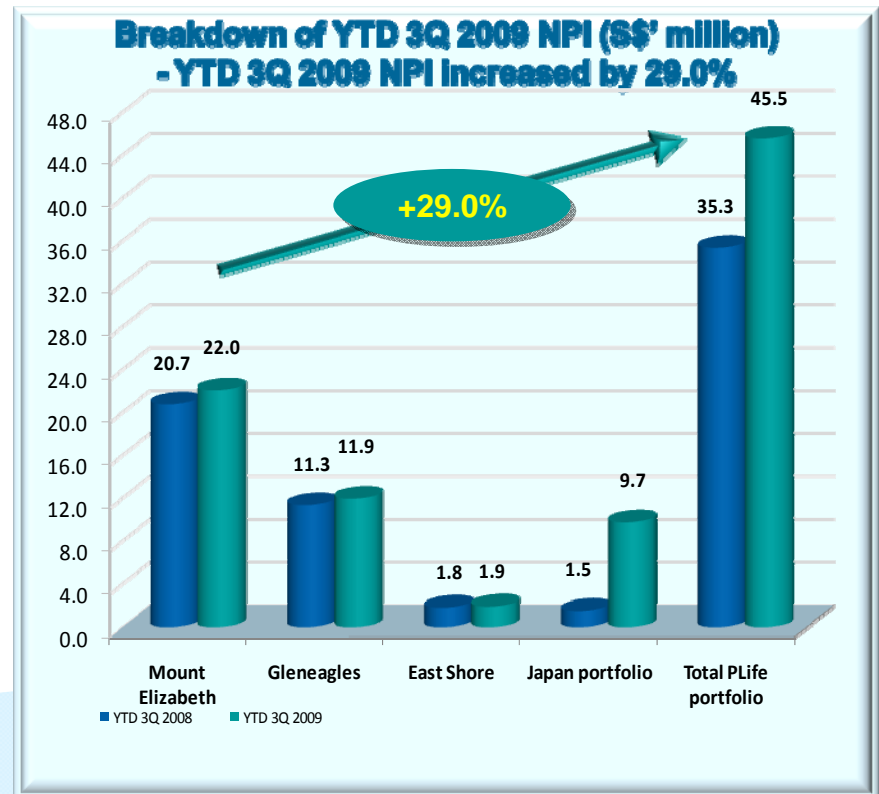
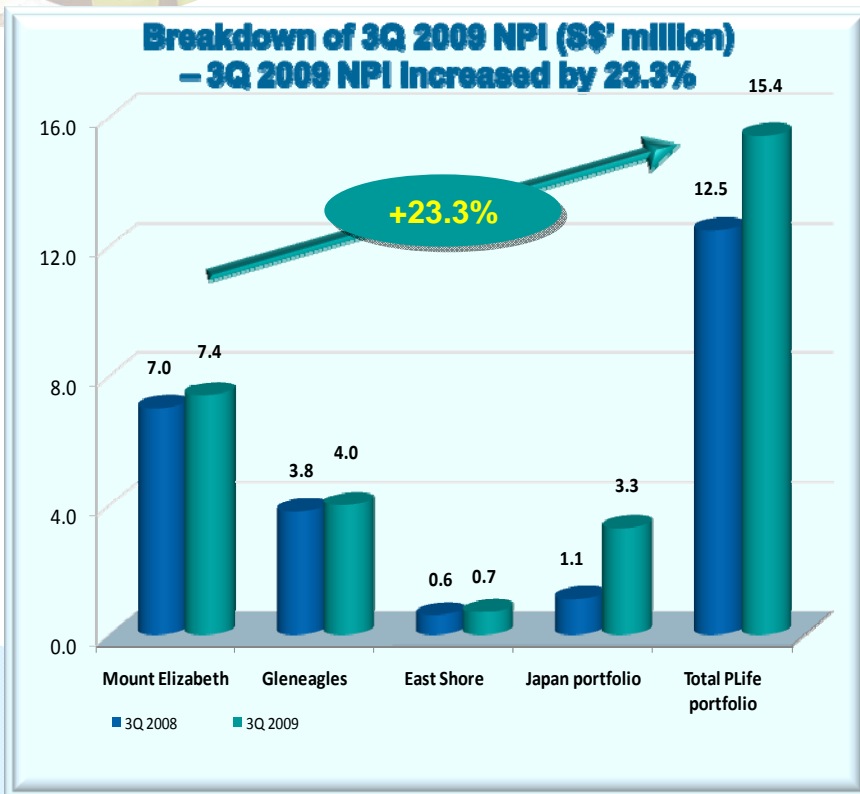
Revenue (S\$'000)





# Strong NPI Growth

- Increase in NPI is due to:
  - Rent contributions from Japan properties; and
  - Upward rent revision of Spore hospitals by 4.36%<sup>1</sup>



Note:

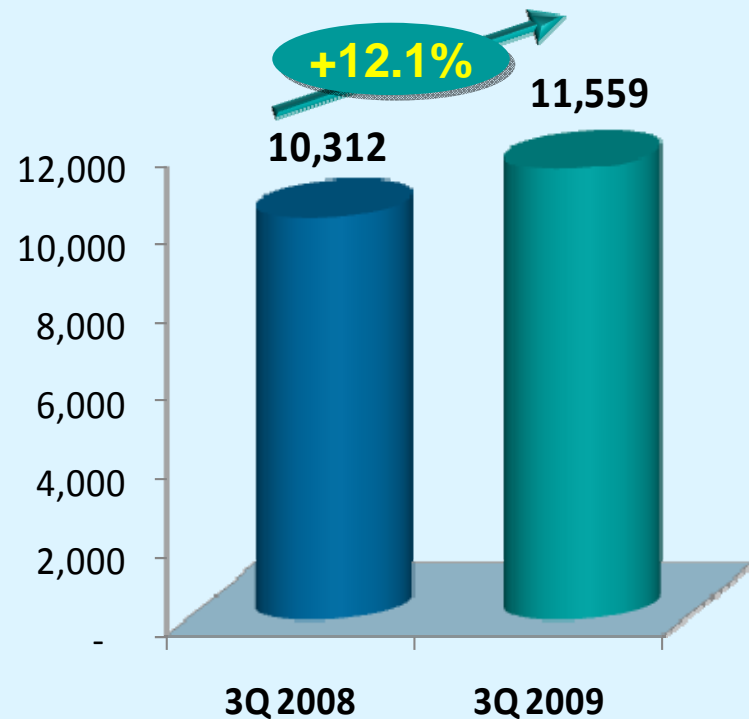
1. In 3<sup>rd</sup> year of lease commencing 23 August 2009 to 22 August 2010

# Strong Distributable Income Growth

- 3Q 2009 Distributable Income grew by 12.1% to \$11.6 million
- YTD 3Q 2009 Distributable Income grew by 14.1% to \$34.3 million

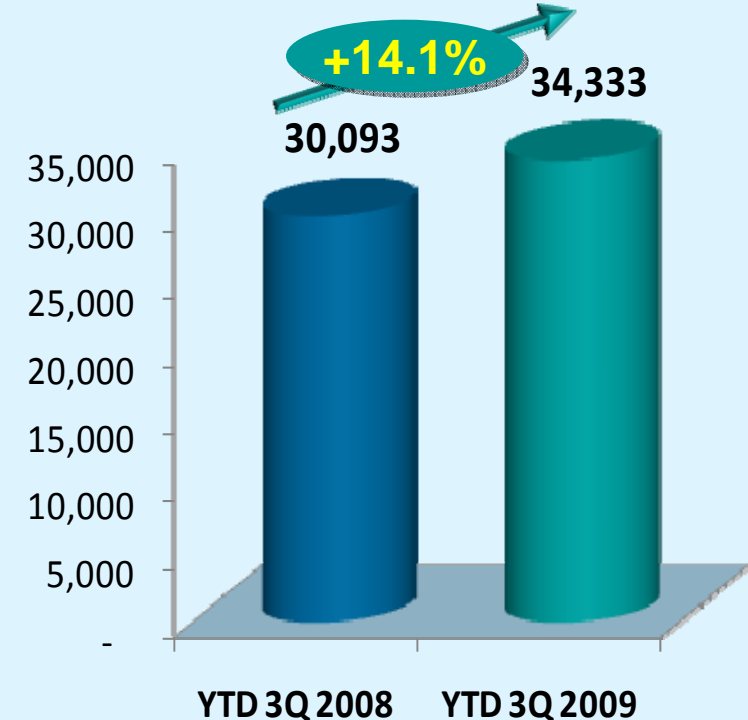
## Higher Year-on-Year Distribution

Distributable income (S\$'000)



## Higher Year-on-Year Distribution

Distributable Income (S\$'000)



# Strong Revenue and DPU Growth

- 3Q 2009 DPU grew by 12.1% to 1.91 cents
- YTD 3Q 2009 DPU grew by 14.1% to 5.69 cents

Consolidated Income Statement (S\$'000)	Year-on-Year (Actual)			Year-on-Year (Actual)		
	3Q 2009	3Q 2008	Variance %	YTD 3Q 2009	YTD 3Q 2008	Variance %
Gross Revenue	16,498	13,347	23.6	48,935	37,709	29.8
Net Property Income	15,371	12,470	23.3	45,521	35,287	29.0
Income Available for Distribution	11,559	10,312	12.1	34,333	30,093	14.1
Available Distribution Per Unit (Cents) <sup>1</sup>						
- For the period	1.91	1.71	12.1	5.69	5.00	14.1
- Annualised	7.65	6.85	12.1	7.58	6.66	14.1

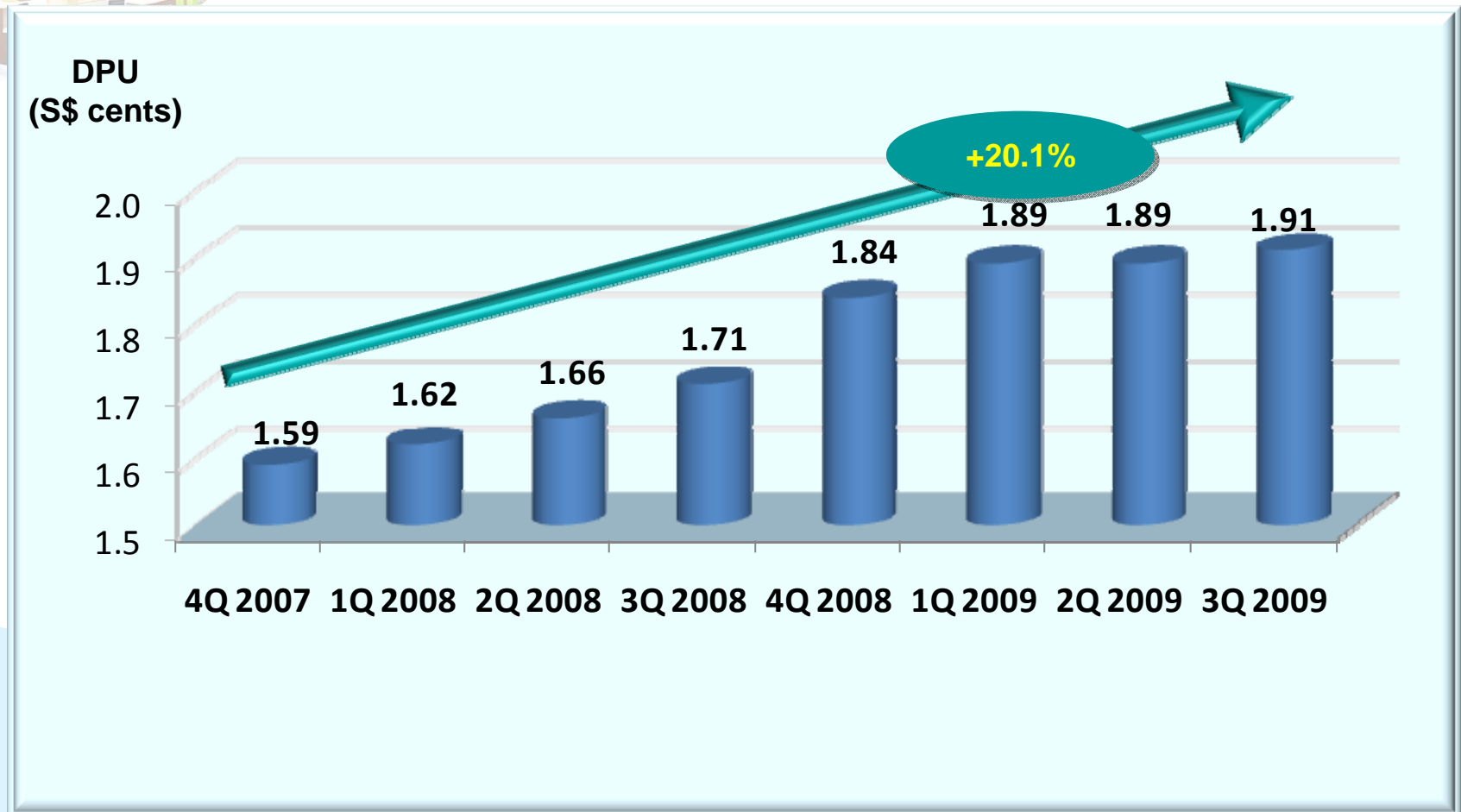
Note:

- The number of units used to calculate the Distribution per Unit ("DPU") comprise 603,464,005 and 602,086,274 units issued at 30 September 2009 and 30 September 2008 respectively and units to be issued as partial satisfaction of Parkway Life REIT Manager's management fees.



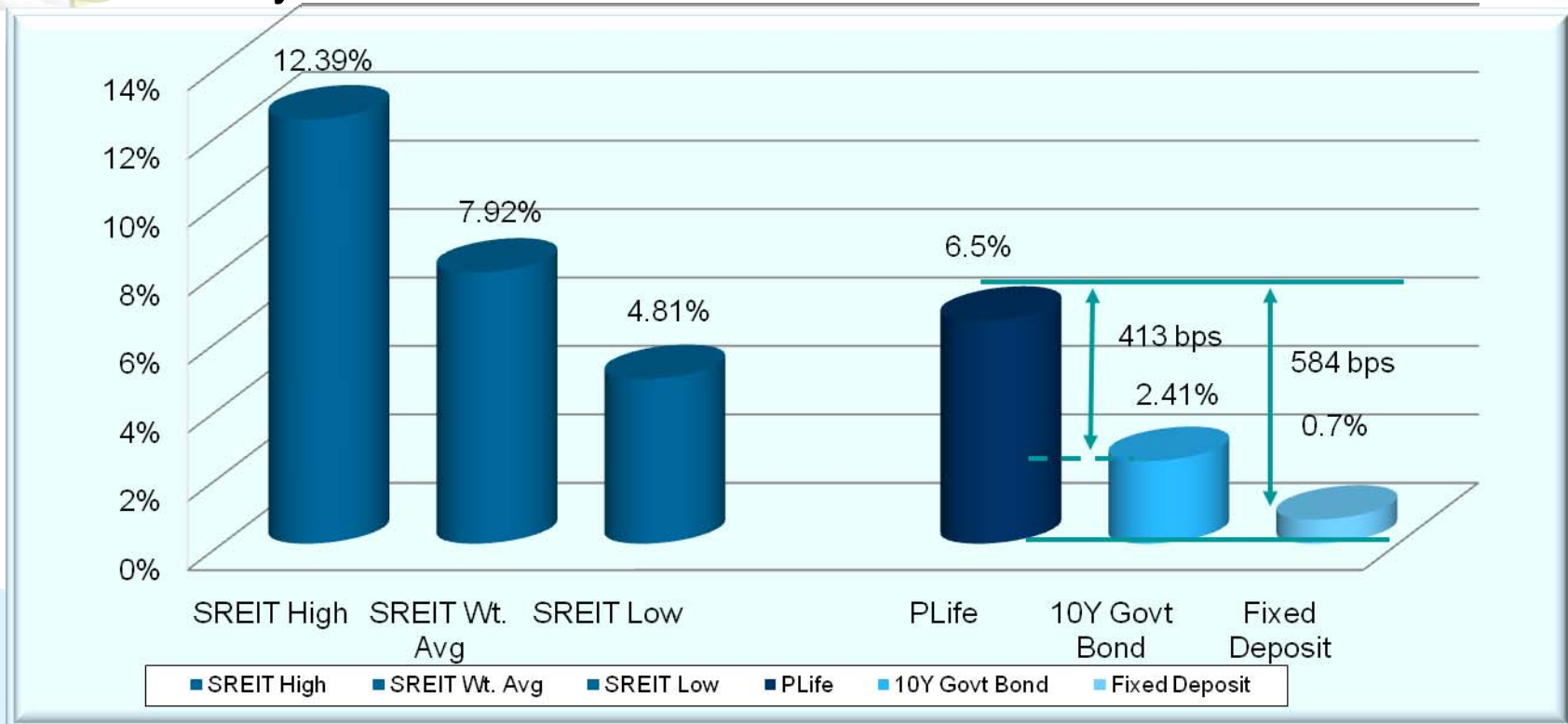
# Strong DPU Growth of 20.1%

- DPU has grown steadily from 1.59 cents to 1.91 cents, at a growth rate of 20.1% since IPO



# Attractive Yield of 6.5%

- ❑ 413bps higher than 10-yr Singapore Government Bond
- ❑ 584 bps higher than fixed deposit rates
- ❑ Defensive nature of PLife REIT adds on to the attractiveness of 6.5% yield<sup>1</sup>



Source: Bloomberg

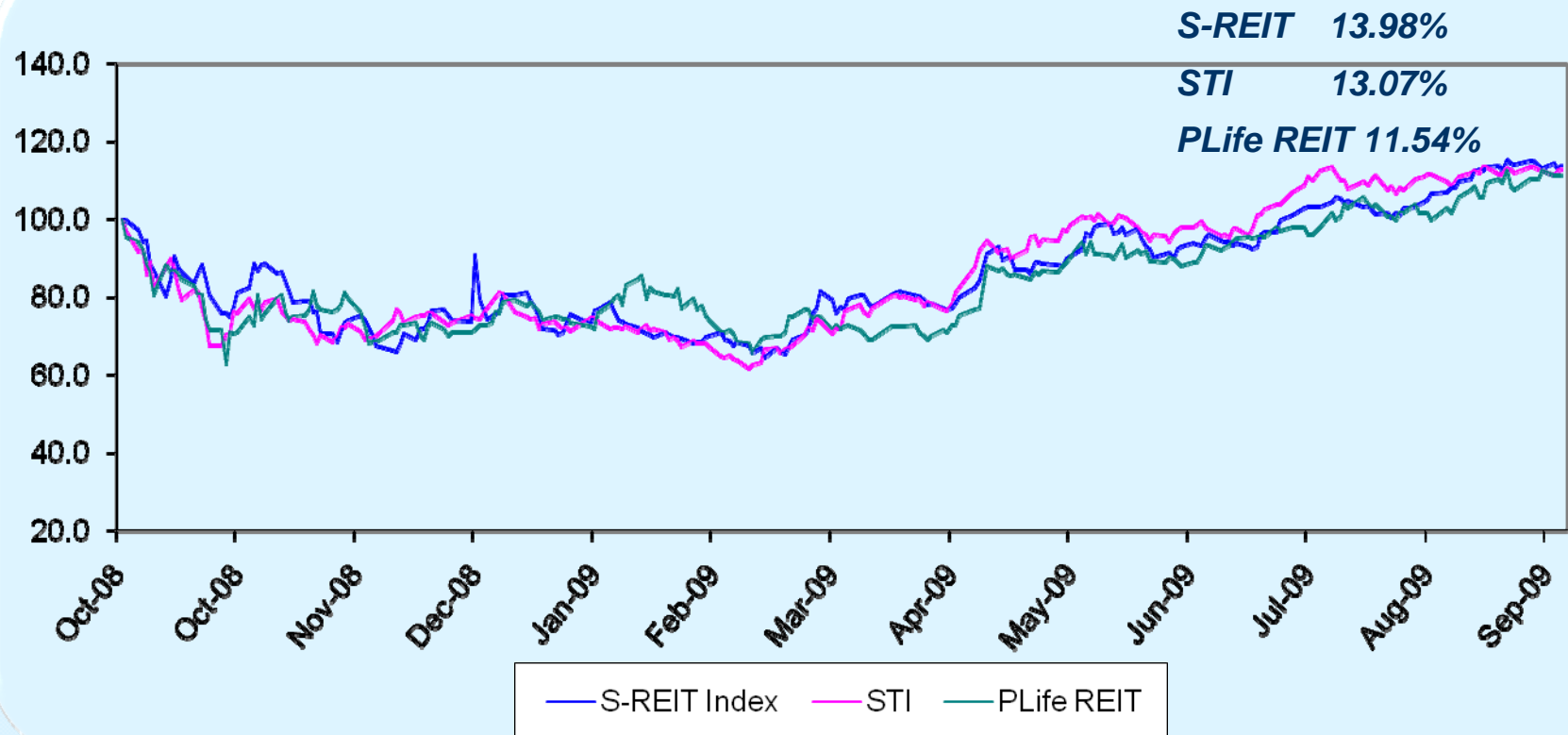
Note:

1. YTD 2009 annualised distribution yield based on the share price of S\$1.16 as at 30 September 2009



# Unit Price Relative Performance

PLife REIT's unit price has tracked closely to share price performance of STI Index and S-REIT





# Distribution Details

Stock Counter	Distribution Period	Distribution per unit (Cents)
PLife REIT	01 July 2009 to 30 September 2009	1.91

## Distribution Timetable

Ex-Date: 11 November 2009  
**(Units will be traded ex-date)**

Books Closure Date: 13 November 2009 at 5pm

Distribution Payment Date: 14 December 2009



# Capital and Financial Management



# Strong Balance Sheet

- Low gearing of 23.2%

Consolidated Balance Sheet (in S\$'000)	As at 30 September 2009	As at 31 December 2008	Variance Commentary
<b>Total Assets</b>	<b>1,075,546</b>	<b>1,080,566</b>	Decrease is mainly due to depreciation of Japanese Yen and payment of acquisition taxes for Japan properties acquired in FY08.
<b>Total Debt</b>	<b>249,418</b>	<b>252,150</b>	Decrease is mainly due to depreciation of Japanese Yen.
<b>Net assets attributable to Unitholders</b>	<b>808,317</b>	<b>809,131</b>	
<b>Gearing <sup>1</sup>(%)</b>	<b>23.2</b>	<b>23.3</b>	

Note:

1. Total Gross Borrowings before transaction costs ÷ Total Assets

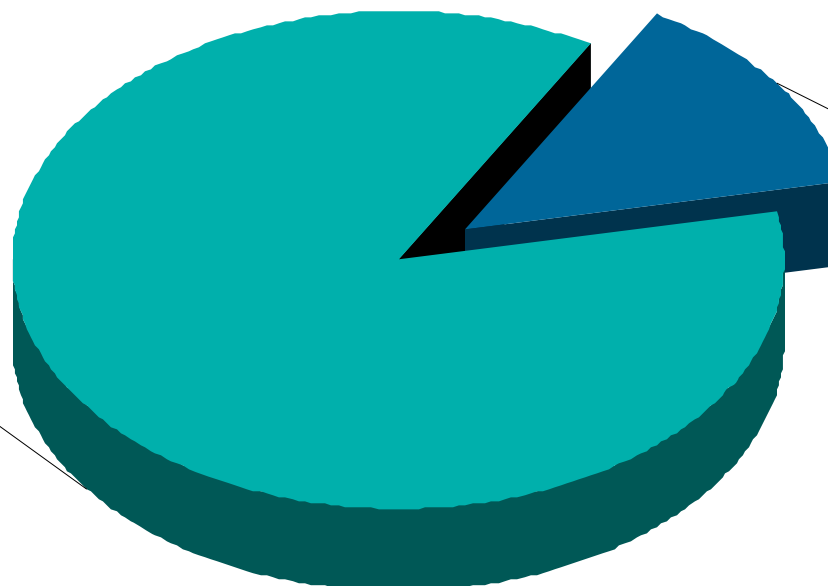


# Debt Maturity Profile

## As at 30 Sep 2009



Japanese Yen  
due H2 2011  
S\$215.4mil  
(86%)

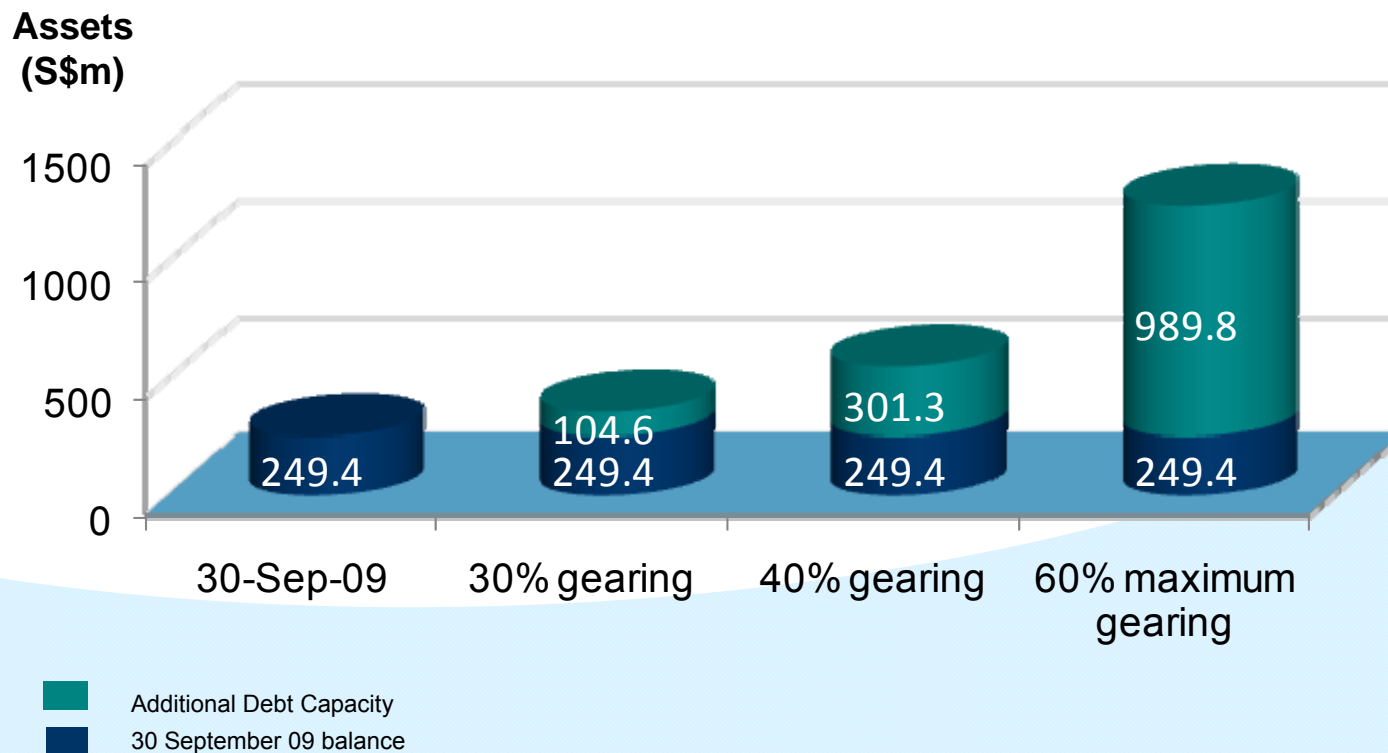


Spore Dollar  
due H2 2010  
S\$34.0 mil  
(14%)

- ❑ Weighted average term to maturity is 1.9 years
- ❑ Currently working to lengthen PLife REIT's debt maturity when debt capital markets normalise, so as to match the long tenor of leases
- ❑ Current Effective All-In Borrowing Rate of 2.96%
- ❑ Interest Cover Ratio of 6.9 times
- ❑ Interest rate fixed for 100% of debt

# Strong Debt Headroom

- ❑ Debt headroom of \$301.3m and \$989.8m before reaching 40% and 60% gearing respectively
- ❑ PLife REIT puts in place ample funding from diversified sources to support future acquisitions and growth opportunities





# Appendix A

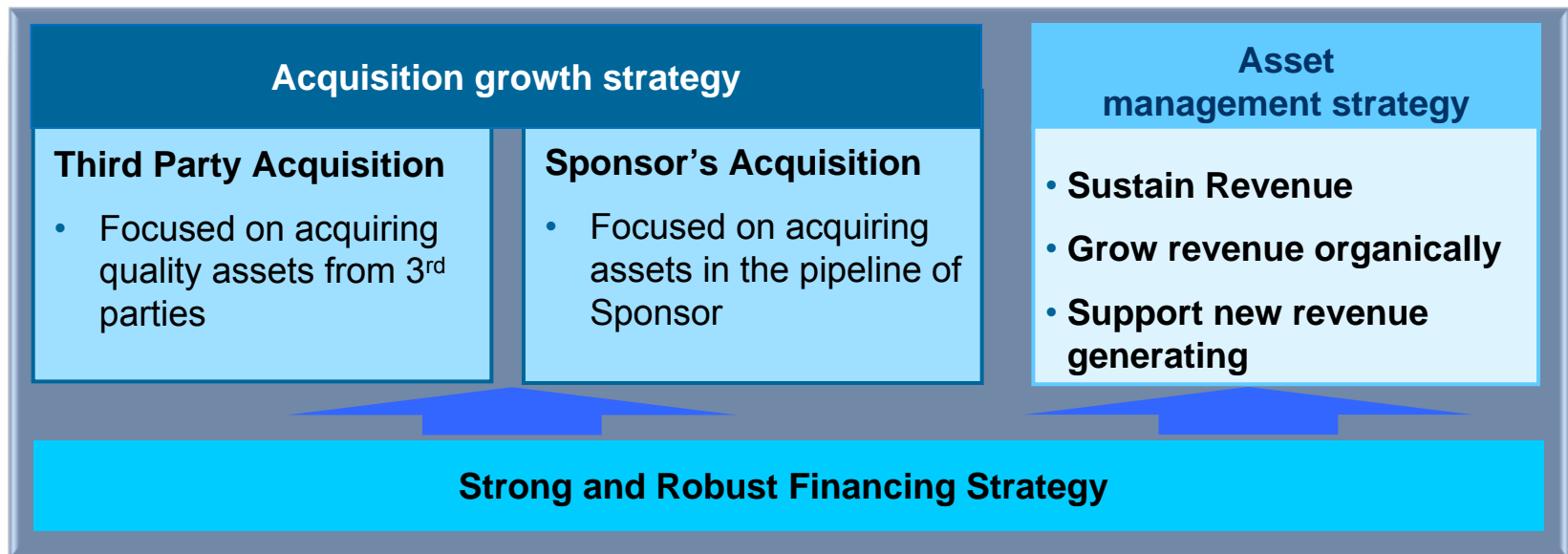


# Our Growth Strategy

# Long-term Strategy

The manager plans to undertake the following strategies...

## Long term Strategy



**Enhance value of properties and maximize risk-adjusted returns to Unitholders**  
**Deliver regular and stable distributions and achieve long-term growth for our Unitholders**

# Adapting to Market Conditions

## Market Conditions:

- Global economy, especially the Asia Pacific region is expected to bounce back
- The regional property sector shows signs of recovery, generating an increase in transaction and acquisition opportunities
- Concerns on refinancing risk for S-REITS have eased with the recent successful rights issues and debt refinancing

## Impact on P-Life REIT Acquisition Strategy

- **Well-poised to take on a more aggressive growth plan, once signs of economic recovery prove sustainable**

P-Life REIT is well-positioned for the recovery given its :

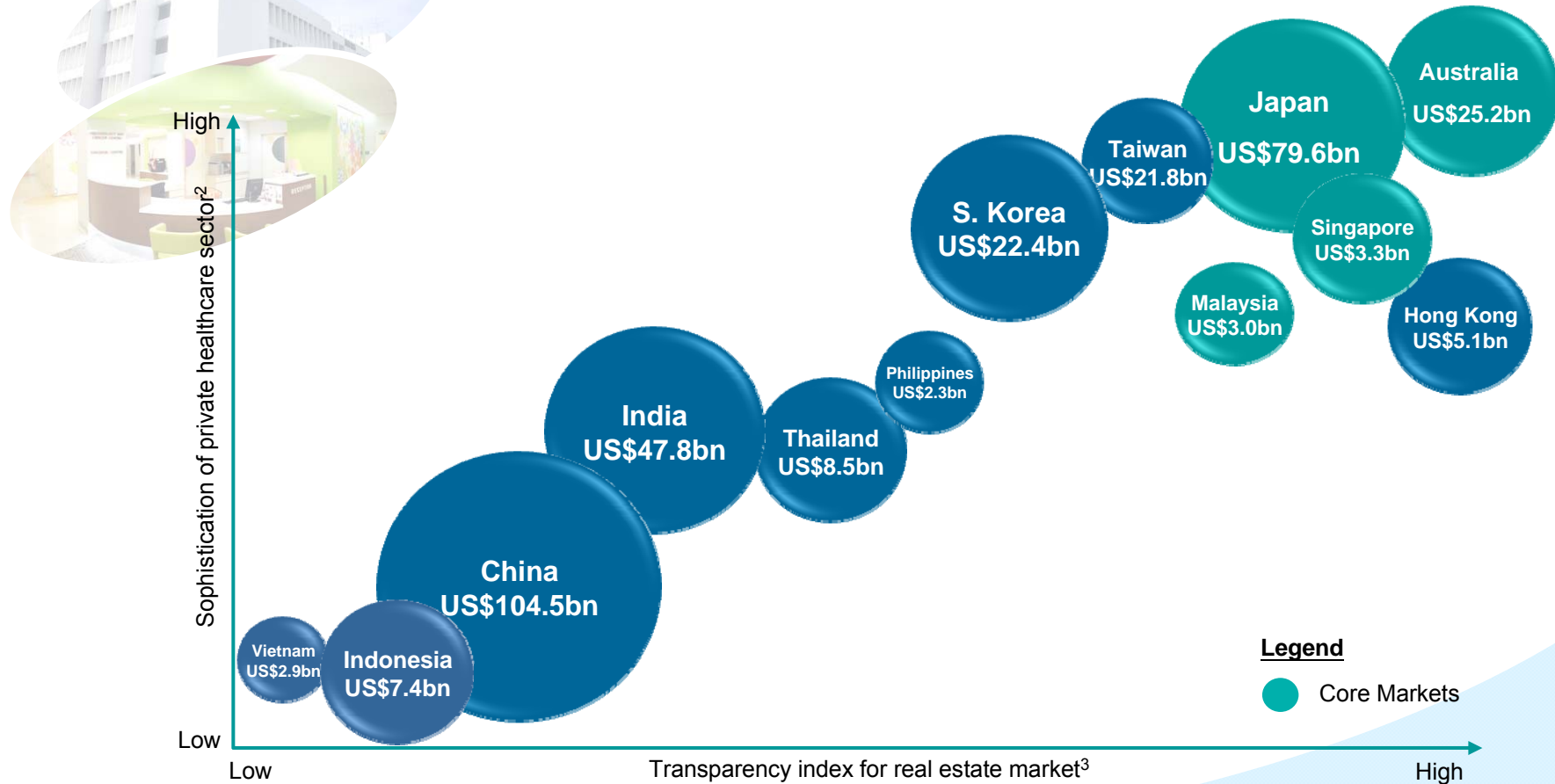
**Strong  
Debt  
Headroom**

**Clear  
Investment  
Strategy**

**Strong  
Acquisition  
Pipeline**



# 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

# Parkway Life REIT

Poised to Enjoy Strong Organic Growth from its Singapore Hospital Properties

## Principal Terms of Master Lease

Master Lessee	Parkway Hospitals Singapore Pte. Ltd. ("PH")
Term	15 + 15 years wef 23 August 2007
Annual Rent Escalation	Higher of: (i) Base Rent (S\$30.0 million) + Variable Rent (3.8% of AHR) <sup>1</sup> (ii) $\{1 + (\text{CPI} + 1\%)\} \times \text{Preceding Year's Rent}$ <sup>2</sup> (where CPI is negative, it shall be deemed as zero; 1 <sup>st</sup> Year Minimum Rent at S\$45.0 million)

### Highlights

- ❑ **Minimum Rent for the 3<sup>rd</sup> Year of Term (23 August 2009 to 22 August 2010) is determined at S\$52.7 million**
- ❑ **Reflects a 4.36% increase from the actual rent payable for the 2<sup>nd</sup> Year of Term based on (CPI + 1%) formula**
- ❑ **Strong and Sustainable Returns for Unit holders as Singapore Hospital Properties is the main contributor of the performance of Parkway Life REIT <sup>3</sup>**

1. AHR denotes the Adjusted Hospital Revenue for the period from 23 Aug to 22 Aug of the following year of each of the hospitals.

2. CPI denotes the % increase in the Consumer Price Index announced by the Department of Statistic of Singapore for the relevant year compared to the immediately preceding year, computed on a 12-month average basis from July to June of the following year

3. As at 30 Sep 09, approx. 78% of the Parkway Life REIT's gross revenue is derived from Singapore Hospital Properties



# ParkwayLife REIT – Portfolio

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

## SINGAPORE



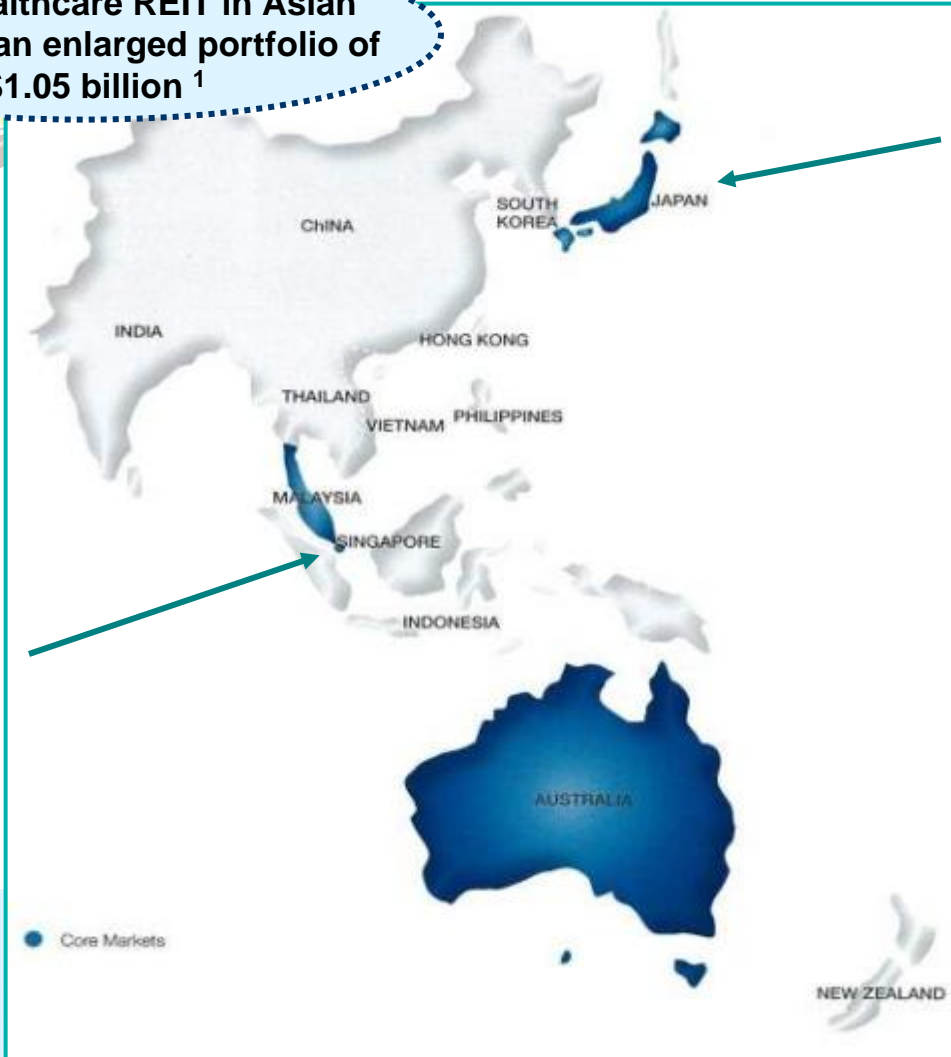
Mount Elizabeth Hospital



Gleneagles Hospital



East Shore Hospital



## JAPAN



P-Life Matsudo



Bon Sejour Shin-Yamashita



Bon Sejour Ibaraki



Palmary Inn Akashi



Palmary Inn Suma



Senior Chonaikai Makuhari 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 13.11 years<sup>1</sup>
- 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 30 Sep 2009)



# Portfolio Key Statistics (as at 30 September 2009)

<b>Properties</b>	<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>
<b>Type</b>	3 Hospitals & Medical Centres, 9 Nursing Homes, 1 distributing and manufacturing facility
<b>Net Lettable Area <sup>1</sup></b>	153,403 sq m
<b>Committed Occupancy</b>	100.0 %
<b>Purchase Price on Acquisition <sup>2</sup></b>	S\$949.7 million
<b>Appraised Value <sup>3</sup></b>	S\$1,048.0 million
<b>Weighted Average Lease Term To Expiry (By Gross Rental Income)</b>	13.11 years
<b>% of Leases (By NLA) with rent review provision</b>	97.9 %
<b>Major Lessees</b>	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) <sup>1</sup>	58,139	49,003	10,993	118,135
Licensed Beds <sup>2</sup>	505	380	154	1,039
Operational beds <sup>2</sup>	339	280	154	773
Operating theatres <sup>2</sup>	13	12	4	29
Medical Centre Units and Car Park Lots <sup>2</sup>	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 <sup>3</sup>	5.3%	5.7%	6.7%	5.5%
Purchase Price	S\$524.4m	S\$216.0m	S\$34.2m	S\$774.6m
Appraised Value <sup>4</sup>	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 <sup>1</sup>	5.3%	6.1%	6.7%
Purchase Price <sup>2</sup>	¥2,590 m (S\$34.5m)	¥1,440 m (S\$19.2m) <sup>3</sup>	¥1,177 m (S\$15.7m) <sup>3</sup>
Date of Acquisition	16 May 2008	30 May 2008	
Appraised Value <sup>4</sup>	¥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	108 <sup>3</sup>	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 <sup>1</sup>	7.19%	7.15%	6.78%	6.66%
Purchase Price <sup>2</sup>	¥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 <sup>4</sup>	¥1,560 m (S\$24.9m)	¥898m (S\$14.3m)	¥1,499m (S\$23.9m)	¥1,011 m (S\$16.1m)
Appraised 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. As at 31 Mar 09, total numbers of units increased from 107 to 108. Operator converted one (1) unit of Twin type into two (2) units of Single type
4. 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	692
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 <sup>1</sup>	6.87%	6.98%	6.74%	6.5%
Purchase Price <sup>2</sup>	¥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 <sup>3</sup>	¥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:

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



ParkwayLife REIT