

NEWS RELEASE

PARKWAY CONTINUES TO GROW AMIDST CHALLENGING MARKET CONDITIONS

Highlights:

- Full year revenue increases by 9%:
 - Singapore Operations revenue up 6% to S\$633.2m
 - International Operations revenue grows 15% to S\$312.2m
- Full year net profit decreased 88% mainly due to the exceptional gain on disposal of the Hospital Properties in FY2007 compared to the impairment losses taken on financial assets in FY2008
- However, excluding exceptional/one-off items and net effects of the REIT transaction, net profit increased 19%
- In Singapore, Parkway maintains growth through new sources of foreign patients and will launch of 32 fixed-fee surgical packages in March 2009
- International operations continue to deliver strong performance

Performance at a glance:

	FY2008	FY2007	Change
Revenue (\$'000)	945,386	869,682	↑ 9%
EBITDAR (\$'000)	217,526	194,686	↑ 12%
PATMI (\$'000)	34,829	297,959	↓ -88%
PATMI excluding exceptional and one-off items (\$'000)	89,840	85,523	↑ 5%
PATMI excluding exceptional and one-off items & net effects of REIT transactions (\$'000)	104,198	87,804	↑ 19%
Basic EPS (cents) *	3.45	34.21	↓ -90%
Basic EPS (cents) * (Earnings excluding exceptional and one-off items & net effects of REIT transactions)	10.31	10.08	↑ 2%
NAV/share (\$)	1.14	0.75	↑ 52%
NTA/share (\$)	0.88	0.48	↑ 83%

Note: *: Comparatives have been restated for the effects of the Rights Issue

Singapore, 26 February 2009 – Parkway Holdings Limited (**“Parkway”** or **“the Group”**) has reported a 9% increase in revenue to reach S\$945m for FY2008. The Group's full year PATMI was S\$35m, an 88% decline against FY2007, as the preceding year saw an exceptional gain on disposal of the Hospital Properties compared to the impairment losses taken on financial assets in the current year. Excluding these exceptional/one-off items and net effects of the REIT transaction, FY2008 PATMI would have increased 19% to S\$104m due to increased revenue flows in Singapore and overseas and the benefits of cost-containment measures implemented throughout FY2008.

The results highlight the resilience of Parkway's strategies in the midst of the economic slowdown occurring both in Singapore and around the world. **Mr Richard Seow, Chairman of Parkway Holdings Limited**, said, "Despite the global downturn, Parkway's proven growth strategies and our international reputation for world-class quality clinical outcomes will enable us to ride out the storm. As one of the leading providers of healthcare in Asia, we are committed to providing the best care possible for our patients and to enhancing our services and operations at our facilities throughout the region."

The Board has declared total tax exempt one-tier dividends of 3.69 cents for the first three quarters. No final dividend has been declared in view of the fourth quarter loss and the challenging economic environment.

Dr Lim Cheok Peng, Managing Director, Group President and Chief Executive Officer of Parkway Holdings Limited said, "Parkway has overcome many

economic downturns in the past. However, we will not rest on our laurels. This is a time to remain prudent with our capital management and at the same time push ahead with innovative initiatives to ensure that we maintain our leading position both in Singapore and overseas.”

Singapore Operations

Revenue from the Group's Singapore operations increased 6% to S\$633.2m, when compared to last year. This was due to the strategic decision made to focus more on complex medical procedures, higher utilisation of diagnostic imaging and laboratory services, and by a slight rise in day cases at Parkway's three hospitals in Singapore. The increase in the number of day cases, brought about by better medical technologies and improved skill sets of doctors, also helped to raise the number of admissions at the hospitals by 1.8% over the prior year.

In order to mitigate the effects of the current economic downturn, Parkway also successfully achieved growth in revenue by targeting foreign patients in new markets, such as Bangladesh, the Philippines, Vietnam, Cambodia, Pakistan and Russia. The result is double-digit growth in revenue and admissions from these foreign patients at the Singapore hospitals.

However, this rise in day cases was negated by a slight dip in average occupancy rates from 64.6% in 2007 to 59.9%. Such a shift from inpatient cases to outpatient cases is expected to be more pronounced during this period of global economic uncertainty, as patients opt for less intensive and more outpatient treatment.

Cost-containment initiatives

In December, the Group announced its cost-containment exercise in Singapore, resulting in non-clinical workforce being reduced by less than 4%, while senior leaders and middle management received salary reductions of 15% to 35% and 5% to 10% respectively. The Directors of the Board also agreed to waive their fees for FY2008. Meanwhile, additional measures such as optimising resource allocation, centralised procurement and reduction in corporate overheads were also introduced.

New initiatives in Singapore

Piling work on the new hospital at Novena began in November, while facilities at all three of Parkway's existing Singapore hospitals were upgraded, including a refurbished maternity ward in Gleneagles Hospital and a brand new Rehabilitation and Homecare Services facility at Mount Elizabeth Hospital. Cutting-edge technologies like the Aquilion ONE dynamic volume CT scanner at Mount Elizabeth and the Gamma Knife at the ParkwayHealth Day Surgery & Medical Centre also helped to ensure that Parkway provided the highest quality of healthcare available to its patients.

In order to address the lack of training facilities that was leading to a shortage of nurses and other clinical staff in Singapore and to develop new streams of revenue, the Group established Parkway College in January 2008. The College comprises Schools of Nursing, Allied Health and Healthcare Management and offers a range of courses in multiple disciplines in professional healthcare. In November, the College marked the launch of its first Diploma in Nursing course, which is the first nursing diploma course run by a private college in Singapore to receive accreditation by the Singapore Nursing Board.

International Operations

In FY2008, revenue from Parkway's international operations rose 15% to S\$312.2m. The Pantai Group of hospitals in Malaysia was the main driver of growth under the international operations. In particular, Pantai Bangsar registered strong demand for the services provided by its newly-established cancer centre, while a newly built hospital at Klang also contributed to earnings.

The Group also restructured its interests in Gleneagles Intan Kuala Lumpur, resulting in the hospital becoming a 58% joint venture of the Group. This restructuring provides synergistic opportunities for Parkway and Gleneagles Intan to enjoy economies of scale brought about by shared services and centralised procurement.

In Brunei, an 18% rise in EBITDAR at the Group's Gleneagles JPMC facility was fuelled by the implementation of cost-containment measures.

At Apollo-Gleneagles Kolkata, strong demand for medical services boosted admissions and revenue. The hospital also saw an expansion in capacity to 405 beds from 325, although such set-up costs had a one-off impact on margins. In the long term, this hospital continues to see strong surgical volume and intensity.

The Group continued to expand its footprint in China, opening two new clinics in Shanghai and introducing new services like ophthalmology, dermatology and plastic surgery at its existing facilities. Strong demand for healthcare services at the Group's facilities in Shanghai also contributed to healthy revenue from its China operations.

FY2008 also marked Parkway's entry into the Middle Eastern market, with the signing of an agreement on 22 December 2008 with an Emirati healthcare development company to manage the Danat Al Emarat Women and Children's Hospital in Abu Dhabi, capital city of the United Arab Emirates. This will provide a new revenue stream for Parkway and is a strategic step to securing a foothold in the fast-growing Middle Eastern market.

Moving Forward

2009 will continue to be a year of difficult economic conditions with the number of tourist arrivals in Singapore projected to fall further, and the Group expects a corresponding dip in foreign patients from traditional markets which will have an impact on its operations.

In Singapore, Parkway will launch 32 fixed-fee surgical packages in March 2009 to help patients lower their healthcare costs during this recessionary period. These packages are competitively priced and cover a wide range of healthcare services such as in the areas of cardiology, ENT, gastroenterology, general surgery, neurosciences, obstetrics and gynaecology, ophthalmology, orthopedic and urology.

Dr Lim said, "Our new healthcare packages are catered to meet the needs of Singaporeans even amidst the downturn and are aimed at ensuring that Parkway continues to expand its leadership in Singapore. In our international operations, we will also expand our footprint with five new Pantai hospitals in Malaysia over the next five years. New facilities like a cardiac centre at Pantai Bangsar will also help us to attract patients seeking quality healthcare services".

Dr Lim continued, "Market conditions in 2009 are expected to remain extremely volatile and difficult as the global recession worsens. However, Parkway has sufficient credit facilities for our current and future projects and developments, both in Singapore and overseas. Regardless, we will continue to focus on maximizing cost efficiencies in every aspect of our operations, while maintaining our leading position in the healthcare sector by improving service standards and clinical outcomes."

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About Parkway Holdings Limited

Parkway Holdings Limited (SGX:Parkway) owns **Parkway Group Healthcare Pte Ltd** and **Parkway Hospitals Singapore Pte Ltd** which operates **East Shore Hospital, Gleneagles Hospital, Mount Elizabeth Hospital, Parkway Cancer Centre and ParkwayHealth Day Surgery and Medical Centre**. The Company also owns **Parkway Shenton Pte Ltd**, a major provider of primary healthcare services; **Medi-Rad Associates Ltd**, a leading radiology services provider; **Parkway Laboratory Services Ltd**, a major provider of laboratory services, and also operates 48 **International Patient Assistance Centres (IPAC)** across the globe. For more information, please visit the website at www.parkwayholdings.com.

About ParkwayHealth

ParkwayHealth is a leading healthcare group based in Singapore, operating 15 hospitals with more than 3,600 beds in Asia, as well as patient assistance centres throughout the world. It has an extensive network across Asia, Europe, North America and the Middle East with operations in Bangladesh, Brunei, Cambodia, Canada, China, India, Indonesia, Malaysia, Mongolia, Myanmar, Nigeria, Pakistan, the Philippines, Russia, Saudi Arabia, Sri Lanka, Ukraine, the United Arab Emirates, the United Kingdom, the United States of America, Uzbekistan and Vietnam. With a team of more than 1,300 accredited specialists covering 40 different specialties, such as orthopedics, cardiology, hematology and neurology. **ParkwayHealth** is committed to its vision to be a global leader in value-based integrated care. For more information, please visit the website at www.parkwayhealth.com.

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