

## NEWS RELEASE

---

### PARKWAY CORE SEGMENTS DRIVE H1 2007 NET PROFIT BY 112% OVER H1 2006

**Highlights:**

- Core businesses drive net profit 112% over H1 2006 up to \$46.8 million;
- Singapore Hospitals revenue show strength up by 35%.

**SINGAPORE, 13 August 2007** - Parkway Holdings Limited (“Parkway” or “the Group”) listed in the Singapore Stock Exchange (SGX) reported a growth rate of 112% in net profit for H1 2007 driven mainly by strong performance across core business segments in the first half year (H1).

The effect of the proportionate consolidation in H1 2007 saw revenue and EBITDA decrease by 8% and 1% to reach \$414.3 million and \$96.4 million respectively<sup>1</sup>. If the Group had proportionately consolidated Pantai’s results in H1 2006, the Group’s revenue and EBITDA would have increased by 28% and 29% respectively.

	H1 2007 (S\$ millions)	H1 2006 (S\$ millions)	Change (%)
Revenue	414.3	452.7	-8
EBITDA	96.4	97.0	-1
Net Profit	46.8	22.0	112

Revenue for the Singapore Hospitals division rose 35% to S\$225.8 million from S\$167.3 million. The division’s EBITDA rose by 17% to S\$56.9 million in H1 2007. Traditional markets continue to feed the Singapore hospital division while the more robust local economy aided the increase in day surgery and outpatient services while specialist services, such as the Parkway Cancer Centre, are consistent revenue sources.

Mr Richard Seow, Chairman of Parkway Holdings Limited said: “We have just completed an exciting quarter for the Group: all our core businesses are showing good growth, fuelled by strong local and foreign patient numbers and higher patient intensity. Our Singapore hospitals delivered 35% increase

<sup>1</sup> As a result of the Group restructuring its interests in Pantai Holdings Berhad (“Pantai”) in Q4 2006, Pantai ceased to become a subsidiary and became a joint-venture company of the Group.

over prior year in revenue, while strong gains from our international operations added to the Group's overall performance.

"We have just completed our branding project and as we consider options on new facilities, the upgrade of existing facilities and services is fundamental in creating the preferred patient experience."

Parkway has declared an interim dividend of two cents per ordinary share less tax, to be paid out on 10 September 2007.

Dr Lim Cheok Peng, Group President and Chief Executive Officer of Parkway Holdings Limited explained: "The aging population and growing affluence will re-shape the dynamics of healthcare in Singapore. There will be a greater demand for preventive and managed care, as well as health screening and imaging diagnostics as Singaporeans re-think how they will value their health today.

"Our local expansion plans include increasing our capacity as well as improving our reach to new market segments. The brand new Day Surgery and Medical Centre at Balestier affords a new tranche of patients to use ParkwayHealth and benefit from the quality care we provide.

"Our growth overseas, in China for instance, includes strategic acquisitions such as the World Link Group, which immediately provides a wider patient base for our new Shanghai Gleneagles Medical Centre there. Meanwhile, we have secured consultancy contracts in the Middle East and are pursuing management opportunities there."

Due to the adoption of proportionate consolidation of Pantai's contribution in Parkway's International Hospitals division's results in H1 2007 - as opposed to full consolidation in H1 2006 - the EBITDA decreased by 24% to \$4.5 million. Revenue was also affected with a drop by \$46.2 million to \$84.7 million in H1 2007.

Dr Lim Cheok Peng added: "Creating excellent patient experience will be a priority and we have committed resources over the next few years to upgrade and refurbish our Singapore facilities. At the same time, we are differentiated by our expertise in niche specialties which in turn demand top quality people to staff our teams. Our success hinges on our workforce, and therefore we are actively attracting, developing, and retaining our best people.

"In the Healthcare Services division, revenue declined 33%, from S\$152.1 million in H1 2006 to S\$101.6 million in H1 2007 due mainly to proportionate consolidation of Pantai's contribution versus full consolidation in H1 2006."

The effects of proportionate consolidation (versus full consolidation of Pantai) as well as start-up and project expenses caused the Group's healthcare services division's EBITDA to decline by 27% over H1 2006.

In fact, contributions in H1 2007 from the Group's core healthcare services, namely Parkway Shenton, Medi-Rad Associates and Parkway Laboratory Services would have increased by 17% if the Group had proportionately consolidated Pantai's contributions in H1 2006. The revenue improvement was also aided by maiden contribution from the Group's acquisition of World Link Group in Shanghai, China.

If Pantai's results were proportionately consolidated in H1 2006, the Group's Healthcare Services division EBITDA would in fact have increased by 43% for H1 2007.

On 25 May 2007, Parkway announced the establishment of Parkway Life REIT comprising the three Singapore hospitals, namely, East Shore Hospital, Gleneagles Hospital and Mount Elizabeth Hospital. Parkway will retain no less than a 30% stake in the REIT through Parkway Investments Pte. Ltd.

Mr Richard Seow, Chairman of Parkway Holdings Limited noted: "With the imminent launch of the Parkway Life REIT later this month, we have an efficient vehicle to finance our growth locally and abroad. The outlook suggests continued strong patient admissions, while high value treatments with good outcomes will strengthen core segment contributions. The rentals committed from the Singapore operations to the REIT, will take effect from third quarter of 2007."

Parkway Holdings Limited (PHL) owns Parkway Hospitals Singapore Pte Ltd which runs three of Singapore's premier private healthcare providers, the East Shore Hospital, Gleneagles Hospital and Mount Elizabeth Hospital. The Group also includes Parkway Shenton Pte Ltd, a major provider of primary healthcare services; Medi-Rad Associates Ltd, a leading radiology services provider; and Parkway Laboratory Services Ltd, a major provider of laboratory services. Contract research services are also provided by Gleneagles CRC Pte Ltd. Parkway Group Healthcare Pte Ltd also operates over 49 International Patient Assistance Centres across the globe, accessible via [www.ipac.sg](http://www.ipac.sg) and a 24-hour hotline +65 67355000.

Over 1500 accredited medical specialists support Parkway's Clinical Programmes in Heart and Vascular, Neuroscience, Oncology, Musculoskeletal, Transplant and Cellular Therapy, Women and Children, Chronic Disease Management and Surgery. These clinical programmes involve renowned experts in their fields to provide comprehensive, integrated care and are founded on a reputation for quality clinical outcomes and service excellence.

*For more information please visit our websites at:  
[www.ParkwayHealth.com](http://www.ParkwayHealth.com) or [www.parkwayholdings.com](http://www.parkwayholdings.com)*

---

For media queries, please contact:

Andrea Lim  
Telephone: +65 6796 0636  
Email: [andrea.lim@parkway.sg](mailto:andrea.lim@parkway.sg)

Thomas TB Tay  
+65 6854 6659  
[thomas.tay@parkway.sg](mailto:thomas.tay@parkway.sg)

Website: