

NEWS RELEASE

STRONG OPERATING REVENUE CONTINUES TO PROPEL PARKWAY'S PERFORMANCE

Highlights:

Group revenue increases 19%:

- Singapore Operations revenue up 13% to S\$155.8m;
- International Hospitals' revenue rises 33% to S\$72.9m.

Net profit (excluding one-off items) increases 9%:

- Increase despite REIT Rental expense incurred in 1Q 2008 over 1Q 2007;
- Operational profit (excluding one-off items and net effects of the REIT transaction) increases 26%.

Tax exempt one-tier interim dividend of 1.23 cents per ordinary share for 1Q2008.

SINGAPORE, 14 May 2008 - Parkway Holdings Limited ("Parkway" or "the Group") listed in the Singapore Stock Exchange (SGX) reported 19% rise in Group revenue for 1Q 2008. The Group's performance continues to be propelled by strong operating revenue from Singapore which rose by 13% to S\$155.8 million.

"We have seen the importance of the Singapore hospitals in propelling the Group's performance," said Dr Lim Cheok Peng, Group President and Chief Executive Officer of Parkway Holdings Limited, "which is consistent with our strategy to maintain and enhance a strong Singapore base while expanding overseas. This supports our thesis to build a new private hospital at Novena."

Group Financial Highlights

	1Q 2008 (S\$ millions)	1Q 2007 (S\$ millions)	Change (%)
Revenue	228.7	192.7	19
EBITDAR	48.9	41.5	18
PATMI (excludes one-off items)	18.5	16.9	9
PATMI (excludes one-off items and net effects of REIT transaction)	21.3	16.9	26

Singapore hospitals performance in 1Q 2008 was driven by increase in revenue intensity and higher volume of day cases. During 1Q 2008, some of the inpatient admission cases were converted to day cases. This is growing trend as more medical procedures become day cases and specialist doctors upgrade their skills.

Dr Lim Cheok Peng said: "We realise the need to expand our clinic and outpatient service bases to capture the growing demand for primary care as well as special medical treatment. Parkway Shenton opened 3 new GP clinics, increasing their total to 48. The changing demographics and lifestyle of Singaporeans will put more emphasis on the role of clinics and outpatient care to complement our hospitals, which are already operating close to capacity.

"In India, our South Asia operating division will have another 100 beds added to our hospital at Kolkata, while in Shanghai we will have a new Japanese clinic to target the expatriate community there. In Luwan district in Shanghai, our clinic there will add another 10 more maternity beds to our operational base there."

The international hospital segment saw revenue rise by 10% to S\$43.5 million.

The Board has declared a tax exempt one-tier interim dividend of 1.23 cents to be paid out on **14 July 2008** which is equivalent to the prior quarter's gross dividends of 1.50 cents per ordinary share less tax at 18%.

Mr Dan J Snyder, Group Executive Vice President and Chief Operating Officer for Parkway said: "In spite of the uncertainties of the world's economic environment, we have seen a stable demand for healthcare services in Asia. While we do not see patient traffic softening, we need to press on with cost management strategies to cushion the impact of inflation.

"Achieving the highest quality remains our top priority. To that end, in 1Q 2008 East Shore Hospital was awarded accreditation from the Joint Commission International (JCI), the world's most respected consultative body in clinical safety and standards."

To meet the Group's growth needs for trained manpower resources, Parkway Education was set up in Singapore in January 2008 with plans to award advanced diplomas in Pharmacy Practice, Healthcare Education among others. Expansion activities include upgrading of the Singapore hospital wards and facilities.

Dr Lim Cheok Peng added: "Moving forward, we have plans to establish a new Heart Centre in 2008, which is part of the clinical programme framework announced last year as part of our strategy to pool the best talent for each specialist field and ensure we have quality results which are consistent across our operations."

Parkway Holdings Limited (PHL) owns Parkway Hospitals Singapore Pte Ltd which runs the East Shore Hospital, Gleneagles Hospital, Mount Elizabeth Hospital and the ParkwayHealth Day Surgery and Medical Centre. 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 45 International Patient Assistance Centres across the globe, accessible via 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 or www.parkwayholdings.com*

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