

## PRESS RELEASE

### PARKWAY REPORTS ROBUST REVENUE AND PROFIT GROWTH FOR 1H 2010

#### Highlights:

- First half revenue and net profit (excluding exceptional items, net of tax) increased 8% and 18% year-on-year respectively
  - Strong performance of Singapore and International Hospitals segment
- Q2 revenue rose 9% year-on-year to S\$271.6m from S\$249.4m
- Q2 net profit (excluding exceptional items, net of tax) grew 25%

#### Performance At A Glance

	Q2 2010	Q2 2009	Variance		YTD 30 June 2010	YTD 30 June 2009	Variance	
Revenue* (\$mil)	271.6	249.4	↑	9%	519.1	478.9	↑	8%
EBITDA (\$mil)	58.1	52.8	↑	10%	101.1	92.8	↑	9%
PATMI (\$mil)	36.8	40.3	↓	-9%	62.8	61.6	↑	2%
PATMI (\$mil) (Excluding exceptional items (net of tax))	37.5	30.1	↑	25%	63.4	53.5	↑	18%
Basic EPS (cents)	3.25	3.57	↓	-9%	5.55	5.46	↑	2%
Basic EPS (cents) (Earnings excluding exceptional items (net of tax))	3.31	2.66	↑	24%	5.60	4.74	↑	18%
					30 June 2010	31 December 2009	Variance	
NAV/ share (\$)					1.36	1.29	↑	5%
NTA/ share (\$)					1.11	1.05	↑	6%

Note:

\*: Comparative revenue had been restated to present Pantai's specialist fee revenue on a net basis.

**SINGAPORE, 12 August 2010** – Parkway Holdings Limited (“Parkway” or the “Group”) is pleased to report robust growth for the first half of the financial year 2010 (“1H FY2010”). The Group registered a 18% year-on-year growth in net profit (excluding exceptional items, net of tax) from S\$53.5 million to S\$63.4 million, while revenue rose by 8% to S\$519.1 million for 1H FY2010, as compared to S\$478.9 million for the same period in 2009. The Group’s EBITDA increased by 9% to S\$101.1 million compared with S\$92.8 million in the previous corresponding period.

For 1H FY2010, the Group’s basic EPS (excluding exceptional items, net of tax) increased by 18% to 5.60 cents from 4.74 cents in 1H FY2009, and NAV per share grew 5% to S\$1.36 from S\$1.29 as at 31 December 2009.

**Dr Tan See Leng, Parkway’s Chief Executive Officer and Managing Director of Parkway Holdings Limited** said, “Hospital and healthcare operations across our network have performed well, supported by an improving global economy and steady demand for quality healthcare services. We will continue to focus on providing best-in-class medical services and patient care to leverage on this trend for further growth.”

#### **Review of Singapore Operations**

Revenue from Parkway’s Singapore Operations grew by 9% to S\$341.6 million in 1H FY2010, compared to S\$313.7 million for the corresponding period a year ago. Singapore Operations continues to contribute the bulk of the Group’s revenue, making up 66% of total Group revenue for 1H FY2010.

In 1H FY2010, revenue from Singapore Healthcare Operations declined slightly year-on-year, as Parkway Shenton had benefited in 2009 from a contract awarded by the Singapore Ministry of Health to conduct H1N1 temperature screening at all entry points into Singapore. The temperature screening exercise ran from April 2009 to July 2009. The decline in revenue from the temperature screening exercise was mitigated by the opening of new Parkway Shenton clinics as well as higher utilisation of laboratory and imaging services as a result of higher patient volumes at the Group’s Singapore Hospitals.

Inpatient admissions and day cases for Singapore Hospitals registered healthy growth of 6.9% and 9.2% respectively in Q2 FY2010. Foreign patient numbers also registered an improvement, with the bulk of the increase coming from patients from Indonesia, Myanmar, Cambodia, Vietnam and Bangladesh. Net revenue per adjusted patient day increased by 11.1%, as the Group saw more complex cases in specialties like cardiology, neurosurgery and orthopaedic surgery.

### **Review of International Operations**

Revenue from the Group's International Operations rose 7% to S\$177.5 million in 1H FY2010 from S\$165.3 million in 1H FY2009. The increase was due to strong performance of its International Hospital division, whose revenue rose 15% year-on-year to S\$112.8 million from S\$98.2 million.

In other markets, the Group's South Asia division continued to record higher admissions and occupancy rates in the second quarter of 2010 due to rising demand for quality healthcare. The newly commissioned Apollo Gleneagles Cancer Centre performed well, with growing demand for outpatient and inpatient radiotherapy services. The Group's Malaysian hospitals also did well, registering a growth in admissions and a 14.3% increase in net revenue per adjusted patient day, as the hospitals took on more complicated procedures.

### **Developments in Singapore in Q2 2010**

The main contract for the development of Parkway Novena Hospital and Parkway Novena Specialist Centre was awarded to Penta Ocean Construction Pte Ltd in May 2010. Worth approximately S\$360 million, the contract is not expected to have a material financial impact on the net tangible assets per share and earnings per share of the Group for the year ending 31 December 2010. Construction is progressing according to schedule, with the site mobilisation having been completed and the construction of the substructure in progress.

Parkway continued to upgrade its medical facilities so as to provide better clinical outcomes for patients, especially those requiring critical care, with the completion of renovation work on the Intensive Care Unit at Mount Elizabeth Hospital. The first robotic thyroidectomy procedure in Singapore was also performed at the hospital in May, opening up possibilities of using robotic surgery to remove head and neck tumours and lymph nodes in a minimally invasive way.

Parkway Shenton opened new clinics at Ang Mo Kio, Clementi and The Pinnacle@Duxton, bringing the total number of clinics and health screening centres in its portfolio to 50 and further extending its reach in Singapore's residential areas.

Parkway College of Nursing & Allied Health was awarded the new EduTrust mark by Singapore's Council for Private Education in May. The EduTrust certification scheme was established to help distinguish higher quality players in Singapore's private education industry, and Parkway College's accreditation affirms its high standards in key areas relating to private education, such as academic processes, fee protection and corporate governance.

### **Developments in the region in Q2 2010**

Parkway continued to improve services at its international operations in Q2 2010. To cater to growing demand, an additional 22-bed paediatric ward was set up at Gleneagles Hospital Kuala Lumpur. Piling work on Gleneagles Medical Centre Penang's expansion block has been completed, with work on the building superstructure due to commence soon.

The 2 new clinics that are managed by Parkway in Shanghai, China at the World Expo Village and Jin Mao Tower were opened in June and July respectively. The ParkwayHealth Expo Medical and Dental Center offers medical consultations and dental treatments, while the ParkwayHealth JinMao Medical Center, which began operations in July, provides services in family medicine, paediatrics, adult medicine, psychiatry, physiotherapy and traditional Chinese medicine.

Due to increased demand for medical services, Apollo Gleneagles Hospital in Kolkata, India recruited more full-time specialists in the second quarter of the year. Construction work on the substructure of the ParkwayHealth Khubchandani Hospital in Mumbai has begun, with the construction tender for civil and structural works having been awarded in April. Site excavation for the Danat Al Emarat Women & Children's Hospital in Abu Dhabi, the United Arab Emirates also commenced in April.

### **Looking ahead**

Parkway will continue to improve the clinical facilities and medical services available to its patients in the months ahead, through upgrading works in its Singapore hospitals. The renovation of Gleneagles Hospital's wards and Intensive Care Unit has already begun. Parkway East Hospital is in the process of re-accreditation with Joint Commission International, which will reaffirm Parkway's continuous commitment to patient safety and international standards.

Meanwhile, Parkway College is spreading its wings further abroad, having signed a Memorandum of Understanding in July with Botswana's Boitekanelo Training Institute to conduct academic audits for a Diploma in Healthcare Management programme in the African country, which is targeted to begin in July 2011. The College is also establishing three more Nursing Skills Laboratories to cater a growing population of nursing students.

In the region, Malaysia's Ministry of Health has approved the feasibility study of the Group's proposed new hospital in Manjung, Perak, and architects and medical planners are being engaged

for the hospital design. Redevelopment work on a hospital block at Pantai Hospital Kuala Lumpur is due to commence in September.

Dr Tan said, “Although we have seen improvements in patient admissions as compared to last quarter, we will continue to be prudent in our cost management. We will also forge ahead with our Service Excellence initiatives, so as to provide our patients with the best service. Service Excellence is critical to Parkway’s mission to make a difference in people’s lives through excellent patient care, especially with the increasing sophistication and higher expectations of our customer base.”

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## About Parkway Holdings Limited

**Parkway Holdings Limited**, listed on the Singapore Stock Exchange since 1975, is one of the region's leading providers of healthcare services, with a network of 16 hospitals with more than 3,400 beds throughout Asia, including Singapore, Malaysia, Brunei, India and China. In Singapore, the Group owns **Parkway Group Healthcare Pte Ltd** and **Parkway Hospitals Singapore Pte Ltd**, which operates three of Singapore's premier healthcare providers: **Gleneagles, Mount Elizabeth and Parkway East Hospitals**. The Group also owns **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. In addition, **Parkway Trust Management Limited** provides management services to **Parkway Life REIT**, while **Parkway Education Pte Ltd** offers healthcare education through **Parkway College of Nursing and Allied Health**. The Group also operates 37 **ParkwayHealth Patient Assistance Centres (PPAC)** across the globe. For more information, please visit the website at [www.parkwayholdings.com](http://www.parkwayholdings.com).

The Board of Directors of the Company (including those who may have delegated detailed supervision of this Announcement ) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate, and where appropriate, no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

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