



Parkway Holdings



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# Third Quarter 2008 Financial Results

Wednesday, 12 November 2008

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# GROUP FINANCIAL HIGHLIGHTS

Parkway continues to show revenue growth in the third quarter



Group revenue increases 11%:

- Singapore Operations revenue up 8% to S\$476.7m;
- International Operations revenue rises 17% to S\$227.5m.

Net profit (excluding one-off items and net effects of the REIT transaction) increases 5%.

The Board has declared a tax exempt one-tier interim dividend of 0.75 cents per ordinary share for 3Q 2008 to be paid on 15 December 2008. The total dividends for YTD 2008 has increased as compared to YTD 2007.

# Performance At A Glance



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	YTD 30 Sep 2008	YTD 30 Sep 2007	Change
Revenue (\$'000)	704,199	637,095	↑ 11%
EBITDAR (\$'000)	154,878	143,554	↑ 8%
PATMI (\$'000)	55,963	271,307	↓ -79%
PATMI excluding one-off items (\$'000)	58,623	62,951	↓ -7%
PATMI excluding one-off items & net effects of REIT transactions (\$'000)	68,028	64,592	↑ 5%
Basic EPS (cents) *	5.77	31.16	↓ -81%
Basic EPS (cents) * (Earnings excluding one-off items & net effects of REIT transactions)	7.01	7.42	↓ -6%
NAV/share (\$) ^	1.17	0.75	↑ 56%
NTA/share (\$) ^	0.98	0.48	↑ 104%

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

^: Comparatives are as at 31 Dec 2007

# Group Financial Highlights



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	YTD 30 Sep 2008 \$'000	YTD 30 Sep 2007 \$'000	Var %
REVENUE	704,199	637,095	11%
OTHER OPERATING INCOME (exclude interest income)	13,620	14,293	-5%
EBITDAR	154,878	143,554	8%
REIT Rental	(36,030)	(5,075)	610%
Depreciation & Amortisation	(36,971)	(36,604)	1%
Net Interest Expense	(7,135)	(16,089)	-56%
Foreign Exchange Losses	(638)	(340)	88%
Share of Profits of Associates	7,447	2,771	169%
Exceptional Items	(4,304)	203,752	-102%
PROFIT BEFORE TAX & MI	77,247	291,969	-74%
Income Tax	(17,490)	(17,626)	-1%
Minority Interests	(3,794)	(3,036)	25%
PROFIT AFTER TAX	55,963	271,307	-79%
NET PROFIT (Excl. one-off items)	58,623	62,951	-7%
NET PROFIT (Excl. one-off items & net effects of REIT transactions)	68,028	64,592	5%

# Group Financial Highlights



	YTD 30 Sep 2008 \$'000	YTD 30 Sep 2007 \$'000	Var %
<b>NET PROFIT</b>	55,963	271,307	-79%
(Less)/Add one-off items:			
(a) REIT exceptional items	-	(201,941)	
(b) Tax effects on REIT exceptional items	-	(2,351)	
(c) Gain on disposal of equity investment	-	(1,962)	
(d) Gain on disposal of investment properties	-	(2,092)	
(e) Write-back of deferred tax liability on reduction of Singapore corporate tax rate	-	(2,686)	
(f) Operations management alignment expenses	-	1,059	
(g) Loss on early redemption of notes	-	1,617	
(h) Impairment loss on available-for-sale financial assets	4,399	-	
(i) Fair value change of financial derivatives	(203)	-	
(j) Overprovision of associate's prior year tax	(1,536)	-	
<b>NET PROFIT EXCLUDING ONE-OFF ITEMS</b>	58,623	62,951	-7%
Add: Net effects of recurring REIT transactions	9,405	1,641	NM
<b>OPERATIONAL NET PROFIT</b>			
<b>EXCLUDING ONE-OFF ITEMS &amp; REIT</b>	68,028	64,592	5%

# Group Revenue

\$'000

Hospital

Healthcare

Non-Healthcare

YTD 30 Sep 2008

Singapore

International

Group

358,732

137,068

495,800

110,675

90,438

201,113

7,281

5

7,286

476,688

227,511

704,199

Hospital

Healthcare

Non-Healthcare

YTD 30 Sep 2007

344,388

128,173

472,561

94,513

66,666

161,179

3,064

291

3,355

441,965

195,130

637,095

YTD 30 Sep 2008 vs

YTD 30 Sep 2007

↑ 8%

↑ 17%

↑ 11%



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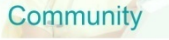












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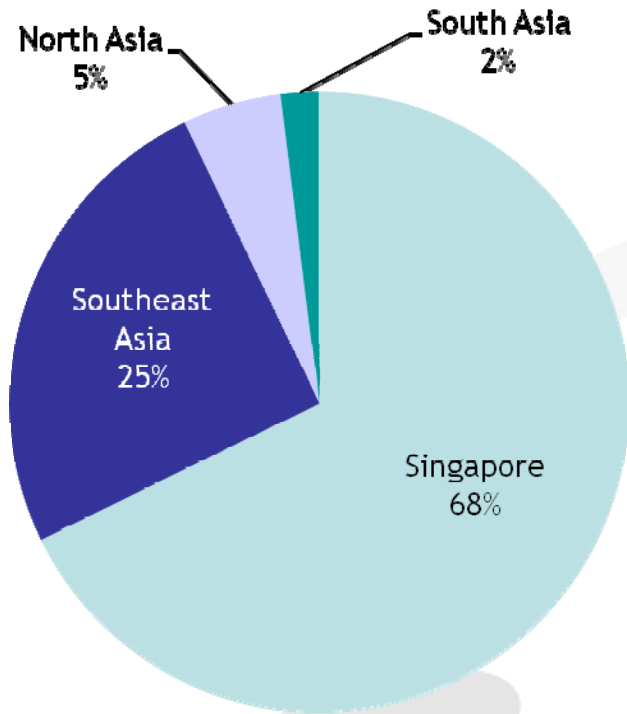
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# Group EBITDAR

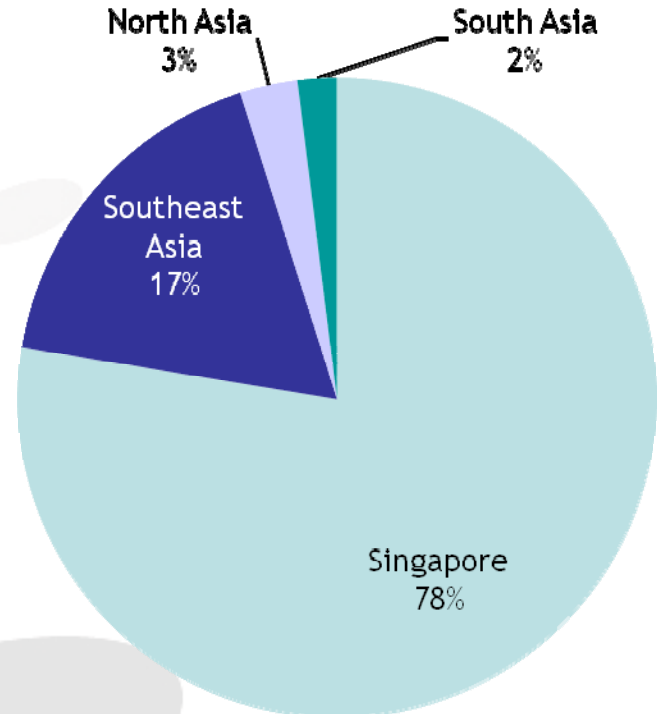
	Singapore	International	Group
 \$'000			
 Hospital	123,828	23,483	147,311
 Healthcare	24,337	21,155	45,492
 Non-Healthcare	3,486	(142)	3,344
 Unallocated Group Corp Costs			(41,269)
 YTD 30 Sep 2008	<b>151,651</b>	<b>44,496</b>	<b>154,878</b>
 Hospital	114,234	21,478	135,712
 Healthcare	24,268	14,372	38,640
 Non-Healthcare	1,153	207	1,360
 Unallocated Group Corp Costs			(32,158)
 YTD 30 Sep 2007	<b>139,655</b>	<b>36,057</b>	<b>143,554</b>
 YTD 30 Sep 2008 vs YTD 30 Sep 2007	↑ 9%	↑ 23%	↑ 8%

# Contribution of Businesses

Revenue Contribution YTD 30 Sep 2008



EBITDAR Contribution YTD 30 Sep 2008\*



\* Contribution without allocation of Group Corporate Costs





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# Group Hospital Operations



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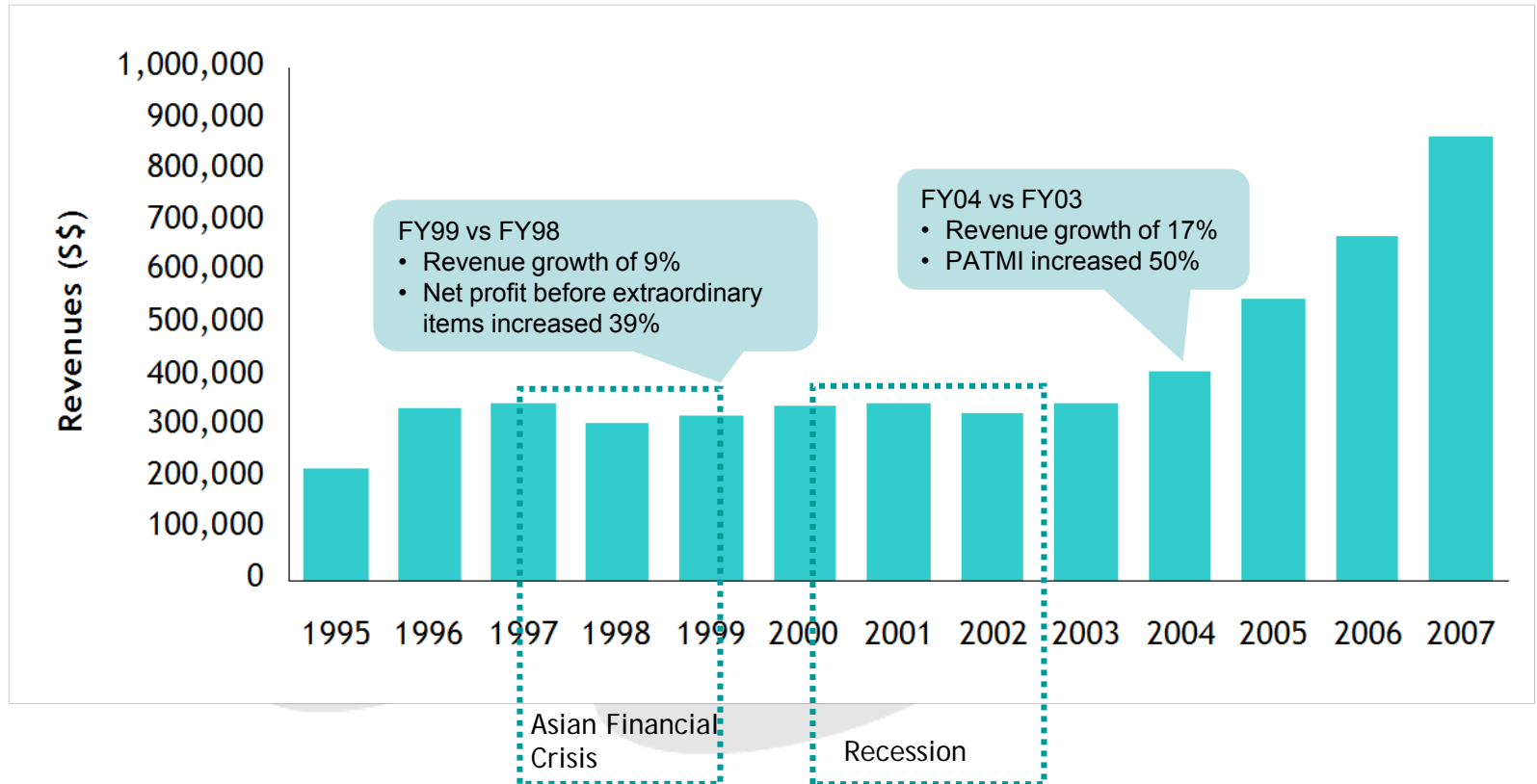
	Singapore	International	Group
<b>No. of Hospitals</b>	3	12	15
<b>Admissions</b>			
- YTD 30 Sep 2008	61,065*	114,965	176,030
- YTD 30 Sep 2007	59,794*	107,482	167,276
<b>Average Occupancy (%)</b>			
- YTD 30 Sep 2008	61.4%	62.8%	62.5%
- YTD 30 Sep 2007	64.9%	64.4%	64.5%
<b>Operational Beds</b>			
- YTD 30 Sep 2008	760	2,106	2,866
- YTD 30 Sep 2007	767	1,940	2,707

\* Includes total admission and day cases for Singapore hospitals only.

# Parkway's Financial Performance

*Parkway has grown at a CAGR of 11% since 1995 through organic and inorganic means*

## Healthcare Revenue 1995 to 2007



# Singapore Hospitals



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	YTD 30 Sep 2008	YTD 30 Sep 2007	Change %
Admissions	35,638	36,860	↓ -3.3%
Day Cases	25,427	22,934	↑ 10.9%
Total Admissions and Day Cases	61,065	59,794	↑ 2.1%
Net Revenue PAPD (All Facilities) <i>Per Adjusted Patient Day</i>	\$1,850	\$1,747	↑ 5.9%
Average Length of Stay (Days)	3.59	3.69	↓ -2.7%
Average Occupancy (%)	61.4%	64.9%	↓ -5.4%

# Singapore Hospitals



- Robust growth in day cases, made possible by advanced technology and high intensity, continues to drive Net Revenue PAPD at all facilities.
- During economic crisis, more patients tend to seek outpatient treatment and postpone surgical procedures.
- Patients from non-traditional sources cushioned the slight drop of Indonesia patient numbers; double-digit increase in admits and revenue from non-traditional sources for YTD 2008 compared to YTD 2007.

# International Hospitals



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	YTD 30 Sep 2008 vs YTD 30 Sep 2007				
	Southeast Asia				South Asia
Parkway's Stake	Pantai Group (40%)	Gleneagles Penang (70%)	Gleneagles Intan KL (30%)	Gleneagles JPMC Brunei (75%)	Apollo-Gleneagles Kolkata (50%)
Admissions	↑ 11.4%	↓ -8.2%	↓ -0.3%	↓ -7.4%	↑ 10.6%
Occupancy	↑ 2.2%	↓ -15.0%	↓ -0.2%	↑ 3.0%	↓ -9.0%
Revenue	↑ 15.0%	↓ -0.5%	↓ -0.8%	↓ -8.7%	↑ 9.7%
EBITDAR	↑ 24.6%	↓ -4.2%	↓ -3.5%	↑ 16.5%	↓ -4.6%

# International Hospitals

## South East Asia



- Pantai group of hospitals are the main drivers of Revenue and EBITDAR for Q3 2008 International Hospitals' results:
- Healthy growth in almost all hospitals with increasing patient loads
- Implemented cost containment measures e.g. energy costs, centralised purchasing etc
- Demolition of Block A in Pantai Medical Centre, Bangsar, KL, is on schedule and expected to complete in Q3 2008
- Pantai Mutiara has commenced construction of its new cancer centre to house a new linear accelerator

# International Hospitals

## South East Asia (continued)



- Gleneagles Penang's new development of 280-bed hospital is on schedule. Meanwhile, expenses has increased due to training of nurses for the new hospital.



- More cardiac surgical cases in Gleneagles JPMC increased occupancy rate and boost EBITDAR by 16.5%.



## South Asia



- Strong demand drives admission and revenue growth at Apollo-Gleneagles Kolkata; but margins were affected in Q2 by set-up expenses of the additional beds and one-off repairs and maintenance costs.



- Improvements in margin in Q3 2008.

# Operations Review

## Singapore



- Embarked on Operational Excellence initiatives to improve service quality, obtain higher yields, faster throughput and minimise waste.
- New Parkway Cancer Centres opened in Gleneagles and Mount Elizabeth Hospitals to cater to increased demand for oncology services by local and foreign patients.
- Parkway Fertility Centre continues to see strong growth due to encouraging response to the government's pro-family policies.

# Operations Review

## Singapore (continued)



- Performed 22 living related donor liver and 51 living related renal transplants respectively year to date; a testimony of the strength of our Transplant Program.
- Official opening of Gamma Knife Center at ParkwayHealth Day Surgery & Medical Center in October 2008 with 51 patients treated since June 2008; Parkway expects to treat 100 patients a year.
- Debut telecast of “*Journey of Hope*”, a documentary series by Parkway Cancer Center, on ChannelNewsAsia in August 2008.

# Operations Review

## International

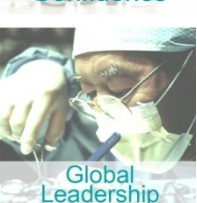
- Preparation underway for JCI accreditation in Pantai Bangsar, Pantai Mutiara and Pantai Ayer Keroh.
- Further increase in inpatient capacity by 55 beds to 380 beds in Q3 at Apollo-Gleneagles Kolkata; Another 25 beds to be added by year end to meet demand.
- Design and development activities of the proposed Mumbai Hospital in progress; groundbreaking expected to commence before year end or early 2009.



# Operations Review

## International (continued)

- Business continues to ramp up in Shanghai with the introduction of new services including Ophthalmology, Dermatology and Plastics Surgery.





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# Novena Hospital



- Regulatory approval obtained for additional carpark space.
- Ground breaking on 11 November 2008 with Minister Khaw Boon Wan as guest-of-honour; 200 guests invited.
- Schematic design completed; entering into next phase of design development.
- Piling to commence end of 2008 or early 2009.
- Sale of Medical Suites planned in 2009, subject to regulatory approvals; marketing agent appointed.

# Novena Hospital



- Full financing secured to complete the Novena Project over the next 3 years
- Credit facilities comprises:
  - \$500 million unsecured loan due in July 2011; fully drawn
  - \$850 million secured loan due in July 2013; \$560 million drawn on 11 November 2008
- With a strengthened capital structure post the rights issue, net debt to equity gearing ratio remains healthy at 0.49 as at 30 Sep 2008

# Gearing



Balance Sheet	31/12/07 \$'M	30/09/08 \$'M
Total Assets	1,103	2,482
Total Liabilities	(523)	(1,166)
Total Equity	580	1,316
Total Debt	(187)	(800)
Total Cash	143	158
Net Debt/Equity Ratio	0.08	0.49



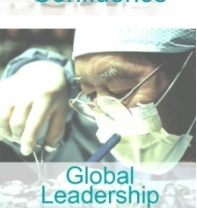
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# Moving Forward

## Singapore

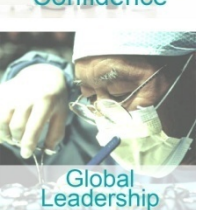


- Clinical programs to involve all physicians, who are accredited with our hospitals in Singapore, will be encouraged to participate in developing the quality framework for their respective specialties.
- Working towards price transparency for physicians' fees and hospital charges; a key step towards growing our medical travel market share.

# Moving Forward

## Singapore (continued)

- First intake of Diploma in Nursing course at Parkway College to start on 24 November 2008 with total of 112 students of which 89 are foreigners.
- Advanced diplomas in nursing in Critical Care (ICU) and Peri-Operative (OT) to be launched in early 2009.
- School of Allied Health to launch courses in Podiatry, Ultra-sonography, Physiotherapy and Sterilisation Skills in first half of 2009.



# Moving Forward

## International



- Complete Apollo-Gleneagles Kolkata beds expansion by end 2008.
- Setting up of Centre of Excellence for Oncology offering comprehensive range for oncology services in Apollo-Gleneagles Kolkata.
- Ground breaking for new hospital in Mumbai by end 2008 or early 2009. Expected to be operational after 3 years of development.
- Pantai Irama, a 40% jointly controlled entity, is expected to complete its acquisition of 70% equity interest in Gleneagles Intan by end 2008.



# Thank You

*For more information & updates:  
[www.ParkwayHoldings.com](http://www.ParkwayHoldings.com)*