

PRESS RELEASE

PARKWAY ACHIEVES STRONG REVENUE AND NET OPERATING PROFIT[#] IN Q2 2009

Highlights:

- Strong quarterly group revenue for Q2 2009 of \$258.6m - an increase of 10% over Q2 2008:
 - Singapore Operations Q2 2009 revenue increased 2% to \$163.4m
 - International Operations Q2 2009 revenue soars 25% to \$95.2m
- Q2 2009 net profit excluding exceptional items jumps 8% to \$30.1m
- International hospital operations and healthcare services deliver strong performance

Performance At A Glance

	Q2 2009	Q2 2008 [^]	Variance	YTD 30 June 2009	YTD 30 June 2008 [^]	Variance
Revenue (\$'000)	258,554	236,103	↑ 10%	496,337	464,847	↑ 7%
EBITDAR* (\$'000)	65,427	54,633	↑ 20%	118,085	103,487	↑ 14%
PATMI (\$'000)	40,303	28,347	↑ 42%	61,588	47,879	↑ 29%
PATMI (\$'000) (Excluding exceptional items (net of tax))	30,054	27,954	↑ 8%	53,482	47,546	↑ 12%
Basic EPS (cents)	3.57	3.11	↑ 15%	5.45	5.37	↑ 1%
Basic EPS (cents) (Earnings excluding exceptional items (net of tax))	2.66	3.06	↓ -13%	4.74	5.33	↓ -11%

	30 June 2009	31 December 2008	Variance
NAV/ share (\$)	1.24	1.19	↑ 4%
NTA/ share (\$)	0.99	0.93	↑ 6%

Note:

[^]: Comparatives have been restated for change in accounting policy during the year.

*: Comparative EBITDAR is restated to exclude fair value gain on fair value of financial instruments through profit or loss

#: Net operating profit is defined as profit after tax and minority interests, excluding exceptional items (net of tax).

SINGAPORE, 13 August 2009 – Parkway Holdings Limited ("Parkway" or "the Group") has reported a 7% rise in revenue to \$496.3m for the first half of its financial year ended 30 June 2009 (1H FY2009), as compared to \$464.8m for the same period in 2008. Excluding exceptional items, the Group saw a 12% increase in net profit for 1H FY2009, at \$53.5m versus \$47.5m for the same period last year. The Group's EBITDAR for 1H FY2009 stood at \$118.1m, which is a 14% increase over the same period last year. Parkway's NAV per share grew 4% to \$1.24 as at 30 June 2009 from \$1.19 as at 31 December 2008. The Group maintained a healthy net debt to equity gearing ratio of 0.44 as a result of the strengthened capital structure following its equity fund raising exercise in 2008.

Parkway's Singapore operations continued to contribute the bulk of the Group's revenue of more than 60% in 1H FY2009, with increasing contributions from Southeast Asia operations. The Singapore healthcare services segment reported a 66% year-on-year increase in EBITDAR to \$19.3m from \$11.7m in 1H FY2008. The Group's international hospital operations reported a 40% jump in EBITDAR from \$15.3m in 1H FY2008 to \$21.4m in 1H FY2009.

Dr Lim Cheok Peng, Executive Vice Chairman, Managing Director, Group President, and Chief Executive Officer of Parkway Holdings Limited, said, "Parkway has delivered an outstanding set of quarterly revenue and EBITDAR numbers. We have continued to focus our efforts on ensuring top quality technological and service delivery as well as the highest standards in patient care. The Group's first half results show the resilience of our integrated regional healthcare platform that has performed very well despite the prolonged economic downturn which has been challenging for the global healthcare sector."

Singapore Operations

The Group's revenue for its Singapore operations dropped slightly from \$316.0m to \$313.7m, a 1% dip from the same period last year. However, EBITDAR for the Singapore operations registered an increase of 6% to reach \$79.0m as savings from cost containment measures implemented was reaped. Recognition of government budget incentives such as job credits and property tax rebates also contributed to the improvement in results.

At the Singapore hospitals, Parkway saw a slight decrease in admissions and occupancy levels as a result of fewer foreign patients travelling to Singapore to seek treatment during the global economic slowdown as well as a postponement of elective surgical procedures during the H1N1 pandemic. There was a 0.7% decrease in inpatient admissions in Q2 2009 over Q2 2008 but this is offset by a steady 1.6% increase in day cases. Total admits and occupancies achieved by the Singapore hospitals in the current quarter improved compared to the previous two quarters. Occupancy levels decreased marginally by 3.3% in Q2 2009 over Q2 2008, but improved by 4% from 58% in Q1 2009 to 62% in Q2 2009.

Despite the challenging economic conditions, performance at the Singapore hospitals fell only slightly as a result of innovative services, such as Parkway's 40 medical packages, launched in April 2009. The medical packages attracted strong local patient demand. The Group has sold over 1,000 packages to date.

Growth in healthcare services in Singapore also helped bolster Parkway's overall Singapore operations performance. Revenue for Singapore healthcare services grew 19% to reach \$84.6m in 1H FY2009, while EBITDAR rose 66% to reach \$19.3m. The strong performance is contributed by Parkway Shenton, which had secured several new corporate clients and was also awarded a major contract to conduct border screening at all entry points to Singapore by Ministry of Health, Singapore.

Parkway's new hospital at Novena continued to make progress in Q2 2009, with strong indications of interest in the medical suites received from senior medical specialists. The new hospital will establish Centres for Excellence for the specialist fields of neuroscience, heart and vascular, and orthopedics. Parkway expects approval for the building plans in Q1 2010 and a construction tender to be issued thereafter. With the slowdown of the construction industry, savings are expected in the construction costs.

International Operations

Parkway's international operations saw robust performance. Revenue rose 23% in 1H FY2009, from \$148.8m to \$182.7m. EBITDAR grew 35% from \$28.9m to \$39.0m. The strong performance is attributed to higher patient volume and revenue intensity at the

Pantai Hospitals and the cardiac centre in Brunei. Revenue in 1H 2009 also included the 58% proportionate consolidation of Gleneagles Hospital (Kuala Lumpur) (“GHKL”) Sdn Bhd, after the Group increased its interest in GHKL from 30% to 58% in November 2008.

International operations strong growth is propelled by continuous demand for premier healthcare in Malaysia. In Q2 2009, Parkway completed the acquisition of Pantai Hospital Sungai Petani and expansion of hospital facilities with Pantai Bangsar Block A.

Parkway continues to extend its network across Malaysia with the implementation of the hub-and-spokes model to set up secondary/ community hospitals in smaller towns, offering these communities easier access to quality healthcare services.

Parkway has expanded its service offering in China, with the establishment of a new Allergy Centre in Shanghai. Offering the only comprehensive allergy service in Shanghai, the Parkway Allergy Centre provides allergy investigations, testing, treatment, and other professional allergy medical services for both adults and children. Parkway has also expanded its range of dental services to offer comprehensive dental surgeries such as extraction under general anaesthesia.

Parkway’s India operations in Kolkata and Hyderabad continue to do well, recording increases in hospital admissions and surgeries in Q2 FY2009 over Q2 FY2008. The new comprehensive Oncology centre development is underway and is expected to be operational in early 2010 at the Apollo Gleneagles Hospital in Kolkata. Work on the new ParkwayHealth Khubchandani Hospital, Mumbai has commenced with design and development concept work in progress. Ground excavation works are underway and construction will commence towards the end of 2009.

Hospital development works at Danat Al Emarat Hospital Women’s and Children’s Hospital in Abu Dhabi are in progress, with the official groundbreaking expected at the end of September 2009. The hospital is expected to be operational by the end of 2011.

Other developments in Q2 FY2009

During the past quarter, Templeton Worldwide, Inc, a wholly-owned subsidiary of investment firm Franklin Resources, Inc, increased its investment in Parkway to 6.04% from 4.94%, becoming a substantial shareholder of the Group.

Parkway disposed of its 60% shareholding in Ko, Djeng Gleneagles Pte Ltd and sold its 20% stake in associated company Gleneagles Academy of Nursing (M) Sdn Bhd. These divestments are inline with Parkway's strategy to divest its non-core businesses.

Parkway reinstated the salaries of administrative staff in April 2009, on the back of strong performance in Q1 FY2009.

Looking Ahead

In Singapore, the Group expects a gradual resurgence of foreign patients in the second half of this year and continued demand for its 40 medical packages.

In International markets, demand for premier healthcare in Malaysia, India and China will continue to drive the Group's growth.

Dr Lim said, "Despite the Group's strong performance in the second quarter and in view of the uncertainty of how long the global economic downturn will last, we remain cautiously optimistic of the performance of the healthcare sector over the medium term.

We will continue to upgrade our hospital facilities across all our markets as well as invest in the latest medical technology to ensure that ParkwayHealth patients receive the highest quality medical care wherever they may be."

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About Parkway Holdings Limited

Parkway Holdings Limited (SGX: Parkway) is one of the region's leading healthcare service providers, with a network of 16 hospitals and medical centres with more than 3,300 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: **East Shore, Gleneagles and Mount Elizabeth Hospitals**. The Company 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. **Gleneagles Clinical Research Centre Pte Ltd** also provides contract research services for the Group. 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 41 **ParkwayHealth Patient Assistance Centres (PPAC)** 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 16 hospitals with more than 3,300 beds in Asia, as well as patient assistance centres throughout the world. It has an extensive network across Asia, Europe and the Middle East with ParkwayHealth Patient Assistance Centres (PPAC) in Bangladesh, Brunei, Cambodia, China, India, Indonesia, Malaysia, Mongolia, Myanmar, Pakistan, the Philippines, Russia, Saudi Arabia, Sri Lanka, Ukraine, the United Arab Emirates, Uzbekistan and Vietnam. With a team of more than 1,300 accredited specialists covering 40 different specialties, **ParkwayHealth** is committed to its vision to be a global leader in value-based integrated healthcare. For more information, please visit the website at: www.parkwayhealth.com.

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