

Parkway Holdings Limited

3rd Quarter 2009 Financial Results

Thursday 12th November 2009



Parkway Holdings

Disclaimer

This is a presentation of general information relating to the current activities of Parkway Holdings Limited ("Parkway"). It is given in summary form and does not purport to be complete. In addition, the presentation may contain forward-looking statements relating to financial trends for future periods, compared to the results for previous periods. Some of the statements contained herein are not historical facts but are statements of future expectations relating to the financial conditions, results of operations and businesses and related plans and objectives. The information is based on certain views and assumptions and would thus involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes, and the continued availability of financing in the amounts and the terms necessary to support future business. Such statements are not and should not be construed as a representation as to the future of Parkway and should not be regarded as a forecast or projection of future performance. No reliance should therefore be placed on these forward-looking statements, which are based on the current view of the management of Parkway on future events. The presentation is also not to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Parkway accepts no responsibility whatsoever with respect to the use of this document or any part thereof.



Contents

- **Group Financial Highlights**
- Group Operations Review
- Updates
- Moving Forward



Group Financial Highlights

PARKWAY CONTINUES STRONG PERFORMANCE IN Q3 2009

- Strong quarterly group revenue for Q3 2009 of \$259.0m - an increase of 8% over Q3 2008:
 - Singapore Operations Q3 2009 revenue increased 5% to \$168.0m
 - International Operations Q3 2009 revenue soars 16% to \$91.0m
- Q3 2009 net profit excluding exceptional items jumps 103% to \$32.2m
- Singapore hospitals enjoy increase in inpatient admissions and net revenue per adjusted patient day
- International hospital operations and healthcare services deliver strong performance



Performance At A Glance – YTD September

	30 September 2009	30 September 2008 [^]	Variance	
Revenue (\$'000)	755,372	704,199	↑	7%
EBITDAR* (\$'000)	181,929	154,676	↑	18%
PATMI (\$'000)	94,059	59,098	↑	59%
PATMI (\$'000) (Excluding exceptional items (net of tax))	85,658	63,402	↑	35%
Basic EPS (cents)	8.34	6.09	↑	37%
Basic EPS (cents) (Earnings excluding exceptional items (net of tax))	7.60	6.53	↑	16%
	30 September 2009	31 December 2008 [^]	Variance	
NAV / share (\$)	1.27	1.19	↑	7%
NTA / share (\$)	1.02	0.93	↑	10%

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.

Performance At A Glance – Q3 2009 Results

	Q3 2009	Q3 2008 [^]	Variance
Revenue (\$'000)	259,035	239,352	↑ 8%
EBITDAR* (\$'000)	63,844	51,189	↑ 25%
PATMI (\$'000)	32,471	11,219	↑ 189%
PATMI (\$'000) (Excluding exceptional items (net of tax))	32,176	15,856	↑ 103%
Basic EPS (cents)	2.88	0.99	↑ 190%
Basic EPS (cents) (Earnings excluding exceptional items (net of tax))	2.85	1.41	↑ 102%

Note:

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

Group Financial Highlights

	YTD 30 September 2009 \$'000	YTD 30 September 2008^ S'000	Variance %
REVENUE	755,372	704,199	7%
OTHER OPERATING INCOME¹	19,695	13,417	47%
EBITDAR*	181,929	154,676	18%
REIT Rental	(38,101)	(36,030)	-6%
Depreciation & Amortisation	(43,440)	(36,971)	-17%
Finance Costs ²	(8,682)	(9,196)	6%
Fair value gain of financial instruments at fair value through profit or loss	376	203	85%
Interest Income	7,145	2,060	NM
Foreign Exchange Losses	(613)	(638)	4%
Share of Profits of Associates	11,463	10,582	8%
Exceptional Items	11,332	(4,304)	NM
PROFIT BEFORE TAX & MI	121,409	80,382	51%
Income Tax	(23,331)	(17,490)	-33%
Minority Interest	(4,019)	(3,794)	-6%
PROFIT AFTER TAX & MI	94,059	59,098	59%
NET PROFIT (Excluding exceptional items (net of tax))	85,658	63,402	35%

Note 1: Other operating income excludes foreign exchange gains and interest income.

Note 2: Finance costs includes interest expense, bank charges, fees and the portion of fair value loss of financial instruments which are fair valued through the profit or loss.

^: 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.

Group Financial Highlights

	YTD 30 September 2009 \$'000	YTD 30 September 2008 [^] \$'000	Variance
NET PROFIT	94,059	59,098	59%
Add-back / (less-off) exceptional items:			
- Reversal of allowance made for impairment loss on receivables ¹	(17,207)	-	
- Impairment loss on available-for-sale financial assets ²	2,199	4,399	
- Impairment loss on property, plant and equipment ³	3,350	-	
- Loss / (Gain) on disposal of property, plant and equipment	326	(95)	
Exceptional items	(11,332)	4,304	
Tax effects on exceptional items	2,931	-	
Exceptional items (net of tax)	(8,401)	4,304	
OPERATIONAL NET PROFIT (EXCLUDING EXCEPTIONAL ITEMS (NET OF TAX))	85,658	63,402	35%

Notes:

- 1: *In Q4 2008, the Group made a full provision for receivables amounting to \$34.4 million, which are past due a specified number of days.
As at 30 June 2009, a final settlement was reached, and the Group reversed the excess allowance amounting to \$17.2 million.*
 - 2: *The Group recognised impairment loss on its investment in Auric Pacific Group Limited in Q1 2009 and Q3 2008, in accordance with the Singapore Financial Reporting Standards.*
 - 3: *Impairment loss on property, plant and equipment relates to the write down of various software applications that are no longer in use.*
- [^]: *Comparatives have been restated for change in accounting policy during the year.*

Group Revenue

\$'000	Singapore	International	Group
Hospital	348,942	175,905	524,847
Healthcare	128,293	97,764	226,057
Non-Healthcare	4,464	4	4,468
YTD 30 September 2009	481,699	273,673	755,372
Hospital	358,732	137,068	495,800
Healthcare	110,675	90,438	201,113
Non-Healthcare	7,281	5	7,286
YTD 30 September 2008	476,688	227,511	704,199
Hospital	-3%	28%	6%
Healthcare	16%	8%	12%
Non-Healthcare	-39%	-20%	-39%
YTD 30 September 2009 vs YTD 30 September 2008	1%	20%	7%



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Group EBITDAR

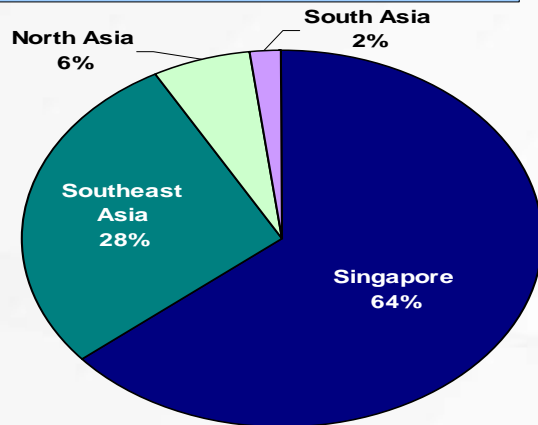
\$'000	Singapore	International	Group
Hospital	89,052	33,118	122,170
Healthcare	32,578	24,586	57,164
Non-Healthcare	2,462	133	2,595
YTD 30 September 2009	124,092	57,837	181,929
Hospital	88,221	23,483	111,704
Healthcare	18,675	20,953	39,628
Non-Healthcare	3,486	(142)	3,344
YTD 30 September 2008[^]	110,382	44,294	154,676
Hospital	1%	41%	9%
Healthcare	74%	17%	44%
Non-Healthcare	-29%	NM	-22%
YTD 30 September 2009 vs YTD 30 September 2008[^]	12%	31%	18%

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

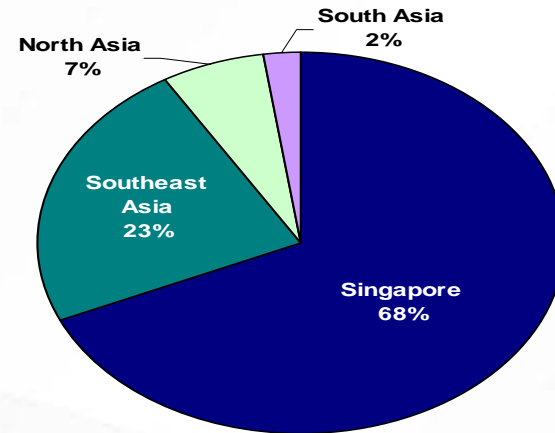
Comparative EBITDAR is also restated to exclude fair value gain on fair value of financial instruments through profit or loss.

Contribution of Business

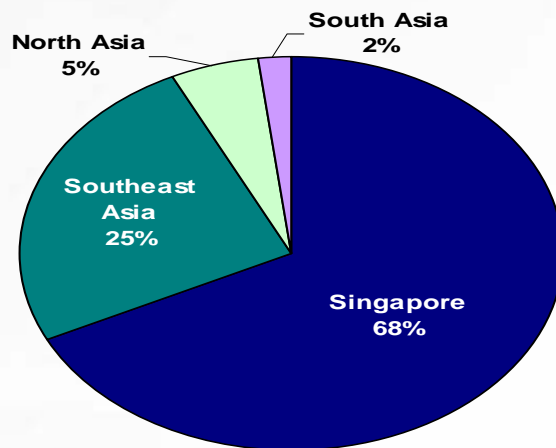
Revenue Contribution
YTD 30 September 2009: \$755.4 million



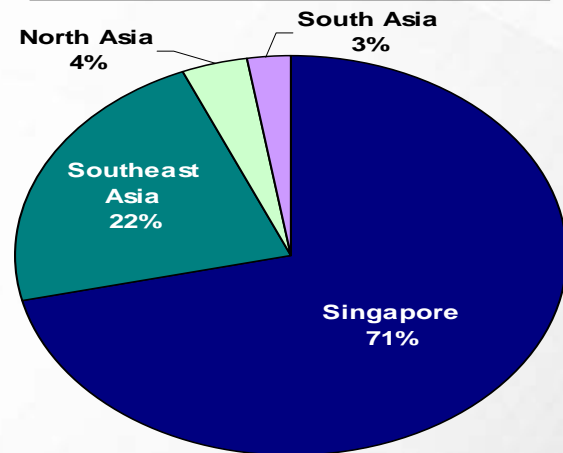
EBITDAR Contribution
YTD 30 September 2009: \$181.9 million



Revenue Contribution
YTD 30 September 2008: \$704.2 million



EBITDAR Contribution
YTD 30 September 2008: \$154.7 million



Gearing

Balance Sheet	30/09/09 \$'mil	31/12/08[^] S'mil
Total Assets	3,095	2,988
Total Liabilities	<u>(1,585)</u>	<u>(1,575)</u>
Total Equity	1,510	1,413
Total Debt ¹	(1,211)	(1,223)
Total Cash	<u>600</u>	<u>542</u>
Net Debt	<u>(611)</u>	<u>(681)</u>
Net Debt / Equity Ratio	<u>0.40</u>	<u>0.48</u>

Note 1: Total debt includes

(a) \$500m due in July 2011

(b) \$560m due in July 2013



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

Contents

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- Updates
- Moving Forward



Group Hospital Operations[^]

	Singapore	International	Group
No of Hospitals	3	12	15
Admissions			
- Q3 2009	20,781 *	42,363	63,144
- Q3 2008	20,579 *	40,566	61,145
Average Occupancy (%)			
- Q3 2009	59.9%	66.8%	65.0%
- Q3 2008	61.6%	66.8%	65.4%
Operational Beds			
- As at 30 Sep 2009	732	2,173	2,905
- As at 30 Sep 2008	729	2,106	2,835

[^]: The information presented below is only for hospitals owned by the Group only.

Excludes hospitals managed by the Group on behalf of third parties.

*: Includes total inpatient admissions and day cases for Singapore hospitals only.

Singapore Hospitals

	Q3 2009	Q3 2008		Change %
Inpatient Admissions	12,014	11,867	↑	1.2%
Day Cases	8,767	8,712	↑	0.6%
Total Inpatient Admissions and Day Cases	20,781	20,579	↑	1.0%
Net Revenue PAPD - All Facilities (\$) <i>(Per adjusted Patient Day)</i>	1,902	1,821	↑	4.4%
Average Length of Stay (Days)	3.4	3.5	↓	-2.9%
Average Occupancy (%)	59.9%	61.6%	↓	-1.7%

Singapore Hospitals

- Inpatient admissions and day cases in Q3 2009 rose by 1.2% and 0.6% respectively.
- Net revenue per adjusted patient day rose 4.4%.
- Growth in admissions is largely attributed to local patients.
- Revenue from Middle Eastern cases showed healthy increase.

Singapore Healthcare Services

- Strong performance, especially by Parkway Shenton
 - Renewal of several major corporate accounts



International Hospitals

Southeast Asia

	Q3 2009	Q3 2008		Change %
Admissions	37,326	35,578	↑	4.9%
Net Revenue PAPD - All Facilities (\$) <i>(Per adjusted Patient Day)</i>	735	658	↑	11.7%
Average Length of Stay (Days)	2.8	2.8	↓	-0.7%
Average Occupancy (%)	65.6%	63.5%	↑	2.1%

International Hospitals

South Asia

	Q3 2009	Q3 2008		Change %
Admissions	5,037	4,988	↑	1.0%
Net Revenue PAPD - All Facilities (\$) <i>(Per adjusted Patient Day)</i>	251	231	↑	8.4%
Average Length of Stay (Days)	5.6	5.7	↓	-1.9%
Average Occupancy (%)	71.6%	81.5%	↓	-9.9% *

*: Decrease in average occupancy is mainly due to a increase of 105 operating beds in Q3 2009 as compared to Q3 2008.

Operations Review: Singapore

Corporate initiatives and significant developments

- Upgrading of High Dependency Units and Intensive Care Units at Mount Elizabeth Hospital and maternity ward at Gleneagles Hospital
- Refurbishment at East Shore Hospital and expansion to include additional new clinics: Eagle Eye Centre (eye specialist centre), Dermatology Associates (offering skin services for both adult and children and aesthetics dermatology), etc.
- Close to 3,000 fixed packages sold (as at Sep 2009)
- Parkway College provided training to health officials from Kazakhstan in September, and college students from South Korea in October; and is collaborating with Astana University, Kazakhstan on a healthcare administrative programme



Operations Review: Singapore (cont'd)

Corporate initiatives and significant developments

- Parkway published 2nd edition of Reflections which measures the clinical quality initiatives and clinical performance of the Group's hospitals in Singapore
- Parkway saw significant achievements in:
 - **Clinical Safety and Risk Management** – Rate of Adverse Outcomes fell 65% from 35 in 2007 to 12 in 2008.
 - **Infection Control** – Healthcare-associated MRSA Infection Rate fell from 0.22 incidences per 1,000 patient days in 2006 to 0.14 incidences in 2008.
 - **Occupational Safety and Health** – Number of workplace injury claims fell from 173, amounting \$184,502, in 2007 to 162, amounting \$89,747, in 2008.
 - **Surgical Patient Safety** – Achieved a high 93% to 98% compliance rate for 'Time-out' prior to surgery. "Time-Out" was conducted before invasive or surgical procedures to check for correct-patient, correct-site and correct-procedure compliance and practices (based on patient records review and direct audit observations).



Operations Review: Singapore (cont'd)

Corporate initiatives and significant developments

- Launch of nursing branding campaign to recognise and attract nursing staff
 - Positive media coverage in Straits Times, Lianhe Zaobao, Channel NewsAsia and 938Live

PARKWAY NURSE BRAND DNA



Characteristics	highly trained, specialized, team player
Personality	warm, caring, compassionate
Values	dedicated, pro-active, make a difference
Benefits	valued, appreciated, recognized
The difference	Thinking Nurse, with Heart.

Branding guideline example

Internal communications:
Staff magazine



EXPERIENCE IS WHAT SETS THEM APART.
COMPASSION IS WHAT MAKES THEM BELONG.



At ParkwayHealth, our nurses believe in making a difference. Every day, every step of the way.

At the forefront of service excellence, they are thinking nurses, with heart. Their commitment to our patients is driven by a passion to make a difference in their lives through excellent care. As part of a dedicated team of professionals, they constantly motivate and inspire one another to deliver the best to our patients.

As a tribute to our nurses and their continuous contribution to healthcare in Singapore, ParkwayHealth applies its reward to them as they have first experience and receive for a Happy Nurse Day.

ParkwayHealth is proud to set new standards in the healthcare industry. If you feel you belong and want to make a difference, please email hr@parkway.sg to discover new possibilities with us.



External communications:
Recruitment ads

Operations Review: Southeast Asia

- Progress on the development of a new hospital in Manjung, Perak is ongoing, with contracts being finalised. The hospital will be launched with 60 beds, with a maximum capacity of 110 beds.
- The project in Medini, Johor, is in the process of selecting its chief masterplanner consultants. Discussions with potential investors are progressing well.
- The acquisition of the properties of Pantai Hospital Batu Pahat and Pantai Hospital Sungei Petani has been completed.
- Redevelopment of Block A, Pantai Hospital KL
 - construction of basement started
- Upgrading of Gleneagles Hospital Penang started.
- Hospitals in Malaysia continue to experience high occupancy.

Operations Review: South Asia

Apollo Gleneagles Hospital, Kolkata

- Admissions and surgeries continued to show robust growth
- The new comprehensive Oncology Centre project is in progress

Apollo Gleneagles PET-CT Centre, Hyderabad

- Stable growth in volume and revenue

ParkwayHealth Khubchandani Hospital, Mumbai

- Hospital schematics and design and development works are in progress
- Construction will begin in Q1 2010



Operations Review: North Asia

- Expansion of service offerings, with
 - A weight-loss management programme with Weight Watchers
 - An Employee Assistance Programme (EAP) which will provide counselling services for corporate clients
 - Enhancement of musculoskeletal services

Operations Review: Middle East

Danat Al Emarat Women and Children's Hospital, Abu Dhabi

- Hospital development works are in progress as scheduled



Contents

- Group Financial Highlights
- Group Operations Review
- **Updates**
- Moving Forward



Updates: New Hospital at Novena

- Project progressing well
- Targeted date for submission of building plans for Building and Construction Authority (BCA) approval by Nov 2009
- Main construction tender in Dec 2009
- Expected building plan approval from BCA in Q1 2010



Updates: New Hospital at Novena

- Photo from construction site (October 2009):



Updates: New Hospital at Novena

- Final artist's impression of hospital exterior:



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Updates: Use of Proceeds from Rights Issue

- As at 30 September 2009, approximately \$41 million of the \$755.6 million raised from the Rights Issue, which was completed in June 2008, has been used to fund the construction of the new hospital at Novena (being one of the specified uses for the Rights Issue proceeds).
- Another approximately \$10 million was used to acquire additional equity interest in the World Link group of companies (being one of the specified uses for the Rights Issue proceeds).

Updates: Other Developments

- Appointment of new non-executive director: YBhg Dato' Mohammed Azlan Bin Hashim

Contents

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- Updates
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Moving Forward

- 2nd PET CT at Mt Elizabeth Hospital to be operational by Dec 2009.
- Opening of Parkway Shenton's 5th Executive Health Screening Centre by end Nov 2009.
- Exploring opportunities to expand our footprint in Shanghai, China.
 - Parkway (Shanghai) Hospital Management Limited ("PHM") entered into a cooperation agreement with a Chinese partner to establish medical centres in Shanghai. Subject to relevant regulatory approval and permit, it is slated to open two healthcare facilities – one at World Expo Village and one at Jin Mao Tower, Shanghai.
 - Under the agreement, PHM will provide consultancy and administrative services in relation to the operation and management of these healthcare facilities.
- Exploring management contracts and management consultancy arrangements in Vietnam and in the Middle East.



Thank You

For more information, please view: www.parkwayholdings.com



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