

PRESS RELEASE

PARKWAY REPORTS STRONG RESULTS FOR FY 2009

Highlights:

- Full year revenue grew 7% to \$979.2 million on better performance in Singapore Healthcare segment and International Hospital operations.
- Full year PATMI excluding exceptional items jumped 29% to \$117.9 million.
- Q4 revenue increased 7% to \$250.3 million; PATMI excluding exceptional items grew 14% to \$32.3 million.

Performance At A Glance

	Q4 2009	Q4 2008 [^]	Variance	FY2009	FY2008 [^]	Variance
Revenue* (\$mil)	250.3	233.2	↑ 7%	979.2	914.8	↑ 7%
EBITDAR* (\$mil)	55.1	62.9	↓ -12%	237.0	217.5	↑ 9%
PATMI (\$mil)	24.8	(21.0)	↑ NM	118.9	38.0	↑ NM
PATMI (\$mil) (Excluding exceptional items (net of tax))	32.3	28.3	↑ 14%	117.9	91.7	↑ 29%
Basic EPS (cents)	2.20	-1.87	↑ NM	10.54	3.77	↑ NM
Basic EPS (cents) (Earnings excluding exceptional items (net of tax))	2.86	2.51	↑ 14%	10.45	9.07	↑ 15%
	31 Dec 2009	31 Dec 2008 [^]	Variance			
NAV / share (\$)	1.29	1.19	↑ 9%			
NTA / share (\$)	1.05	0.93	↑ 13%			

Note:

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

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

SINGAPORE, 23 February 2010 – Parkway Holdings Limited (“Parkway” or the “Group”) is pleased to report a strong set of results for both the full financial year ended 31 December 2009 (“FY 2009”) and the fourth quarter of 2009 (“Q4 2009”).

In FY 2009, the Group saw strong performance in all four quarters of the year, and Group revenue rose 7% to reach \$979.2 million, as compared to \$914.8 million in FY 2008. Excluding exceptional items, profit after tax and minority interests (“PATMI”) for the year grew by 29% to \$117.9 million. Earnings before interest, taxes, depreciation, amortisation and rent (“EBITDAR”) for FY 2009 was \$237.0 million, a 9% increase over \$217.5 million in FY 2008.

For Q4 2009, the Group experienced a 7% increase in revenue to \$250.3 million and 14% growth in PATMI, excluding extraordinary items, to \$32.3 million as compared to Q4 2008. EBITDAR decreased by 12% to \$55.1 million in Q4 2009 from \$62.9 million in Q4 2008. In December 2008, the Group's Singapore operations took cost-cutting measures, by waiving staff's variable bonuses and directors' fees. This resulted in a \$9.3 million reversal of such expenses in Q4 2008. The Group had since resumed recognising bonuses and directors' fees expense in the current year.

The strong FY 2009 results were mainly driven by double-digit growth in revenue and EBITDAR for both the Singapore Healthcare segment and International Hospital operations.

Parkway's basic EPS, excluding exceptional items, was 10.45 cents in FY 2009, a 15% increase over 9.07 cents in FY 2008. NAV per share grew 9% to \$1.29 as at 31 December 2009 from \$1.19 as at 31 December 2008.

Commenting on the results, **Mr Richard Seow, Chairman of Parkway Holdings Limited**, said, “We are pleased to deliver a strong set of results for FY 2009, despite the economic uncertainties and challenging business environment. Our prudent approach in the last one year has managed to strengthen our fundamentals and position us well for the future. Parkway will be actively pursuing growth opportunities and building on our core strengths and network in the region, while continuing to deliver the best possible quality care and clinical outcomes as we strive to enhance shareholder returns over the long-term.”

The Board has resumed dividend payments by declaring a final tax exempt one-tier dividend of 1.15 cents per ordinary share. Going forward, dividend payments will be either on a half-yearly or annual basis, subject to the performance of the Group.

Dr Lim Cheok Peng, Executive Vice Chairman and Chief Executive Officer of Parkway Holdings Limited said, “We entered 2009 on a pessimistic note but we are delighted that we ended the year in good stead.”

Singapore Operations remained stable

Group revenue derived from Singapore Operations remained stable at \$642.1 million in FY 2009, as compared to \$633.2 million in FY 2008. Singapore remained the largest source of the Group’s revenue, accounting for 66% of total revenue for the year.

The strong showing of its Singapore operations was bolstered by the strong revenue growth of its Healthcare segment, which saw a 12% rise in FY 2009. This was mainly contributed by Parkway Shenton, which successfully renewed several major corporate client accounts and enjoyed increased patient volumes in 2009. In addition, Parkway Shenton had also benefitted from a contract awarded by the Ministry of Health to conduct temperature screenings at all entry points into Singapore during the H1N1 outbreak period.

In comparison, revenue from Singapore Hospitals was down 2% to \$466.5 million in FY 2009. This was in line with expectations, as the economy in 2009 was slowly recovering from the global economic crisis, and tourist arrivals in Singapore in 2009 had fallen by 4.3%, as compared to 2008*. Nonetheless, inpatient admissions and day cases at Singapore Hospitals in Q4 2009 rose by 0.7% and 5.0% respectively, while net revenue per adjusted patient day rose by 0.6%. The growth in admissions was largely attributed to improving consumer sentiment, both local and foreign.

Demand for the Group’s 40 fixed-fee medical packages launched earlier this year remained strong. As at 31 December 2009, more than 4,000 packages had been taken up.

International Operations continued to grow

Group revenue from International Operations grew by 20.0% to reach \$337.1 million in FY 2009. This was a result of the strong performance of the Pantai group of hospitals across Malaysia, as well as continued demand at Apollo Gleneagles Hospital in Kolkata, India.

In Southeast Asia, Parkway's performance continued to remain strong particularly at its Pantai Hospitals, underpinned by the steady demand from the local population as well as medical tourists. In Q4 2009, net revenue per adjusted patient day for Southeast Asia hospitals increased by 6.0% to \$552 per day while the number of admissions increased 3.6% to 37,698 cases. In November 2009, Pantai Hospital Kuala Lumpur successfully attained accreditation with Joint Commission International (JCI), adding on to its existing Malaysian Society for Quality in Health (MSQH) accreditation. A new Spine and Joint Surgery Centre has also begun operations at the hospital. To grow its footprint in Malaysia, Parkway has formalised the master collaboration agreement with a Malaysian property developer to jointly build and lease a hospital in Manjung, Perak, and is selecting an architect/masterplanner for a hospital project in the Medini, Iskandar region. In addition, Gleneagles Hospital KL has commenced collaborative work with a Malaysian property fund to lease part of a proposed RM130.0 million mixed-development on a 2.02 ha piece of land next to its current medical centre at Jalan Ampang.

In South Asia, Parkway continued to achieve strong growth where patient admissions at Apollo Gleneagles Hospital, Kolkata increased by 15.7% to 5,250 cases in Q4 2009 from 4,539 in Q4 2008. Net revenue per adjusted patient day increased by 13.0% to \$252 per day while average occupancy improved by 4.6 percentage points to 74.2% in Q4 2009. The Apollo Gleneagles Cancer Centre at the hospital is under commissioning and will be operational by March 2010. In Mumbai, the construction of the ParkwayHealth Khubchandani Hospital is expected to begin by Q1 2010.

In China, new clinics at Jin Mao Tower and the World Expo Village in Shanghai are scheduled to open in April and May respectively, while in the Middle East, construction work on the upcoming Danat Al Emarat Women and Children's Hospital in Abu Dhabi is expected to commence in Q1 2010.

Update on new hospital at Novena

The development of Parkway's highly anticipated new hospital at Novena continues to progress according to schedule. This month, Parkway received approval from the Building Construction Authority (BCA) following the submission of its building plans in November 2009. The Group expect to receive all necessary regulatory approvals shortly. With these approvals, Parkway will proceed to award the main construction tender by April 2010. The launch of the Phase 1 sale of the medical suites is imminent. To date, Parkway has received strong expressions of interest in its medical suites from leading medical practitioners. Further updates on the actual sale of the medical suites will be provided following the launch of the sale process.

Looking Ahead

The demand for quality healthcare will continue to grow and this bodes well for Parkway's growth in both the near and longer term.

To further enhance its value proposition to local and foreign patients receiving treatment in Singapore, Parkway has partnered Overseas Assurance Corporation Limited, a subsidiary of Great Eastern Holdings, to introduce Singapore's first post-surgical complications insurance policy that provides coverage for post-surgical complications. This innovative product will help to reduce the financial risks for both patients and hospitals. Such initiatives will better position Parkway in the competitive landscape of healthcare service provision in the region.

With the recent announcement on the use of Medisave in overseas hospitals, Parkway will leverage on its wide network of hospitals in Malaysia to reach out to more Singaporeans and Permanent Residents of Singapore.

While Parkway still derives most of its revenue from Singapore, the overseas pie is likely to grow more aggressively as the Group actively seeks opportunities to enlarge its regional footprint in Malaysia, China, and India.

Dr Lim said, "2009 was a challenging year for us, but the Group's businesses remained resilient. While we are confident that our business will continue to grow, we are cognisant of

the fact that the economic recovery is still fragile. The world economy has not stabilised, and our business may be impacted as a result. Thus, the Group will continue to upgrade our existing facilities and service offerings so as to provide even better patient experiences, and secure our footing in these uncertain economic times as a leading provider of premier quality healthcare services. We hope to secure more management contracts and consultancy arrangements in the coming year.”

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*** Source: Singapore Tourism Board, “Fact Sheet: Tourism Sector Performance for January to December 2009”. Issued 9 February 2010.**

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 39 **ParkwayHealth Patient Assistance Centres (PPAC)** across the globe. For more information, please visit the website at www.parkwayholdings.com.

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