



PRESS RELEASE

28 July 2006

RafflesMedicalGroup marks its 30th Anniversary celebrations with a stellar 37.8% growth in profits on record quarterly revenue of S\$32.8 million.

Results Announcement for Q2 2006

(unaudited figures S\$'000)

	Second Quarter		% change
	Q2 2006	Q2 2005	
Revenue	32,770	27,717	18.2
Profit from Operations	4,503	3,077	46.3
Profit Before Tax	4,793	3,432	39.7
Profit After Tax	3,802	2,760	37.8
Diluted Earnings per Share (cts)	0.91	0.68	33.8

Highlights of Q2 2006 Performance

- Record quarterly revenue of **S\$32.8 million**
- Profit after tax improved by **37.8%** to **S\$3.8 million**
- Increase in Hospital patients and expanded service offerings enabled Hospital's profit to grow by **46%**
- Private patients in the clinic network grew more than **10%**

RafflesMedicalGroup completed the first half of 2006 with strong business growth and strengthening of its key competencies.

The Group's revenue for the quarter ended 30 June 2006 increased **18.2%** to **S\$32.8 million**. Net profit increased by **37.8%** to **S\$3.8 million**.

All business units performed well, as the Group continues to expand its range of medical specialties.

Profit after tax for **RafflesHospital** grew by **46%** due to improved operating efficiencies – a result of the hospital seeing more patients for a wider range of treatments.

Besides an increase in patient volume, **RafflesHospital** has expanded its range of medical specialties. One of these is the strengthening of the Gastroenterology department, which now offers advanced gastro-intestinal and hepatology (liver, gall bladder and bile duct) procedures such as 24-hour oesophageal PH monitoring, small bowel imaging using double balloon endoscopy and capsule endoscopy.

The Healthcare Services division has contributed positively to the Group's performance.

More **RafflesMedical** clinics have been upgraded into **FamilyMedicineCentres** and now offer expanded medical services - from aesthetics to pediatrics and gynecology specialties. The clinic network has also been able to attract more private patients, which grew more than 10%.

A second **RafflesJapaneseClinic** was opened in Liang Court to cater to increasing demand from the Japanese community.

Since opening in April this year, **RafflesChineseMedicine** has been very well received by patients seeking quality-assured Traditional Chinese Medicine treatment. The clinic is expected to further contribute to the Group's bottom line for 2H06.

International Medical Insurers, the Group's specialist healthcare insurance division, has converted its General Insurers licence to a Direct Life Insurers licence. It is growing its stable of clients on long-term, guaranteed renewable health insurance.

Looking forward, **RafflesMedicalGroup** will continue to strengthen its competencies and reach out to more patients. Through the recruitment of more family physicians, specialists and investment in medical technologies, the Group is confident of maintaining its growth trends.

As the Raffles team of family physicians and specialists grows, it is able to expand its service offerings and perform increasingly complex procedures resulting in the attraction of more patients from the local and overseas markets.

A medical conference slated for 3Q06 is expected to bring doctors from 20 countries. It will broaden **RafflesHospital's** international referral network and grow the stream of foreign patients referral.

RafflesMedical looks to increase its penetration into the primary healthcare market by opening more new clinics in 2H06 and upgrading existing clinics into **FamilyMedicineCentres**, offering health screening and diagnostic services.

As the leading corporate doctor in Singapore, **RafflesMedical** is actively seeking to expand its healthcare consultancy service to manage companies' healthcare needs in the face of increasing public health threats like Avian Influenza.

With Government's emphasis on the importance of healthcare insurance as the population ages, **International Medical Insurers** looks to grow its share of the healthcare insurance market with the expansion of its distribution network.

The **RafflesInternational** Medical Centre in Jakarta is due to open in 4Q06, and looks to provide more referrals for **RafflesHospital**, as well as quality assured care for patients of the hospital returning to Indonesia.

To serve more people in more communities, the Group will set up new Representative Offices in Myanmar, Sri Lanka and India – in addition to existing offices in Indonesia, Bangladesh and Vietnam.

The Group also plans to establish a presence in China in gateway cities like Beijing, Shanghai and Guangzhou within the next 2 years. In the longer term, it is looking into opportunities to develop an international Raffles-class hospital in China.

As **RafflesMedicalGroup** marks its 30th anniversary year with a strong performance, the Board of Directors is pleased to announce a first interim ordinary dividend of **0.5 cent** and a first interim special dividend of **0.5 cent** amounting to **S\$4.1 million** approximately.

Said Dr Loo: "The Group's good performance is a testament to our efforts and a reflection of the care we put in for our patients.

From the beginning, our credo has always been a simple one: "To our patients, our best". I believe that as long as we adhere to the principle of providing the

best and most comprehensive patient care, **RafflesMedicalGroup** will continue to see healthy growth for the next 30 years.”

For clarification, please contact:

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