



Results Announcement for Q3 2006

(unaudited figures S\$'000)

	Third Quarter		% change
	Q3 2006	Q3 2005	
Revenue	35,021	29,580	18.4
Profit from Operations	5,112	3,745	36.5
Profit Before Tax	5,207	4,050	28.6
Profit After Tax	4,087	3,222	26.8
Diluted Earnings per Share (cts)	0.97	0.79	22.8

Highlights of Q3 2006 Performance

- **RafflesMedicalGroup** achieves record quarterly revenue of **S\$35.0 million**
- Profit after tax grew by **26.8%** to **S\$4.1 million**
- All divisions contributed positively to growth, with revenue from Hospital Services division increasing by **22.0%** whilst Healthcare Services division grew by **16.3%**
- Profit after tax for **RafflesHospital** grew by **64.8%** compared to Q3 2005

RafflesMedicalGroup continues its positive growth trend as it increases its range of medical specialties and expands into the region.

The Group achieved another record quarterly revenue of **\$35.0 million** for Q3 2006, an increase of **18.4%** over the same period last year.

With increasing patient load and improved operating efficiencies, profit after tax for the Group grew by **26.8%** to **\$4.1 million** in Q3 2006 compared to the same period last year.

All divisions contributed positively to the growth of the Group with revenue from Hospital Services division growing by **22.0%** whilst Healthcare Services division grew by **16.3%**.

Boosted by growing international patient arrivals, **RafflesHospital's** profit after tax grew by **64.8%** compared to the same period last year.

RafflesHospital's strategy of achieving broad based growth by recruiting more full-time specialists has led to the opening of more specialist centres and the development of new specialist services.

With strong economic recovery in Singapore and the region, together with robust economic growth in China and India, **RafflesHospital** will continue to attract an increasing number of foreign patients.

RafflesChineseMedicine clinic has also performed strongly since opening early this year, and is currently operating at near capacity. The clinic will be expanded to serve the needs of the growing number of patients.

The Group also looks to benefit from recent changes in government policy.

The recent extension of Medisave to cover the treatment of chronic illnesses at the outpatient level provides an opportunity for medical groups to offer integrated disease management programmes to patients.

The Ministry of Health expects \$250 million to be withdrawn annually for these outpatient treatments. With the largest chain of Family Medicine Clinics in Singapore, **RafflesMedical** is poised to enjoy a larger share of the market and also better economies of scale in implementing this scheme.

Patients of the integrated chronic disease management programmes will receive seamless and comprehensive care for their condition by a clinical team comprising a senior family physician, dietitian, therapist, nurse educator and where necessary, consultant specialists at **RafflesHospital**.

The Group's insurance unit, International Medical Insurers (IMI), has secured several major group insurance contracts. It has now become a familiar name in the corporate health insurance sector. Besides the various Hospital and Surgical (H&S), Managed Care and Personal Accident (PA) schemes, IMI has also been granted approval to offer Group Term Life policies.

Taking stock of the Group's development in the past 30 years, Dr Loo Choon Yong, Executive Chairman of **RafflesMedicalGroup**, said: "We have grown from a small practice of two young doctors to being one of the largest integrated healthcare organizations in Singapore and the region today.

We are quietly satisfied with our performance and proud of our history and heritage. With this history and heritage, with roots firmly anchored in Singapore soil, we believe there is room for further expansion in the region."

The Group will continue to set up representative offices and appoint associates overseas to serve its international clientele.

The Group also has active business development activities in China to start up operations in key cities.

RafflesMedicalGroup marked its 30th year in private healthcare in Q3 2006 by recognizing partners and friends who have contributed to its success.

A gala anniversary dinner in July paid tribute to the thousands of corporate clients who have supported **RafflesMedicalGroup** over the last 30 years and helped to make it the integrated healthcare group it is today.

Befitting its international standing, **RafflesHospital** sponsored its many medical associates from the region to its 5th Annual Scientific Congress in August 2006.

As more and more patients come to know of **RafflesMedical** and its special brand of team-based care, the Group will continue to care for its patients in a very personalized way.

Said Dr Loo: “When you entrust your loved ones to us, we regard it as a sacred trust, not a business transaction. We treat each patient with utmost care and respect.

“Which is why we have patients coming to us year after year for the past 30 years. We have become a part of our patients’ lives and they, indeed, have also become an integral part of the **RafflesMedical** story as we form a bond of trust, compassion and care that cannot easily be broken.”

For clarification, please contact:

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