



PRESS RELEASE

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Raffles Medical Group reports record profits for FY2005

Raffles Hospital's profits increased by 134.4%

Results Announcement for Year Ended 2005

	2005 (S\$'000)	2004 (S\$'000)	% change
Revenue	112,898	101,456	11.3
EBITDA	17,176	15,195	13.0
Operating Profit	13,502	11,323	19.2
Profit Before Tax	14,796	12,441	18.9
Profit After Tax	12,038	9,484	26.9
Diluted Earnings per Share (cts)	2.96	2.41	22.8
Net Asset Value per Share (cts)	26.85	25.57	5.0

Highlights of 2005 Performance

- Profit after tax grew 26.9% to S\$12 million – a record in 30 years
- **Raffles Hospital's** profit after tax surged 134.4%
- Group achieved 11.3% growth in revenue to S\$112.9 million
- **Raffles Hospital** recorded highest number of patient visits since opening in 2001, with patients from more than 100 countries

RafflesMedicalGroup ended 2005 on a strong note, backed by robust performances by its key operating units.

Boosted by increased patient volumes and a rise in the number of foreign patients, the Group experienced a 11.3% growth in revenue, from S\$101.5 million in 2004 to S\$112.9 million last year. This growth has more than compensated for the loss of contributions from SARS related projects in the preceding year, 2004.

Profit after tax for the Group rose 26.9%, from S\$9.5 million to S\$12 million – a record in its 30 years' history. With **RafflesHospital** recording its highest number of patient visits since its opening in 2001, profit growth for the Hospital surged 134.4% over the same period last year. It currently has 34% of its patients coming from more than 100 countries. This growth has led to more efficient utilization of the facilities resulting in greater cost efficiency.

While patients from core markets such as Indonesia and Malaysia have increased, the Hospital has also seen an emergence of exciting new markets like Bangladesh, Myanmar, Korea, the Indian Subcontinent and the Russia Far East.

The Healthcare Services division has also contributed positively to the Group's performance as it stays on track with its development plans. With more new clinics opened in 2005, **RafflesMedicalGroup** maintains its position as the largest network of Family Medicine clinics in Singapore today.

Commenting on the past year's performance, Dr Loo Choon Yong, Executive Chairman of **RafflesMedicalGroup**, said:

“We have built up a strong reputation and a loyal patient base because we have never wavered from our one promise to our patients: to give them our very best. The care of our patients has always been the reason for our existence and will continue to be the driving force in our growth ahead.”

Going forward, **RafflesMedicalGroup** will actively explore healthcare opportunities to grow its business in Singapore and the region.

RafflesMedical’s network of clinics will not only grow in numbers but will also continue to strengthen its existing competencies. Satellite clinics will be expanded into integrated medical centres, offering specialist treatment, health screening, laboratory, X-ray and other diagnostic tests - in addition to family medicine services.

RafflesHospital will strengthen its competencies through the recruitment of more specialists as well as investment in advanced medical technologies. With continued growth in the Raffles talent pool will come new services and new centres. Offering world-class medical care at competitive and assured prices, **RafflesHospital** aims to contribute to Singapore’s aspiration to maintain its leadership position as the regional healthcare hub.

The Group’s Healthcare Financing division - International Medical Insurers - will further increase its market share as it moves from its inaugural year. It will continue to introduce customized competitive healthcare insurance products for its new and existing customers.

In line with the general expectations of improvement in the economic environment in the region, the Group will progressively grow its business in the region through organic growth, mergers and acquisitions, or by forming strategic alliances and partnerships.

The Group will upgrade its Jakarta Representative Office into a Medical Centre and also establish Representative Offices in Vietnam, Myanmar, Sri Lanka and India - in addition to the existing offices in Indonesia and Bangladesh.

A presence in more countries overseas will enable the Group to grow the stream of referral of foreign patients.

Painting his vision for the years to come, Dr Loo said: “As we grow and become stronger, we want to bring better healthcare to more communities; a brand of healthcare that is defined by our core values of Compassion, Commitment, Excellence, Team-based care and Value proposition.”

By the end of 2010, I foresee that we will be delivering this brand of care in a few more countries and be recognised as one of the leading integrated healthcare organisations in Asia.”

To mark **RafflesMedicalGroup’s** 30th Anniversary, the Group is pleased to announce, subject to shareholders' approval, a first and final dividend of 15% and a special dividend of 15% amounting to \$11.2 million approximately.

For clarification, please contact:
Liang Hwee Ting (Ms)
Senior Manager
Corporate Communications
Tel: 6311 1312 / 97628572
Email: liang_hweeting@rafflesmedical.com

To Our Patients Our Best
585 North Bridge Road #11-00 Raffles Hospital Singapore 188770
Tel: 6311 1111 Fax 6338 1318 www.rafflesmedical.com