

Audited Result Announcement For Year Ended 2014

	2014 (S\$'000)	2013 (S\$'000)	% change
Revenue	374,641	340,989	9.9
Operating Profit	80,327	94,327	(14.8)
Profit Before Tax	81,281	95,238	(14.7)
Profit After Tax	67,962	85,295	(20.3)
Diluted Earnings per Share (cts)	11.96	15.24	(21.5)
Net Assets Value per Share (cts)	95.50	85.31	11.9

	2014 (S\$'000)	2013 (S\$'000)	% change
Profit excluding exceptional items *			
Revenue	374,641	340,989	9.9
EBITDA	86,973	78,307	11.1
Profit Before Tax	78,281	70,950	10.3
Profit After Tax	64,962	61,007	6.5

* Excludes gain on disposal of a subsidiary of \$20.4m in 2013 and fair value gain on investment properties of \$3m (2013: \$3.9m) in 2014.

Highlights of 2014 Performance

- Group achieved **9.9%** growth in revenue to **S\$374.6 million**
- Excluding the gain on disposal of a subsidiary in 2013 and fair value gain on investment properties, profit before tax showed an increase of **10.3%**
- Revenue from Healthcare Services Division grew **12.5%**
- Revenue from Hospital Services Division increased by **8.4%**
- Healthy cash position of **S\$150.2 million**
- Dividend growth of **10%**

RafflesMedicalGroup Posts S\$65 Million Profit in 2014

Record Revenue of S\$375 Million

Construction of RafflesHospital Extension Begins

Singapore, 16 February 2015 – **RafflesMedicalGroup**, (Group) a leading integrated private healthcare provider in Singapore and the region attained a record revenue of **S\$374.6** million for the full year 2014, an increase of **9.9%** from **S\$341.0** million for 2013.

All divisions of the Group contributed to the growth, with revenue from Healthcare and Hospital Services increasing **12.5%** and **8.4%** respectively. This was driven by the higher patient load from an expanding **RafflesMedical** clinic network and the addition of more specialists to **RafflesHospital**.

The Group's profit before tax grew by **10.3%** from **S\$71.0** million in 2013 to **S\$78.3** million in 2014, after excluding the gain of **S\$20.4** million arising from the disposal of a subsidiary in 2013 and fair value gain on investment properties. The Group's profit after tax grew **6.5%** year-on-year from **S\$61.0** million to **S\$65.0** million. The higher effective tax rate of 17% for the Group in 2014 was the result of the full utilisation of the Productivity and Innovation Credit (PIC) benefits.

The Group has a healthy cash position of **S\$150.2** million as at 31 December 2014. This will contribute towards the funding of the Group's **RafflesHospital Extension** and **Raffles Holland Village** projects.

The Directors are pleased to recommend a final dividend of **4.0** cents per share amounting to S\$22.6 million. Including the interim dividend of 1.5 cents per share paid in August 2014, the total dividends for financial year 2014 is **5.5** cents per share, an increase of 10% as compared to the financial year 2013.

RafflesHospital continued to expand its services to cater to the growing needs of both existing and new patients. In the last quarter of 2014, it welcomed new specialists in gastroenterology as well as general surgery (hepato-pancreatic-biliary and breast surgery). Their contributions will strengthen the institutional group practice model of care for patients.

The hospital will begin accepting subsidised patients from the middle of 2015 under the Emergency Care Collaboration (ECC) announced by Mr Gan Kim Yong, Minister for Health, at the **RafflesHospital Extension** ground breaking ceremony on 1 December 2014.

Under the ECC, **RafflesHospital** will work with the Ministry of Health (MOH) on a two-year project where the hospital's Emergency Department (ED) will receive patients from Singapore Civil Defence Force's emergency ambulances. **RafflesHospital** will provide emergency care for these patients at its ED, and follow up on inpatient and specialist outpatient care. Patients treated under this collaboration will be eligible for Government subsidies. The project is expected to commence by the middle of 2015.

Construction work on the **RafflesHospital Extension** has begun. The extension will yield, together with the existing hospital building, a gross floor area of about 520,000 square feet, almost doubling the size of the existing facilities. Both buildings will be connected to function as an integrated medical complex that will support the expansion of the hospital's range of specialty services, healthcare training and clinical research. When completed in 1Q 2017, it will offer significant scope for **RafflesHospital's** expansion and growth over the next 10 years.

The **Raffles Holland Village** project is progressing well and poised to open in 1Q 2016. Approximately 9,000 square feet from a total gross floor area of 65,000 square feet will be dedicated to medical and specialist services for both local and expatriate patients. The remaining commercial space will be leased to DBS Bank and tenants offering specialty lifestyle, food and beverage and retail services.

RafflesMedical emerged as the winner in the Best Corporate Healthcare category in HRM Asia Readers' Choice 2014. Its market share continued to grow with the popularity of **RafflesOne**, its corporate healthcare solution. New companies in the banking, hospitality, oil and gas, manufacturing, food and beverage, education, retail, logistics and government sectors were added to its client portfolio in 2014.

RafflesMedical and **RafflesDental** are expected to continue to benefit from the Community Health Assist Scheme (CHAS) and Pioneer Generation (PG) package through its network of 55 CHAS accredited clinics. Over 1.2 million Singaporeans are eligible for subsidised medical care under these schemes. The new Flexi-Medisave scheme announced by the Government in January 2015 should also have a positive impact on **RafflesMedical**.

RafflesDental grew as a result of an increase in patient load and consumer demand, adding nine dental surgeons and opening four new clinics in 2014. These new clinics are integrated with **RafflesMedical** clinics and are located at Marina Bay Financial Centre, Asia Square, Seletar Mall and Sembawang Way.

RafflesChineseMedicine has grown steadily with a team of certified physicians who have experience in the treatment of various conditions. The past year saw a good take-up of TCM services, particularly in the areas of fertility treatment, pain management and cancer complementary care.

RafflesHealthInsurance achieved strong revenue growth from expansion of its group employee benefits and RHI-Bupa regional and global health insurance businesses. It will continue to experience strong growth on the back of the Group's **RafflesOne** programme, which has continued to gain positive traction with the Group's corporate clients during the year.

Competition in the healthcare sector is likely to remain keen with new hospitals being developed in Singapore and the region. The more measured pace of economic growth in China and Singapore may have a dampening effect on healthcare demand. However, the ageing population in Singapore and the region will continue to generate demand for reliable curative healthcare services. The Group is well-placed to capture growth for the future with the **RafflesHospital Extension** and **Raffles Holland Village** projects. The Group will continue to be vigilant and to proactively respond to new opportunities that may arise.

Says Dr Loo Choon Yong, Executive Chairman of **RafflesMedicalGroup**: "We are pleased to be able to support the healthcare needs of Singapore through the various collaborative schemes with the government. The new projects, when completed, will place us in a great position to expand the breadth and depth of our services to local and regional patients."

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RafflesMedicalGroup (SGX: RafflesMG) is a leading integrated private healthcare provider in Singapore and the region.

RafflesMedical clinics form one of the largest network of private family medicine centres in Singapore. The Group also operates a clinic network in Hong Kong and a medical centre in Shanghai.

RafflesHospital, the flagship of Raffles Medical Group, is a private tertiary hospital located in the heart of Singapore offering a wide range of specialist medical and diagnostic services for both inpatients and outpatients. Representing more than 30 disciplines, our team of specialists constitutes a group practice combining sub-specialty expertise and teamwork to ensure optimal, affordable and high quality care for our patients. The Group also has representative offices in Indonesia, Vietnam, Cambodia, Brunei, Bangladesh and the Russian Far East, as well as associates throughout the Asia-Pacific region.

RafflesDental is a team-based dental group in Singapore comprising of a specialist dental practice at Raffles Hospital and a network of general dental clinics.

RafflesHealthinsurance provides healthcare insurance to corporate and individual clients.

For more information, please refer to our website at www.rafflesmedicalgroup.com.