



PRESS RELEASE
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Raffles Medical Group Profits Grew **26.8%** as Quarterly Revenue hits a record of **S\$30.9 million**

Results Announcement for Q1 2006
(unaudited figures S\$'000)

	First Quarter		% change
	Q1 2006	Q1 2005	
Revenue	30,912	25,181	22.8
Profit from Operations	3,446	2,536	35.9
Profit Before Tax	3,748	2,860	31.0
Profit After Tax	2,901	2,287	26.8
Diluted Earnings per Share (cts)	0.71	0.57	24.6

Highlights of Q1 2006 Performance

- Group revenue grew **22.8%** from S\$25.2 million to a record S\$30.9 million
- Profit from operations grew **35.9%** from S\$2.5 million to S\$3.4 million
- Revenue of Hospital Services Division grew by **31%** as foreign and local patient load increased
- With improved operating efficiency, Hospital Services Division profit after tax surged by **73.3%**
- Revenue of Healthcare Services Division grew by **13.4%** on the back of expansion

RafflesMedicalGroup started 2006 on an affirmative note, with healthy growth in profits and revenue.

The Group's revenue for the quarter ended 31 March 2006 increased **22.8%** from S\$25.2 million to **S\$30.9 million**. Profit from operations and profit after tax increased by **35.9%** and **26.8%** respectively.

The Group saw contributions from all key operating units.

Profit after tax for Hospital Services division grew by **73.3%** as increasing patient load improved the operating efficiency of **RafflesHospital**.

Patients from core markets such as Indonesia and Malaysia have increased and **RafflesHospital** is seeing a new stream of patients from up and coming Asian markets such as Vietnam, Myanmar and the Indian sub-continent.

As patients' needs become increasingly complex, **RafflesHospital** meets these needs by recruiting highly skilled specialists, capable of performing surgeries such as Percutaneous Nucleoplasty and Needlescopic Thoracic Sympathectomy.

The Healthcare Services division contributed positively to the Group's performance with a revenue growth of **13.4%**.

RafflesMedical clinic network is reaping the benefits of expansion - new clinics were opened and some of the existing clinics upgraded into medical centers offering specialist and diagnostic services. As it stays on track with its development plans, **RafflesMedical** clinic network is set to leverage on its position as the largest network of Family Medicine clinics in Singapore today.

The Group's **International Medical Insurers** (IMI) has received approval by the Monetary Authority of Singapore to convert its General Insurers licence to a Life Insurers licence. A Life licence will enable IMI to offer long-term, guaranteed renewable health insurance products. It can also provide Portable Medical Benefits for its corporate clients. IMI is fast gaining market share in the medical insurance sector with its new range of medical insurance products.

Looking forward, **RafflesHospital** looks to maintain its growth rates and contribution to the Group.

The Hospital will continue to recruit more Consultant Specialists and invest in advanced medical technologies.

Two recent Government policy revisions augur well for the Group, the upward revision of Medisave withdrawal limits for Hospitalization and the extension of Medisave usage for outpatient chronic illness treatment. Being the leading integrated healthcare provider in Singapore, the Group is ideally positioned to take on a critical new role in managing the population's health and chronic conditions such as diabetes, high cholesterol and hypertension.

The Group has launched a specialist Traditional Chinese Medicine clinic, **RafflesChineseMedicine**, in the second quarter and housed within Raffles Hospital. It is expected to contribute positively to the Group's bottom line in 2006. **RafflesJapaneseClinic**, which opened in 2003, was very well received. A second branch will be opened this year in response to the strong demand.

International Medical Insurers will continue to grow its business through expanding its distribution network, creating more innovative and personalized medical insurance plans as well as collaborating with other insurers.

Going forward, the Group will continue to actively explore healthcare opportunities to grow its businesses in the region, starting with a **RafflesInternationalMedicalCentre** in Jakarta and Representative Offices in Vietnam, Myanmar, Sri Lanka and India.

As the Group celebrates its 30th Anniversary this year, Executive Chairman Dr Loo Choon Yong looks forward to greater growth on all fronts for 2006.

Said Dr Loo: “As we grow and become stronger, we want to bring better healthcare to more communities and more people. As we move into the region, we must not only do business in these countries. We must also contribute to the betterment of healthcare to more people in each of these countries, as we do in Singapore.”

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To Our Patients Our Best

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