

Results Announcement for Q3 2014
(unaudited figures S\$'000)

	Q3 2014 (S\$'000)	Q3 2013 (S\$'000)	% change
Revenue	94,486	85,050	11.1
EBITDA	20,669	18,848	9.7
Operating Profit	18,150	16,783	8.1
Profit Before Tax	18,431	16,996	8.4
Profit After Tax	15,495	13,964	11.0
Diluted Earnings per Share (cts)	2.71	2.47	9.7
Net Assets Value per Share (cts)	91.37	85.31*	7.1

*As at 31 December 2013

Highlights of Q3 2014 Performance

- Profit after tax grew **11.0%** to **S\$15.5 million**
- Group achieved **11.1%** growth in revenue to **S\$94.5 million**
- Revenue from Hospital Services increased by **7.3%**
- Revenue from Healthcare Services grew **16.4%**
- Healthy cash position of **S\$124.5 million**

***RafflesMedicalGroup* -
Healthy Growth, Healthy Glow**

Singapore, 27 October 2014 – **RafflesMedicalGroup**, (“Group”) a leading integrated private healthcare provider in Singapore and the region recorded a **11.1%** growth in revenue from **S\$85.1** million in Q3 2013 to **S\$94.5** million in Q3 2014.

Revenue from Healthcare Services grew by **16.4%** in Q3 2014, driven by a higher patient load, an expanding **RafflesMedical** clinic network as well as contributions from an increased provision of healthcare insurance services. Hospital Services revenue increased by **7.3%** in Q3 2014 with the addition of new specialists to the Group and higher inpatient admissions over the corresponding period last year.

The robust revenue growth translated into a strong operating profit of **S\$18.2** million in Q3 2014, an increase of **8.1%** from **S\$16.8** million in Q3 2013, despite startup costs arising from the expansion of the clinic network. Net profit after tax for the Group grew **11.0%** from **S\$14.0** million in Q3 2013 to **S\$15.5** million in Q3 2014.

The Group had a healthy cash position of **S\$124.5** million as at 30 September 2014 as a result of the strong operating cashflows from the Group’s business operations. This was after accounting for investment of S\$10.4 million in capital expenditure for business expansion as well as the distribution of interim dividends of S\$8.5 million to shareholders during the quarter under review.

RafflesHospital recorded a strong quarter-on-quarter growth as new specialists in Otorhinolaryngology, Paediatric Surgery, Gastroenterology, Obstetrics & Gynaecology and Diagnostic Radiology joined the specialist team in Q3 2014. The strong specialist recruitment drive is in line with the plans to expand several specialist centres, as well as the Emergency Department. This will progressively build up the breadth and depth of the hospital’s capabilities in preparation for the new hospital extension.

The Group and its consultants have finalised the development plans for the hospital extension project. This development, on the site adjacent to the current hospital, will add an additional 220,000 square feet to its present 300,000 square feet of gross floor area. Groundbreaking is scheduled to take place by end 2014.

Construction work on the 5-storey commercial building on the site of the former POSB Building in Holland Village is in progress. When the project is completed, approximately 9,000 square feet from a total gross floor area of 65,000 square feet will be dedicated to the expansion of medical and specialist services to cater to both local and expatriate patients. The remaining commercial space will be leased to DBS Bank and other upmarket retail as well as reputable food and beverage tenants.

RafflesMedical and **RafflesDental** continued to benefit from the Community Health Assist Scheme (CHAS) through our wide network of clinics. This was further supplemented by the Pioneer Generation (PG) package that commenced on 1 September 2014. Raffles has 55 clinics that are CHAS accredited.

RafflesHealthInsurance recorded strong revenue growth from the expansion of Singapore group employee benefits and international health insurance segments.

With new public and private hospitals, as well as medical suites, being developed in Singapore and the region, the healthcare landscape will remain competitive. The shortage of healthcare manpower remains a challenge for all healthcare operators in Singapore. The more measured pace of economic growth in China, Hong Kong and Singapore may dampen general demand for healthcare. However, the ageing population in Singapore and the demand for healthcare services from patients in the region will continue to increase the overall need for reliable curative healthcare services. The Group is well positioned for the future given the investments in its two new developments as well as its healthy cash flow and net cash position. It is monitoring closely the market conditions in China and Hong Kong, and will continue to be vigilant and responsive to new opportunities that may arise both regionally and globally.

Says Dr Loo Choon Yong, Executive Chairman of **RafflesMedicalGroup**: “Our two upcoming projects will enable the Group to enhance the level of care and services to our patients and clients. Both these developments will be medical landmarks and a testament to the quality healthcare that Raffles is known for.”

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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.