

## Thomson Medical demonstrates resilience with 17.4% jump in FY2008 net profit to S\$11.2 million

- *Achieves double digit growth in top and bottom line and improvement in gross and net margins in FY2008 despite temporary closure of inpatient ward for renovation*
- *Number of baby deliveries hits a new record high of 8,567, an increase of 12% in FY2008*
- *Declares a final dividend, tax exempt (one-tier) of 1.50 Singapore cents, total dividend for the year amounts to 2.50 Singapore cents*

	FY08	FY07	% Change
<b>Revenue (S\$m)</b>	60.3	52.4	15.1
<b>Net Profit (S\$m)</b>	11.2	9.5	17.4
<b>Gross Profit Margin (%)</b>	44.1	43.2	-
<b>Net Profit Margin (%)</b>	18.5	18.1	-
<b>EPS* (Singapore cents)</b>	3.84	3.26	17.8

(\*Based on 291,977,434 ordinary shares)

**SINGAPORE – 28 October 2008 – Singapore Exchange Main Board-listed Thomson Medical Centre Limited (“Thomson Medical” or the “Group”),** a niche provider for women and children, today announced a set of sterling results for the full year ended 31 August 2008 (“FY2008”).

Despite higher operating expenses and the temporary closure of an inpatient ward for renovation, the Group’s FY2008 net profit after tax rose 17.4% to S\$11.2 million on the back of a 15.1% growth in revenue to S\$60.3 million.

As a result of higher revenue and prudent cost management, the Group also recorded a 0.9 and 0.4 percentage point improvement in both gross profit and net profit margins, to 44.1% and 18.5% respectively.

“We are pleased with our performance for FY2008. Not only have we recorded higher top and bottom line growth, our margins have also improved. We have also achieved a new record high of 8,567 baby deliveries. All these demonstrate the growing recognition of Thomson Medical Centre as a leading private healthcare provider for women and children,” said Dr Cheng Wei Chen, Executive Chairman.

### **Segmental Review**

The strong set of FY2008 results can be attributed to the continued growth of the Group’s two core business segments, *Hospital Operations and Ancillary Services* as well as *Specialised and Other Services*.

#### ***Hospital Operations and Ancillary Services***

During the year in review, revenue from *Hospital Operations and Ancillary Services* increased by 14% from S\$41.83 million in FY2007 to S\$47.72 million in FY2008 due to a higher number of baby deliveries, inpatient admission and increased utilisation of our ancillary services. In FY2008, a new record high of 8,567 babies were delivered at Thomson Medical Centre as compared to 7,665 babies in FY2007, representing an increase of 12% over the previous year. The Group also recorded increased patient referrals from its tenant specialists, peripheral specialists and its network of Thomson Women’s Clinics – further reinforcing the reliability and trust which healthcare specialists have in Thomson Medical Centre.

In addition, the improvement in revenue for this business segment in FY2008 can also be attributed to:

- (i) the opening of the another Thomson Women’s Clinic at AMK Hub in Q3 FY2008, bringing the total number of clinics to seven;
- (ii) the addition of a tenant senior O&G consultant at Thomson Medical Centre;
- (iii) increase in number of both local and foreign patients;
- (iv) the commencement of a premier ward with five well-appointed patients rooms in May 2008;
- (v) the increased number of patient referrals by tenant specialists, Thomson Women’s Clinics and peripheral specialists.

### ***Specialised and Other Services***

Revenue from *Specialised and Other Services* increased by 19% to S\$12.55 million in FY2008, from S\$10.53 million in FY2007, mainly due to increased contribution from Thomson Women's Clinics and Thomson Fertility Centre which saw increases in both local and foreign patients.

The Group's hospital consultancy project in Vietnam, Hanh Phuc International Women & Children Hospital in Binh Duong Province, has contributed approximately S\$0.38 million in consultancy fees in FY2008. Thomson Medical will continue to recognise consultancy fees as the project progresses. The Group is currently recognising the project management consultancy fee and when this phase is completed, the Group will proceed with hospital commissioning phase where further fee will be recognised. This first purpose-designed 260-bed private women and children's hospital is scheduled to be completed in the third quarter of Year 2009.

With the signing of the Agreement to Establish Business Plan in September 2008, the Group has secured a second hospital consultancy project for a proposed women and children's hospital project in Hanoi, Vietnam.

### **Dividend Payout**

The Directors have declared a final dividend, tax exempt (one-tier) of 1.50 Singapore cents which will be payable on 2 January 2009. Together with the interim dividend of 1.00 Singapore cents, total dividend for FY2008 would amount to 2.50 Singapore cents.

### **Going Forward**

Moving forward, Thomson Medical will continue with its hospital upgrading programme to meet the increasing demand for even better facilities. We will complement our resort-themed facilities with the delivery of premium services and other value-added services beneficial to our patients and their families.

With the completion of the Level 3 renovation and the introduction of the Level 6 premier ward as well as the positive feedback received from patients, the Group will upgrade Level 5 into another premier ward to meet patients' increasing demand for premium facilities. The hospital will add two operating theatres to the current four to cater to the increasing number of surgical procedures.

To further increase patient referral to our facilities, the Group will continue to expand its current network of satellite Thomson Women's Clinics and attract established O&G specialists to set up their clinic practices at the hospital.

On the regional front, the Group's hospital consultancy project in Binh Duong Province in Vietnam is progressing as scheduled. The Group secured a second hospital consultancy project and has commenced work on the development of the business plan for the proposed women and children's hospital in Hanoi, Vietnam.

In view of the global economic situation and the challenges ahead, the Group will be prudent in its business decisions and will continue to pursue new business opportunities locally and regionally. Barring unforeseen circumstances, the Board of Directors expects the Group to continue to remain profitable in FY2009.

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***About Thomson Medical's partnership with Hanh Phuc JSC in Vietnam***

*On 25 October 2005, Thomson International was appointed as the Hospital Project Consultant for Hanh Phuc Hospital providing the following services:*

- *hospital planning and design brief;*
- *design development and project management;*
- *technical advisory services;*
- *operational resource planning; and*
- *hospital commissioning.*

*On 28 November 2006, Hanh Phuc JSC appointed Thomson International as the Hospital Management Consultant for Hanh Phuc Hospital for a five-year term, with Thomson International having the first right of refusal to renew the said agreement for a further period of five years on terms and conditions to be mutually agreed between Hanh Phuc JSC and Thomson International.*

*As set out in the Hospital Management Agreement, Thomson International and Hanh Phuc JSC agreed to enter into an exclusive arrangement on the planning, development and management of women and children's hospitals in Vietnam. In this regard, Hanh Phuc JSC has committed to Thomson International on the development of three women and children's hospitals in Vietnam with Thomson International as the Hospital Project Consultant and Hospital Management Consultant.*

*On 20 May 2008, Thomson International entered into: (a) an option with Hanh Phuc JSC to subscribe for a 25% equity stake in Hanh Phuc JSC, and (b) a Put Option with Prosper Joint Stock Company in respect of the right to require Prosper Joint Stock Company to purchase the said equity stake based on agreed terms and conditions.*

***Proposed Women & Children's Hospital in Hanoi***

*In September 2008, Thomson International entered into a Memorandum of Understanding ("MOU") and an Agreement (the "Agreement") with Hanh Phuc JSC. Pursuant to the MOU and the Agreement, Thomson International will establish a business plan for the proposed development of a women and children's hospital in*

Hanoi, Vietnam (“Proposed Hospital”). If the findings demonstrate good potential, Thomson International will be appointed the hospital’s project and management consultant to oversee the development. Hanh Phuc JSC is currently identifying and securing a suitable land site in Hanoi for the development of the Proposed Hospital. It is also the Group’s intention to acquire up to 25% equity stake in the Proposed Hospital. When developed, the Proposed Hospital will represent Hanh Phuc JSC’s second women and children’s hospital in Vietnam.

***About Thomson Medical Centre Limited***

Incorporated in 1977, Thomson Medical Centre Limited (“Thomson Medical”) is one of Singapore’s leading providers of healthcare services for women and children. It provides a comprehensive range of facilities and services for primary, secondary and tertiary healthcare, with focus in the areas of Obstetrics and Gynaecology (“O&G”) and paediatric services.

Thomson Medical has been in operation since 1979 and offers quality healthcare by a team of highly experienced O&G specialists and paediatricians. It also operates the Thomson Fertility Centre, which offers state-of-the-art In-Vitro Fertilisation (“IVF”) programmes to aspiring parents, as well as a chain of Thomson Women’s Clinics islandwide. Other subsidiary companies include Thomson Pre-Natal Diagnostic Laboratory, Thomson Aesthetics Centre and Thomson International Health Services.

Thomson Medical is also expanding beyond Singapore. To date, it has secured two hospital consultancy projects in Vietnam and will continue to expand its regional reach.

For more information, please visit Thomson Medical’s corporate website at [www.thomsonmedical.com](http://www.thomsonmedical.com).

**Contact Information:**

**August Consulting**

Tel: 65-6733 8873 Fax: 65-6733 9913

Winston CHOO – [winston@august.com.sg](mailto:winston@august.com.sg)

FOO Yiting – [yiting@august.com.sg](mailto:yiting@august.com.sg)

Erin TAN – [erin@august.com.sg](mailto:erin@august.com.sg)