



FY 2007 RESULTS PRESS RELEASE

Thomson Medical Centre

**FY2007 Net Profit Soars 40.3%
Deliveries Hit Record High of 7,665
Declares 2nd net interim dividend of 1 cent per
ordinary share**

- Impressive earnings due mainly to increased deliveries, higher patient load and increased contribution from specialised services
- Highest delivery of 7,665 babies recorded since inception; Starts FY2008 with high deliveries of 711 babies in September 2007
- Continue to upgrade and expand facilities to meet expected growth in volume
- Increased patient referral from the Thomson Women's Clinics
- Strong Thomson branding continue to attract new and repeat patients
- Vietnam hospital project commenced construction as scheduled; project management fee will be progressively recognised
- Thomson Fertility Centre performing well and exploring regional opportunities
- FY2008 Outlook: Confident that the Group will continue to grow and perform well

Financial Highlights:

\$	FY 2007	FY 2006	Chg %
Revenue	52.36m	46.51m	12.6
Net Profit After Tax	9.50m	6.77m	40.3
Net Profit Margin (%)	18.1	14.6	24.0
Earnings Per Share (EPS) (cents)	3.26	2.32	40.5
Net Asset Per Share (NAV)* (cents)	31.73	29.50	7.6

**Based on 291,977,434 shares for FY2007 (265,434,034 shares for FY2006)*

Singapore, 30 October 2007 – Singapore Exchange SESDAQ-listed Thomson Medical Centre Limited (“Thomson Medical” or “the Group”), a leading provider of healthcare services for women and children in Singapore, announced today that its net profit attributable to shareholders for the financial year ended 31 August 2007 (“FY2007”) soared 40.3% to \$9.50 million from \$6.77 million in FY2006, as it recorded the highest number of deliveries of babies since inception.

Revenue rose 12.6% to \$52.36 million from \$46.51 million in FY06, backed by increased contributions from the Hospital Operations and Ancillary Services segments, as well as its Specialised and Other Services business segment, which recorded a revenue growth of 10.5% and 21.7% respectively.

Gross profit margin improved by 1 percentage point from 42.3% in FY2006 to 43.2% in FY2007. Despite the challenging situation in the operating costs environment experienced by the healthcare sector in Singapore, the Group increased its net profit margin to 18.1% from 14.6% in FY2006 on improved operational efficiency and lower finance costs.

The Group recorded net cash inflow from operating activities of \$13.60 million in FY2007 compared with \$11.96 million in FY2006.

On a segmental basis, revenue from Hospital Operations and Ancillary Services rose 10.5% to \$41.83 million in FY2007 from \$37.86 million in FY2006. Deliveries at Thomson Medical recorded an all time high of 7,665 babies in FY2007, which translated to 493 babies more than that of FY2006. The high number in deliveries can be attributed to the Thomson Medical brand and increased patient load seen by our tenant specialists, our Thomson Women’s Clinics and other accredited specialists using our facilities and services. The Group also see higher utilisation in its inpatient, outpatient and diagnostic services.

The Group completed the renovation of its two inpatient wards in resort-style ambience and its diagnostic imaging facility in FY 2007. The improved facilities offering added services and better ambience to our patients have resulted in increased utilization from our patients.

The Group recently launched its Enhanced First Born Incentives and Subsequent Born Incentive programmes to provide value-added benefits for mothers-to-be. The Group also launched the Thomson Junior Angels Club which provides retail privileges and programmes for the physical, mental and emotional development of children. These programmes are part of our on-going efforts to build brand loyalty and provide added reasons for expectant mothers to choose Thomson Medical for their healthcare needs.

Thomson Medical introduced a Korean Service to meet the healthcare needs of the growing Korean community in Singapore. Headed by a Korean doctor, this includes interpretation services to ensure proper communication between Korean patients and doctors.

Specialised and Other Services

The Group's Specialised and Other Services segment achieved promising revenue growth of 21.7% to \$10.53 million from \$8.65 million in FY2006, with higher contribution from all its subsidiaries.

Our Thomson Women's Clinics continue to bring increased patient load to our hospital. The Group will be setting up another Thomson Women's Clinic in Ang Mo Kio Hub in 1H 2008 and will continue to look for other strategic locations to expand its chain of Thomson Women's Clinics.

Through intensified marketing efforts, our Thomson Fertility Centre is seeing an increased patient load both locally and regionally. The centre has seen its foreign patient numbers double over the past year. Given our strong performance and established branding, we expect to see further increases in patient volume.

On our regional front, the Group has started to recognise fee income for its consultancy services in respect of the 260-bed Hanh Phuc International Women and Children Hospital in Binh Duong, Vietnam. This is the country's first purpose-designed private women and children's hospital. The construction work has commenced as scheduled and the Group will recognise its project management fees on a progressive basis.

Commenting on the results, Dr Cheng Wei Chen, Group Executive Chairman, said, "We have done exceptionally well this year. Despite the temporary closure of 2 inpatient wards for renovation work, we have not only managed to perform better than the previous year but have also recorded our highest number of deliveries in Thomson history."

The Group has earlier declared and paid an interim dividend and special one-off dividend of 0.75 cents each per ordinary share (net of tax) in May 2007 and the Board of Directors has

now declared a further interim dividend of 1 cent per ordinary share (net of tax) based on the FY2007 full year's result of the Group. The total dividend declared to-date amounted to 2.5 cents per ordinary share (net of tax) and this translated to \$7.30 million. The dividend declared is equivalent to 77% of the FY2007 full year's net profit after tax of \$9.50 million. This is in line with our stated dividend policy of 50% payout on net profit after tax.

Moving forward, the Group will continue its upgrading and expansion plans. It will renovate the Level 3 and Level 5 inpatient wards to cater to the increased demand for our services. The Group intends to position Level 5 as a premium ward, offering differentiated services to patients who seek higher-end facilities and services. The Group intends to add another 2 operating theatres to cater to the increased number of surgical procedures. The Group will continue to upgrade its other facilities progressively to provide a more conducive and relaxing environment for its patients.

Commenting on the business outlook, Group Chief Executive Allan Yeo said, "We are encouraged by the Government's move to review marriage and pro-creation incentives such as increasing subsidies for child care services, extending maternity and paternity leave, and instituting better work-life balance in companies. This, and with the Government's recent announcement to gear up for a projected 20% increase in population to 5.5 million will augur well for Thomson Medical's growth."

On the regional front, the Group is looking to complement its hospital consultancy projects in Vietnam by capitalising on the unmet demand for fertility treatment in Vietnam. Thomson Fertility Centre, with proven track record in Singapore, will be in a good position to make in-road in Vietnam.

Apart from Vietnam, the Group will continue to explore opportunities in Malaysia and Indonesia, where there are growing demand for premium healthcare services.

In view of the favourable economic environment and operating conditions, and with the development plans outlined above, and barring unforeseen circumstances, the Board of Directors is optimistic that the Group will continue to grow and perform well in FY2008.

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