

PRESS RELEASE

Thomson Medical's net profit soars 30.0% to \$3.4 million in Q4 FY2009 and 14.0% to \$12.7 million for the year, boosted by strong double-digit growth in core business segments

- Revenue for Hospital Operations and Ancillary Services jumped 14.5% to \$13.49 million while Specialised and Other Services rose 37.9% to \$4.51 million for Q4 FY2009
- Robust gross and net profit margins saw further improvement at 43.3% and 18.9% respectively in Q4 FY2009
- Record number of 8,907 deliveries in FY2009
- Thomson Women Cancer Centre sets to be a new growth driver
- Group's first Vietnam hospital consultancy project to complete construction by end 2009 and operational by Q3 FY2010; while suitable land site is being sought for second Vietnam hospital project
- Final dividend of 1.5 cents and a special dividend of 0.3 cents per ordinary share in celebration of Thomson Medical's 30th anniversary this year

| | Q4FY09 ended 31 Aug | Q4FY08 ended 31 Aug | % Change | FY09 ended 31 Aug | FY08 ended 31 Aug | % Change |
|-------------------------|---------------------------|---------------------------|-------------|-------------------------|-------------------------|-------------|
| Revenue (S\$'m) | 18.00 | 15.04 | 19.7 | 67.40 | 60.26 | 11.8 |
| Net Profit (S\$'m) | 3.40 | 2.62 | 30.0 | 12.72 | 11.16 | 14.0 |
| Gross Profit Margin (%) | 43.3 | 42.3 | | 43.2 | 44.1 | |
| Net Profit Margin (%) | 18.9 | 17.4 | | 18.9 | 18.5 | |
| EPS* (Singapore cents) | 1.17 | 0.91 | 30 | 4.38 | 3.82 | 14.7 |

(*Based on 291,977,434 ordinary shares, on a fully diluted basis)

SINGAPORE – 26 October 2009 – Singapore Exchange Main Board-listed Thomson Medical Centre Limited (“Thomson Medical” or the “Group”), a niche healthcare provider for women and children, today announced a 30.0% jump in net profit to \$3.4 million for the fourth quarter ended 31 August 2009 (“Q4 FY2009”), on the back of a 19.7% increase in revenue to \$18.0 million.

The sterling set of results was boosted by strong double-digit growth in the Group's two core businesses, further demonstrating the Group's capability in providing premium healthcare services for women and children. In Q4 FY2009, revenue from *Hospital Operations and Ancillary Services* rose 14.5% to \$13.49 million while *Specialised and Other Services* soared 37.9% to \$4.51 million.

Despite its expanded operations, especially with the introduction of Thomson Women Cancer Centre (“TWCC”) in February 2009, the Group lifted its robust gross and net profit margins to 43.3% and 18.9% in Q4 FY2009 respectively, from 42.3% and 17.4% in the corresponding period last year. This is a continued testament to the Group’s operational efficiency.

With the latest quarterly results, the Group recorded full year (“FY2009”) revenue and net profit of \$67.4 million and \$12.7 million respectively, representing growth of 11.8% and 14.0% year-on-year amidst challenging economic conditions.

“Our commendable set of results underscores the resilience of our business as well as the progress we have made on several fronts in FY2009, all of which contributed to our double digit top and bottom line growth. To name a few, Thomson Women Cancer Centre, the first dedicated cancer centre for women in Singapore, commenced operations in February 2009. The recently completed resort-style wards contributed to increased deliveries and inpatient admissions. Our network of satellite clinics continues to bring more patient referrals to the hospital while a senior O&G specialist who took up clinic tenancy in the hospital in April 2009, further add to the utilisation of our hospital’s facilities and services,” said Dr Cheng Wei Chen, Executive Chairman.

The Board of Directors have declared a one-tier tax exempt final dividend of 1.5 cents, as well as a special dividend of 0.3 cent per ordinary share in celebration of Thomson Medical’s 30th anniversary this year. Including the interim dividend of 1.0 cent per ordinary share paid during the financial year, total dividend for the year would amount to 2.8 cents, representing a payout ratio of 64%.

Segmental Review

Hospital Operations and Ancillary Services

Revenue from *Hospital Operations and Ancillary Services* in Q4 FY2009 increased by 14.5% or \$1.71 million in Q4 FY2009 to \$13.49 million as the Group continued to experience increased number of baby deliveries and inpatient admissions. Fully renovated in May 2009, Thomson Medical’s resort style wards have been well-received, evident from the consistently high occupancy rate, especially the Premier Single wards.

Revenue growth for this business segment was driven by three main factors:

- (i) 21.0% rise in revenue from obstetrics and gynaecology services;

- (ii) 11.8% increase in number of deliveries from 2,039 in Q4 FY2008 to 2,279 in Q4 FY2009, lifting the total number of deliveries in FY2009 to a new record high of 8,907 as compared with 8,567 in FY2008; and
- (iii) 12.0% jump in revenue from diagnostic and fetal assessment services to \$1.40 million in Q4 FY2009, from \$1.25 million in the corresponding period last year

Specialised and Other Services

Revenue from *Specialised and Other Services* expanded 37.9% or \$1.24 million to \$4.51 million in Q4 FY2009 as a result of increased patient load in the Group's network of Thomson Women's clinics and revenue contribution from TWCC which commenced operations in February 2009. On a quarter-on-quarter basis, revenue from TWCC grew 39.0% as compared to Q3 FY2009.

In the first seven months of its operations, from February to 31 August 2009, TWCC recorded revenue of \$1.11 million. Revenue from Thomson Women's clinics for FY2009 was \$9.63 million which represented an increase of 25.2% (\$1.94 million) over FY2008.

Shareholders' Equity and Cash Flows

The Group's shareholders' equity increased to \$111.3 million as at 31 August 2009 from \$109.50 million as at 31 August 2008, mainly as a result of higher operating profit recorded for the year.

It continues to enjoy a strong financial position with a fixed deposits and cash and bank balance of \$20.6 million as at 31 August 2009, up from \$15.6 million as at 31 August 2008.

Looking Ahead

The Group will continue to develop more value-added services and initiatives to meet the needs of patients and their families under its comprehensive maternity membership programmes – First Born Incentive (“FBI”) and Subsequent Born Incentive (“SBI”) which have been experiencing consistent membership growth. Other innovative services introduced in FY2009 include an interactive and personalized pregnancy and baby website www.ThomsonBaby.com which is supported by SPRING Singapore under the Technology Innovation Programme (TIP), a unique baby concierge service and patient bedside terminals in the premier wards to enhance patient experience.

A senior O&G specialist is expected to take up clinic tenancy in the hospital in Q3 FY2010 which will further add to the utilisation of our hospital's facilities and services. The Group will continue to expand its network of women's satellite clinics to provide better outreach to the neighbourhoods and targets to open a new clinic in Q3 FY2010.

TWCC, as one of the main growth drivers, will continue to market its cancer services locally as well as regionally. The Group will also enjoy a full year contribution from this dedicated women centre in FY2010.

A new wholly-owned subsidiary, Thomson Chinese Medicine Pte Ltd ("TCM") commenced operations in October 2009. Led by a team of qualified traditional Chinese medicine physicians who are experienced in women's wellness, TCM will serve to complement the existing O&G services and bring the best of East-West treatment to patients under one roof.

Update on Hanh Phuc International Women and Children Hospital

Regionally, Hanh Phuc International Women and Children Hospital, the Group's hospital consultancy and management project in Binh Duong Province, Vietnam, is scheduled to complete its construction in the fourth quarter of calendar year 2009. The Hospital is slated to commence operations in Q3 FY2010. The operational resource plan for this Hospital has been completed and recruitment of hospital personnel is in progress. Tenders for the purchase of major medical equipment have also been awarded.

Additionally, the Group has completed the business plan for the proposed development of its second hospital consultancy project for the proposed women and children's hospital in Hanoi, Vietnam. The next phase of consultancy work for this project will commence after a suitable land site in Hanoi has been identified.

Outlook

Despite the uncertainty of the global economic recovery, the Directors believe that the demand for healthcare services will continue to be strong. The Group expects our new growth drivers, Thomson Women Cancer Centre and our regional hospital consultancy services, to contribute to the overall performance of the Group.

Barring unforeseen circumstances and taking into account the activities lined up for FY2010, the Board of Directors expects the Group to remain profitable in FY2010.

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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 In-Vitro Fertilisation ("IVF") programmes to aspiring parents, as well as a chain of Thomson Women's Clinics islandwide. Thomson Medical's other subsidiaries include Thomson Women Cancer Centre, Thomson Chinese Medicine, 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.

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

1) Hanh Phuc International Women and Children Hospital – Binh Duong Province

In 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.*

In 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.

In 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.

2) Proposed Women & Children's Hospital – Hanoi

In September 2008, Thomson International entered into a Memorandum of Understanding ("MOU") and an Agreement to Establish Business Plan (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.

For more information, please visit Thomson Medical's corporate website at www.thomsonmedical.com.

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A handwritten signature in black ink, appearing to read 'Winston Choo', is positioned in the middle-left section of the page.