

**Doctors Hospital Health System Limited**

*Year Ended January 31, 2005*

**Chairman's Report**  
**Doctors Hospital Health System Limited**

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present our Company's results for the year ended January 31, 2005.

Net income for the year was \$2.6 million, representing the highest net income in its history, a significant improvement over the \$0.6 million reported last year. Earnings per share jumped from \$0.06 to \$0.26, reflecting a 10.5% increase in total revenues, continued prudent management of expenses and a significant reduction in operating costs for discontinuing operations. The record breaking financial results reflect increases in business volumes across a broad range of services.

Following a few challenging years, Doctors Hospital is now stronger and better positioned to meet the emerging challenges of a dynamic healthcare environment. The cash position is stronger, the leadership's focus is sharper, and the commitment to excellence in patient care has never been greater.

The Board of Directors is pleased that the return to solid profitability and a stronger balance sheet once again affords us the ability to reinvest in the future of our company—through training our Associates, community service projects, and investments in facility upgrades, equipment, and information technology. The Board attributes much of this success to the hard work and dedication of Associates, strong physician support, and the continuing confidence and patronage of thousands of Bahamians and visitors. The Annual General Meeting is scheduled for May 19, 2005 at which time we will further elaborate on the year's successes.

Joe Krukowski  
Chairman  
March 14, 2005

# NOTICE

## *To All Doctors Hospital Health System*

### Shareholders

The Board of Directors of Doctors Hospital Health System reports below summary financial results for the year ended January 31, 2005.

Consolidated Statement of Income  
(Expressed in thousands of Bahamian dollars)

	Year ended January 31,	
	2005	2004
<b>CONTINUING OPERATIONS</b>		
<b>Revenues</b>		
Patient service revenue, net	\$ 28,840	\$ 25,956
Other	199	330
<b>Total revenues</b>	<b>29,039</b>	<b>26,286</b>
<b>Expenses</b>		
Operating	21,791	20,031
Depreciation	1,717	1,558
Provision for doubtful accounts	857	928
<b>Total expenses</b>	<b>24,365</b>	<b>22,517</b>
<b>Income from continuing operations before interest</b>	<b>4,674</b>	<b>3,768</b>
Interest expense	(542)	(612)
<b>Income from continuing operations</b>	<b>4,131</b>	<b>3,156</b>
<b>DISCONTINUING OPERATIONS</b>		
Loss from operations of discontinuing businesses	(1,474)	(2,426)
Loss on disposal of discontinued businesses	(89)	(152)
Impairment of property plant and equipment	-	-
<b>Loss from discontinuing operations</b>	<b>(1,564)</b>	<b>(2,579)</b>
<b>NET INCOME</b>	<b>\$ 2,568</b>	<b>\$ 577</b>
Earnings per common share:		
From continuing operations	\$ 0.41	\$ 0.32
Basic	0.26	0.06

Selected Balance Sheet Data  
(Expressed in thousands of Bahamian dollars)

	January 31,	
	2005	2004
Cash position at end of year	\$ 3,199	\$ 593
Patient accounts receivable, net	939	797
Receivable from third party payors, net	4,628	5,056
Property, plant and equipment	15,474	16,449
Total current assets	10,380	8,284
Total assets	26,315	26,301
Total current liabilities	4,213	3,412
Total liabilities	15,578	17,132
Total shareholders' equity	\$ 10,737	\$ 8,169