

# Raffles Medical Q3 net up 15% to \$9.5m

**Revenue rises 8%  
to \$55.4m  
for another  
quarterly high**

By **FELDA CHAY**

RAFFLES Medical Group continued to see healthy growth for its third quarter as it improved operating efficiency and registered growth across all of its divisions.

Despite the economic slowdown, the healthcare services provider registered a 15.4 per cent year-on-year jump in net profit to \$9.45 million for the three months ended Sept 30.

This translated to earnings per share of 1.82 cents, up from 1.58 cents.

Group revenue hit another quarterly high as it rose 8 per cent to \$55.4 million from the previous corresponding quarter's \$51.3 million.

In particular, revenue from its healthcare services division – which consists of its network of GP clinics and health insurance business – edged up 9.3 per cent. Revenue for its hospital services division climbed 8.1 per cent.

Executive chairman Loo

Choon Yong said that a large part of its revenue increase from its hospital services unit was buoyed by increased foreign patient volume, which surged 16 per cent from the same period last year.

Visits from local patients saw little change, Dr Loo said, adding that he expects to see an increase in local patients from Q4 onwards as the economy picks up and locals who started visiting government hospitals

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to cut back on healthcare expenses switching back to private hospitals.

Q3 also saw the group opening a new clinic at Singapore's Sixth Avenue and more clinics are slated to open in the next few months.

Raffles is still looking to expand into China but is in no hurry to do so.

"There are a lot of regulations and rules which obviously are necessary from a safety point of view, but sometimes the same rules meant to promote safety can be used to protect markets," said Dr Loo.

"There is also the practical problem of the law requiring you to have a local joint venture partner. And it is never easy to have a suitable, appropriate joint venture partner . . . a lot of partnerships have actually gotten into trouble so that's why we are very careful and cautious."

The group registered a net cashflow position of \$34.8 million on continued strong cash flow of \$13.1 million in Q3 from the group's operating activities and after distributing interim dividends of \$5.2 million.

Net asset value per share stood at 45.65 cents, higher than the 42.87 cents as at Dec 31, 2008.

With the overall economic climate still fragile, Dr Loo said that he expects the group to continue growing, albeit slower when compared with pre-recession growth.

The availability of the H1N1 vaccine may help to boost growth figures in the coming quarters, he said.

The vaccine "could have some positive impact . . . but it's not going to increase (revenue) by two or three times".

Shares of Raffles Medical closed 1.5 per cent higher at \$1.35 yesterday.

*For the link to RMG's financial statements, go to [www.business-times.com.sg](http://www.business-times.com.sg)*