

RMG profit jumps 11.3% to \$50.4m

By **NISHA RAMCHANDANI**

A HIGHER patient load and wider range of medical specialities helped private healthcare provider Raffles Medical Group (RMG) post an 11.3 per cent rise in net profit to \$50.4 million for the financial year ended Dec 31, 2011.

Revenue rose 14.1 per cent to \$272.8 million, spurred by growth in both hospital services and healthcare services. Profit from operating activities came to \$59.5 million, up 12.3 per cent from just under \$53 million previously.

Earnings per share rose to 9.5 cents from 8.65 cents a year earlier.

RMG directors have recommended a final dividend of three cents per share, which would take the total payout for FY11 to four cents per share. An interim dividend of one cent was paid in September last year.

In 2011, foreign patients made up about a third of Raffles Hospital's patient load, an increase of 5-6 per cent in volume, executive chairman Loo Choon Yong said. Revenue from foreign patients was up 14 per cent year on year.

"With additional beds of new public and private hospitals coming onstream over the next few years, the healthcare landscape will continue to remain competitive," the group said.

"While adding the Specialist Medical Centre in Orchard Road and expanding Raffles Hospital, the group continues to be vigilant and responsive to new opportunities that may appear."

Upcoming hospitals such as Parkway Pantai's 333-bed hospital at Novena – slated to open later this year – could intensify competition, Dr Loo acknowledged, though hospitals located closer to Novena may face stiffer competition.

In an update on its expansion plans, clinical operations at its Specialist Medical Centre on Orchard Road are likely to begin in the first half of 2013.

Planning and preparatory work to boost Raffles Hospital by some 102,400 square feet is underway and on track.

As at Dec 31, 2011, the group had a cash position of \$50 million, which will help it to fund growth opportunities, it said.

Shares in RMG shot up nine cents yesterday to close at \$2.44.