

Profit up 13% for Raffles Medical

■ **By HARSHA JETHNANI**

BROADENING its range of services, increasing the number of specialists and improving efficiency helped push third-quarter profits up 13 per cent for Raffles Medical Group.

The health-care provider recorded earnings of \$10.7 million, up from \$9.5 million in the same quarter last year, it announced yesterday.

Revenue for the three months ending Sept 30 grew 9.8 per cent to a record \$60.86 million.

Proceeds from the hospital services division jumped 15 per cent while the contribution from the health-care services segment edged up 4 per cent.

If the impact of grants received from the Jobs Credit scheme last year was excluded, net profit would have grown by 22.3 per cent for the quarter.

This is because the grants resulted in lower staff costs in the third quarter of last year, yielding profit of \$9.5 million. Without the grants, higher staff costs would have meant a much-reduced profit. The \$10.7 million this quarter represents a 22.3 per cent increase on that lesser figure.

The group, which has a net cash position of \$70.9 million, said the design to add 102,408 sq ft or 30 per cent more space at its Raffles Hospital site is in the process of being finalised for submission to the authorities.

Plans to expand the hospital were first announced in July. The extra space will house new facilities and services such as radiation oncology.

Earnings per share came in at 2.04 cents, up from 1.82 cents last year, while net asset value was 51.41 cents against 48.04 cents at the end of last year. Net profit for the nine months came in at \$30.5 million, up 16.5 per cent, while revenue rose 9.5 per cent to \$175.6 million.

The group opened a new clinic at Mapletree Business City earlier this month to cater to corporate clients. A family clinic in the upcoming Nex Mall in Serangoon Central will open later this year.

Raffles Medical said yesterday that the growth in regional economies and Singapore's own economic expansion will bring rewards.

"The group stands to benefit from the demand for high quality health-care services locally and from the Asian economies, as these populations grow in affluence and age," it said in yesterday's statement.

Raffles Medical shares closed two cents higher yesterday at \$2.21 after its results were released earlier in the day.