

Raffles Medical earnings in the pink of health

■ BY LEE YEN NEE

THE swine flu scare last year proved a double-edged sword for health firm Raffles Medical Group by dampening demand for some clinical services but increasing business for others.

There was a sharply increased call for the company's flu-related services and medical supplies like anti-viral drug Tamiflu and seasonal flu vaccinations.

And all of the group's clinics here were appointed as pandemic preparedness clinics by the Ministry of Health to control the virus outbreak.

The H1N1 activity, along with an increase in patient load, a wider range of medical specialities and improved operating efficiencies helped the group to a bumper full-year profit.

Earnings for the 12 months ended Dec 31 jumped from \$31.5 million to \$37.9 million – a rise of 20 per cent – on the back of an 8.9 per cent increase in revenue to \$218.6 million.

The health-care and hospital services divisions both made key contributions, with revenue up 10.2 per cent and 7.9 per cent respectively.

Last year proved eventful for the group, and not just because of the H1N1 scare.

Its flagship Raffles Hospital was accredited by global health-care accreditation body Joint Commission International for its quality care.

The hospital continued to appeal to international patients, especially those from the region.

It also recruited specialists in several areas to meet the growing needs of patients and to improve services.

Last year also saw Raffles Medical set up three new clinics – in Sembawang Way, Centrepoint and Sixth Avenue. It also consolidated and relocated its medical services in Tampines to a new clinic at Tampines One.

Contracts with ministries, statutory boards and corporate clients in the areas of primary care, health screening, vaccination programmes and pre-employment check-ups were renewed as well.

The nutraceuticals arm, Raffles Health, also did well. One highlight was the introduction of Flu Protect, a personal hygiene and protection kit, during the H1N1 outbreak.

The group said it is positive about prospects this year, as the economy is improving and market sentiments are more positive.

Dr Loo Choon Yong, its executive chairman, said: "Having weathered the challenging year of 2009, we are optimistic that Raffles will perform well this year, as the demand for quality health-care services from the local and overseas markets grows."

Earnings per share was 7.3 cents, up from 6.1 cents the year before, while net asset value per share rose from 42.87 cents to 48.04 cents.

The board has recommended a final dividend of two cents per share.