

Raffles Medical posts record revenue for Q2

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RAFFLES Medical Group defied the global recession to post an improved net profit for the second quarter.

Better operating efficiency and growth in health-care services sent earnings up 13.8 per cent to \$8.8 million for the three months to June 30. Revenue climbed 6.5 per cent to a record \$53.9 million.

The Influenza A (H1N1) pandemic both helped and hindered the firm.

Its health-care services segment, which includes GP clinics and the health insurance unit, grew 12.3 per cent on increased demand from flu-related medical supplies and services such as its FluProtect kit and the anti-viral drug Tamiflu.

Revenue from the hospital services division increased 4.8 per cent.

But there were higher costs as a result of precautionary measures to curb the spread of the flu and the group suffered a 6 per cent to 7 per cent fall in local patient load.

Executive chairman Loo Choon Yong believed patients have stayed away partly because of a reluctance to visit clinics and hospital during the epidemic. But he expects this fear to subside, as the H1N1 mortality rate is not as high as feared.

The drop in local patient numbers was offset by a 13 per cent increase in the number of foreign patients.

Dr Loo attributed the strong foreign patient numbers to the group's focus on non-discretionary curative services such as treatment for cancer and heart disease.

Raffles Medical opened three new clinics in Singapore in the second quarter and continues to explore new locations.

It remains keen to enter the Chinese market but does not want to "underestimate the difficulties" of expanding and says it is exploring its options carefully.

The firm is also looking to recruit more specialist consultants across all disciplines in the coming months. It said it has hired new staff in the last six months, and expanded its internship programme.

Basic earnings per share was 1.69 cents, up from 1.49 cent a year ago, while asset value rose to 44.70 cents a share, up from 42.87 cents as at Dec 31.

The group declared a dividend of 1 cent per ordinary share for the quarter.

Raffles Medical shares closed three cents higher at \$1.09 yesterday.