

Bumrungrad Hospital Public Company Limited

Analyst Meeting No. 2/2010

1Q10 Results Update

26 May 2010



Overview

Operational Update

- Strong turn-around of volume in 4Q09 and into 1Q10, mainly driven by the international segment
- Inpatient has become the stronger growth driver, especially as outpatient segment is affected by the political protest
- The increased revenue intensity and effective cost control resulted in increase in net profit

Financial Performance

- 1Q Sales ↑ 13% y-o-y
- 1Q EBITDA ↑ 11% y-o-y
- 1Q Net profit ↑ 9% y-o-y

Updates & Strategy

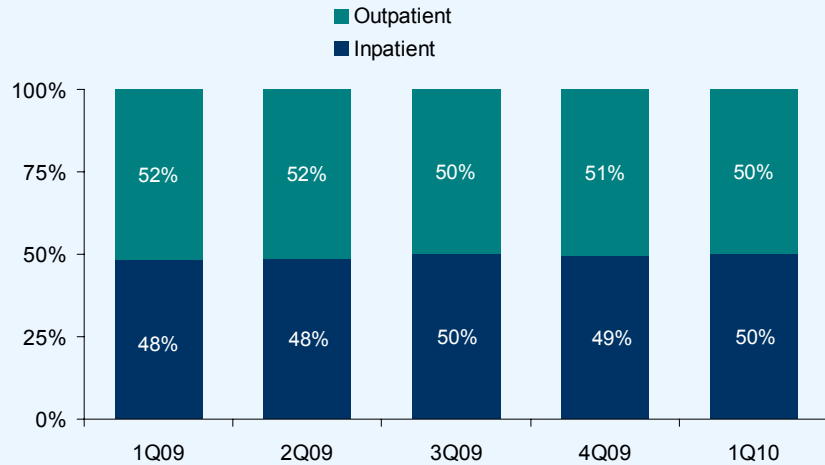
- Continuous domestic marketing efforts in 2010
- Bumrungrad International Hospital, Bangkok: Renovations to complete within May
- Bumrungrad International Limited:
 - AHI & Al Mafrag seeing stable operations
 - BIL announced sale of ARC

Agendas

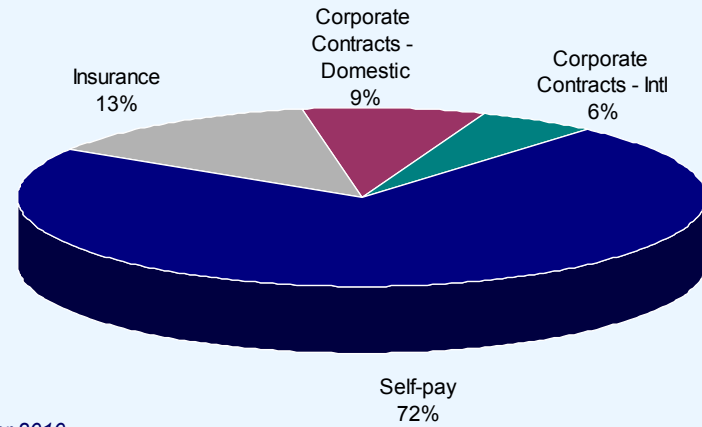
- **Operational Update**
- **Financial Performance**
- **Recent Updates**

Revenue Breakdown

Inpatient vs. Outpatient - Quarterly (% of revenue)



Method of Payment (% of revenue)

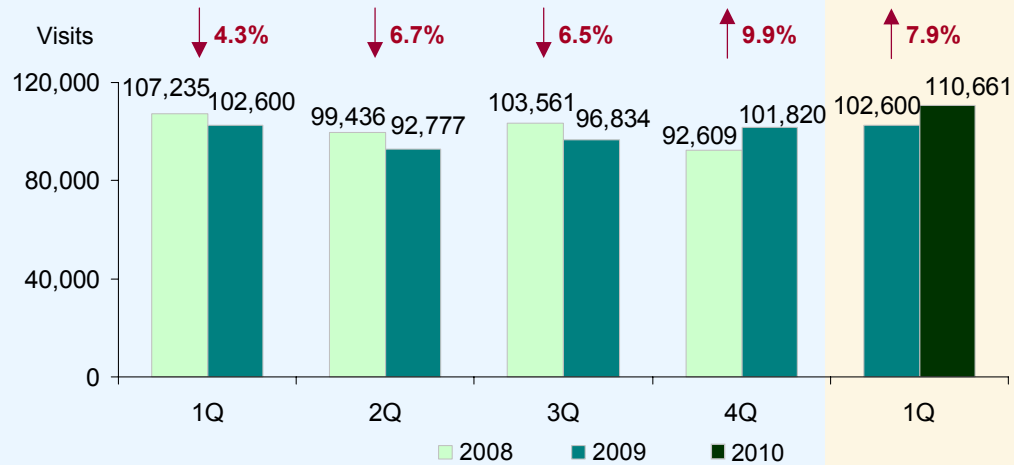


As of Mar 2010

- Revenue contribution from outpatient continues as majority share following worldwide trends towards ambulatory care; BI Clinic well positioned for future growth.
- Corporate contracts increasing especially from foreign accounts; self-pay remains the primary method of payment

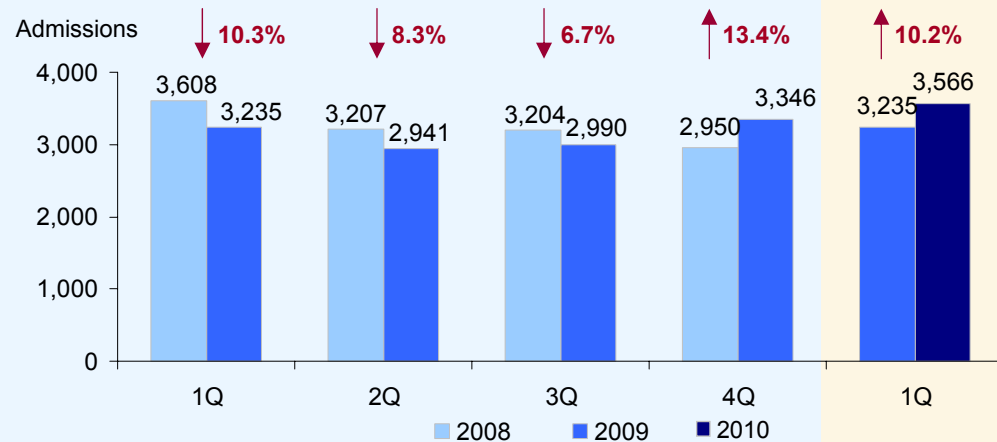
International Volume

International Visits



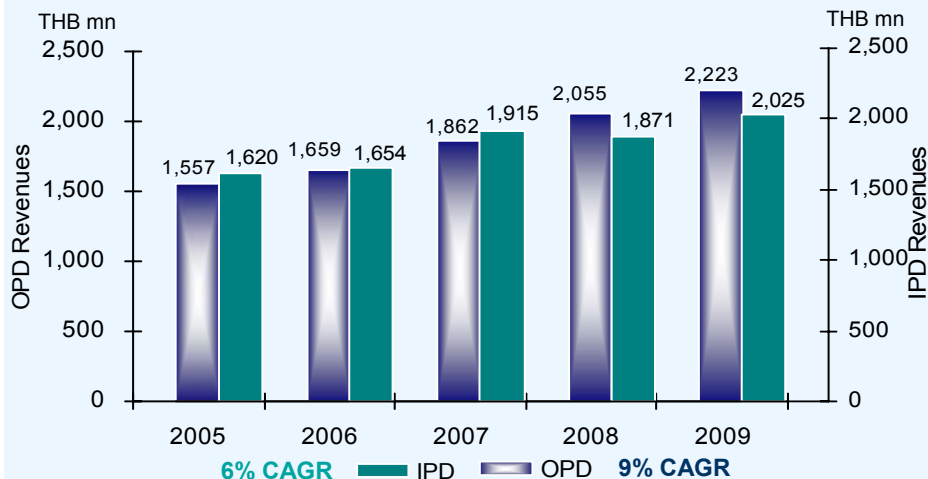
- Continued strong growth in international volume into 1Q10
- April 2010 international volume slower because of political protest
 - Admissions up 3%
 - OPD visits down 5%

International Admissions



International Patients

International Revenues



- **International revenue:** Up 24%, from both increase in volume and higher intensity

- 1Q10 significant changes in international revenue:

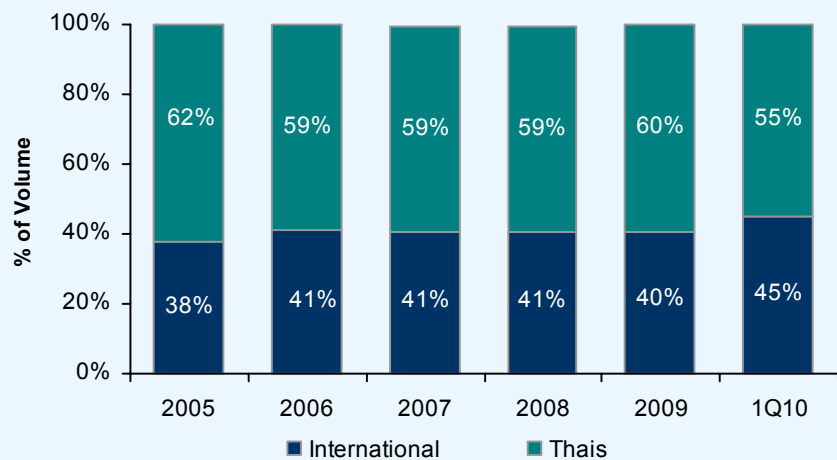
Top 10 countries

- Middle East	+27%
- Bangladesh	+46%
- Myanmar	+43%
- US	-5%
- Japan	flat

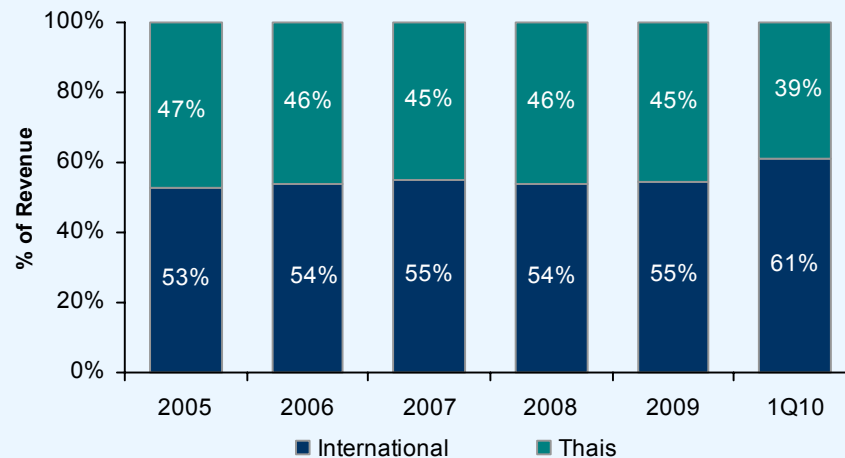
Other targeted country highlights

- Sudan	+65%
- Mongolia	+74%
- Ethiopia	+50%

Volume Contribution by Nationality



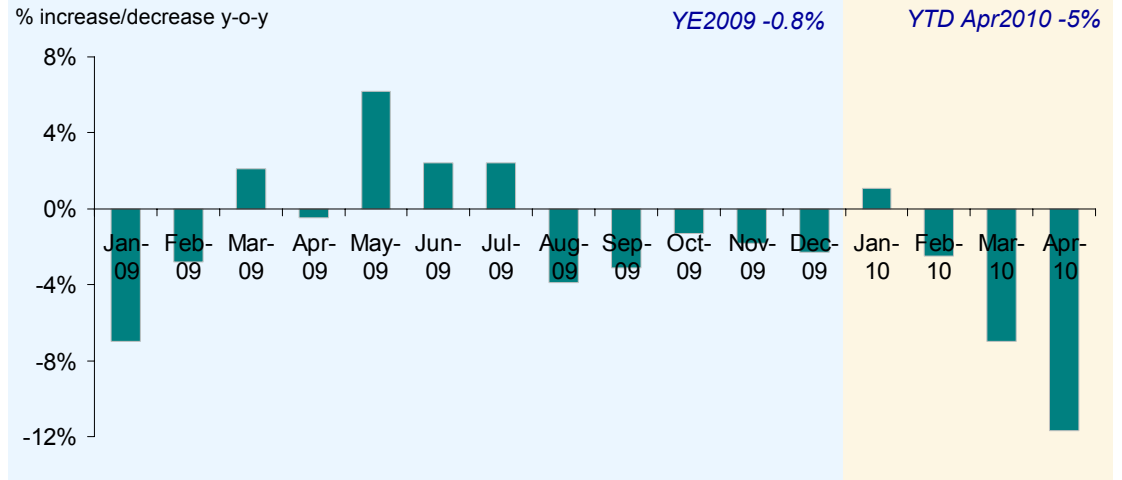
Revenue Contribution by Nationality



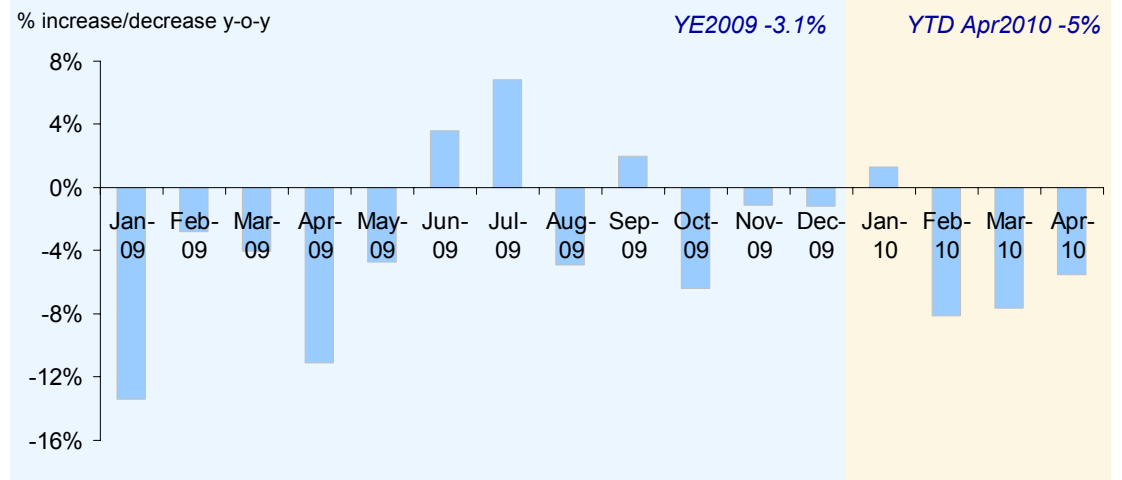
Thai Patients Volume Trend

- Although January reported positive growth for Thai volume, the declines in Feb-Apr 2010 was a result of political protest
- The hospital will continue its efforts in the domestic marketing activities:
 - Healthy Living Club Membership
 - Quarterly fairs/ events
 - Advertising campaigns

Thai Outpatient Visits (% y-o-y increase/decrease)



Thai Inpatient Admissions (% y-o-y increase/decrease)



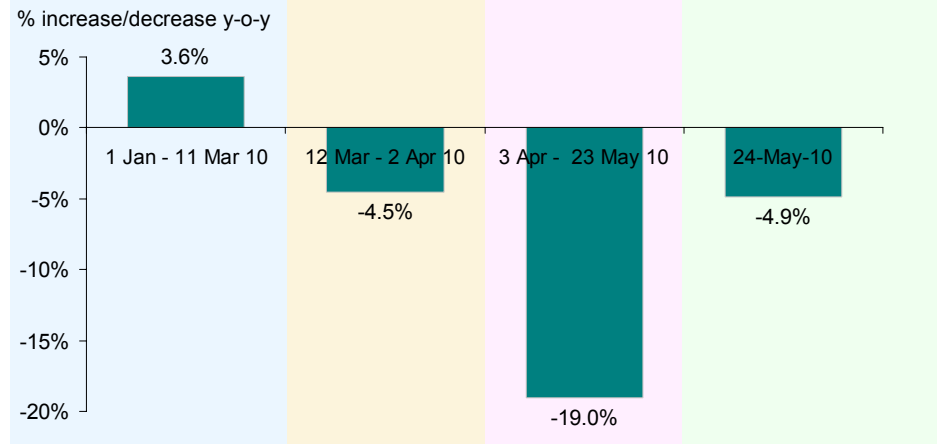
Affect from the Political Protest

- IPD volume continues to see strong growth, while OPD volume affected by the political protest

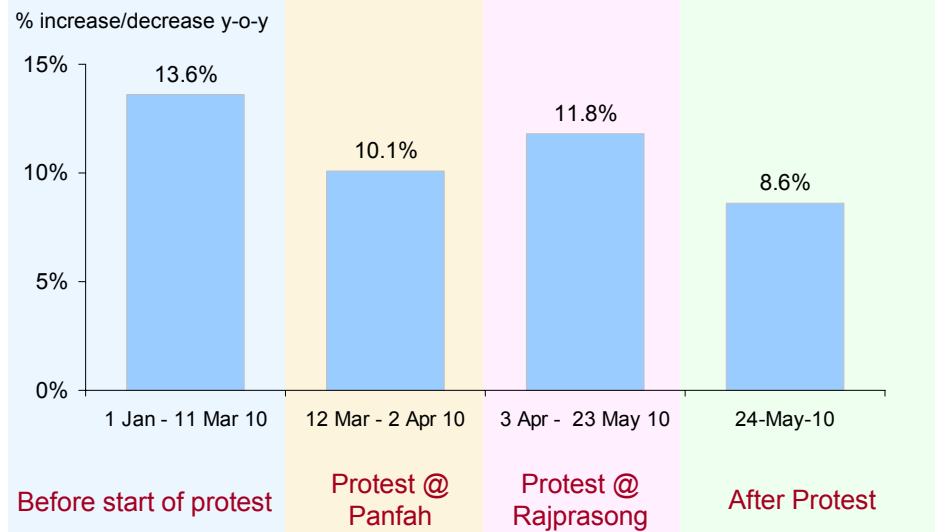
YTD April 2010 Overall Volume

- IPD:
 - Admissions +1%
 - Average Daily Census (ADC) +13%
- OPD Visits flat

Overall Outpatient Visits (% y-o-y increase/decrease)



Overall Inpatient Volume (ADC) (% y-o-y increase/decrease)

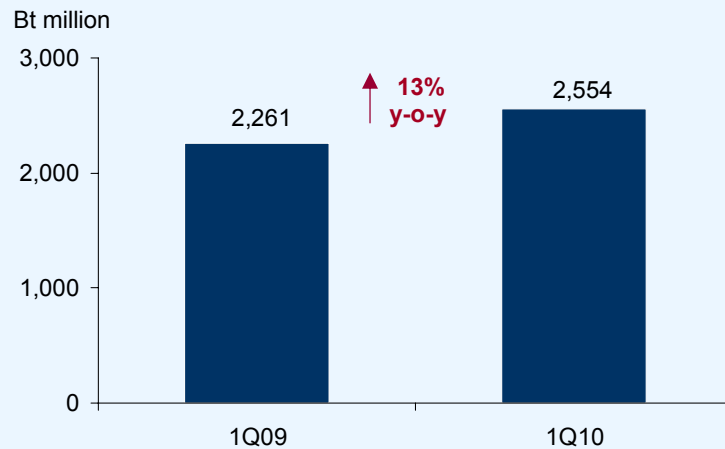


Agendas

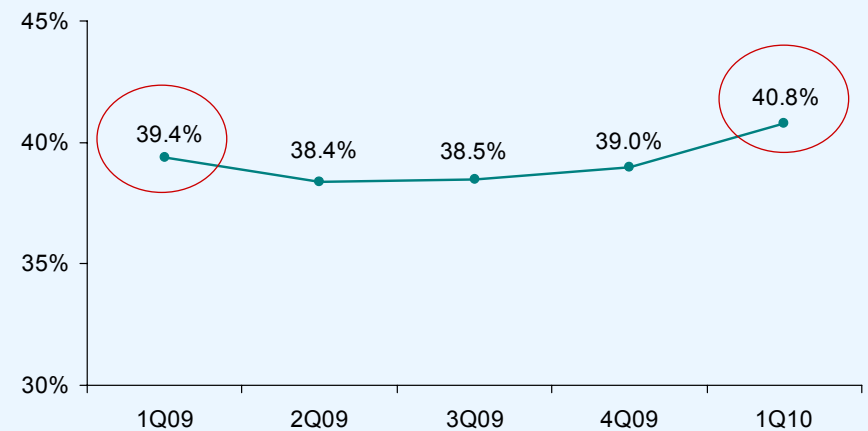
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Sales & Gross Margin – 1Q10

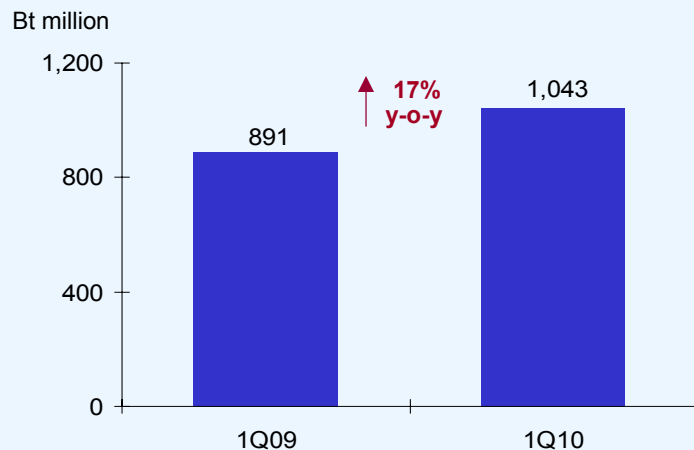
Sales from Hospital Operations



Gross Margin Trend



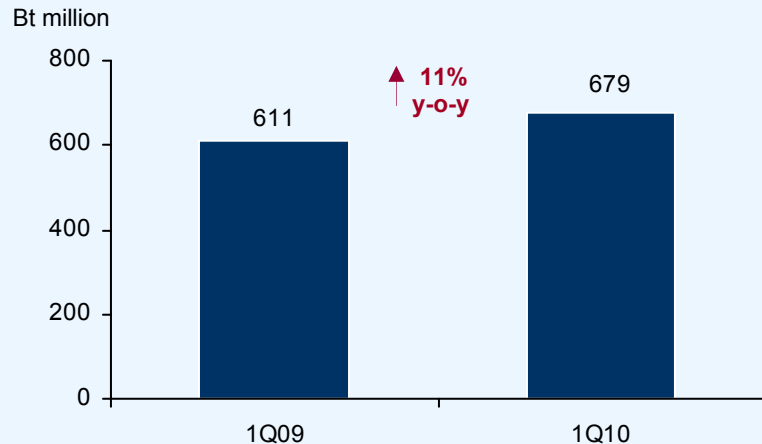
Gross Profit



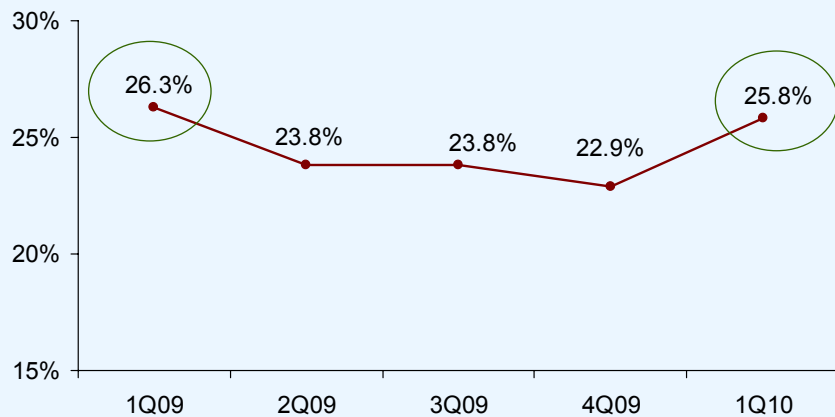
- Sales from hospital operations was up 13% y-o-y as a result of:
 - Inpatient revenue growth of 18%
 - Outpatient revenue growth of 7%
- 1Q10 gross margin improved to 40.8% as a result of tight cost control and economies of scale from higher volume especially from international patients

EBITDA & EBITDA Margin - 1Q10

EBITDA



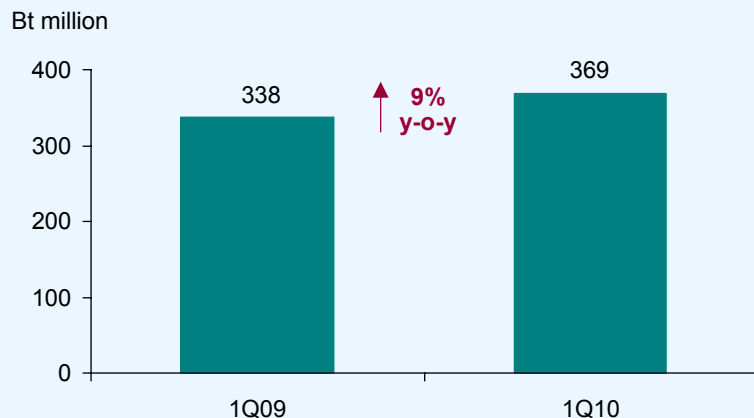
EBITDA Margin Trend



- Administrative expenses increased by 26% y-o-y (but up only 4% q-o-q from 4Q09) from:
 - additional bonus accruals to be back at normal level as the economy improves, and
 - expenses of two start-up companies:
 - Asia Global Health Co., Ltd.
 - Asia Global Research Co., Ltd.
- EBITDA increased by 11%, lower than the increase of revenues and gross profit
- Therefore, EBITDA margin in 1Q10 was 25.8% compared to 26.3% in 1Q09

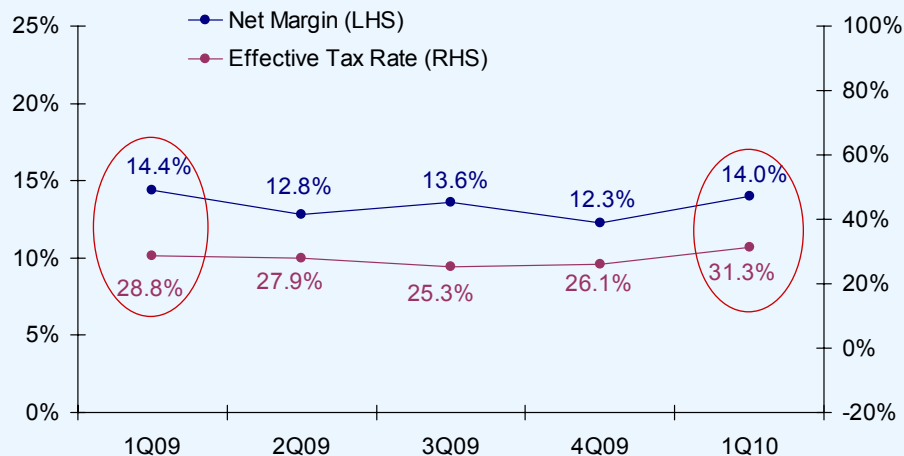
Net Profit & Net Profit Margin - 1Q10

Net Profit



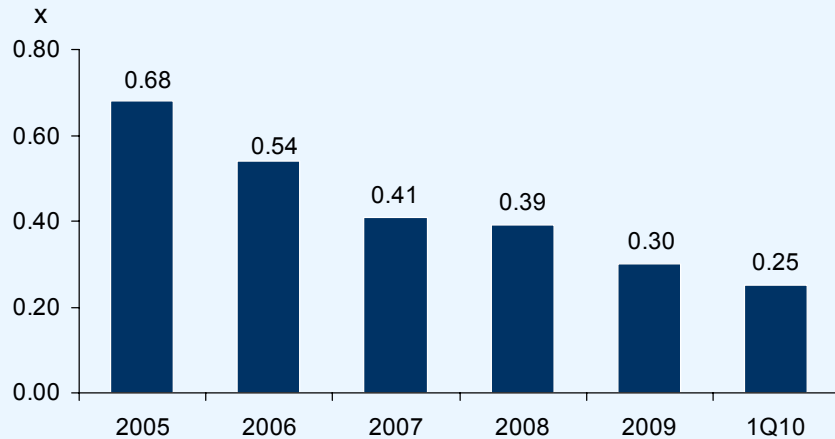
- Higher effective tax rate in 1Q10 because two start-up companies, AGH and AGR, are making net losses, and therefore do not pay taxes
- Contribution from Bumrungrad international Limited is lower in 1Q10 compared to 1Q09 because of additional accounting adjustment related to its Asia Renal Care's clinics in Japan.
- Therefore, net profit increased by 9% y-o-y
- Net profit margin slightly declined to 14.0% in 1Q10, from 14.4% in 1Q09

Net Profit Margin & Effective Tax Rate

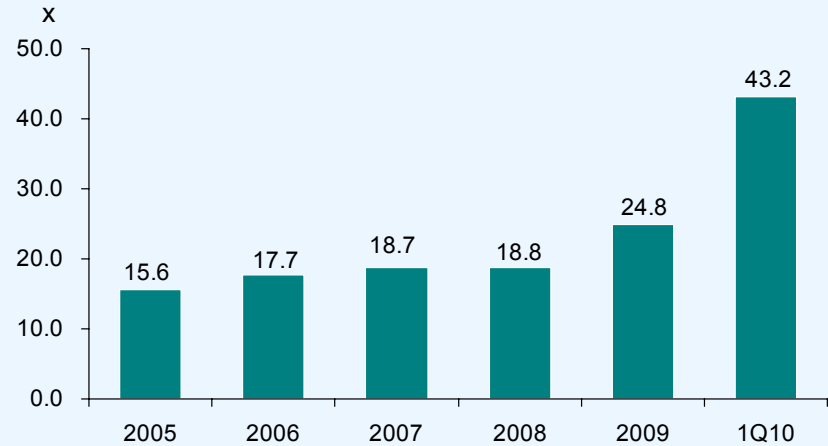


Leverage

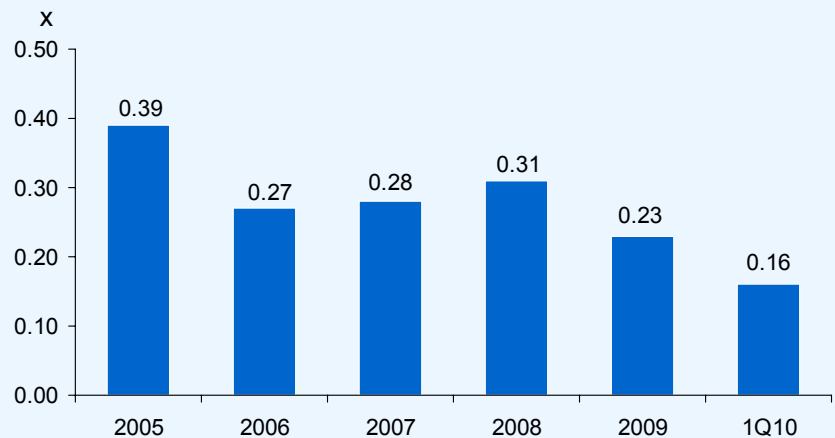
Debt to Equity



Interest Coverage



Net Debt to Equity



- Improvement of the balance sheet over the years, both in terms of D/E and interest coverage as the long-term debt is gradually paid-off
- Debt refinanced in Oct 2009 with 2-year grace period, and therefore debt outstanding will not be reduced for the next two years

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Update on Bumrungrad International Hospital Bangkok

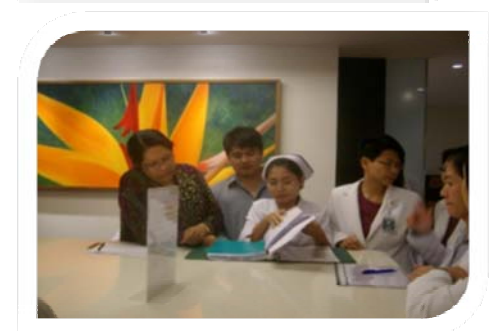
Continued Focus on Quality:

⇒ **The hospital received two additional disease-specific JCI Certifications:**

- Diabetes Mellitus
- Chronic Kidney Disease

⇒ **In addition to the other two specific diseases received since 2006**

- Stroke Program
- Acute Myocardial Infraction Program (Heart)



Domestic Marketing Efforts

⇒ Marketing Event:

- Healthfair 2010 during 27-28 March 2010 @ Bumrungrad Hospital
 - Health education: exhibitions, public seminar, consultation with pharmacist, nutritionists, physical therapists, nurse coordinators
 - Free basic health screening
 - Special price health checkup packages
 - Shopping health product

⇒ Healthy Living Club Members

- Continuous increase; approximately 25,000 members as of end-May 2010
- Example of activities: Exclusive Spa Treatment Workshop, held on March 7, 2010



A poster for the Bumrungrad Health Fair 2010. The poster is white with green and purple accents. At the top right, there is a purple circle with the Thai text "ไม่เสียค่าใช้จ่าย" (No fee). The main title is "Bumrungrad Health Fair 2010" in large green letters. Below the title, it says "27-28 มีนาคม 2553 เวลา 10:00 - 17:00 น." (March 27-28, 2010, 10:00 - 17:00). A green box contains the text "เป็น 12 อาคารโรงพยาบาลบำรุงราษฎร์" (12 hospital buildings). In the center, there is a photograph of four people (three men and one woman) in white shirts. Below the photo, there is Thai text: "โรงพยาบาลบำรุงราษฎร์ เชิญท่านมาพบกับกลยุทธ์ รู้ทัน โรคอันตราย มะเร็ง หัวใจ หลอดเลือดสมอง ทางเดินอาหาร และปวดหลังปวดคอ" (Bumrungrad Hospital invites you to meet with strategies to know about dangerous diseases: cancer, heart, stroke, digestive system, and back/neck pain). Below this, there are four bullet points: "► รับบริการตรวจสุขภาพเบื้องต้น" (Receive basic health checkup services), "► รู้จักเทคโนโลยีในการตรวจจับและรักษาโรคมะเร็ง" (Know the technology in detecting and treating cancer), "► รับบริการปรึกษาเรื่องป่่ารู้เกี่ยวกับสุขภาพ" (Receive consultation services about health), and "► แพทย์ตรวจสุขภาพราคาประหยัด พร้อมเลือกซื้อสินค้าและผลิตภัณฑ์เพื่อสุขภาพ อาทิ ฟ้า นม โยเกิร์ต จากคอสต้า" (Economical health checkup services with the option to buy health products such as Sky Milk, Yogurt, and Costa). At the bottom, it says "สอบถามรายละเอียดเพิ่มเติม 0 2667 2000" (For more details, call 0 2667 2000).



Update on Bumrungrad International Hospital Bangkok

⇒ Renovations:

- Inpatient rooms:
 - Entire project completed
 - No. of available beds is 484
- Outpatient centers:
 - Women Center opened on 9 March 2010
 - Digestive Disease Center will be opened in June 2010



Updates on Bumrungrad International Limited



A Bumrungrad International Ltd Company

- AHI's profitability continues to improve
- Construction of new 14-story building has started; funding by internal cash & debt, no additional equity injection required



Asia Renal Care

A Bumrungrad International Ltd Company

- Number of clinics stable at 102 clinics
- Announcement of sale of Asia Renal Care Group

Mafraq Hospital

Managed by Bumrungrad International Ltd

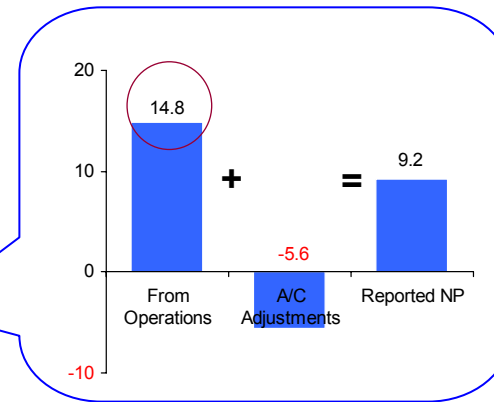
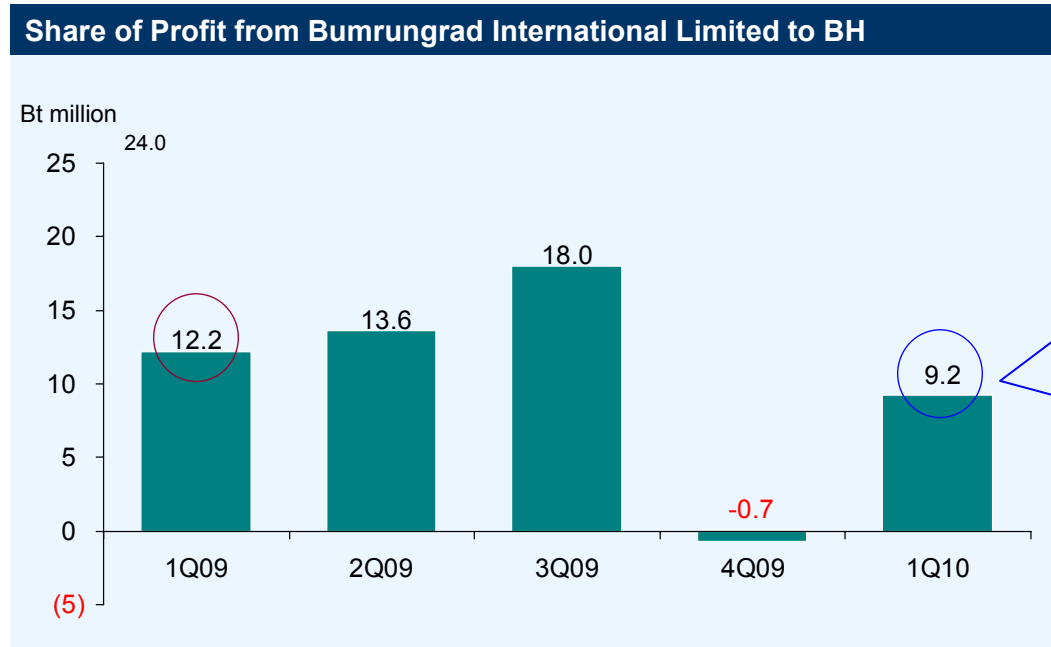


- Able to meet KPIs and is entitled to incentive fees

Bumrungrad International Limited reported net profit of Baht 85 million in 2009

Bumrungrad International Limited is still aggressively looking for acquisitions

Contribution from Bumrungrad International Limited



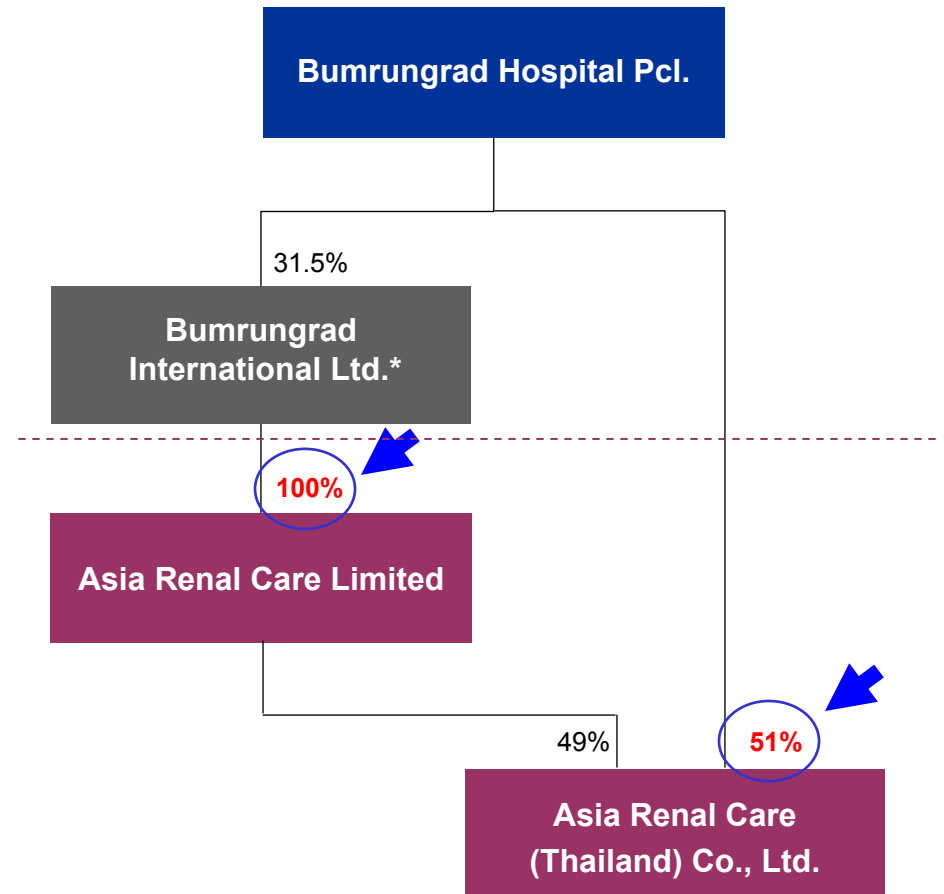
- Accounting adjustments of Bt -5.6 million in 1Q10 is related to its Asia Renal Care's clinics in Japan
- Excluding accounting adjustments, the contribution of profit from operations increased to Bt 15 million in 1Q10

Sale of Asia Renal Care

- The group is divesting its dialysis business:
 - Bumrungrad International Limited sells 100% of Asia Renal Care Limited
 - BH sells 51% of Asia Renal Care (Thailand) Limited
- The sale and purchase agreements have been signed; closing pending fulfillment of conditions precedent
- ARC Thailand's transaction; BH's investment:

Selling price	Bt 22.7 million
Investment costs	Bt 9.7 million
Profit	Bt 13.0 million

Note: the profit is subject to 30% corporate income tax on capital gains
- BIL to focus on its core business of hospital ownership and management.
- BIL remains committed to looking for additional investment opportunities in the region.



Thank You