

Bumrungrad Hospital Public Company Limited

Analyst Meeting No. 3/2010

2Q10 Results Update

24 August 2010



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Overview

Operational Update

- Patient volume declined in 2Q10 as a result of the political instability, particularly in May due to the hospital location
- The increase in revenue intensity resulted in stable revenue despite the declining volume in 2Q10
- Patient volume has rebounded in July (normally a strong month)

Financial Performance

- 2Q10 results reflected impact from political protest & sale of the ARC Group
- 2Q Revenues ↔ y-o-y 1H Revenue ↑ 7% y-o-y
- 2Q EBITDA ↓ 10% y-o-y 1H EBITDA ↑ 1% y-o-y
- 2Q Net profit ↓ 42% y-o-y 1H Net profit ↓14% y-o-y

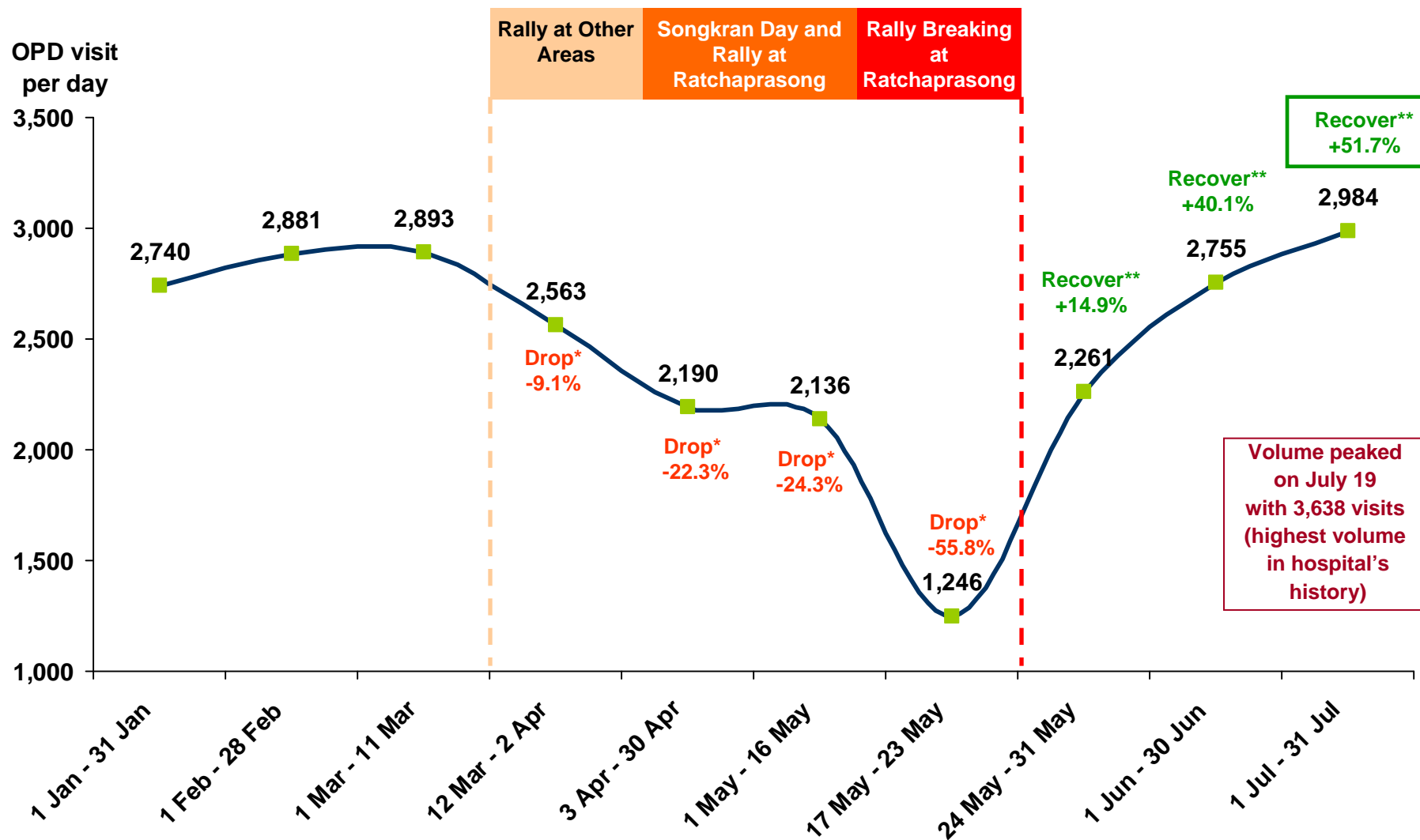
Updates & Ongoing Focus

- Physician recruitment
- Bumrungrad International Limited:
 - Sale of Asia Renal Care was completed
 - BIL to focus on its core business of hospital ownership and management

Agendas

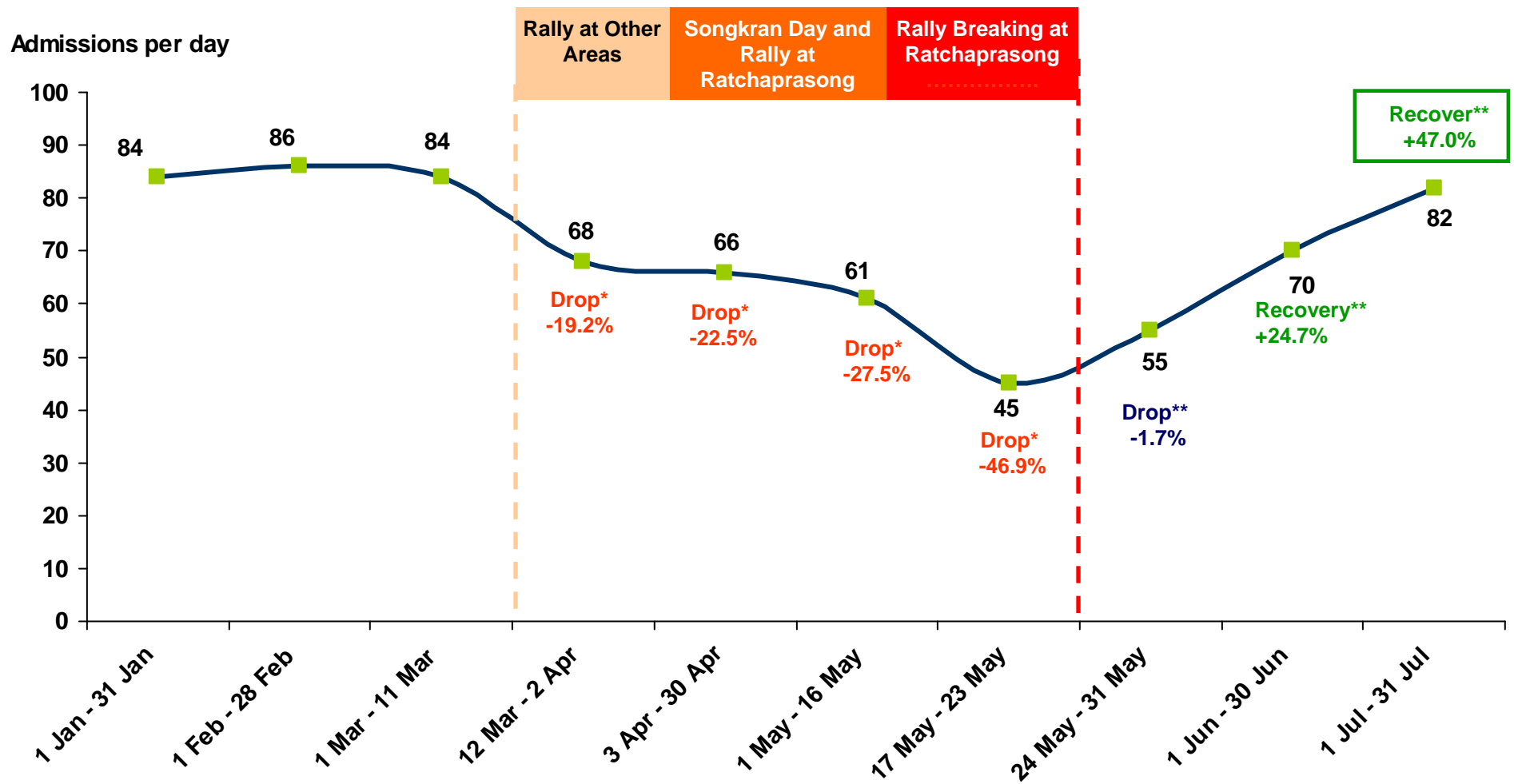
- **Operational Update**
- **Financial Performance**
- **Recent Updates**

OPD Visits per Day (Jan – Jul 2010)



* Compared to Avg. 1Jan-11Mar'10 ** Compared to Avg. May'10

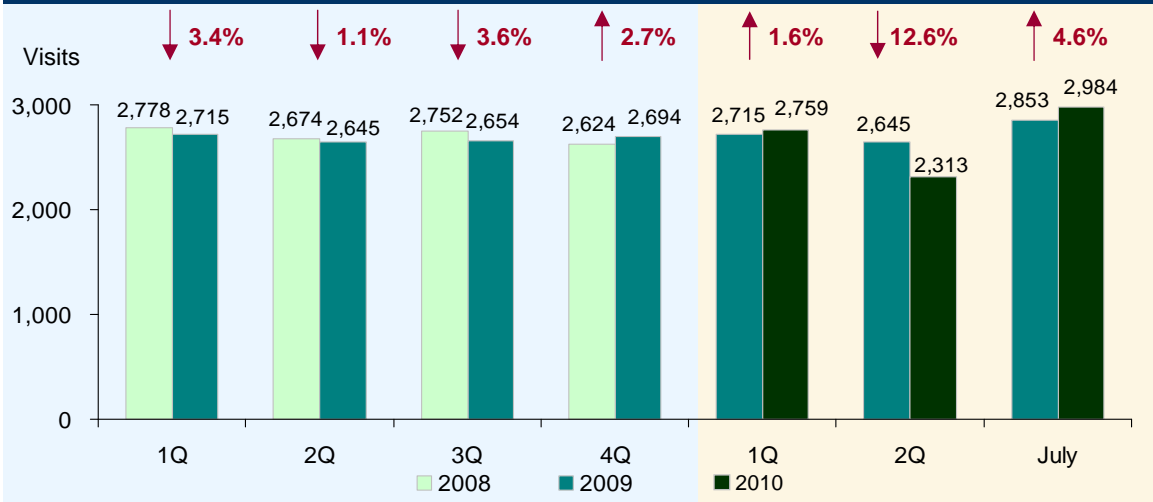
IPD Average Admissions per Day (Jan – Jul 2010)



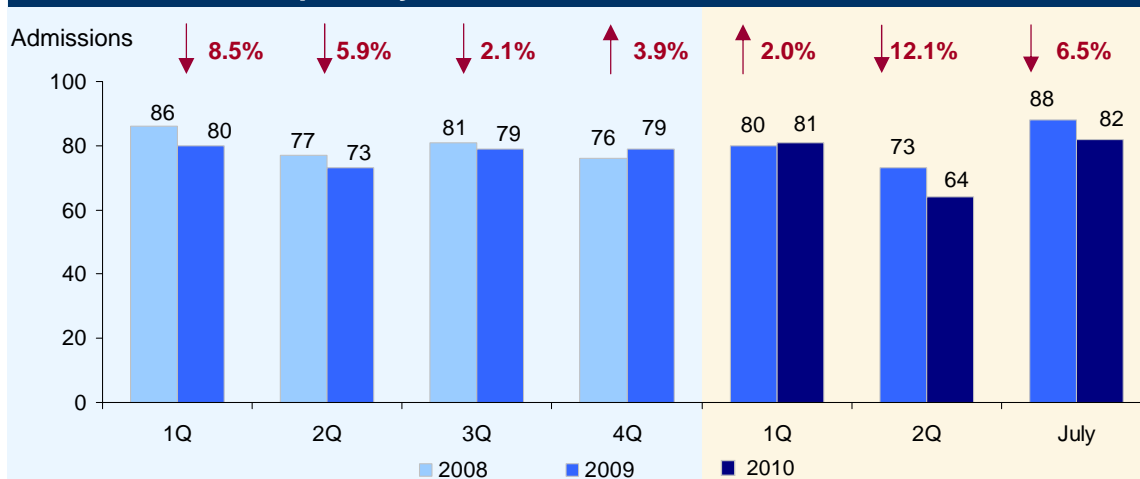
* Compared to Avg. 1Jan-11Mar'10 ** Compared to Avg. May'10

Overall Volume Trend

Total Visits per Day



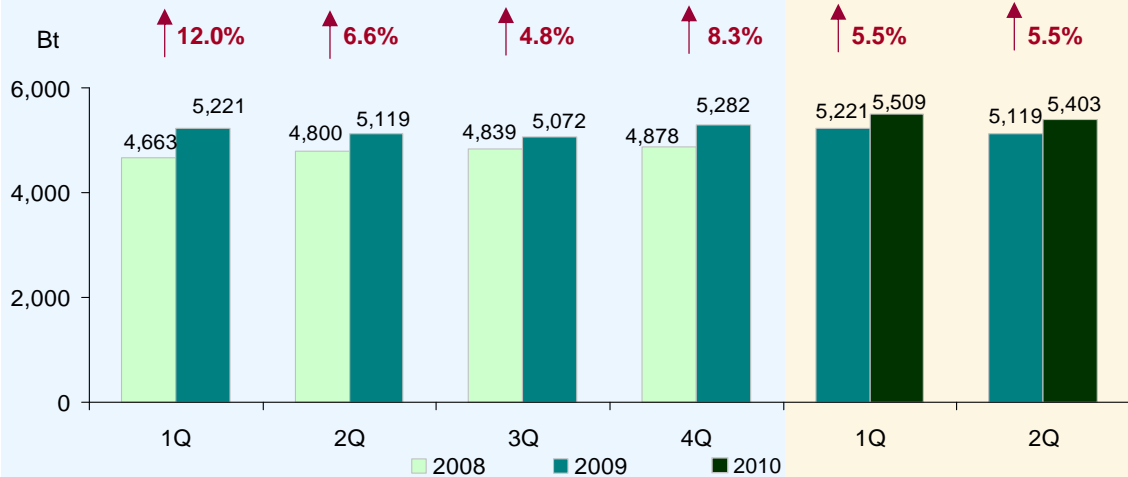
Total Admissions per Day



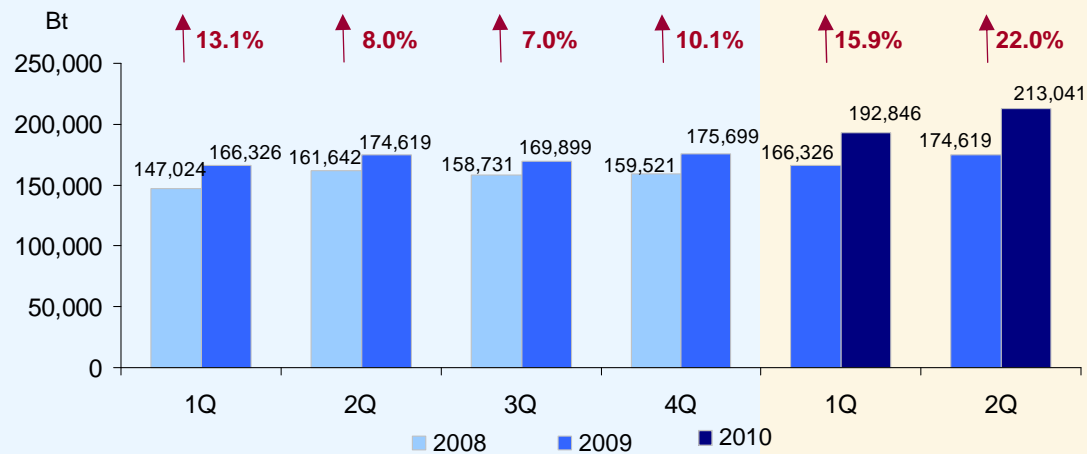
- While volumes were impacted with the global economic slowdown during the first three quarters of 2009, a recovery in overall activity began in 4Q09
- The recovery was stalled with the political unrest during 2Q10, but has resumed in outpatient services with strong international patient visits in July
- Admissions have recovered from the low levels seen during May, but have not yet resumed the y-o-y growth pattern of prior quarters
- Focus on physician recruitment to grow volume

Revenue Intensity

Revenue per Visit



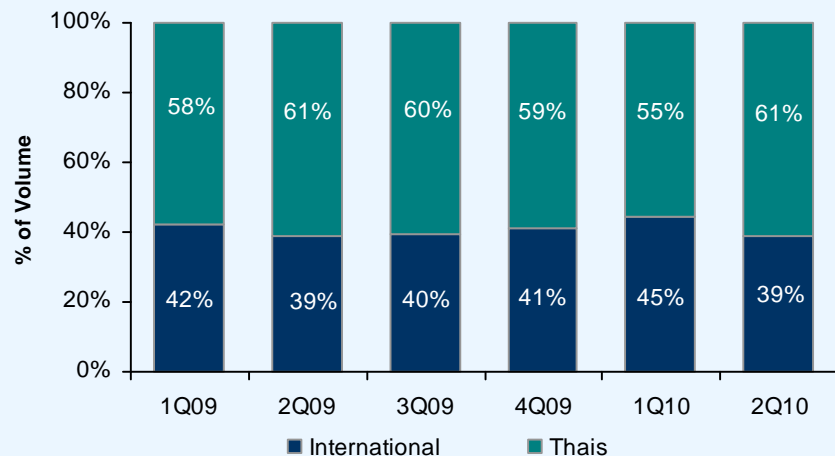
Revenue per Admission



- Revenue per visit and revenue per admission continue to see strong growth from:
 - Growth of International patients in Q1
 - Maintained high acuity patients in Q2
 - Increased consumption in outpatient ancillary services
 - Annual price adjustment

International Breakdown

Volume Contribution by Nationality

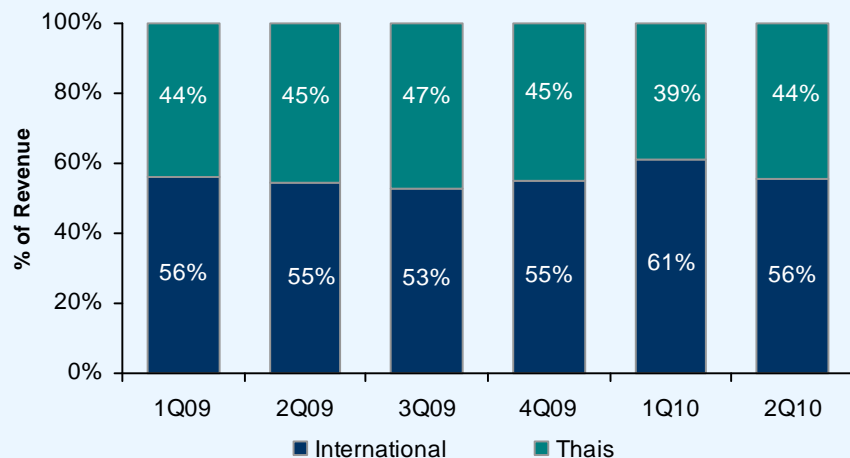


- **International revenue:** 1H10 up 14%, primarily from the intensity, as volume declined in 2Q10

- **Top 5 countries revenue contribution (1H10)**

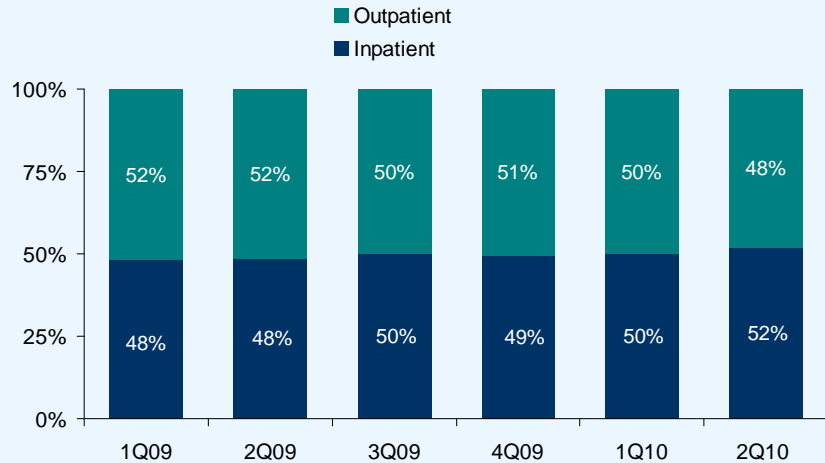
- UAE 11%
- US 6%
- Oman 4%
- Bangladesh 3%
- Myanmar 3%

Revenue Contribution by Nationality

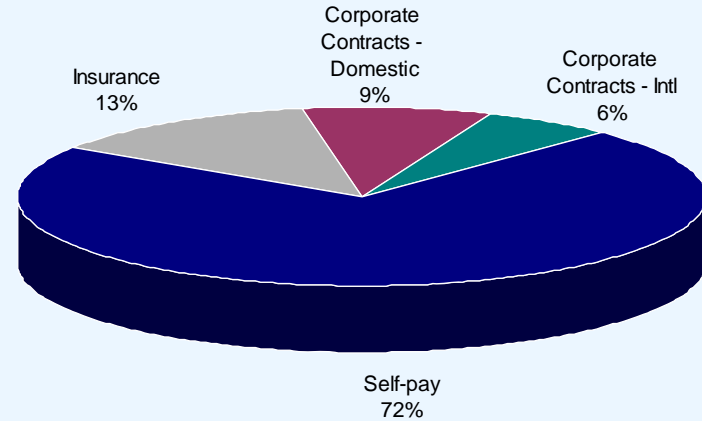


Revenue Breakdown

Inpatient vs. Outpatient - Quarterly (% of revenue)



Method of Payment (% of revenue)



As of June 2010

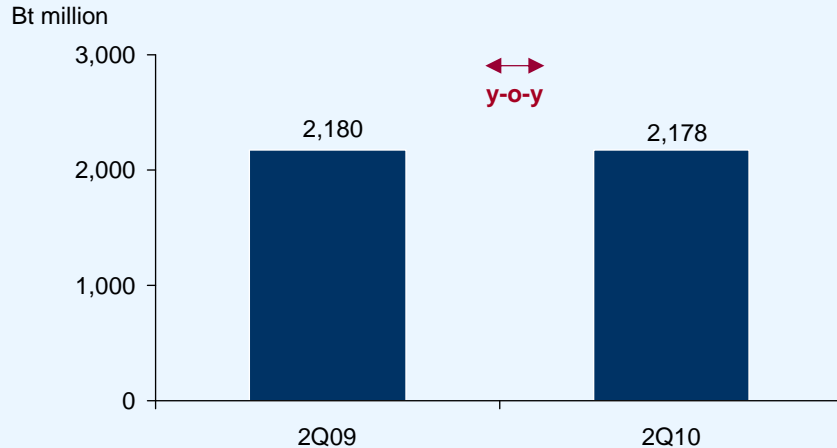
- Revenue contribution from inpatient service increased to 52% in 2Q10 due to lower outpatient volume from the political situation in May 2010
- Revenue breakdown in 2Q10:
 - Inpatient revenue growth of 7%
 - Outpatient revenue decline of 7%
- Revenue by method of payment:
 - Self-pay remains the primary method of payment
 - Increasing trend on international corporate contracts

Agendas

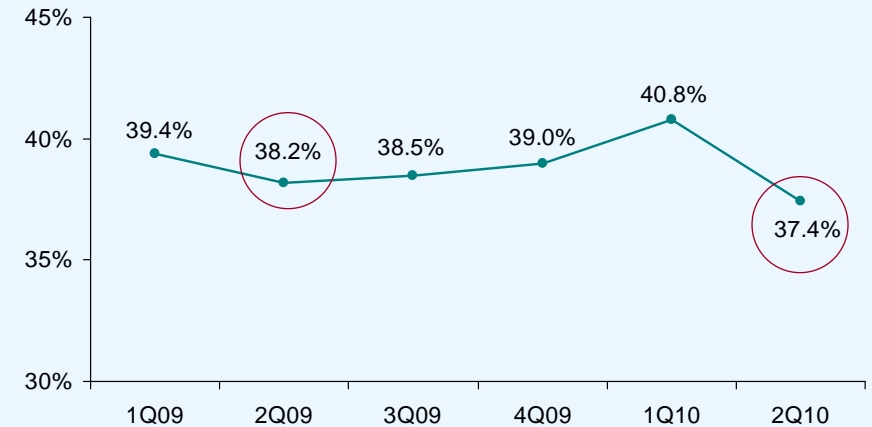
- **Operational Update**
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Revenue & Gross Margin – 2Q10

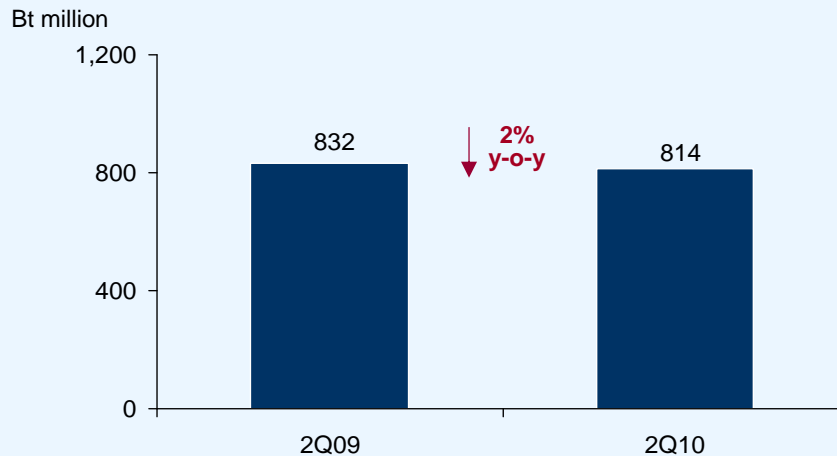
Revenue from Hospital Operations



Gross Margin Trend



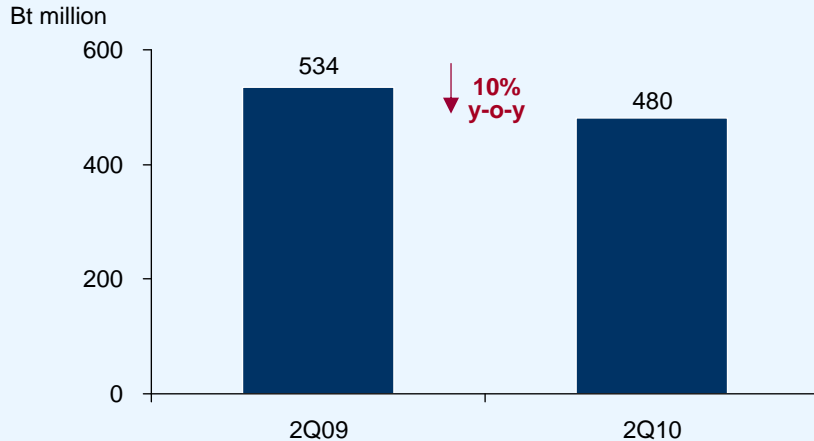
Gross Profit



- Sales from hospital operations was flat y-o-y, primarily from the political unrest which resulted in overall volume drop of 12%
- 2Q10 gross margin declined to 37.4% from increase in headcount to accommodate the volume growth in 1Q10 and overtime expenses as the hospital staffed personnel during the political unrest for the preparation of mass casualties

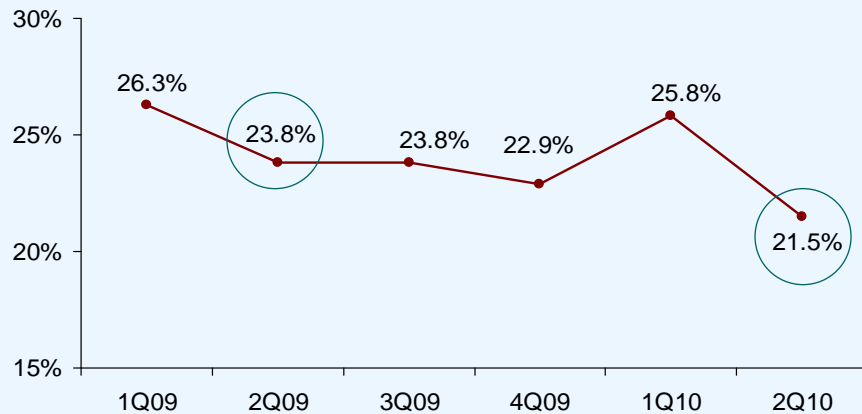
EBITDA & EBITDA Margin - 2Q10

EBITDA



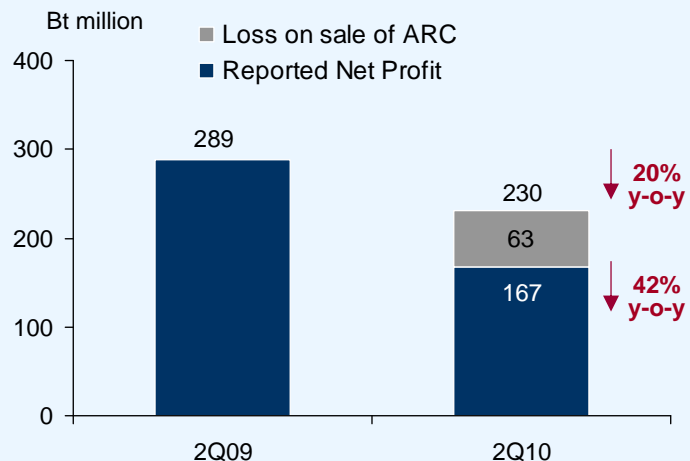
- Administrative expenses increased 7% y-o-y from:
 - Increase in marketing expenses due to increased marketing efforts during the downturn
 - Increase in donation “Rak Jai Thai”, 500-heart project
 - Expenses from two start-up businesses: Asia Global Research (clinical research) and Vitechpro (wholesale of anti-aging products and services)
- Therefore, EBITDA margin in 2Q10 was 21.5% compared to 23.8% in 2Q09

EBITDA Margin Trend



Net Profit & Net Profit Margin - 2Q10

Net Profit

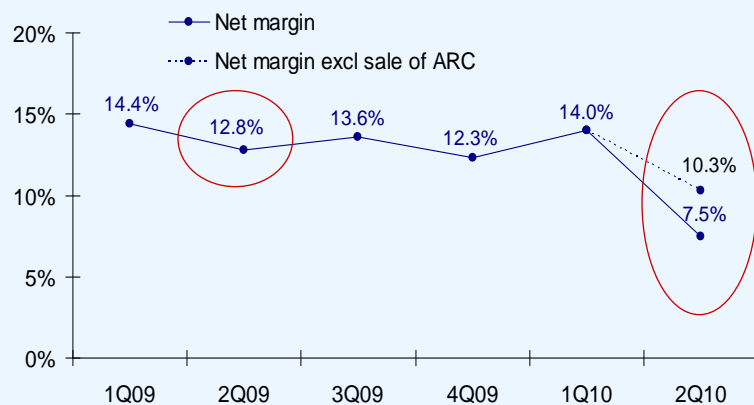


- Higher depreciation due to the completion of ward renovations and capacity increase, with the opening of the new Women Center and Digestive Diseases Center
- Contribution from Bumrungrad International Limited included loss from sale of Asia Renal Care (ARC) Group of Bt 63 million, consisting of;

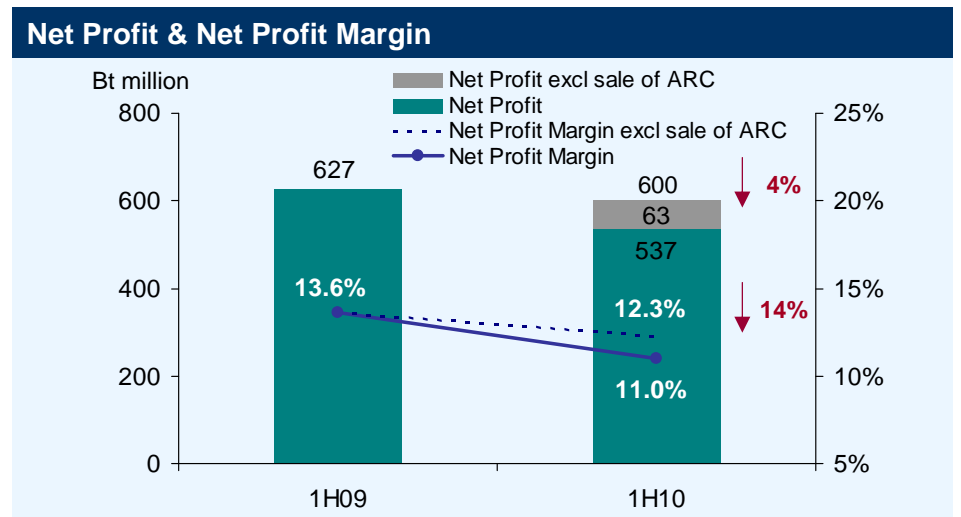
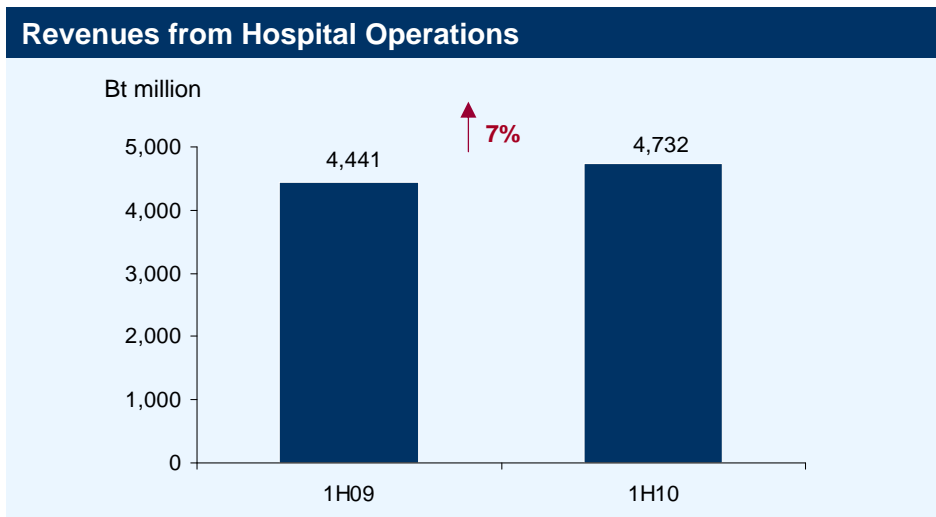
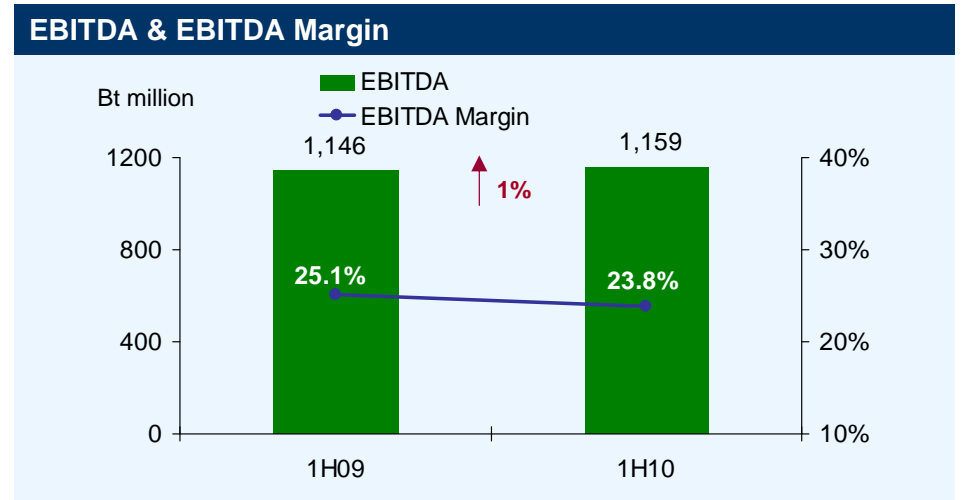
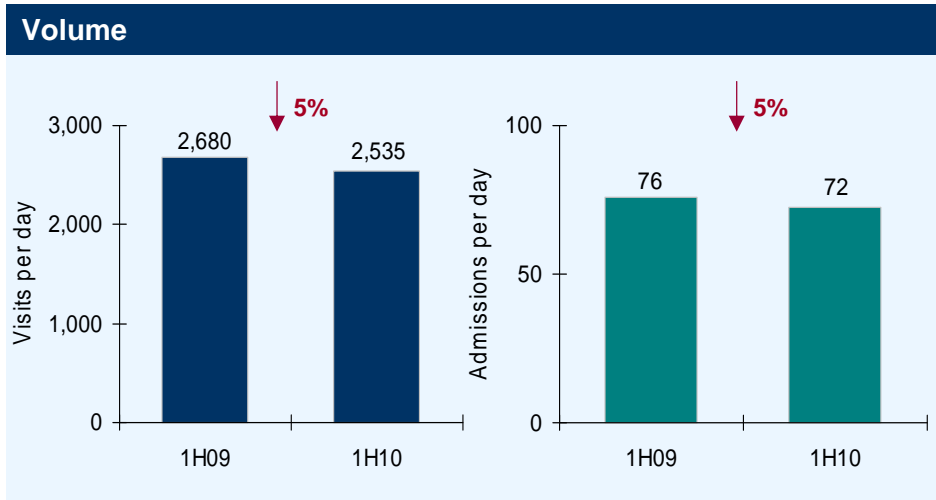
Gain on sale of ARC (Thailand)	Bt 9 million	} <i>Loss before translation adjustment is immaterial</i>
Loss on sale of ARC Ltd	Bt 9 million	
Loss on translation adjustment	Bt 63 million	
<hr/>		
Loss on sale of ARC Group	Bt 63 million	
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- Excluding the one-time loss on sale of investment ARC Group, BH's 2Q10 net profit is Bt 230 million, a 20% decline y-o-y
- Net profit margin excluding one-time loss on sale of ARC declined to 10.3% in 2Q10, from 12.8% in 2Q09

Net Profit Margin

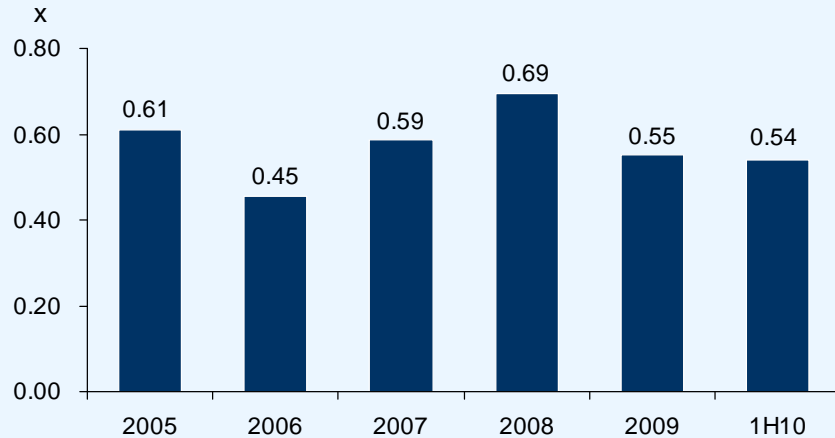


Financial Summary – 1H10

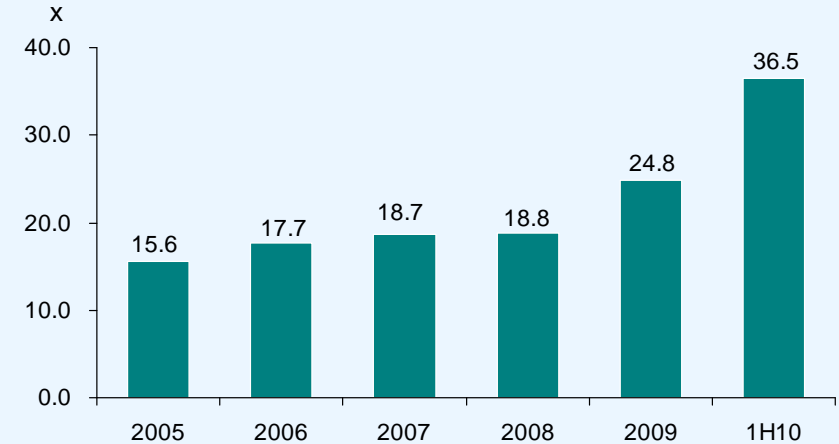


Leverage

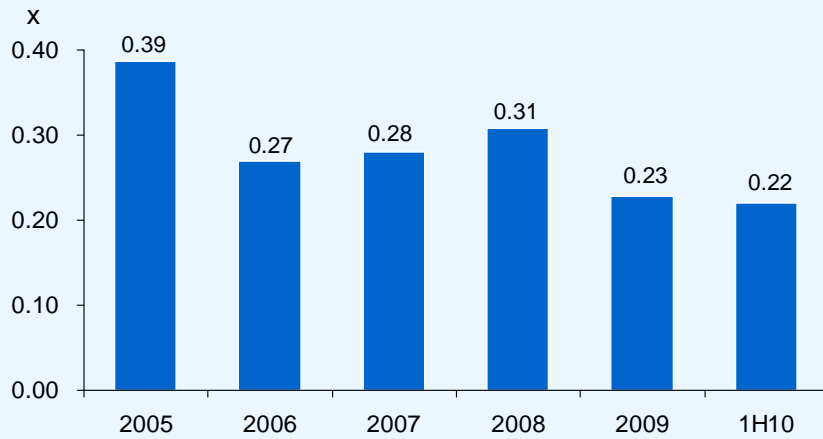
Net Debt to EBITDA



Interest Coverage



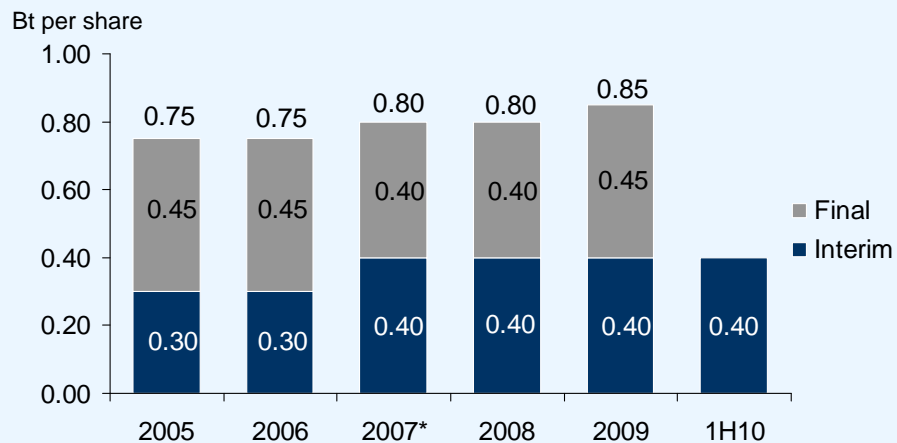
Net Debt to Equity



- Low levels of financial leverage provide flexibility for future funding alternatives
- Committed and available, but undrawn, bank facilities total Bt 1.2 billion as of June 30, 2010
- Lenders have indicated a willingness to consider additional loans totaling Bt 8-10 billion

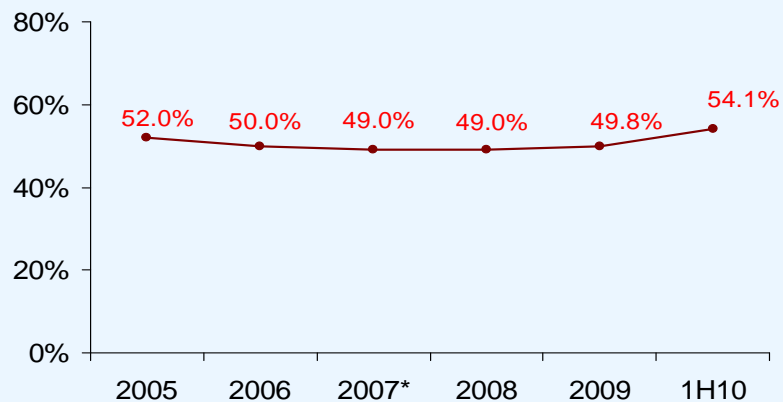
1H10 Dividend Payment

Dividend Payment



- The board of directors announced the dividend payment with details as follows:
 - Dividend payment for 1H10 operation of Bt 0.40 per share
 - Record date: 30 Aug 2010
 - Book closing date: 31 Aug 2010
 - Dividend payment date: 9 Sept 2010

Payout Ratio

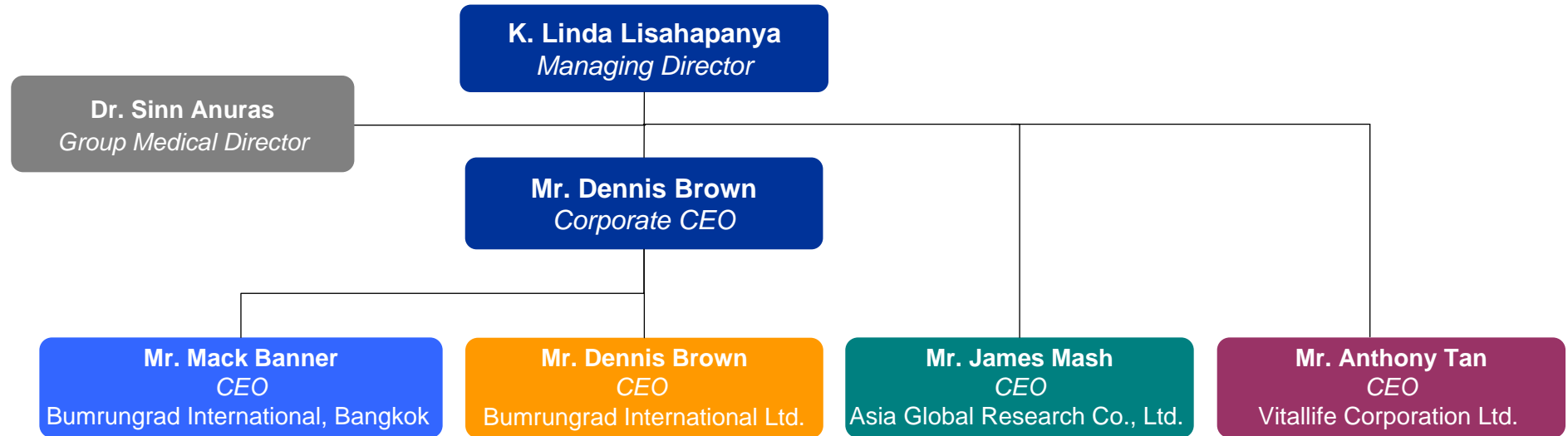


* Payout ratio for 2007 is calculated assuming a net profit figure of Baht 1,195 million reflecting adjustments for the sale of GCS

Agendas

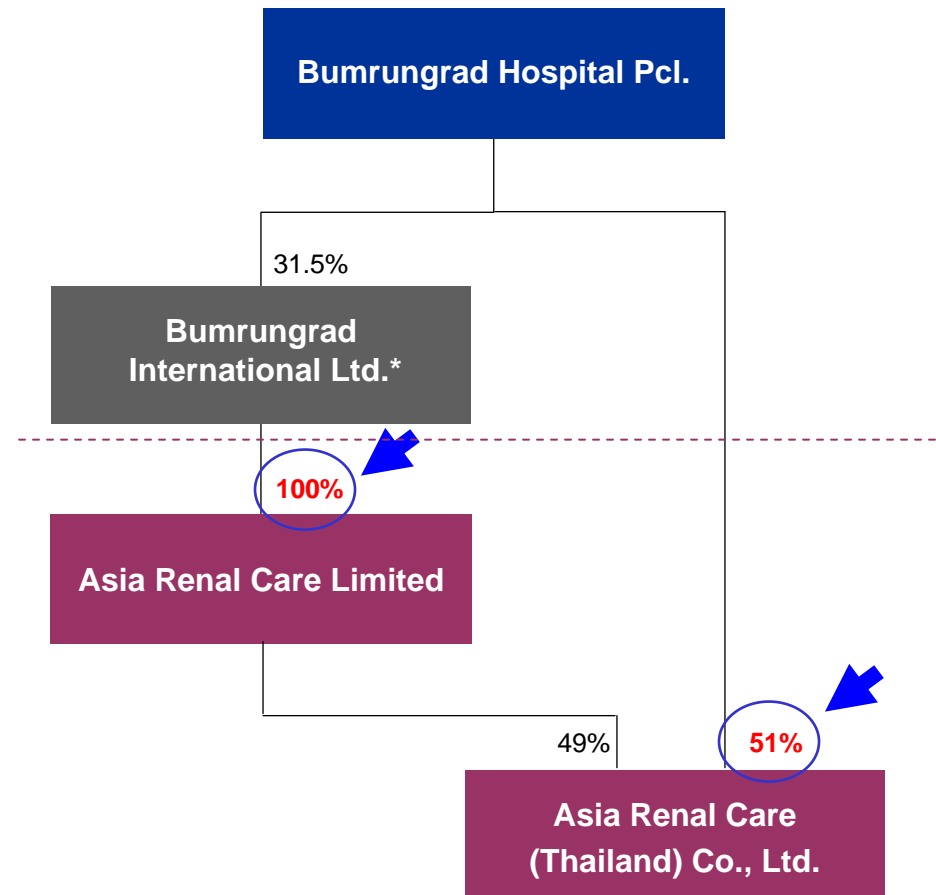
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Management Team Update

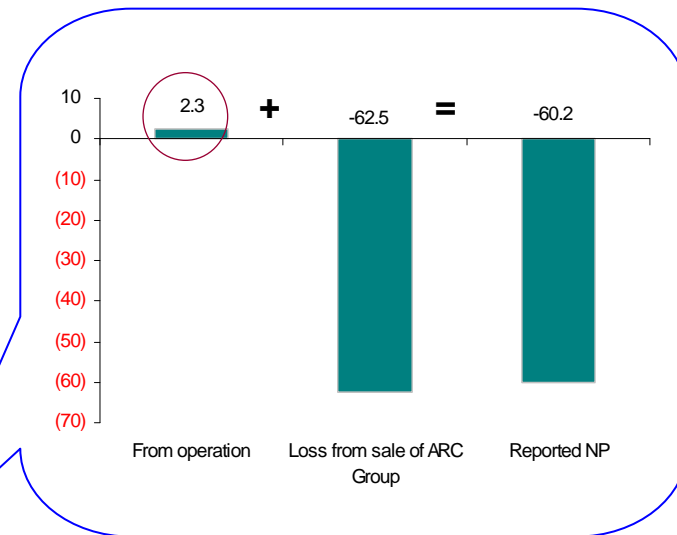
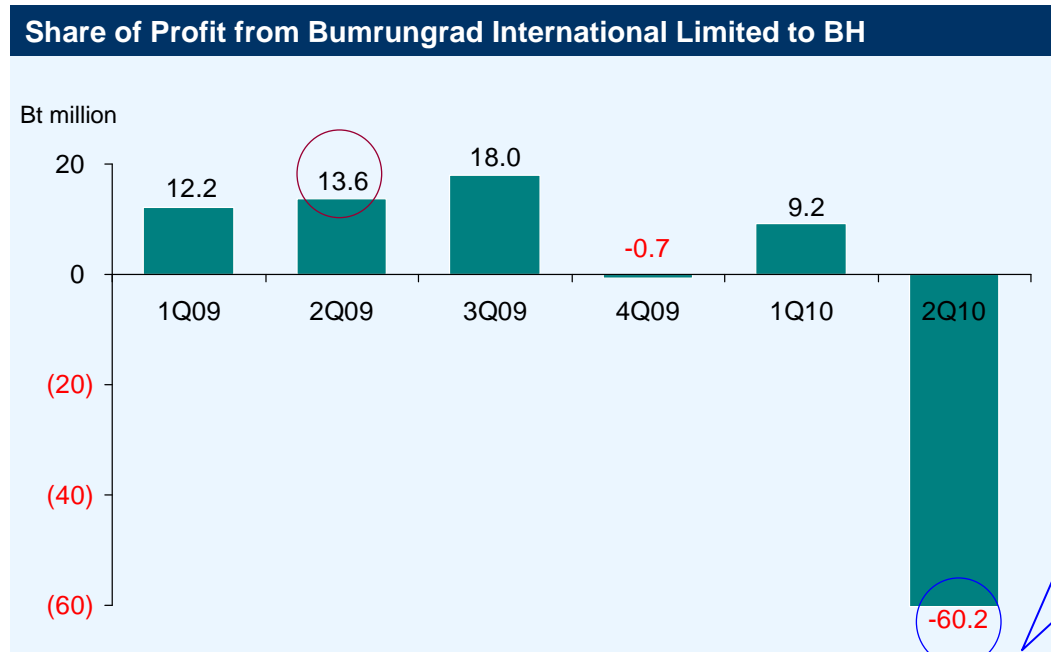


Sale of Asia Renal Care

- BIL acquired ARC in July 2007, with a network of 67 dialysis clinics in 6 countries
- Network was expanded to 102 clinics, including new entry into Thai market with BHPCL as the local partner
- Growth strategy emphasized Taiwan and Korea, where subsequent regulatory events impacted prospects
- The group completed the sale in July 2010:
 - Bumrungrad International Limited sold 100% of Asia Renal Care Limited
 - BH sold 51% of Asia Renal Care (Thailand) Limited
- Transaction excluding FX translation adjustment was near break-even level
- Bt 63 million loss was recognized after the translation adjustment



Contribution from Bumrungrad International Limited



- Sale of Asia Renal Care (ARC) Group resulted in loss to BH of Bt 62.5 million, the majority of which is loss on translation adjustment
- Excluding the one-time loss related to sale of ARC Group, BIL's contribution to BH decreased to Bt 2.3 million in 2Q10, lower from Bt 13.6 million in 2Q09 due to operational write-down of ARC in 2Q10

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

Mafraq Hospital

Managed by Bumrungrad International Ltd



- Able to meet KPIs and is entitled to incentive fees

Bumrungrad International Limited is focusing on expansion opportunities

- ***In the hospital sector***
- ***In Asian markets which are supportive of private sector healthcare***
- ***Where valuations are reasonable***
- ***Project timing is difficult to predict given decision points of asset sponsors or governments***

Thank You