

Bumrungrad Hospital Public Company Limited

**Analyst Meeting No. 1/2011
4Q10 and 2010 Results Update
2 March 2011**



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Overview

Operational Update

- **4Q10:** Total patient volumes and revenue per episode continued to grow for 4Q10 compared with 4Q09. Outpatient service revenue increased by 8% year over year while inpatient service revenue increased by 1% year over year.
- **2010:** Inpatient service revenues increased by 10% year over year and outpatient service revenues increased by 5% year over year.

Financial Performance

- 4Q10 results reflected improved operation
- 4Q10 Revenues ↑ 5% y-o-y 2010 Revenues ↑ 8% y-o-y
- 4Q10 EBITDA ↑ 14% y-o-y 2010 EBITDA ↑ 9% y-o-y
- 4Q10 Net profit ↑ 15% y-o-y 2010 Net profit ↑ 1% y-o-y

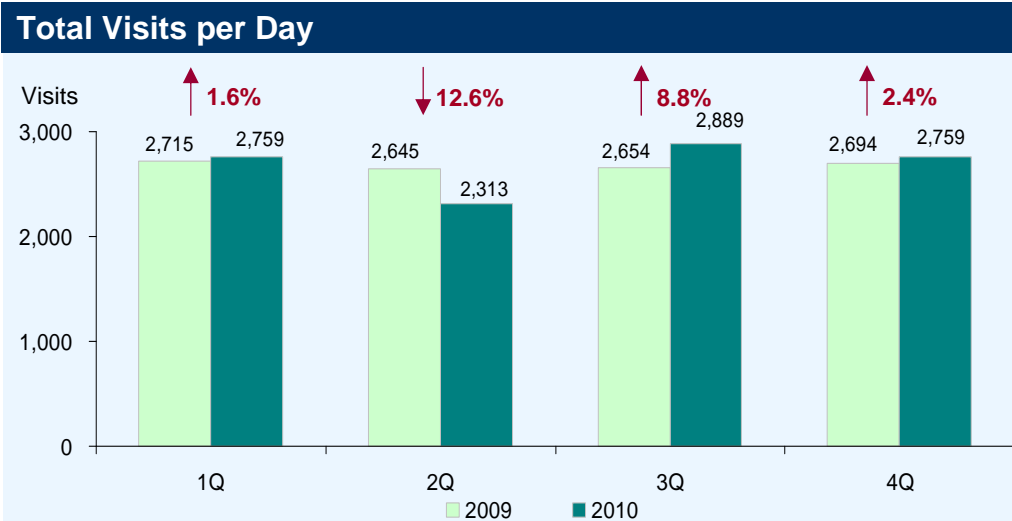
Updates & Ongoing Focus

- 2011 Strategy
 - Campus expansion
 - Physician recruitment
- Bumrungrad International Limited:
 - BIL to focus on its core business of hospital ownership and management

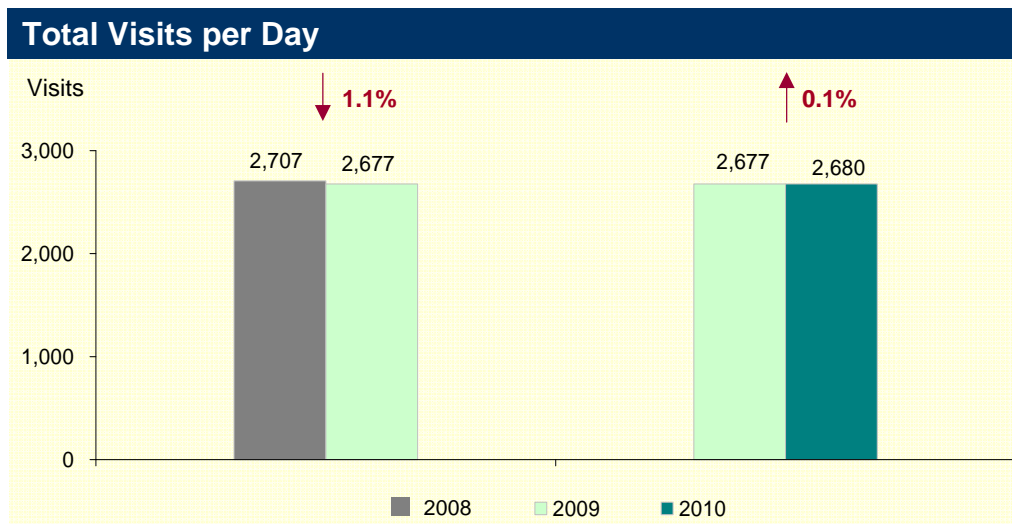
Agendas

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

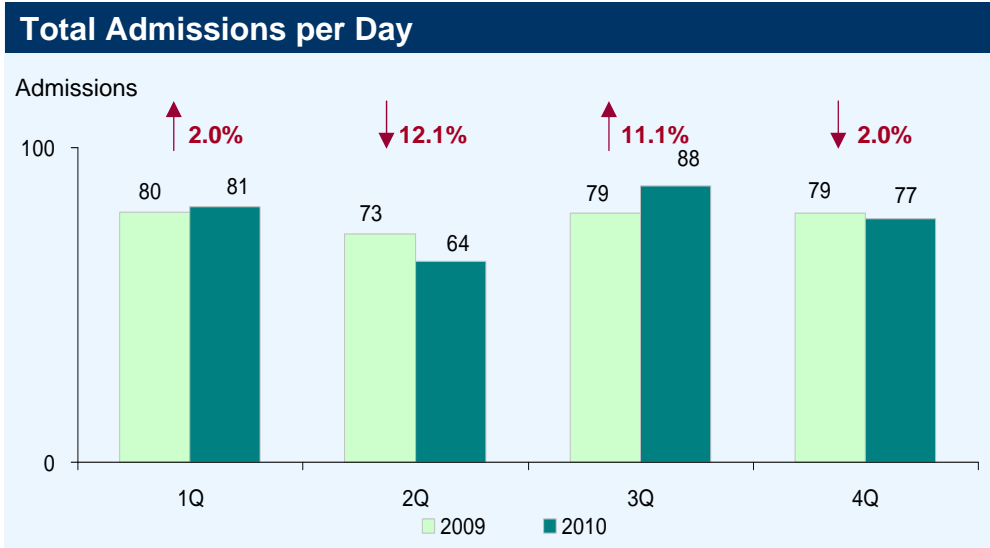
Overall Volume Trend (1)



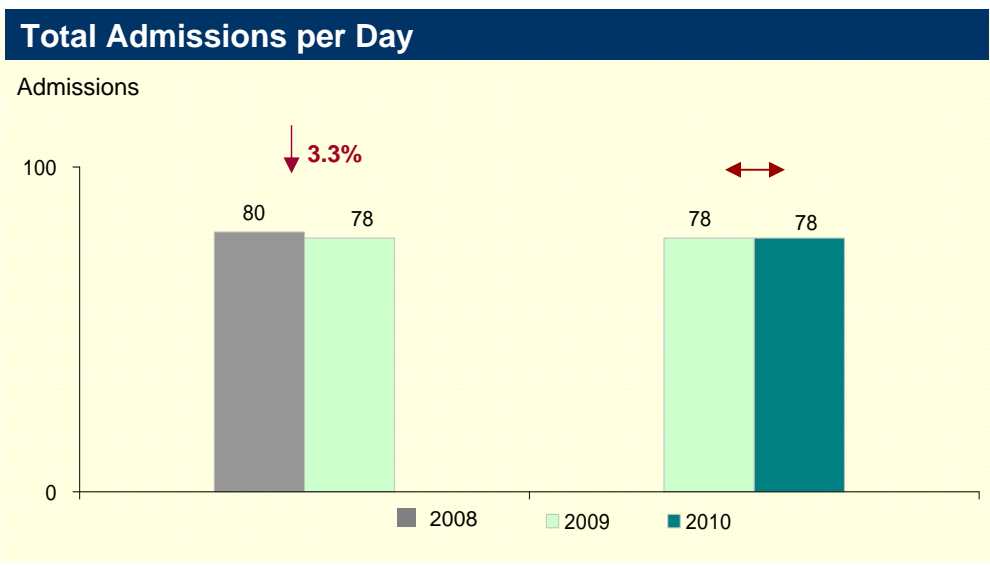
- 4Q10 total visits increased by 2.4% compared to 4Q09.
- Total visits increased slightly in 2010 compared to 2009. The growth in total visits was adversely affected in 2Q10 from political unrest.
- Focus on campus expansion and physician recruitment to grow volume



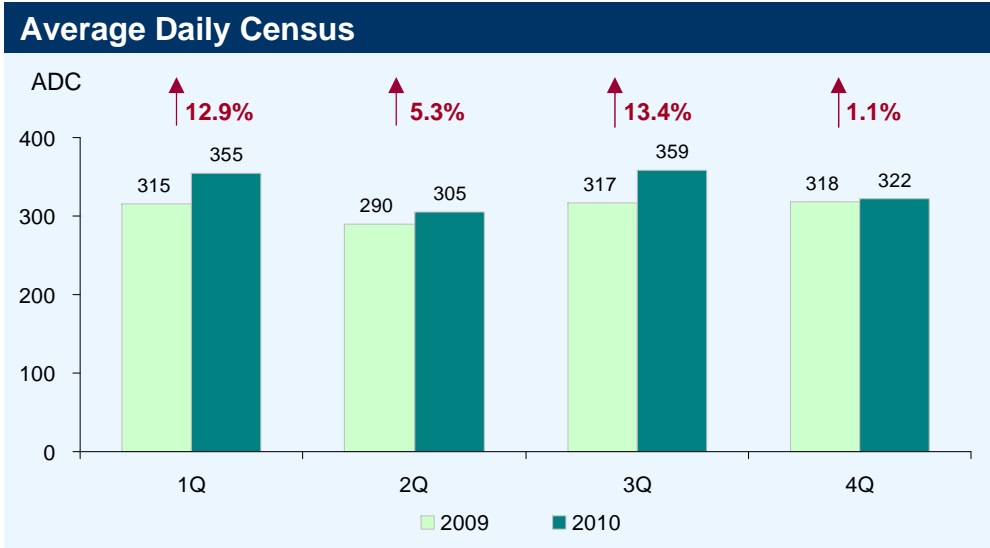
Overall Volume Trend (2)



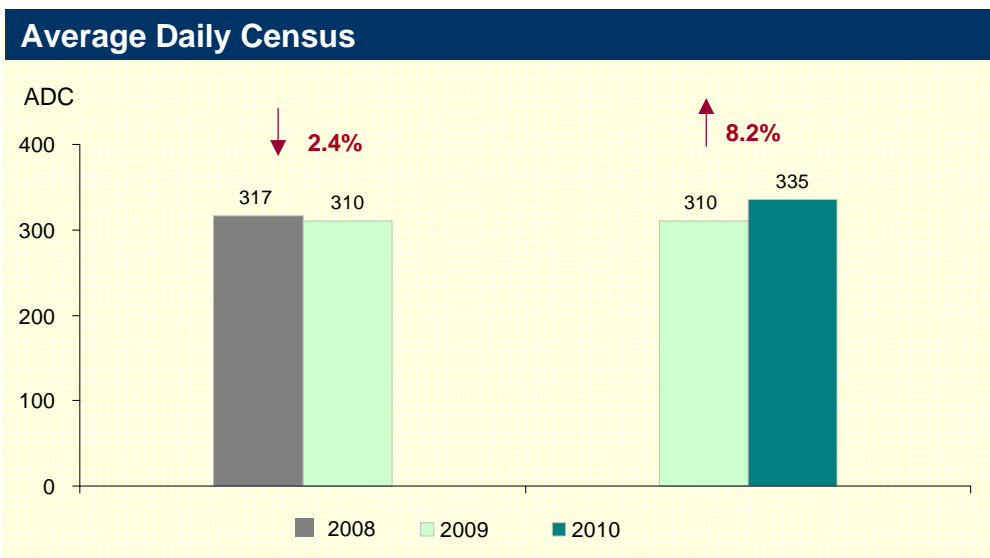
- 4Q10 total admissions dropped by 2.0% from the prior year period, due to an earlier flu season in 2010 and a strong base period for international patients in 4Q09.
- Despite the challenges of 2Q10, total admissions in 2010 were level with the prior year, ending the decline seen during 2009.



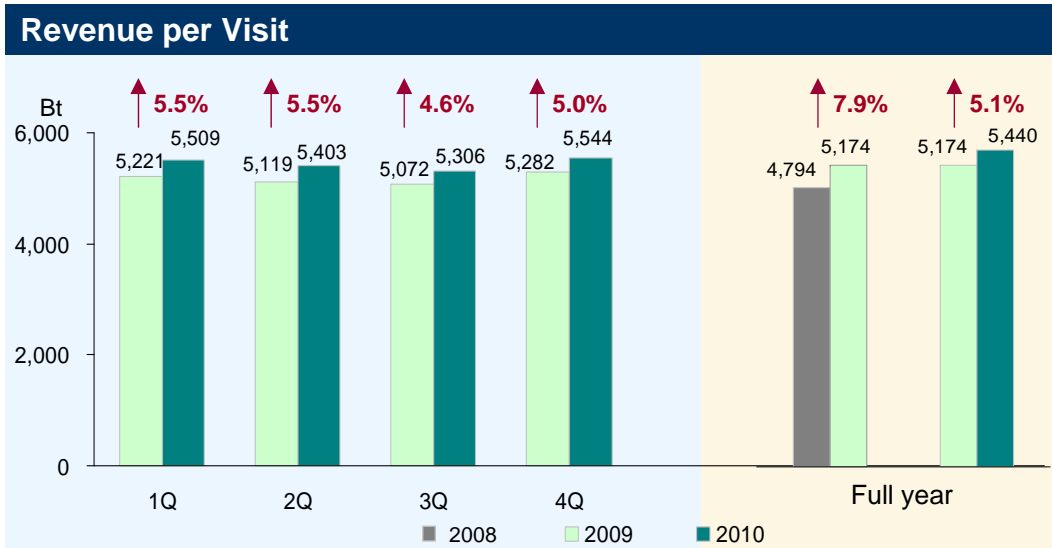
Overall Volume Trend (3)



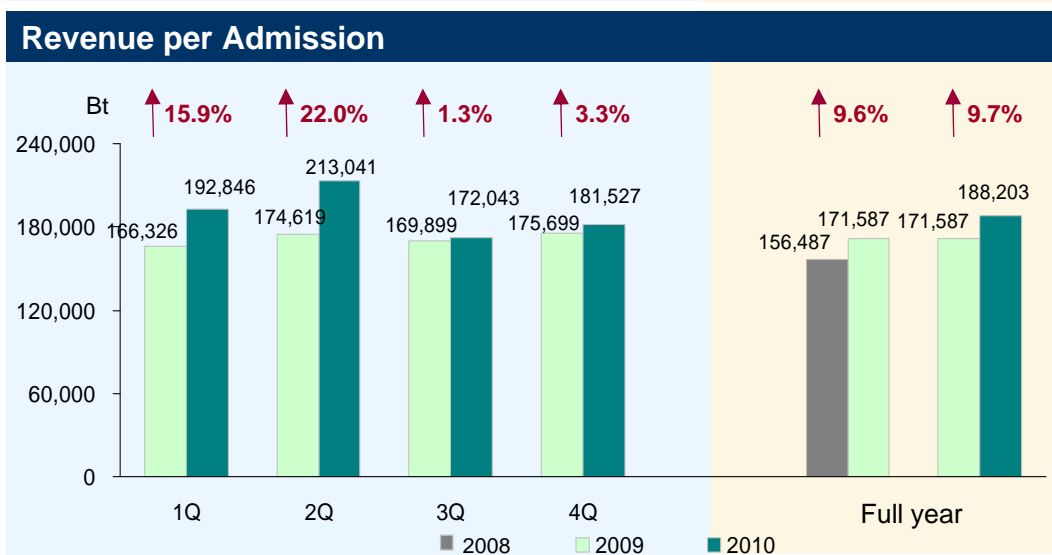
- Average Daily Census in 4Q10 increased from prior year as a result of higher average length of stay.
- For 2010, Average Daily Census increased, also resulting from higher length of stay.



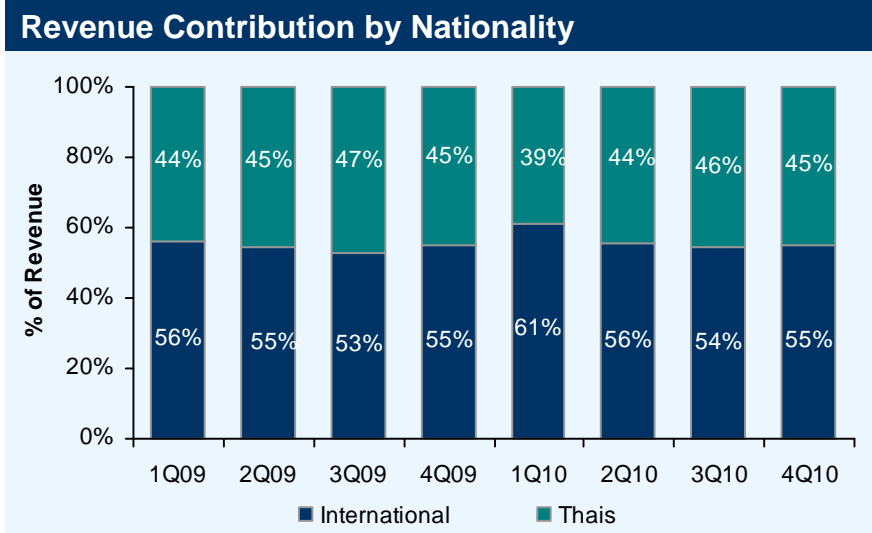
Revenue Intensity



- Revenue per visit growth resulted from increased consumption in outpatient ancillary services and annual price adjustment.
- The change in mix of admissions for 4Q10, with a marginal drop in international patients vs. the strong base period, resulted in slower inpatient revenue intensity growth for the quarter. However, full year growth surpassed 2009.



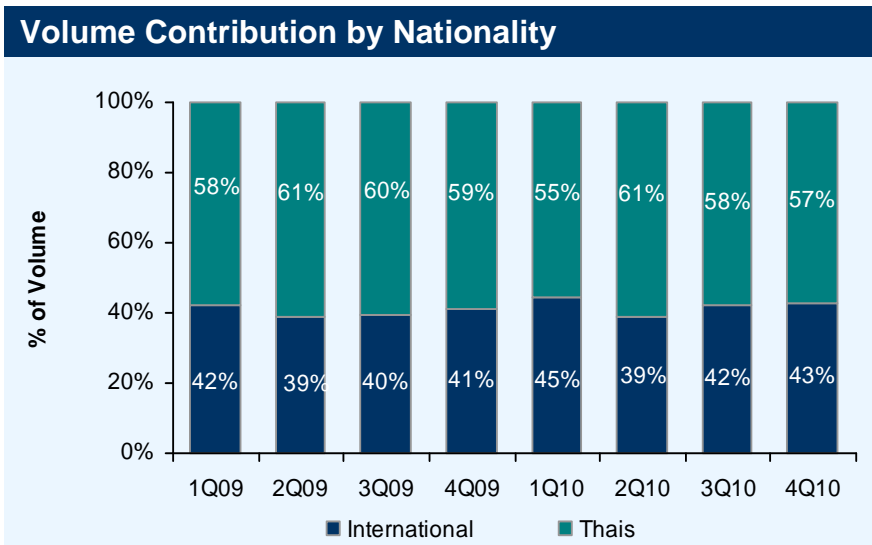
International Breakdown



- **International revenue:** 2010 up 12% y-o-y, primarily from revenue intensity

- **Top 5 countries revenue contribution (2010)**

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

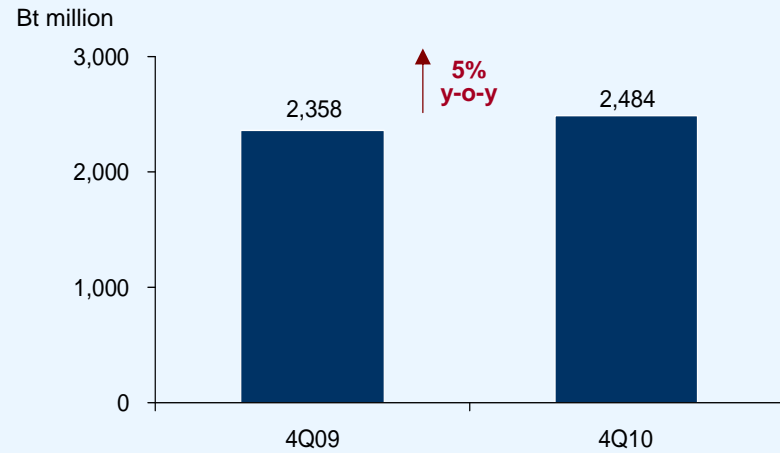


Agendas

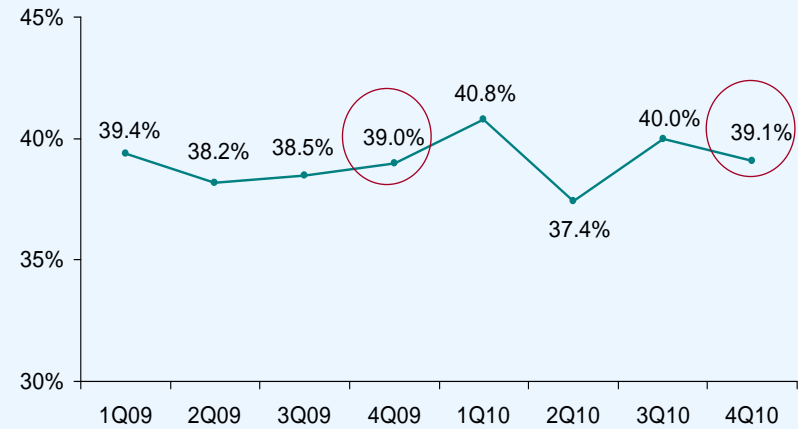
- Operational Update
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Revenue & Gross Margin – 4Q10

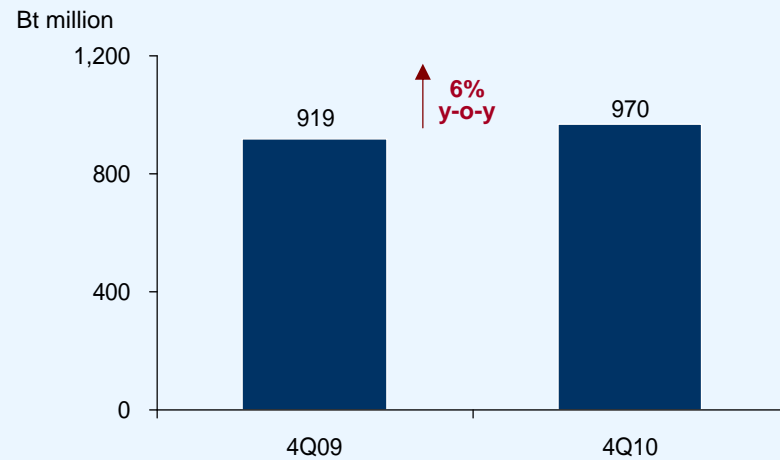
Revenue from Hospital Operations



Gross Margin Trend



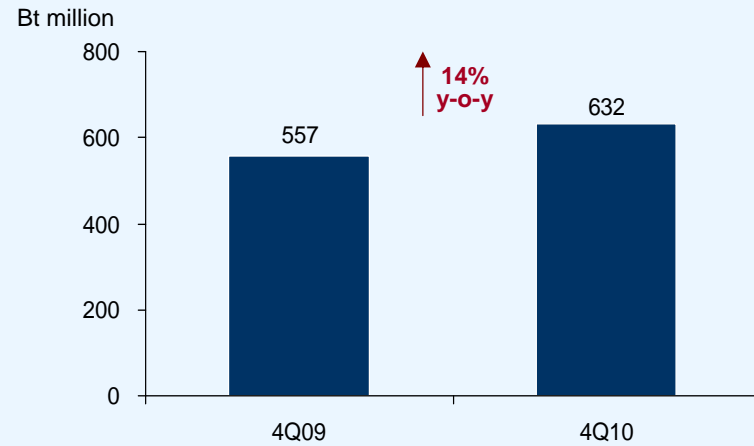
Gross Profit



- Revenues from hospital operations increased 5% y-o-y as total patient volumes and revenue per episode continued to grow for 4Q10 compared with 4Q09.
- 4Q10 gross margin was 39.1% from 39.0% in 4Q09, attributable to the slower pace of growth in cost of hospital operation.

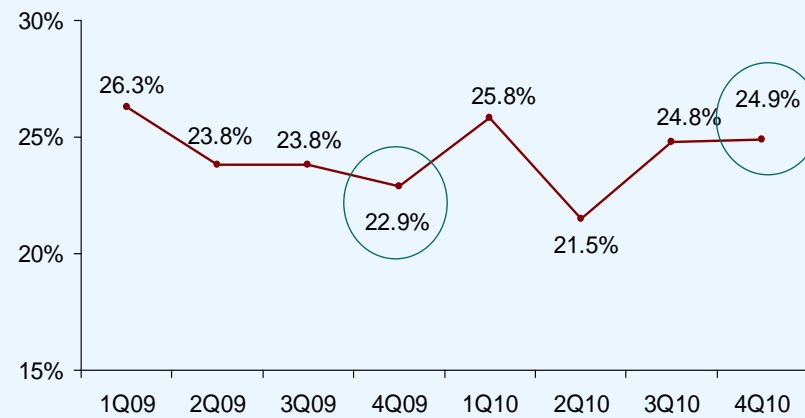
EBITDA & EBITDA Margin - 4Q10

EBITDA

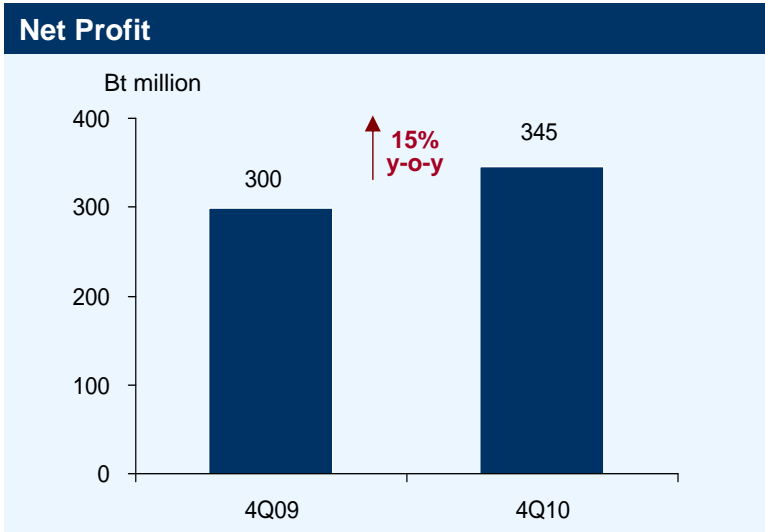


- Administrative expenses decreased 9% y-o-y from;
 - Reversal of accruals for employee expenses and marketing expenses
 - Reduced donation expense
 - Lower cost burden from subsidiaries
- EBITDA margin in 4Q10 was 24.9% compared to 22.9% in 4Q09

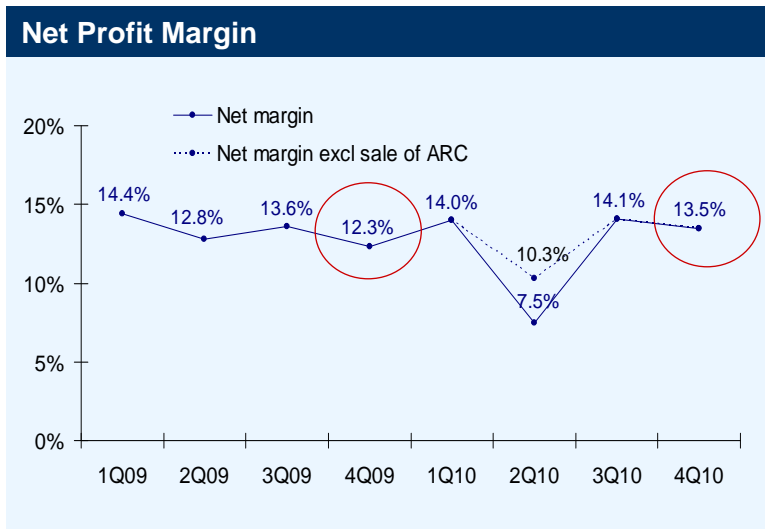
EBITDA Margin Trend



Net Profit & Net Profit Margin - 4Q10

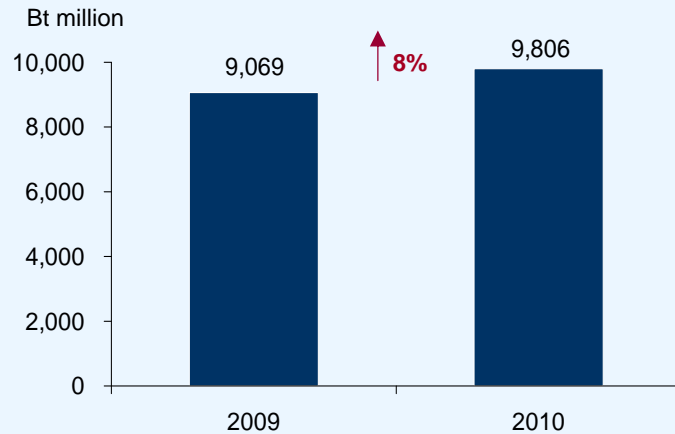


- Revenue intensity and higher operating margin delivered an increase in net profit to Baht 345 million, 15% increase y-o-y from Baht 300 million in 4Q09.
- Net profit margin increased to 13.5% in 4Q10, from 12.3% in 4Q09

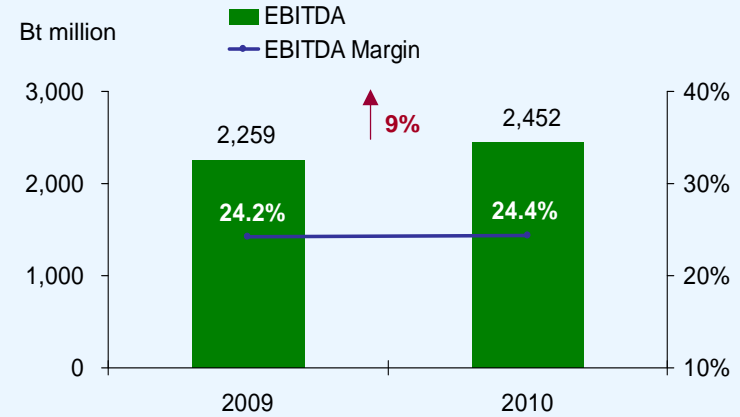


Financial Summary – 2010

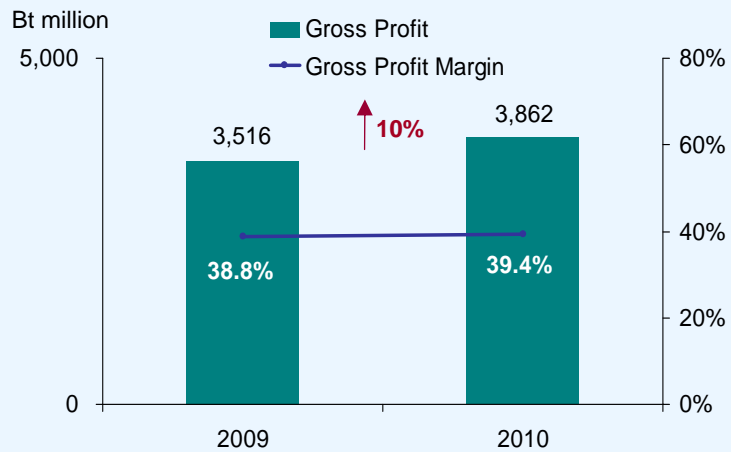
Revenues from Hospital Operations



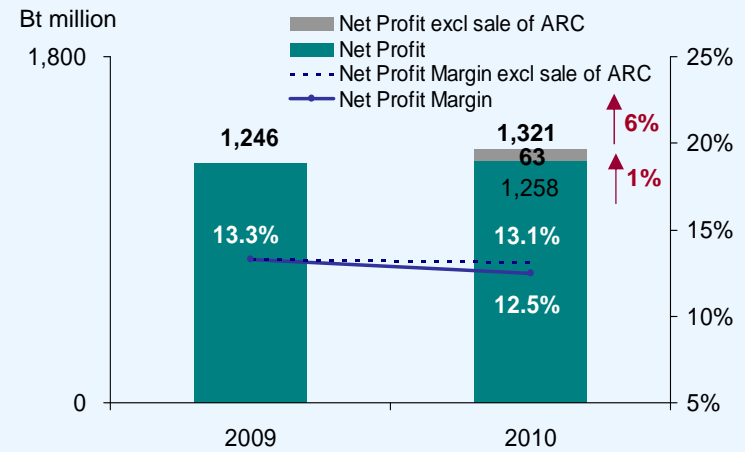
EBITDA & EBITDA Margin



Gross Profit & Gross Profit Margin

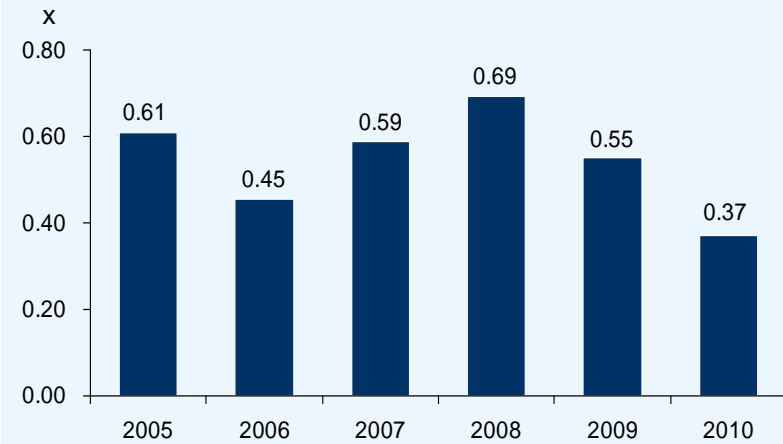


Net Profit & Net Profit Margin

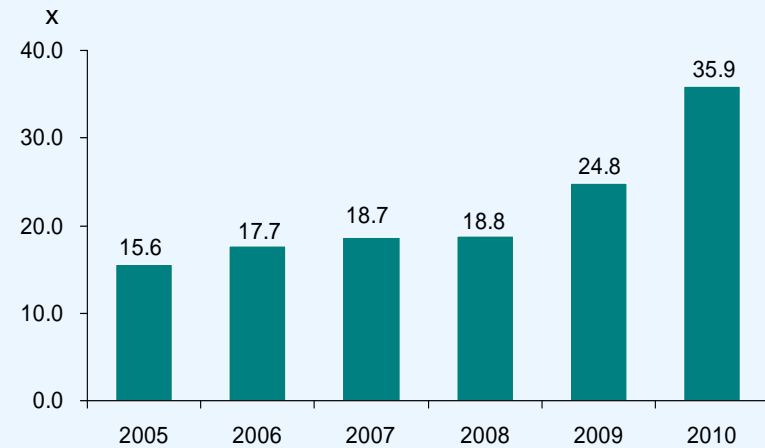


Leverage

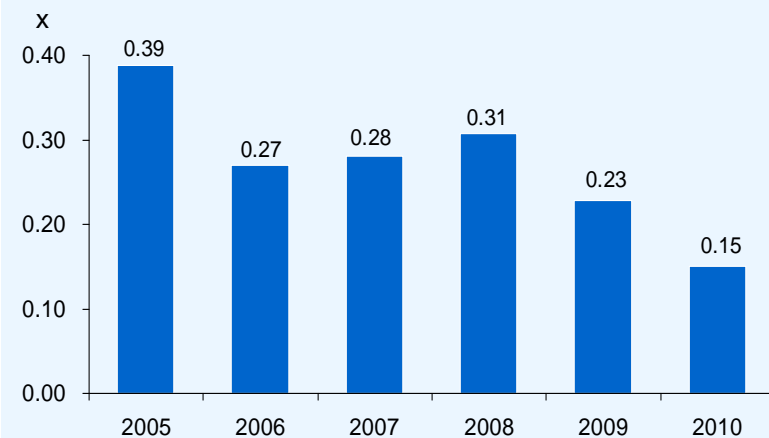
Net Debt to EBITDA



Interest Coverage



Net Debt to Equity

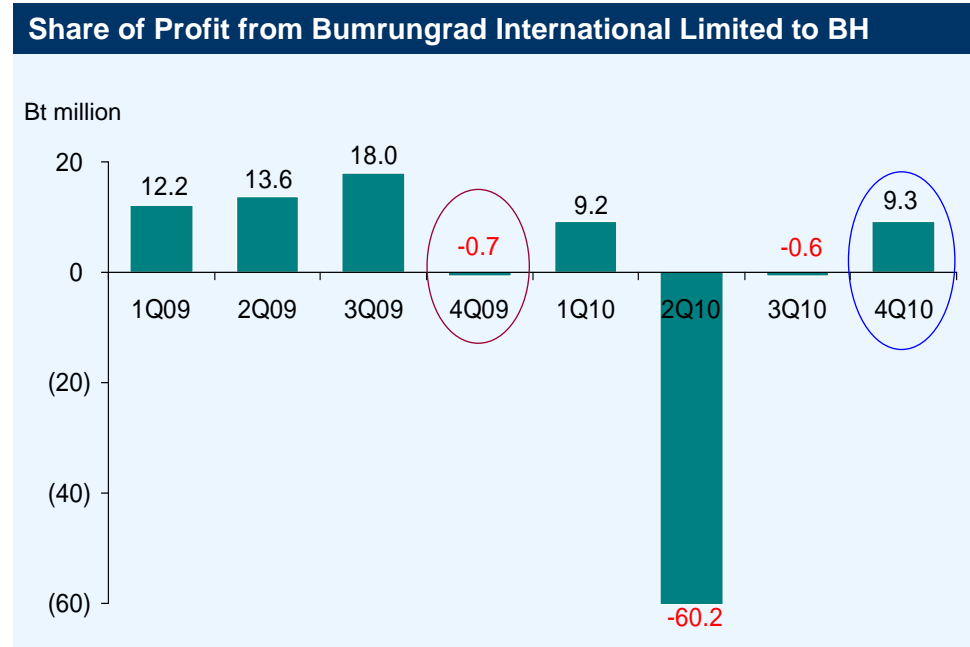


- Low levels of financial leverage provide flexibility for future funding alternatives
- Committed and available, but undrawn, bank facilities total Baht 1.3 billion as of December 31, 2010
- Lenders have indicated a willingness to consider additional loans totaling Baht 8-10 billion

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Contribution from Bumrungrad International Limited



- BIL contributed Baht 9.3 million share of income in 4Q10, an increase from Baht 0.7 million share of loss in 4Q09.

Updates on Bumrungrad International Limited



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



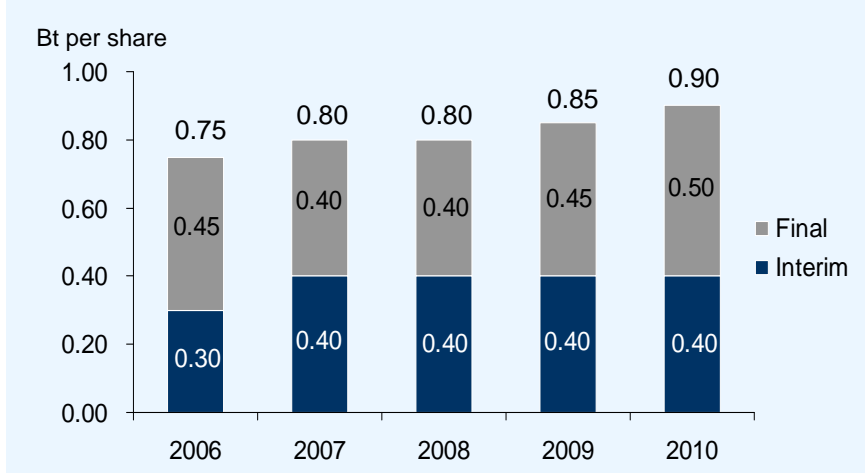
- Able to meet KPIs and is entitled to incentive fees

Bumrungrad International Limited is focusing on expansion opportunities

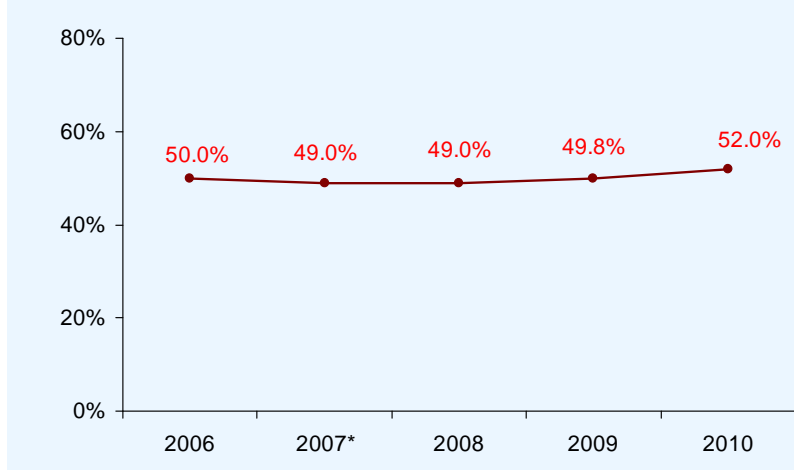
- *In the hospital sector*
- *In Asian markets which are supportive of private sector healthcare*
- *Where valuations are reasonable*
- *Project timing is difficult to predict given decision points of asset sponsors or governments*

Dividend Payment

Dividend Payment



Payout Ratio



- The board of directors announced the dividend payment (subject to shareholders' approval) with details as follows:
 - Dividend payment for the year 2010 of Bt 0.90 per share
 - The company already paid interim dividend of Bt 0.40 per share
 - The remaining dividend payment is Bt 0.50 per share
 - Record date: 14 March 2011
 - Book closing date: 15 March 2011
 - Dividend payment date: 24 May 2011

* Net profit used to calculate the dividend payout ratio in 2007 is:

2007 net profit	Baht 1,605 million
- share gain from GCS	- Baht 829 million
+ dividend received from GCS	+ Baht 418 million
= Net profit for dividend payment	Baht 1,195 million

Impact from new and revised accounting standards

The Company would like to highlight the impact of the application of TAS 19: Employee Benefits for 2011.

TAS 19 Employee Benefits

- This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits or liabilities arising from other defined benefit plans using actuarial techniques. Until December 31, 2010, the Company accounted for such employee benefits when they were incurred.
- The adoption of this TAS in 2011 will have ***the effect of decreasing the beginning balance of retained earnings in the consolidated financial statements by approximately Baht 265.6 million.***

Capacity Update

Outpatient Service	<ul style="list-style-type: none">• Plan to open 5 clinic floors at Bumrungrad International Clinic in 2012
Inpatient Services	<ul style="list-style-type: none">• Plan to add about 28 ICU beds in Bumrungrad Hospital Building to serve more high acuity patients
CAPEX	<ul style="list-style-type: none">• Baht 1.1bn over the next 18 months

Thank You