



Bumrungrad Hospital Public Company Limited
Analyst Meeting No. 3/2011 – 2Q11 Results Update

18 August 2011

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Overview

Operational Update

- Total patient volumes increased significantly from 2Q10.
- 2Q11 Outpatient service revenue increased by 35%. Outpatient revenue per episode continued to grow
- 2Q11 Inpatient service revenue increased by 21% . Inpatient revenue per episode slightly down from 2Q10 due to the unusual 2Q10
- JCI Accreditation in July 2011

Financial Performance

- 2Q11 reflected the strong growth from international market and recovery from political unrest in 2Q10
- | | | | |
|-------------------|------------|-----------------|-----------|
| • 2Q11 Revenues | 28% y-o-y | 1H11 Revenues | 16% y-o-y |
| • 2Q11 EBITDA | 54% y-o-y | 1H11 EBITDA | 30% y-o-y |
| • 2Q11 Net profit | 105% y-o-y | 1H11 Net profit | 42% y-o-y |

Updates and Ongoing Focus

- BI Bangkok
- Thailand
- International

Agenda

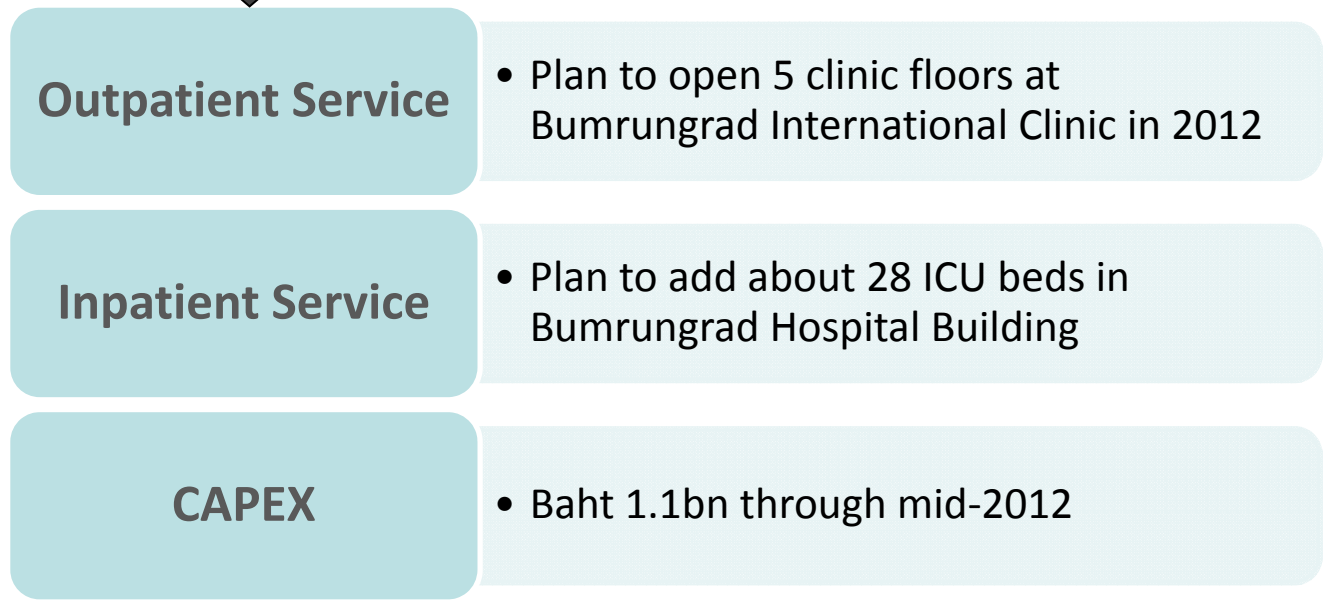
Strategy

Operational Update

Financial Performance

Associated Companies

Strategy



Agenda

Strategy

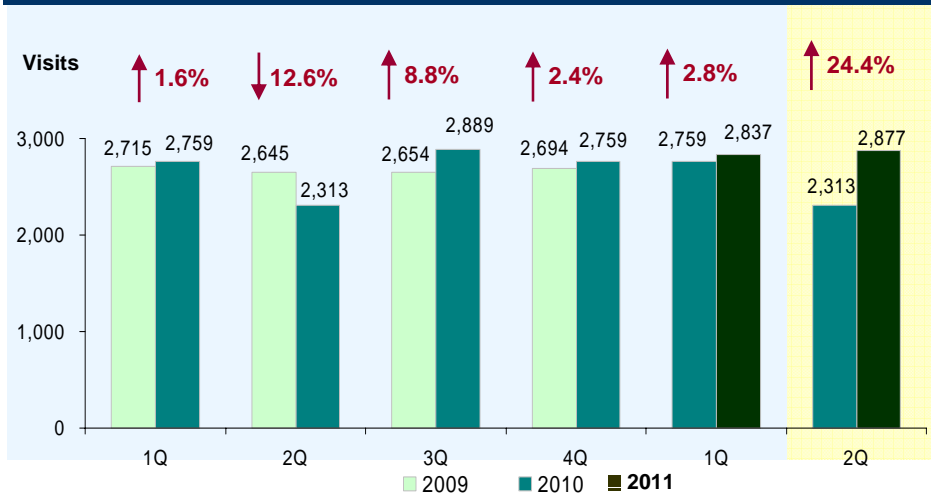
Operational Update

Financial Performance

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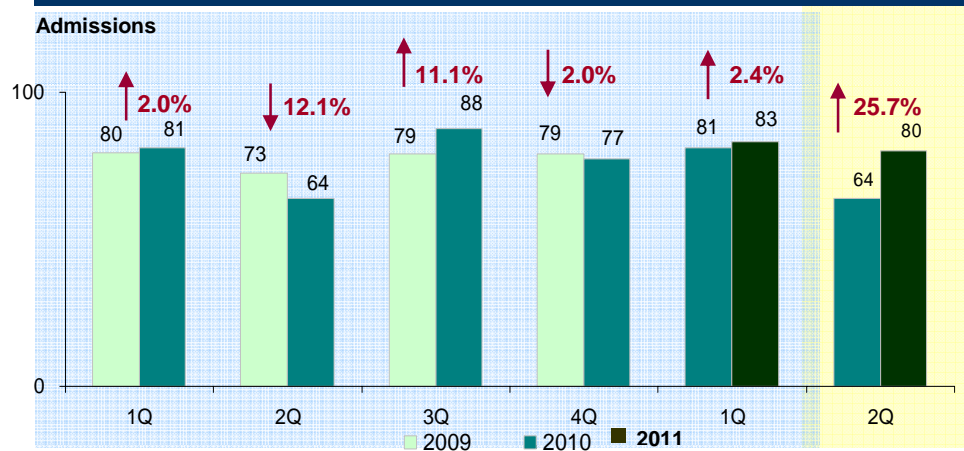
Overall Volume Trend

Total Visits per Day

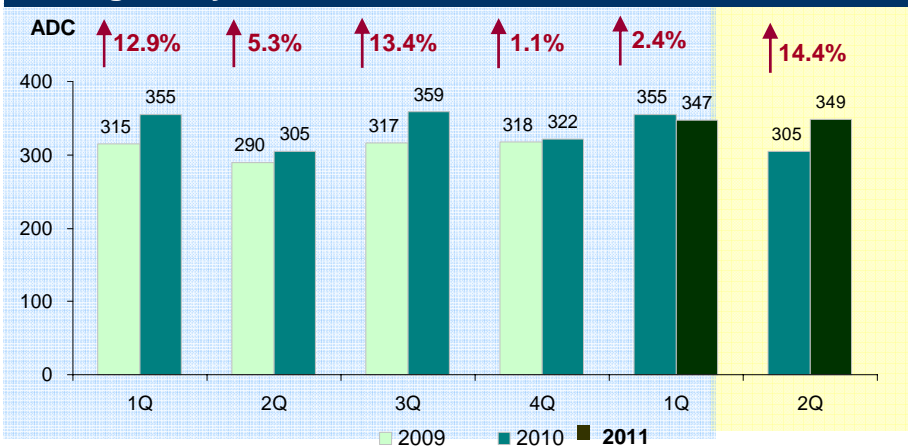


- Compared to Q2'10, total visits per day increased by 24.4%, total admissions per day increased by 25.7% as a result of surge in international patients and political unrest during Apr-May'10.
- ADC increased by 14.4% which is lower than the growth rate of admission due to the shorter length of stay.

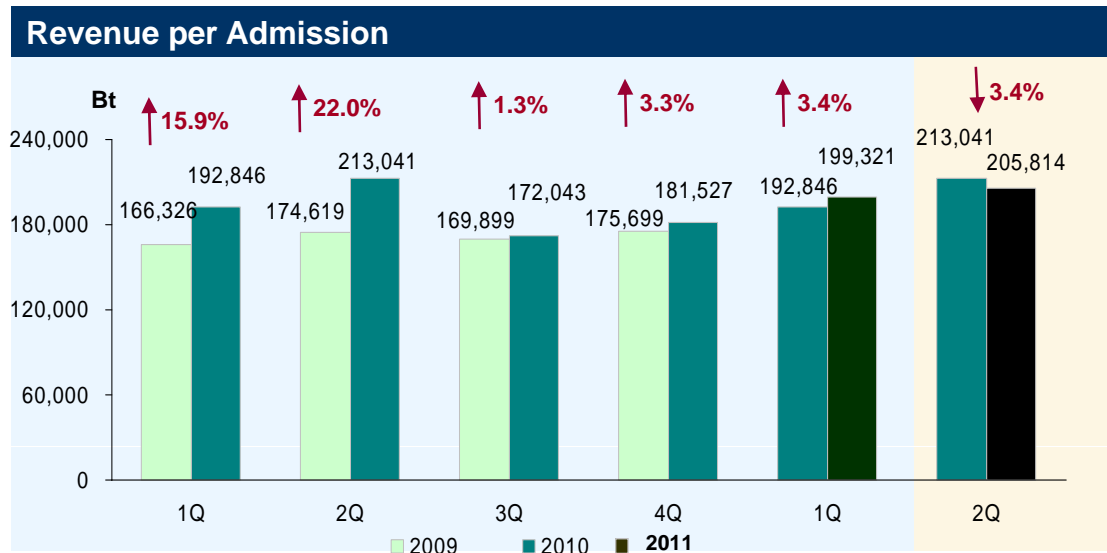
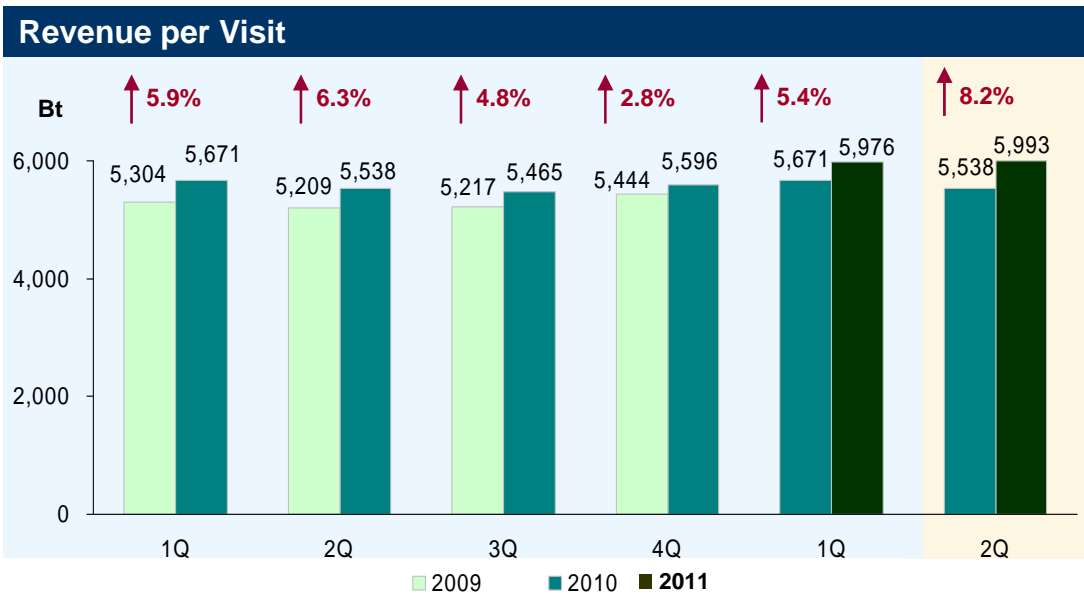
Total Admission per Day



Average Daily Census

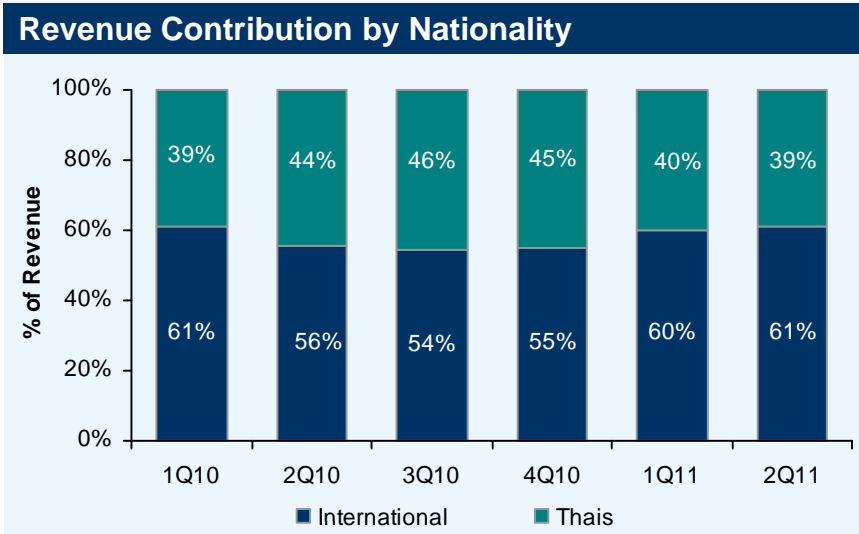


Revenue Intensity



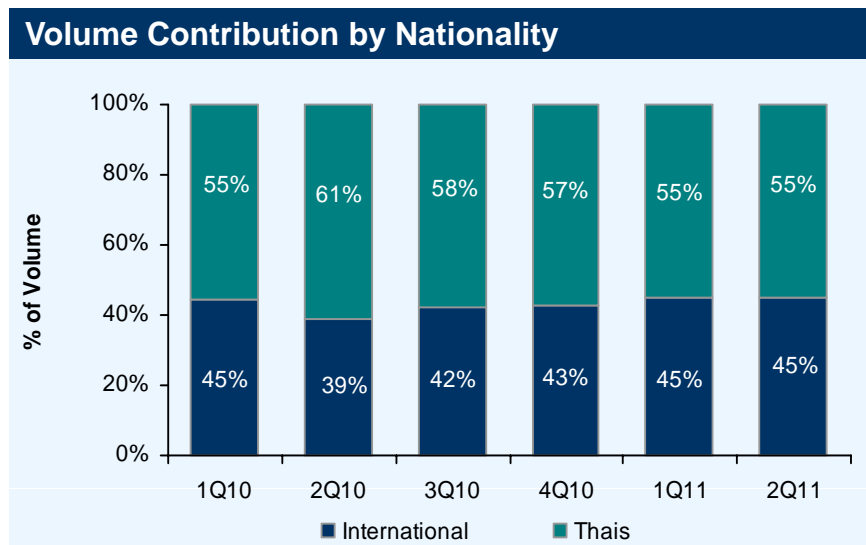
- Revenue per visit growth resulted from increased consumption in outpatient ancillary services and annual price adjustment.
- For Q2'11, the drop in revenue per admission is due to the unusual 2Q10
- Basis of calculating Revenue per Visit has been refined to include consolidated results, rather than hospital operations only, and historical data is adjusted accordingly

International Breakdown

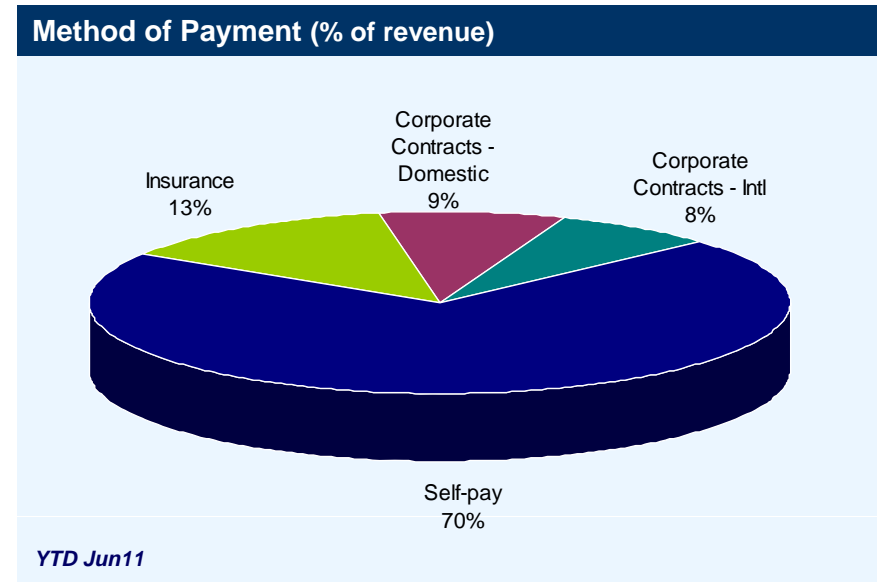
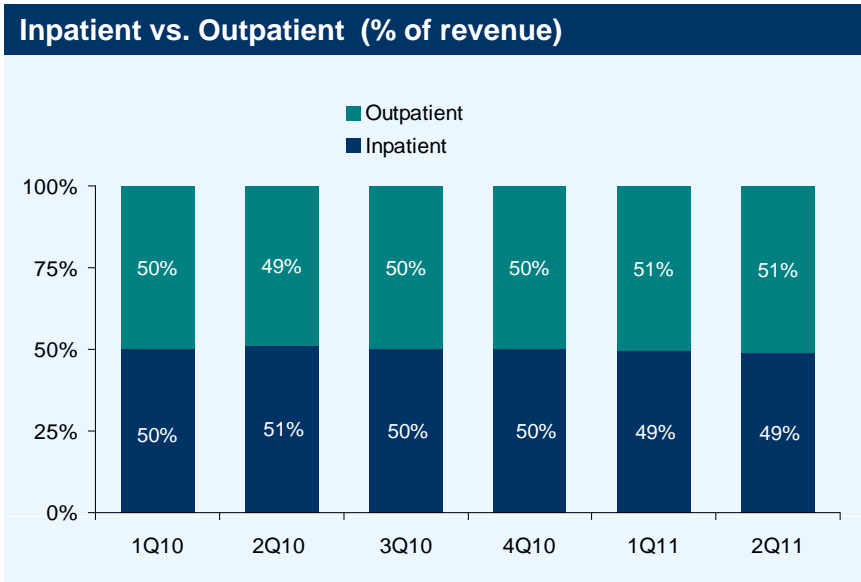


- For Q2'11, International revenue was up 37.8% from Q2'10, primarily from volume growth.
- Top 5 revenue contribution countries (1H11)

UAE	12%
USA	6%
Myanmar	5%
Oman	4%
Bangladesh	3%



Revenue Breakdown



- Revenue contribution from outpatient service increased to 51% in 2Q11
- Revenue breakdown in 2Q11: Outpatient revenue growth of 35% y-o-y
 Inpatient revenue growth of 21% y-o-y
- Revenue by method of payment:
 - Self-pay remains the primary method of payment
 - Increasing trend on international corporate contracts

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Strategy

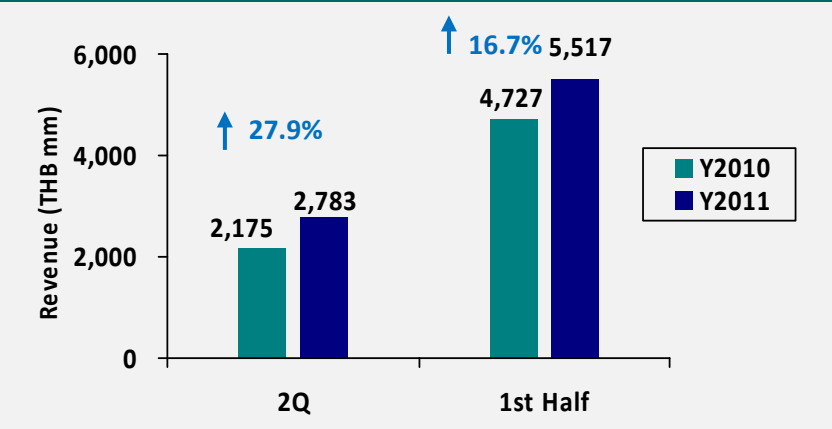
Operational Update

Financial Performance

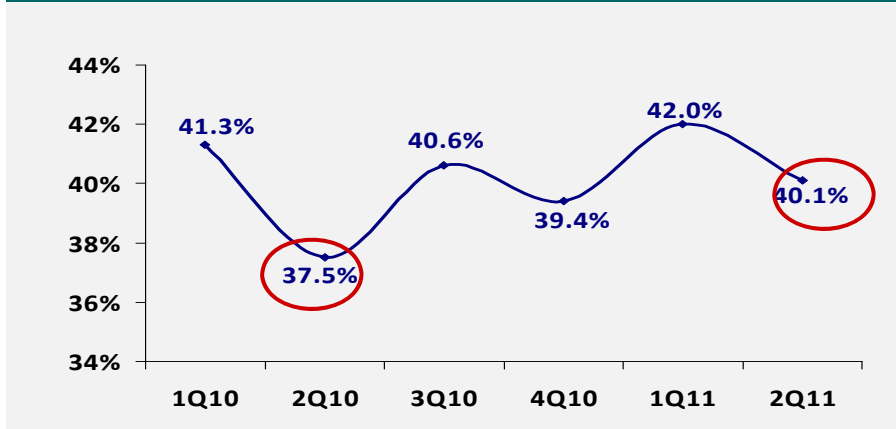
Associated Companies

Revenue and Gross Margin

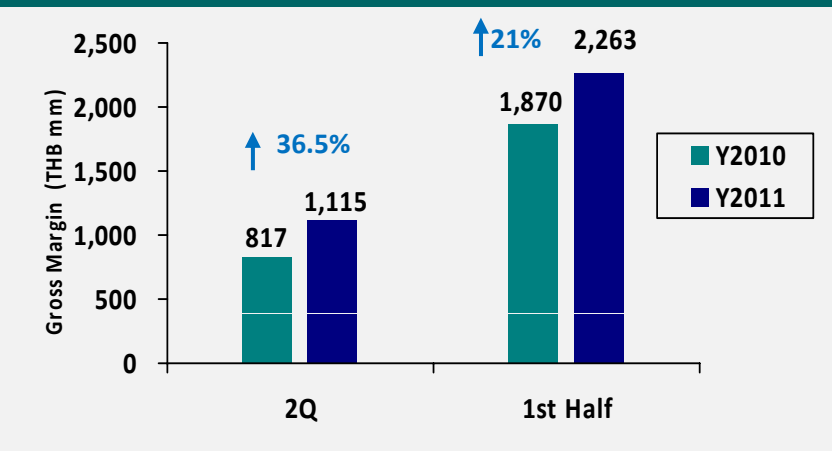
Revenue from Hospital Operations (THB mm)



Gross Margin Trend

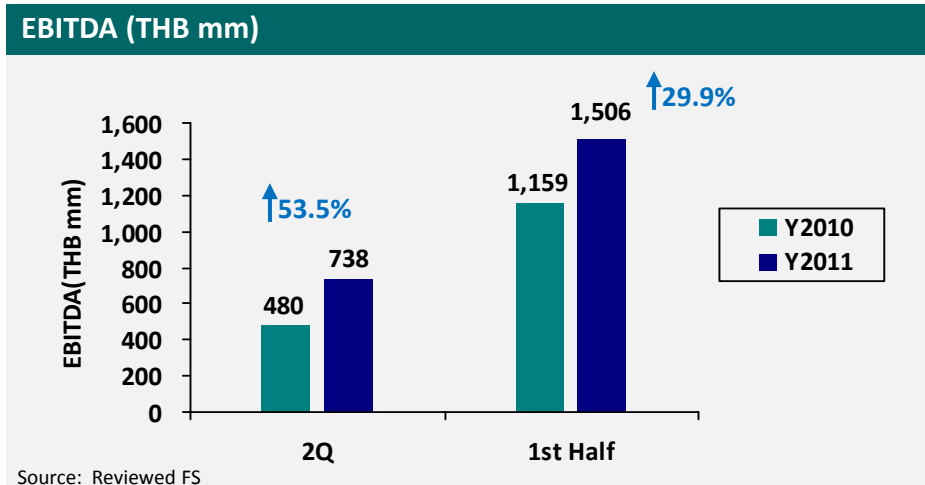


Gross Profit (THB mm)



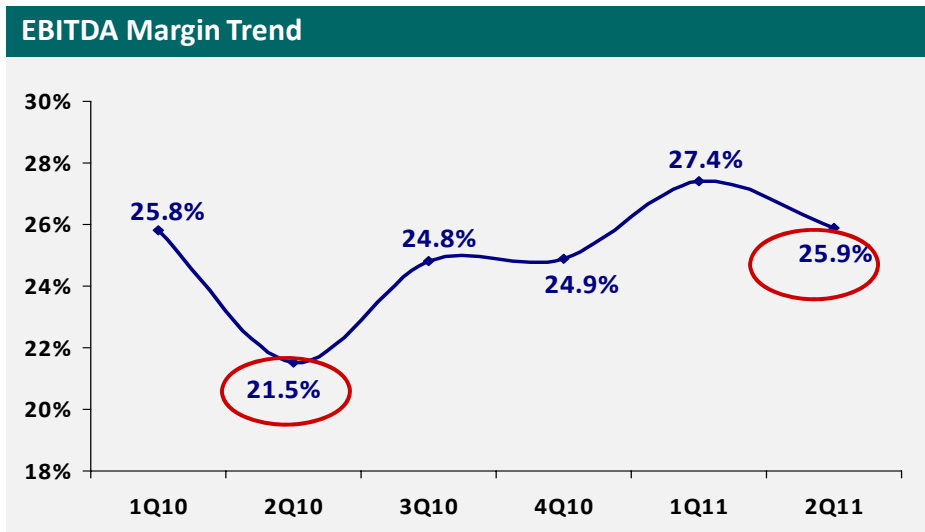
- The revenue growth for 2Q11 and 1H11 was driven by strong revenues from hospital operations and from the increase in patient volume, primarily from the international segment and the recovery from slower operations as a result of political unrest in the prior year.
- The increase in Gross Profit and Gross Profit Margin was due to the lower growth rate in cost of hospital operations attributable to improved efficiencies in management of medical supplies and economies of scale.
- Cost allocations between Cost of Hospital Operations and Administrative expenses have been refined and Gross Margin data has been adjusted accordingly.

EBITDA and EBITDA Margin

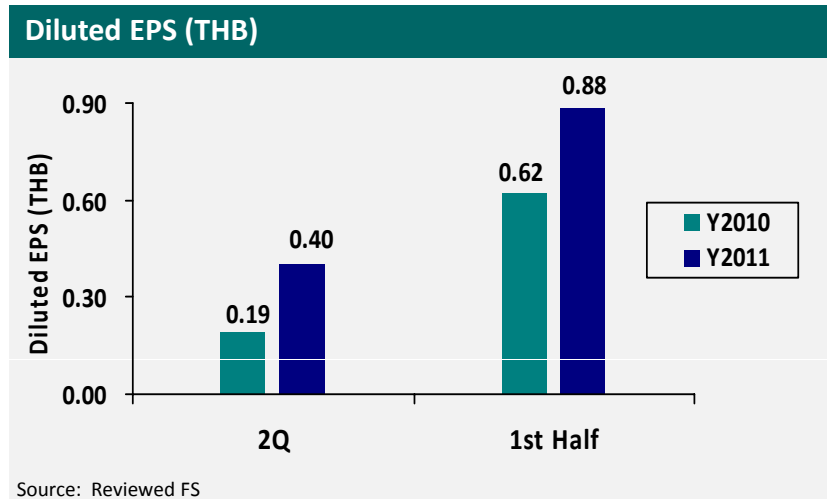
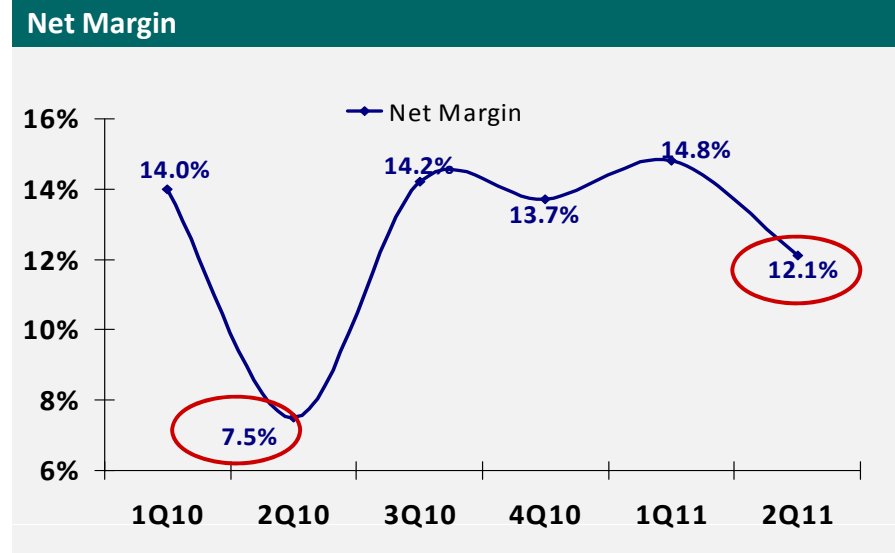
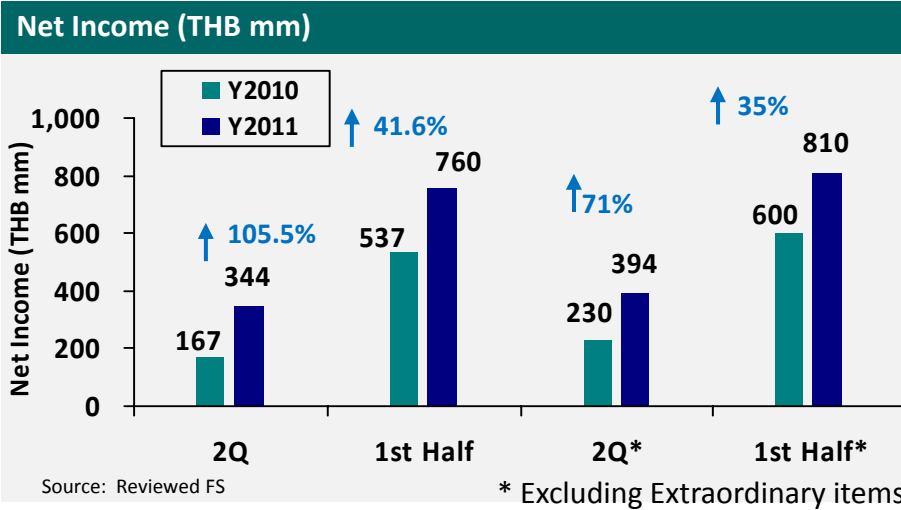


- EBITDA increased due to higher Gross Profit and the lower growth rate of administrative expenses, including lower marketing expenses, donation expenses and bad debt expenses.

- These factors contributed to an improvement of EBITDA margin vs. 2Q10, also resulting in higher margin of 26.7% for 1H11 vs. 23.9% for 1H10.

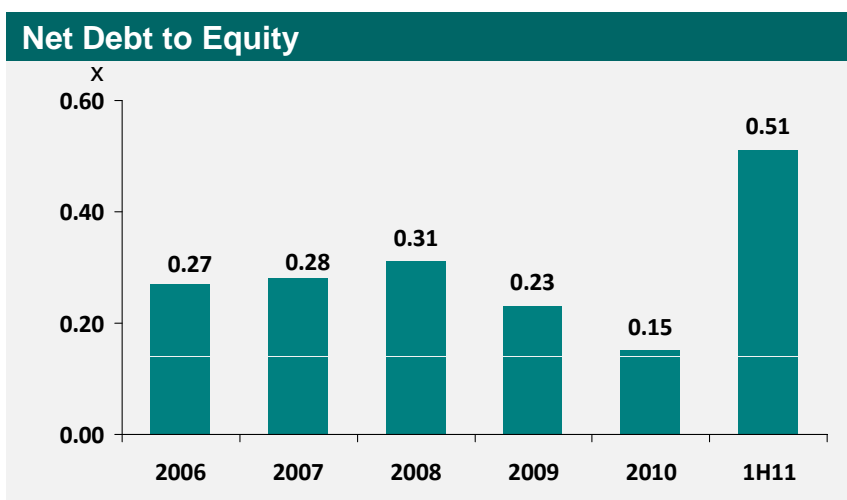
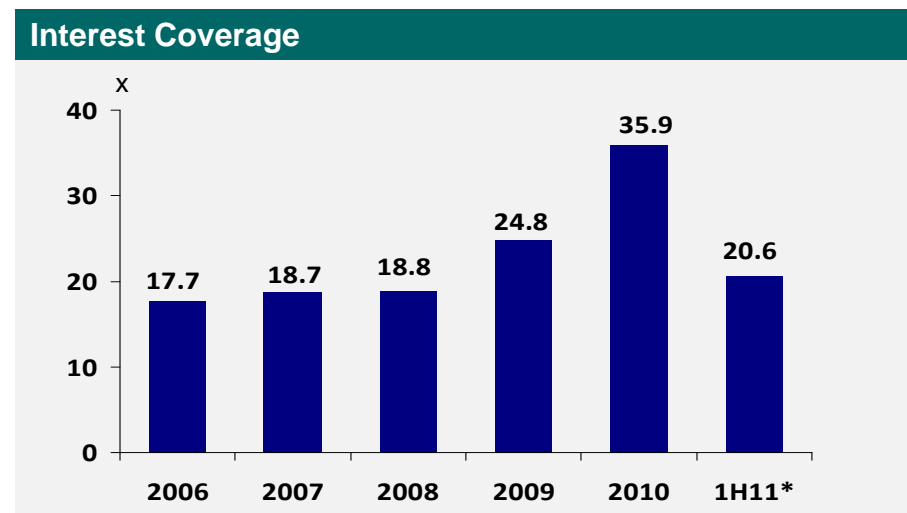
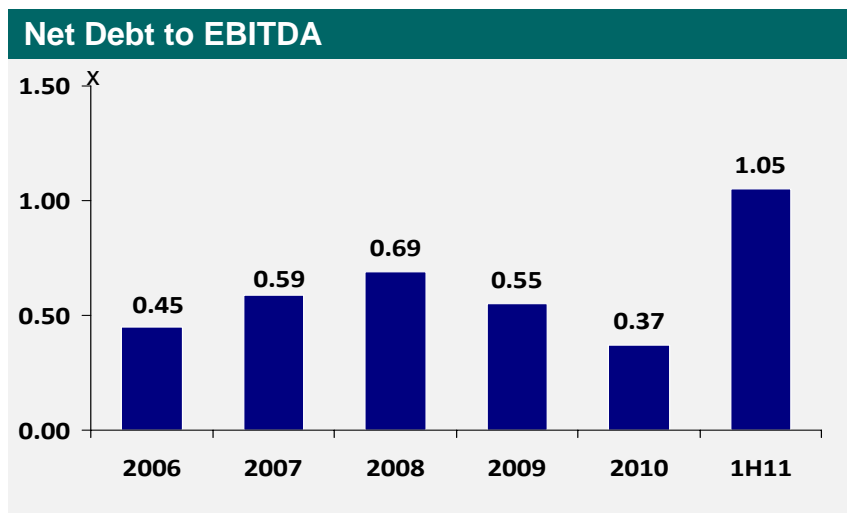


Net Profit and Net Profit Margin



- Net Income rose significantly on strong revenue growth, improved efficiencies, moderated cost increases and economies of scale.
- Diluted EPS reflect adjustments including the conversion of Baht 550 million of convertible bonds, which would result in the issuance of 137.4 million new shares. These securities, with the right to convert on or before maturity in August 2012, represent 15.8% of the total equity ownership of the Company on a fully diluted basis.

Leverage



- Net debt to EBITDA and Net debt to Equity ratios were higher due to an increase in Bt 3,570 million short-term loans from the purchase of common shares of Bangkok Chain Hospital PCL doing business as Kasemrad Hospital Group on 18 March 2011.
- Interest expense related to the purchase of common shares of Kasemrad Hospital Group to calculate interest coverage ratio was Bt 36.2 million based on remaining days in the period after the transaction settled.
- If we assumed impact for the full period, interest expense from this transaction will be Bt 65.5 million and interest coverage ratio will be 10.9x

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Kasemrad Hospital Group (KH)

- KH's 2Q11 reported net profit was Baht 174 million, a 27% increase from Baht 137 million of 2Q10. For 1H11, Net profit was Baht 317 million, a 5% increase from Baht 302 million in 1H10.
- BH recognized KH's share of income in 2Q11 as the table below.

	('000 THB)
KH's net profit in 2011	174,233
BH %	24.99%
Share of income from KH	43,541

- The Company did not recognize the share of income of Baht 3.6 million from Kasemrad Hospital Group in 1Q11
- On 8 August 2011, KH declared interim dividend of Baht 0.10 per share. BH will receive cash dividend of Baht 49.9 million on 9 September 2011.

Tax expense from stock and cash dividends from KH

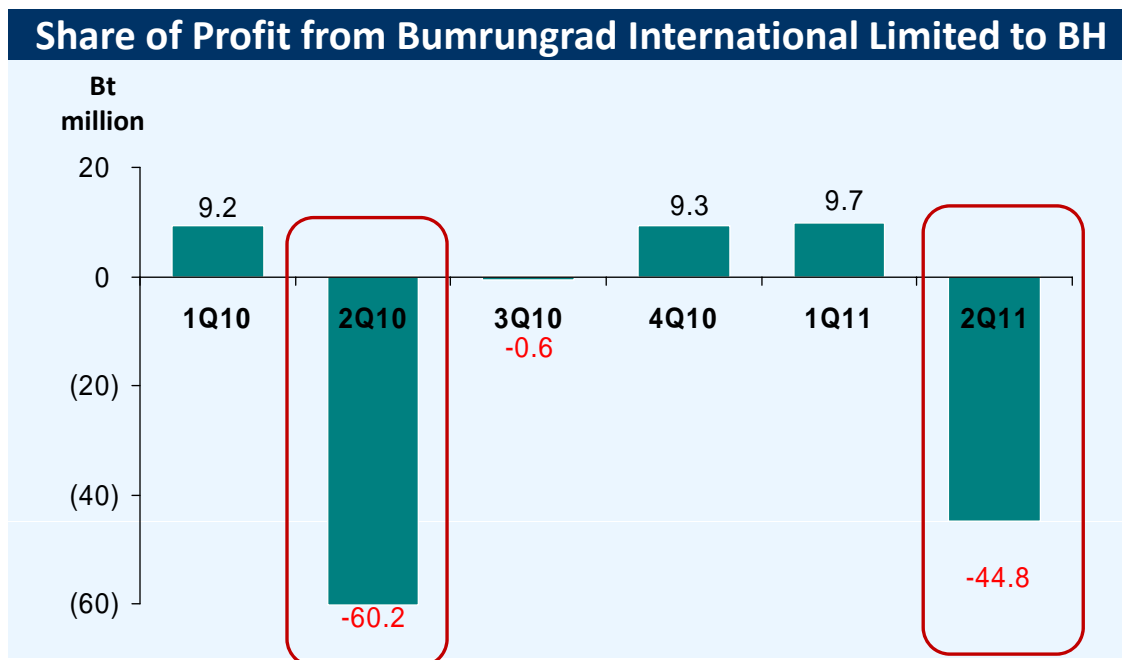
<u>Stock dividend</u>	
No. of KH's shares owned by BH	415,624,000 <i>Shares</i>
Ratio of stock dividend = 5 existing shares to 1 stock dividend	
Stock dividend	83,124,800 <i>Bt</i>
KH's par value	1 <i>Bt</i>
Value of stock dividend	83,124,800 <i>Bt</i>
30% tax expenses	24,937,440 <i>Bt</i>
Net Stock Dividend	58,187,360 <i>Bt</i>
<u>Cash Dividend</u>	
KH's dividend per share	0.025 <i>Bt</i>
Value of cash dividend	10,390,600 <i>Bt</i>
30% tax -net with investment	3,117,180 <i>Bt</i>
Net Cash Dividend	7,273,420 <i>Bt</i>

Effect to BHPCL's corporate income tax*

	2Q11	2Q10	1H11	1H10
Effective Tax Rate	35.0%	29.3%	33.1%	30.5%
Effective Tax Rate excluding dividend tax	30.3%	29.3%	30.8%	30.5%

*Dividend tax was due to a holding period of less than 3 months prior to declaration date

Contribution from Bumrungrad International Ltd.



Bt million	2Q11	2Q10
Operations	5.4	3.7
Share Repurchase	(49.9)	-
IFRS	(0.3)	-
Loss on Sale ARC	-	(63.9)
Total	(44.8)	(60.2)

Share Repurchase Transaction Summary

(Bt Million)	BIL (100%)	BHPCL (31.5%)
<i>Share Repurchase</i>		
Loss on FOREX	(331.2)	(104.3)
Transaction expenses	(3.0)	(1.0)
Total loss from share repurchase	(334.2)	(105.3)
<i>Loan Agreement Transaction</i>		
Gain on FOREX	178.0	56.1
Withholding tax on interest	(3.8)	(1.2)
Gain from loan agreement transaction	174.2	54.9
Expenses Recognized in Y2010	1.9	0.5
Net Loss	(158.1)	(49.9)

Updates on Bumrungrad International Limited



- AHI's profitability continues
- Construction of new 14-story shell of the building has been completed; funding by internal cash & debt
- Construction of the first nursing floor will be completed in 3Q11



- Able to meet KPIs and is entitled to incentive fees