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## Performance Highlights

For nine-month period ended September 30, 2012 ("9M12"), the Company and its subsidiaries recorded a consolidated net profit of Baht 6,531 million; an increase of Baht 3,036 million, or 87% yoy from 9M11. The summarized 9M12 consolidated performance is as follows:-

### 1. Operating income

- Operating income during 9M12 were Baht 33,928 million, an increase of Baht 7,189 million or 27% from 9M11, primarily due to:

Revenue from hospital operations during 9M12 were Baht 32,655 million, an increase of Baht 6,960 million or 27% from 9M11. The growth was driven by increase in number of outpatients and inpatients across our network hospitals, rising healthcare inflation together with an increase in patient acuity. Moreover, the consolidation of revenues from Phyathai Hospital Group and Paolo Memorial Hospital Group started from 2Q11 onwards.

During this period, Thai and international patients grew 15%<sup>1</sup> and 19%<sup>1</sup> yoy respectively resulting in the revenue proportion between Thai and international patients to remain unchanged at 73%:27% in 9M11 and 9M12. From type of patient perspective, outpatient revenues increased by 15%<sup>1</sup> whereas inpatient revenues increased by 17%<sup>1</sup> yoy.

- Revenue from sales of goods and food were Baht 921 million, an increase of Baht 203 million from 9M11, as a result of growth in revenues from A.N.B. Laboratories Company Limited.
- Other income were Baht 352 million, an increase of Baht 26 million or 8% from 9M11.

### 2. Operating expenses

- The Company and its subsidiaries reported cost of hospital operations and others (including depreciation and amortization) of Baht 21,511 million in 9M12, an increase by 26% yoy. An increase was due mainly to the consolidation of Phyathai Hospital Group and Paolo Memorial Hospital Group, an organic growth in revenue from hospital operations together with the rise in clinical staff expenses as a result of an increase in newly recruited and also experienced nurses to meet the expanding needs of network hospitals.

<sup>1/</sup> For comparative purpose, growth of the revenue from hospital operations are calculated assuming consolidation of Phyathai Hospital Group and Paolo Memorial Hospital Group since January 1, 2011

Thailand



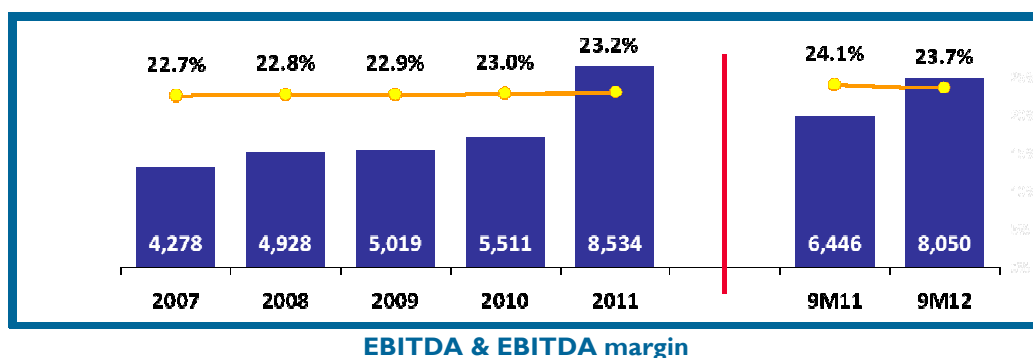
Overseas



- ♦ The administrative expenses (including depreciation and amortization) were Baht 6,552 million in 9M12, an increase by 25% yoy, due mainly to the consolidation of Phyathai Hospital Group and Paolo Memorial Hospital Group together with the rise in general operating expenses and an increase in repair and maintenance expenses.

EBITDA; however, increased from Baht 6,446 million in 9M11 to Baht 8,050 million in 9M12, increased by 25% yoy.

While the EBITDA margin decreased slightly from 24.1% in 9M11 to 23.7% in 9M12.



### 3. Depreciation and amortization expenses

The depreciation and amortization expenses were Baht 2,185 million in 9M12, an increase by 10% yoy due mainly to the consolidation of property, premises and equipment from Phyathai Hospital Group and Paolo Memorial Hospital Group.

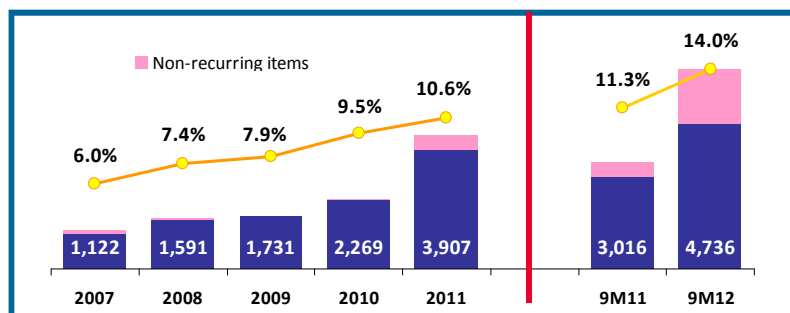
### 4. Others

- ♦ Interest income was Baht 42 million, increased by 9% yoy, as a result of the consolidation of interest income from from Phyathai Hospital Group and Paolo Memorial Hospital Group.
- ♦ Dividend income was Baht 7 million, decreased by 93% yoy since the Company recorded dividend income of Baht 87 million from an investment in BH during 3Q11. However, at present, the Company increased its shareholding in BH to 23.88% and BH becomes our associated company.
- ♦ Share of income from investments in associated companies was Baht 843 million, increased by 198% yoy, due mainly to share of income from investment in RAM of Baht 416 million together with share of income from investment in BH of Baht 401 million.
- ♦ Finance expenses increased to Baht 634 million or increased by 12% yoy due mainly to an issuance of debentures and an increase in long-term loans from financial institutions.
- ♦ Taxes in 9M12 were Baht 1,138 million, an increase from Baht 11 million in 9M11, due mainly to increase in pre-tax profit, netted with the reduction in corporate income tax rate to 23%.

### 5. Non-recurring items

During 1Q12, the Company purchased additional ordinary shares of BH for total of 44.2 million shares, amount of Baht 2,234.9 million, representing 6.06 % of shareholding. As a result, the Company holds totally 20.28 % of shareholding, as of March 31, 2012, resulting in BH to become an associated company. However, at present, the Company increased its shareholding in BH to 23.88%. During 1Q12, the Company recorded non-recurring items for gain on fair value adjustment of investment in BH totaling Baht 1,795 million from this "Step Acquisition" in accordance with Thai Financial Reporting Standard ("TFRS 3") – Business Combinations (effective in 2011) which the Company are required to revalue the original stake from the carrying cost to the fair value and recognize the difference in the statements of income.

During 2Q11, the Company and its subsidiaries recorded non-recurring items for gain on fair value adjustment of investments totaling Baht 479 million as a result of "Step Acquisition" for the acquisition of Prasit Patana Public Company Limited and the additional investment in Udon Pattana (1994) Co., Ltd.



**Net Profit & Net Profit margin**

As a result, if excluding non-recurring items which are gain on fair value adjustment of investments as previously mentioned, net profit was Baht 4,736 million, an increase of Baht 1,720 million or 57% yoy. Net profit margin, excluding non-recurring items, increased from 11.3% in 9M11 to 14.0% in 9M12 and the basic earnings per share increased from Baht 2.10 in 9M11 to Baht 3.06 in 9M12 or grew 46% yoy.

If including the non-recurring items, the Company and its subsidiaries recorded a consolidated net profit of Baht 6,531 million in 9M12; an increase of Baht 3,036 million, or 87% yoy. Net profit margin significantly increased from 13.1% in 9M11 to 19.3% in 9M12 and the basic earnings per share increased from Baht 2.44 in 9M11 to Baht 4.23 in 9M12 or grew 73% yoy.

## Summary of Balance Sheets

(Unit : THB mm)	Sep 12	Dec-11	Chg %
Total Assets	66,254	58,792	13%
Total Liabilities	29,294	25,375	15%
Total equity attributable to company's shareholders	35,432	31,995	11%
Total shareholders' equity	36,960	33,417	11%

- ◆ The consolidated financial position of the Company and its subsidiaries as of September 30, 2012 : The Company and its subsidiaries reported total assets of Baht 66,254 million, an increase of Baht 7,462 million or 13% from December 31, 2011, due mainly to an increase in investment in associated companies of Baht 9,965 million, offset with decrease in other long-term investments of Baht 4,537 million. These changes were as a result of additional stake in BH resulting in BH to become an associated company. In additional, there is an increase in property, premises and equipment of Baht 2,146 million as a result of the expansion of existing network hospitals to accommodate patient growth together with the purchase of land for Bangkok Hospital Chiangmai and acquisition of property, premises and equipment for Bangkok Hospital Udon, our new network hospitals in the North and the Northeast of Thailand respectively.
- ◆ Total consolidated liabilities as of September 30, 2012 were Baht 29,294 million, an increase of Baht 3,919 million or 15% from December 31, 2011, due mainly to issuance of debentures amounting to Baht 600 million and an increase in long-term loans from financial institutions amounting to Baht 2,500 million partly to finance the additional investment in BH and the expansion of our network hospitals. However, total debt to equity remains unchanged at 0.5x as of December 31, 2011 and as of September 30, 2012 while net debt to equity also remains unchanged at 0.4x as of December 31, 2011 and as of September 30, 2012.
- ◆ Total consolidated shareholders' equity was Baht 36,960 million, increased by Baht 3,543 million or 11% from the year ended 2011. This is due mainly to total comprehensive income during 9M12 netted with dividend payment of Baht 1,700 million.

# Analyst Meeting



BDMS hosted the Analyst meeting for the 3Q12 and 9M12 results on November 16, 2012. The meeting was led by Dr. Chatree Duangnet, BDMS Vice President and CEO, Bangkok Hospital, Khun Narumol Noi-Am, BDMS CFO, and Ajaya Intaraprasong, BDMS Finance Director, Investor Relations. The meeting provided the investment community an opportunity to update the performance and address any questions or comment to the management.

Presentation material also posted on our website at [www.bangkokhospital.com](http://www.bangkokhospital.com) under investor relations.



Thailand



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**Bangkok Dusit Medical Services Public Company Limited** ( SET Symbol : BGH ) is the largest private hospital operator in Thailand in terms of patient services revenue and market capitalization with approximately THB 58.8 billion in assets as of December 2011. Bangkok Dusit Medical Services Public Company Limited ("BDMS") has 27 hospitals in Thailand and 2 hospitals in Cambodia. BDMS is focused on Bangkok and various high-growth markets in the Southern and Eastern regions of Thailand and overseas locations. The Company is committed to be the leading network healthcare provider by meeting the needs of Thai and foreign patients with high quality, internationally-accepted standards, and value for money services together with the state-of-the art medical technology.

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