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## Performance Highlights

### Major Development

1. Upgrade the Company rating and senior unsecured debenture rating to AA- by Tris Rating



Tris Rating upgrades the Company rating and senior unsecured debenture ratings to AA- from A+. The upgrades reflect Company's stronger business profile, supported by the ongoing growth of the healthcare industry, Company's more extensive referral network of hospitals, plus ability to manage the Group's overall operating performance and maintain an appropriate level of leverage.

The "stable" outlook reflects the expectation that Company will maintain its leading position in both domestic and regional private hospital markets and continue to deliver solid operating performance for both existing and newly-acquired hospitals.

2. Issuance of convertible bonds

Following the approval from Extraordinary General Meeting of Shareholders on August 5, 2014 for the issuance and offering of convertible bonds ("Bonds"), on September 18, 2014, Company has issued the zero-coupon Bonds in the amount of Baht 10,000 million with maturity in 2019 to investors outside Thailand. The initial conversion price is fixed at Baht 21.045 per one newly issued ordinary share and yield to maturity is 2% per annum. The Bonds listed on the Singapore Exchange Securities Trading Limited.

3. New network hospitals

#### ♦ Sanamchan Hospital and Thepakorn Hospital



Since August 15, 2014, Bangkok Hospital Sanamchan Co., Ltd. ("BSN"), the Company's subsidiaries, has completed its acquisition of the entire business of SNC at the purchase price of Baht 3,655 million. As a result, Sanamchan Hospital and Thepakorn Hospital have become our network hospitals in Nakhonpathom province.

#### Thailand



#### Overseas



◆ **Phuket International Hospital**

On August 27, 2014, Board of Directors approved the establishment of a new subsidiary under the name of Bangkok Phuket International Hospital Co., Ltd. (“BPI”) to acquire and accept the transfer of the entire business of Phuket International Hospital Co., Ltd. (“PKI”), a well-recognized secondary care private hospital in Phuket with total beds of 151 beds and having capability to accommodate an expansion to become 281 beds. Since October 2014, BPI has completed the acquisition at the purchase price of Baht 3,559 million.



◆ **Bangkok Hospital Khon Kaen**



Since October 2014, Bangkok Hospital Khon Kaen (“BKN”) has become our network hospital. BKN is a basic tertiary care hospital located in Northeastern region with total of 120 structured beds, of which 56 beds are opened during first phase.

◆ **Royal Phnom Penh Hospital**

Since October 2014, Royal Phnom Penh Hospital (“RPH”) has become our network hospital. RPH is a basic tertiary care hospital located in Phnom Penh targeting Cambodian and expatriate. RPH has total of 104 structured beds, of which 53 beds are opened during first phase.



◆ **Bangkok Hospital Chinatown**



Since November 2014, Bangkok Hospital Chinatown (“BCT”) has become our network hospital. BCT is a basic tertiary care hospital targeting Thai-Chinese residents in Chinatown with total of 59 structure beds, of which 31 beds are opened during first phase.

In this regard, Company currently operates 37 network hospitals in Thailand and in Cambodia.

4. Acquisition of Save Drug Center Co., Ltd.

On August 20, 2014, Bangkok Royal Healthcare Co., Ltd. (Bangkok Royal), a subsidiary company, has entered into Share Purchase Agreement in respect of the total issued shares in Save Drug Center Co., Ltd. (“Save Drug”), engaging in retail sales of medicine, supplementary food, and medical supplies and equipments businesses under the brand Save Drug as well as other tradenames through 107 stores and branches nationwide. Subsequently, Bangkok Royal has transferred all of its rights and obligations under the Share Sales and Purchase Agreement to Bangkok Save Drug Co., Ltd. (Bangkok Save Drug), a subsidiary company.

On October 30, 2014, Bangkok Save Drug has completed its acquisition of the total issued shares of Save Drug Center and made full payment of Baht 222 million.

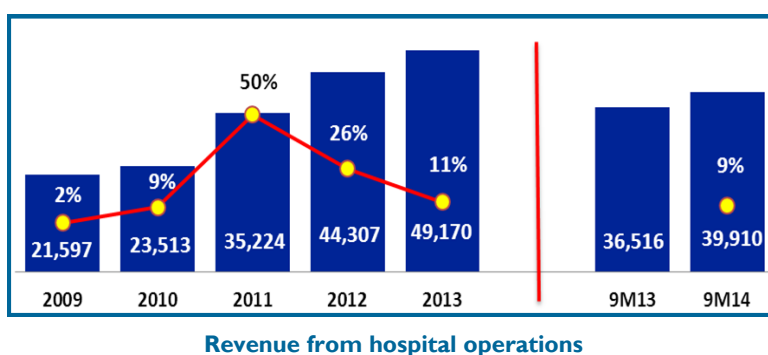
## 9M14 Performance

Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated net profit of Baht 5,415 million, increased by 15% yoy. If including non-recurring items totaling Baht 89 million in 9M14 and gain on fair value adjustment of investments totaling Baht 148 million in 9M13, net profit of Baht 5,504 million, increased 14% yoy. The summarized 9M14 consolidated performance is as follows:-

### 1. Operating income

Total operating income were Baht 41,590 million, an increase of Baht 3,649 million or 10% from 9M13, primarily due to:

- ◆ Revenues from hospital operations were Baht 39,910 million, an increase of Baht 3,394 million or 9% from 9M13. The growth was contributable to an increase in number of outpatients and inpatients across our network hospitals, hospital network expansion namely Bangkok Hospital Phitsanulok, Bangkok Hospital Chiangmai, Sanamchan Hospital and Thepakorn Hospital together with patient ward expansion and renovation, an increase in patient referral and qualified clinical staffs and specialist doctors.

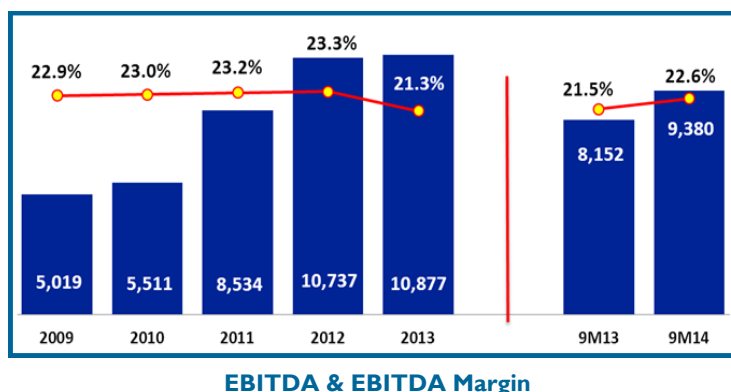


During 9M14, Thai and international patients grew 11% and 7% yoy respectively resulting in the revenue proportion between Thai and international patients remains unchanged at 72%:28% in 9M13 and in 9M14. From type of patient perspectives, outpatient revenues grew by 10% yoy while the inpatient revenues increased by 10% yoy.

- ◆ Revenues from sales of goods and food were Baht 1,277 million, an increase by 24% yoy, mainly from an increase in sales of The Medic Pharma Co., Ltd. which was consolidated into the Company since May 2013.
- ◆ Other incomes (excluding non-recurring items) were Baht 402 million, an increased by 2% yoy.

### 2. Operating expenses

- ◆ The Company and its subsidiaries reported cost of hospital operations and others (including depreciation and amortization) were Baht 26,595 million, an increased by 10% yoy. Cost of hospital operations and others are mainly consisted of rising in clinical staffs expenses as a result of an increasing in annual salary, number of clinical staffs and newly recruited specialist doctors both full-time and part-time together with an increase in medical supplies and lab expenses which in line with an increase in total operating income.
- ◆ The administrative expenses (including depreciation and amortization but excluding non-recurring items) were Baht 8,256 million, an increased by 5% yoy, due mainly to an increase in non-clinical staffs expenses. However, administrative expenses grew at the slower pace than total operating income as a result of Company's cost containment measures.



EBITDA, consequently, increased from 8,152 in 9M13 to Baht 9,380 million in 9M14 or increased by 15% yoy. EBITDA margin changed from 21.5% in 9M13 to 22.6% in 9M14.

### 3. Depreciation and amortization expenses

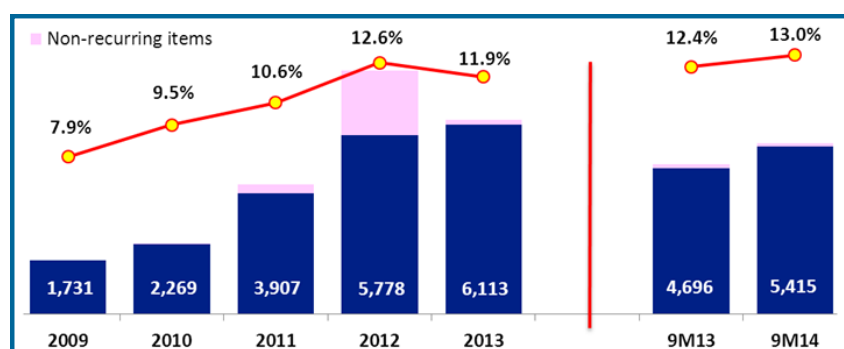
The depreciation and amortization expenses were Baht 2,641 million in 9M14, an increase by 11% yoy due mainly to the renovation expansion of network hospitals and the consolidation of depreciation and amortization of new network hospitals, namely Bangkok Hospital Phitsanulok, Bangkok Hospital Chiangmai, Sanamchan Hospital and Thepakorn Hospital.

### 4. Others majors items

- ◆ Share of income (excluding non-recurring items) from investments in associated companies were Baht 754 million in 9M14, a decrease of Baht 34 million or 4% yoy. Share of income from investments in associated companies in 9M14 were mainly from investment in BH of Baht 489 million together with investment in RAM of Baht 269 million.
- ◆ Finance expenses decreased to Baht 680 million decreased by 4% yoy.
- ◆ Taxes in 9M14 were Baht 1,235 million, an increase from Baht 1,025 million in 9M13, due mainly to an increase in pre-tax profit.

### 5. Non-Recurring Items

- ◆ During 9M14, the Company and its subsidiaries recorded non-recurring items of totaling Baht 89 million from the following items
  - 1) Other income:- Gain on disposal of land not used in operation of about Baht 95 million
  - 2) Administrative expenses:- The impairment of investment in Royal Rattanak Medical Services Co., Ltd. ("RRH") of Baht 91 million as the Company decided to cease the operation of RRH and transferred the business to our new network hospital namely Royal Phnom Penh Hospital.
  - 3) Share of income from investments in associated:- Share of income from investments in associated companies:- share of income from investment in RAM which RAM recorded dividend income received from SNC of Baht 85 million as SNC paid to its shareholders in relation to the Entire Business Transfer.
- ◆ During 9M13, the Company and its subsidiaries recorded non-recurring items of totaling Baht 148 million from gain on fair value adjustment of investments in Thonburi Medical Center Public Co., Ltd of Baht 61 million and in The Medic Pharma Co., Ltd of Baht 87 million.



Net Profit &amp; Net Profit Margin

As a result, If excluding the non-recurring items, EBITDA increased from 8,152 in 9M13 to Baht 9,380 million in 9M14 or increased by 15% yoy. EBITDA margin changed from 21.5% in 9M13 to 22.6% in 9M14. Net profit was Baht 5,415 million in 9M14, an increase of Baht 719 million, or increased by 15% yoy. Net profit margin increased from 12.4% in 9M13 to 13.0% in 9M14. Basic earnings per share were 0.35 Baht per share or increased by 15% yoy.

If including the non-recurring items, net profit was Baht 5,504 million, an increase of Baht 660 million or increased by 14% yoy. Net profit margin increased from 12.8% in 9M13 to 13.2% in 9M14. Basic earnings per share were 0.36 Baht per share or increased by 13% yoy.

## Summary of Balance Sheets

(Unit : THB mm)	Sep-14	Dec-13	Chg %
Total Assets	90,374	76,399	18%
Total Liabilities	44,337	33,755	31%
Total shareholders' equity	46,037	42,644	8%

The Company and its subsidiaries reported total assets of Baht 90,374 million, an increase of Baht 13,975 million or increase of 18% from December 31, 2013, due mainly to an increase in cash and cash equivalents of Baht 5,618 million mainly from cash received from the issuance of convertible debentures. Property, premises and equipment also increased about Baht 4,612 million mainly from building under construction and medical equipment under installation for new network hospitals, for example, Bangkok Hospital Chiangmai, Bangkok Hospital Khon Kaen, Royal Phnom Pehn and Bangkok Hospital Chinatown together with the purchase of new medical equipment for both existing and new - network hospitals netted with depreciation during the period. Goodwill also increased by Baht 2,328 million mainly from the acquisition of Sanamchan Hospital Co., Ltd.

However, inventory decreased by 4% from December 31, 2013 as a result of an increase in inventory of the healthcare supporting business which reserves the inventory for services during the beginning of the year.

Total consolidated liabilities as of September 30, 2014 were Baht 44,337 million, an increase of Baht 10,582 million or 31% from December 31, 2013, due mainly to the issuance of convertible debentures of Baht 9,249 million together with an increase in long-term loans from financial institutions of Baht 2,003 million.

Total consolidated shareholders' equity as of September 30, 2014 was Baht 46,037 million, an increased by Baht 3,393 million or 8% from December 31, 2013. This is due mainly to comprehensive income during 9M14 netted with dividend payment of Baht 3,098 million.

Financial Analysis	9M14	9M13
<b>Returns (%)</b>		
Return on Asset	8.7	8.7
Return on Equity	17.1	16.6
<b>Liquidity (x)</b>		
Current Ratio	1.2	0.9
Quick Ratio	1.1	0.8
<b>Asset &amp; Liabilities Management (Days)</b>		
Average Collection Period	34.0	35.3
Average Inventory Period	9.1	8.9
Average Accounts Payable	41.6	39.9
<b>Leverage &amp; Coverage Ratio (x)</b>		
Interest Coverage	13.8	11.6
	<b>Sep-14</b>	<b>Dec-13</b>
Total Debt to Equity	0.7	0.5
Net Debt to Equity	0.5	0.4
Net Debt to EBITDA	1.8	1.7

Excluding non-recurring items

Remark

- Assets & Liabilities Management is calculated based on 360 days
- Interest coverage = EBITDA/Interest Expenses

Return on assets during 9M14 remains unchanged from 9M13 while return on equity during 9M14 slightly increased from 9M13. Current ratio and quick ratio during 9M14 increased from 9M13 as a result of an increase in current assets.

In addition, the Company and its subsidiaries continue to maintain strong leverage & coverage ratios. Interest coverage ratio increased from 11.6x as of September 30, 2013 to 13.8x as of September 30, 2014. Total debt to equity increased from 0.5x as of December 31, 2013 to 0.7x as of September 30, 2014 as a result of the issuance of convertible debentures. Net debt to equity also increased from 0.4x as of December 31, 2013 to 0.5x as of September 30, 2014. Net debt to EBITDA slightly increased from 1.7x as of December 31, 2013 to 1.8x as of September 30, 2014.

The leverage and coverage ratios are well within the financial covenant of the long-term loans and debentures.



# IR Activities

## Thailand Major Forum



On October 10, 2014, Dr. Chatree Duangnet, BDMS Executive Vice President and COO-Medical Affairs and CEO, Bangkok Medical Center and Khun Narumol Noi-Am, BDMS CFO have been invited to join Thailand Major Forum, organized by Thanachart Securities PCL, to present Company's view on the healthcare sector and to update on the Company's strategy to local institutional fund managers.

## Analyst Meeting



BDMS hosted the 4/2014 Analyst meeting for the 3Q14 and 9M14 results on November 21, 2014. The meeting was led by Dr. Chatree Duangnet, BDMS Executive Vice President and COO -Medical Affairs and CEO, Bangkok Medical Center, Khun Narumol Noi-Am, BDMS CFO, and Khun Ajaya Intaraprasong, BDMS Finance Director, Investor Relations. The meeting provided the investment community an opportunity to update on the Company's performance and addressed 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.



Bangkok Dusit Medical Services

Thailand



Overseas



**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 90,374 million in assets as of September 2014. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 35 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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