

# BANGKOK DUSIT MEDICAL SERVICES PLC

No. 87/2012

29 October 2012

**Company Rating:** A+

**Outlook:** Stable

**New Issue Rating:** -

**Rating History:**

Date	Company	Issue (Secured/ Unsecured)
10/11/11	A+/Sta	-/A+
17/12/10	A/Pos	-/A
11/02/08	A/Sta	-/A

**Rating Rationale**

TRIS Rating affirms the company and senior debenture ratings of Bangkok Dusit Medical Services PLC (BGH) at “A+”. The ratings reflect BGH’s leading market position as the largest private hospital operator in Thailand, the enhanced capacity of its facilities, the larger franchise network derived from the merger with the Phyathai Hospital Group (PYT) and the Paolo Memorial Hospital Group (Paolo), its experienced management team and capable physicians, high quality services, and good equipment. These strengths are partially offset by the intense competition from both local and international healthcare service providers and potential future debt-financed investments.

BGH was established in 1969 to operate a private hospital, Bangkok Hospital. The company is the largest private hospital operator in Thailand with a strong network of hospital brands. Currently, BGH owns 28 hospitals, under five well-known and widely-accepted local hospital brands, plus one international hospital brand. Fourteen hospitals are operated under the Bangkok Hospital brand, three hospitals under the Samitivej Hospital brand, one hospital under the BNH Hospital brand, and two international hospitals under the Royal International Hospital brand. Two other hospital brands, Phyathai Hospital and Paolo Memorial Hospital, were added to BGH’s portfolio in April 2011. BGH has service capacities of 4,140 inpatient beds. In addition, the company has planned to open a 120-bed hospital in Udon Thani province by the end of 2012. This strong network has enlarged BGH’s customer base to cover the mid- to high-end segments in various locations. Nine hospitals under operation of BGH have achieved Joint Commission International (JCI) accreditation.

BGH’s competitive edge is derived from its diversity in terms of services offered, its customer base, and the locations of its hospitals. The company has the largest pool of physicians, nurses, and clinical staff, as well as the strongest referral network in Thailand. The focus on tertiary care helps boost revenue and increase the utilization of medical equipment. Economies of scale, through the pooling lab services and the centralized purchasing of medicines, medical supplies, and key medical equipment, is expected to benefit the company in terms of cost effectiveness. In addition, the implementation of a cash pooling system efficiently reduced the short-term loan requirements for each hospital and lowered the financing cost across the group.

BGH’s revenues from hospital in 2011 soared by 50% year-on-year (y-o-y) to Bt35,224.5 million, and jumped by 34.9% y-o-y for the first six months of 2012. The rise was driven by growth in patient volume, patient acuity, more patient referrals, and the inclusion of revenues from PYT and Paolo. In 2011, the outpatient visits per day was 20,322 persons, jumped by 97% y-o-y, and the average daily census (number of occupied beds per day) was 2,665 patients, up by 78% y-o-y. Around 53%-55% of patient revenue came from inpatients; the remainder came from outpatients. More than 70% of total revenue was from self-pay patients.

BGH’s financial strength is underpinned by its strong operating performance. Its cash flow is considered strong and has substantially increased during the past two years. Funds from operations (FFOs) rose from Bt4,372 million in 2010 to Bt6,605 million in 2011. For the first six months of 2012, the company generated FFOs of Bt4,096 million. The operating margin has been relatively stable at around 20%-22% during the last three years. Following a cost saving program,

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improvements in asset utilization, and a recent expansion in the non-hospital segment which offers higher return, BGH's profitability is expected to improve in the medium term.

BGH's total debt has risen in recent periods, jumping from Bt10,751 million at the end of 2010, to Bt16,792 million at the end of 2011, and to Bt20,968 million at the end of June 2012. The rise was mainly due to the inclusion of debts from PYT and Paolo after the acquisitions and the investments in new hospitals and affiliated companies. However, the company has increased its equity base proportionately, thus, its debt to capitalization ratio slightly dropped from 39.8% in 2010 to 37.5% at the end of June 2012. The company has very low exposure to interest rate risk and foreign exchange risk, since most debts are denominated in Thai baht, at fixed interest rates.

BGH's current investments in new hospitals in Chiang Mai, Udon Thani, and Rayong provinces are expected to bring good growth prospects, enhance BGH's hospital network across the country, and bring larger economies of scale. The company also plans to invest more in the non-hospital segment, e.g., lab services, producing and selling pharmaceuticals, and medical supplies. BGH plans to spend Bt6,200-Bt7,700 million per annum in capital expenditures during 2012-2015.

### Rating Outlook

The "stable" outlook reflects the expectation that BGH will be able to maintain its leading position in both domestic and regional private hospital markets. TRIS Rating expects BGH will continue to attract more patients and maintain its solid operating performance. Future investments or acquisitions, if any, should be prudently considered in order to keep its financial risk low.

## Bangkok Dusit Medical Services PLC (BGH)

<b>Company Rating:</b>	A+
<b>Issue Ratings:</b>	
BGH133A: Bt2,000 million senior debentures due 2013	A+
BGH143A: Bt1,000 million senior debentures due 2014	A+
BGH146A: Bt1,970 million senior debentures due 2014	A+
BGH153A: Bt2,500 million senior debentures due 2015	A+
BGH166A: Bt1,000 million senior debentures due 2016	A+
<b>Rating Outlook:</b>	Stable

### KEY RATING CONSIDERATIONS

#### Strengths/Opportunities

- Largest private hospital operator in Thailand
- Diverse sources of revenue, from customer base and geographic coverage
- Well-known and widely accepted hospital brands offering high quality services
- Capable physicians and management team
- High barriers to entry

#### Weaknesses/Threats

- Intense competition
- Potential for debt-financed investments in the future

### CORPORATE OVERVIEW

BGH is the largest private hospital operator in Thailand. The company was established in 1969. Bangkok Hospital, its first private hospital, commenced operation in 1972. BGH was listed on the Stock Exchange of Thailand (SET) in 1991.

Revenues from hospital operations have increased sharply since 2004 due to the acquisition of Samitivej PLC, Bangkok Hadyai Co., Ltd., and Bangkok Phuket Hospital Co., Ltd. In 2005, the company launched Bangkok Heart Hospital and Wattanosoth Hospital, which are dedicated to cardiac treatment and cancer treatment, respectively. These two hospitals are located in the same area as Bangkok Hospital, and together comprise the Bangkok Medical Center (BMC). The company acquired Bangkok Pattaya Hospital Co., Ltd., Bangkok Rayong Hospital Co., Ltd., Wattanavej Co., Ltd. (BCH), and Bangkok Trat Hospital Co., Ltd. in 2006. During 2007-2008, BGH launched Royal Angkor International Hospital and Royal Rattanak Hospital to provide services for foreign patients in Cambodia. Bangkok Hospital Hua Hin (BHN) opened in November 2010 and started full operation in April 2011. At the end of 2010, BGH approved a merger with Health Network PLC (HNC), the major shareholder of PYT and Paolo by entire business transfer. The merger by stock swap method was completed in the second quarter of 2011. In November 2011, BGH opened Bangkok Pakchong Hospital (30 beds).

**Table 1: List of Hospitals in BGH's Portfolio as of Jun 2012**

Hospital	Abbrev.	Ownership (%)
Bangkok Hospital		100.0
Bangkok Heart Hospital	BMC	100.0
Wattanosoth Hospital		100.0
Bangkok Hua Hin Hospital		BHN
Bangkok Pattaya Hospital	BPH	97.2
Bangkok Rayong Hospital	BRH	100.0
Bangkok Chantaburi Hospital	BCH	99.7
Bangkok Hospital Trat	BTH	99.8
Bangkok Hospital Samui	BSH	100.0
Bangkok Phuket Hospital	BPK	99.7
Bangkok Hat Yai Hospital	BHH	98.8
Bangkok Ratchasima Hospital	BKH	90.4
Bangkok Pakchong Hospital	BHP	90.4
Bangkok Prapadaeng Hospital	BPD	79.0
Samitivej Sukhumvit Hospital	SVH	95.8
Samitivej Srinakarin Hospital	SNH	95.8
Samitivej Sriracha Hospital*	SSH	67.5
BNH Hospital	BNH	91.5
Phyathai 1 Hospital**	PYT1	100.0
Phyathai 2 Hospital**	PYT2	99.1
Phyathai 3 Hospital**	PYT3	98.1
Phyathai Sriracha Hospital**	PYTS	64.6
Paolo Memorial Phaholyothin Hospital	PMED	100.0
Paolo Memorial Samutprakarn Hospital	PSAMUT	88.7
Paolo Memorial Chokchai 4 Hospital	PCHOK	80.7
Paolo Memorial Nawamin Hospital	PNWM	99.8
Royal Angkor International Hospital	RAH	80.0
Royal Rattanak International Hospital	RRH	70.0

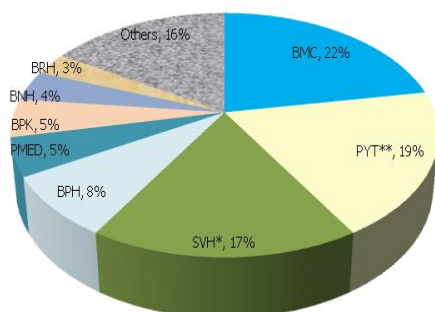
Source: BGH

\* Indirect shareholding through Samitivej PLC

\*\* Indirect shareholding through Prasit Patana PLC (PPCL), in which BGH owns 98.19%

As of 12 October 2012, the major shareholder of BGH was Dr. Prasert Prasarttong-osoith with a shareholding of 19.1%. Currently, 28 hospitals with 4,140 available beds are operated under the BGH umbrella.

**Chart 1: BGH's Revenue Breakdown by Hospital (Jan-Jun 2012)**



Source: BGH

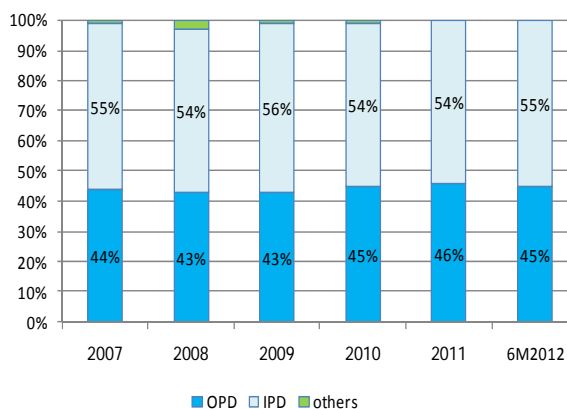
\* Consolidated revenue of Samitivej Hospital Group

\*\* Consolidated revenue of Phyathai Hospital Group under PPCL

For the first half of 2012, revenue from major five hospitals, BMC, PYT, SVH, BPH, and PMED, contributed approximately 71% of total revenue.

Nine hospitals under BGH have achieved Joint Commission International (JCI) accreditation: Bangkok Hospital Medical Center (BMC) (including Bangkok Hospital, Bangkok Heart Hospital, and Wattanosoth Hospital), SVH, SNH, SSH, BNH, BPK, BPH, BHN, and BTH.

**Chart 2: BGH's Revenue Contribution by Service Type**

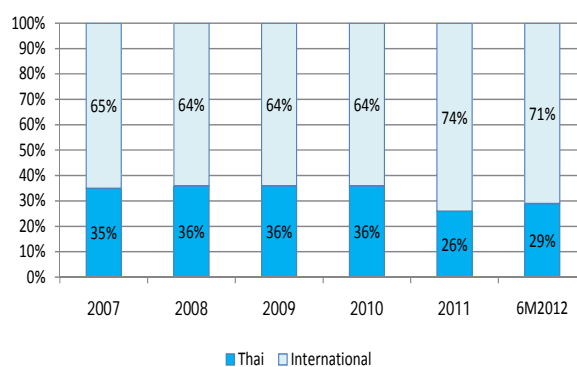


Source: BGH

Revenues from the outpatient department (OPD) comprised approximately 45% of total revenues, while revenues from the inpatient department (IPD) contributed 55%.

During 2007-2010, BGH's revenue was derived mainly from the Thai patient revenue (64%-65%), with the remainder (35%-36%) from international patients. For 2011, the international patient revenue dropped to 26%, as most patients at PYT and Paolo are Thai patients. More than 70% of BGH's total revenue is from self-pay patients, while the remaining 23% is from insurance payments and corporate contracts.

**Chart 3: BGH's Revenue Contribution by Nationality**



Source: BGH

**RECENT DEVELOPMENTS**

▪ **Three new hospitals opening soon**

BGH has invested in three new hospitals which are expected to open during the next three years. Bangkok Hospital Udon (BUD) was developed from a purchased 120-bed secondary care hospital. It is located in the center of Udon Thani province, the gateway to the Lao People’s Democratic Republic (Lao PDR). The total project cost is approximately Bt850 million. BUD plans the official opening in December 2012.

Soonthornphu Hospital, located in Rayong province, was developed from a 143-bed secondary care hospital acquired in 2010. The total investment is about Bt290 million. Soonthornphu Hospital will focus middle income patients in Rayong where many industrial estates are located. The hospital will open by mid-2013.

Lastly, BGH is building Bangkok Hospital Chiang Mai, a greenfield 200-bed tertiary care hospital. The total investment is approximately Bt1,550 million. Bangkok Hospital Chiang Mai is expected to be a medical hub in the northern part of Thailand. The first phase of the project called for 55 beds is planned to be opened by mid-2014.

The two new hospitals in Udon Thani and Chiang Mai provinces will serve the demand for Thai patients in the North and Northeast of Thailand. In addition, they will be able to accommodate foreign patients from Myanmar, Lao PDR, and the southern part of China as well. BGH’s expansion will enhance its hospital network across the country and bring larger economies of scale.

▪ **JCI accreditation at BHN and BTH**

Bangkok Hospital Hua Hin (BHN) and Bangkok Hospital Trat (BTH) achieved JCI accreditation in 2011 and 2012, respectively. They join the ranks of seven of BGH’s hospitals which have already achieved JCI accreditation. Currently, Bangkok Hospital Samui is in the process of applying for JCI accreditation.

**INDUSTRY ANALYSIS**

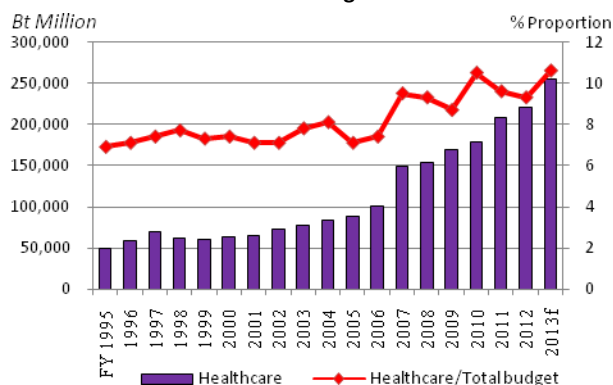
Healthcare service industry in Thailand is primarily dominated by public sector, which accounts for about 80% of total number of hospitals and registered beds nationwide. According to the Ministry of Public Health, government sector operated around 1,300 hospitals with approximately 134,000 registered beds in 2011, compared with the private sector of around 300 hospitals and 33,000 registered beds. However, according to The Office of the National Economic and Social Development Board (NESDB), private sector expenditures for healthcare services account for about 50% of total healthcare spending in Thailand.

▪ **Government healthcare spending increased continuously**

Almost all of the Thai population is under one of the three healthcare schemes provided by the government. The schemes are universal healthcare coverage (UC), social security (SC), and civil servant medical benefits (CS). UC was introduced in 2001 and covers approximately 75% of the total population. SC, which was introduced in 1990, covers all workers employed in the private sector, which is about 15% of the population. CS covers state employees and represents about 8% of the population. Private hospitals can choose whether to participate in any of the government healthcare schemes.

Since 1999, government budget for healthcare spending has increased steadily. For fiscal year 2013 (FY2013), the government set a budget for healthcare services at Bt255 billion, or about 11% of the total budget. The proportion of healthcare budget in FY2013 is higher, compared with the proportion of 9%-10% during FY2011-FY2012.

**Chart 4: Government Budget for Healthcare**

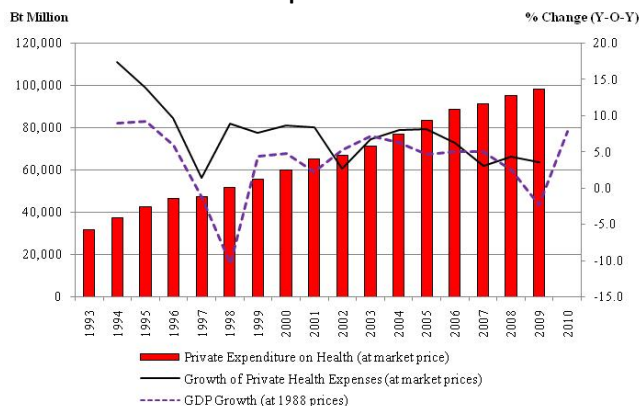


Source: Bureau of the Budget

▪ **Private healthcare spending moves with economic growth**

The NESDB reported that spending on healthcare services by the private sector grew by an average of 4.9% per annum during 2001-2010. Household payments comprised the largest portion of total private spending for healthcare services. The remaining portion was paid by private health insurance companies. Private sector expenditures for healthcare services tend to move in tandem with economic growth. Nonetheless, the state of global economy, which could impact the arrivals of foreign patients, also plays a major role in determining business prospects of private hospitals.

**Chart 5: Private Expenditures for Healthcare**



Source: Office of the National Economic and Social Development Board (NESDB)

▪ **Private hospitals face higher competition**

A number of domestic private hospitals compete with differentiations by specializing in advanced medical treatment areas, such as heart diseases, cancers, or orthopedics. Some top-tier private hospitals also target foreign patients and partner with international organizations to increase their market opportunities. Currently, the three largest SET-listed private hospital operators in terms of revenue are the Bangkok Hospital Group, followed by Bumrungrad Hospital and Bangkok Chain Hospital. All three hospitals have a combined market share of only 17% of the total private hospital beds nationwide.

The Bangkok Hospital Group and Bumrungrad Hospital focus on both local and foreign patients, while Bangkok Chain Hospital focuses mainly on local patients. According to the Department of Export Promotion, the average number of foreign patients receiving medical services in Thailand amounted to 1.3-1.5 million persons per year during the last five years. The largest portions of foreign patients are from Japan (estimated at 20% of total foreign patients), ASEAN nations (10%), the United States (US) (10%), and the Middle East (8%).

Currently, domestic hospitals targeting medical tourists have to compete with overseas hospitals from other Asian countries like Singapore, Malaysia, Hong Kong, and India. These countries are also striving to be the “Medical Hub of Asia”. In addition, hospital operators in Thailand will be facing a tougher challenge in the near future as the landscape of healthcare service industry is expected to be more expanded regionally after the ASEAN Economic Community (AEC) begins in 2015. However, Thailand’s competitiveness as a medical hub is not expected to change rapidly as several medical treatment costs in Thailand are still lower than other advanced countries, such as Singapore and Malaysia.

**BUSINESS ANALYSIS**

BGH’s solid business profile reflects its strong market position as the largest private hospital operator in Thailand. The merger with PYT and Paolo has enhanced capacity of BGH’s facilities, customer base, and geographic diversity, and has also created larger franchise network.

▪ **Leading private hospital operator in Thailand with diverse source of revenue**

BGH has continued to expand its franchise network and improve the quality of services it offers. BGH’s umbrella covers 28 hospitals located in several parts of Thailand. BGH’s customer base is wide as it targets medium to premium local and foreign patients in various locations. Including the patients from the Phyathai and Paolo hospital groups, BGH’s customer base has extended into the social security and civil servant segments. BGH’s diverse sources of revenue help stabilize its operating performance. BGH has gradually become less dependent on revenue from BMC. Revenue from BMC as a percentage of total revenue declined from 31% in 2010 to 22% for the first half of 2012. The five hospitals making the largest contributions to BGH’s total earnings before interest, tax, depreciation, and amortization (EBITDA) in the first half of 2012 were BMC (21%), Phyathai Hospital Group (21%), SVH (15%), BPH (10%), and BPK (6%).

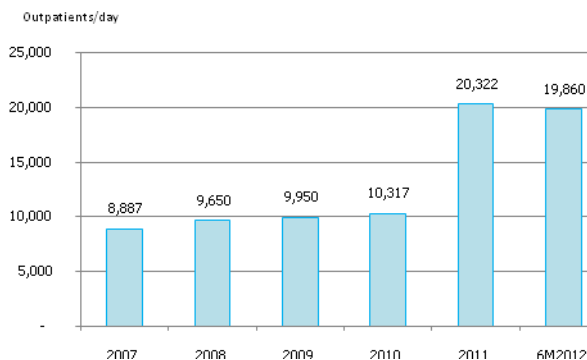
BGH has continued to expand its customer base by growing in its existing markets, expanding to new markets, and developing new technologies and products. BGH plans to expand its hospital network both in Thailand and in neighboring countries during the next three years. The larger customer base also provides the power BGH needs to leverage the introductions of new services.

▪ **Solid growth in patient volume**

During 2008-2010, the patient volume of BGH has grown steadily, mainly driven by acquisitions and the organic growth in patient volume of several major hospitals in the group. In 2011, BGH’s outpatients visit per day and the average daily census increased substantially, as the company has added a large number of patients after the acquisitions of Phyathai Hospital Group and Paolo Memorial Hospital Group. Outpatient visits per day shot up from 10,317 persons in 2010 to 20,322 persons in 2011. The average daily census jumped from 1,499 patients in 2010 to 2,665 patients in 2011.

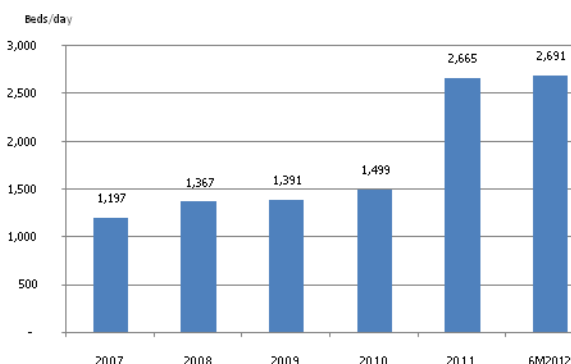
The revenue from outpatients grew by over 50% y-o-y in 2011, and by 32% y-o-y for the first half of 2012. Inpatient revenue increased by 50% y-o-y in 2011, and by 37% y-o-y for the first half of 2012. The growth came from almost all hospitals, especially BMC, PYT, Paolo, BCH, and BKH, achieving strong improvements in earnings.

**Chart 6: BGH's Outpatient Visits Per Day**



Source: BGH

**Chart 7: BGH's Average Daily Census**



Source: BGH

▪ **Well-established brands and high service quality**

Bangkok Hospital, Samitivej Hospital, BNH Hospital, Phyathai Hospital, and Paolo Memorial Hospital are five major domestic brands under BGH's umbrella. These major hospitals are well-known and widely-accepted among Thai patients because of their strong medical teams and quality services offered at each hospital. By combining BGH's five major groups of hospitals, BGH will have the largest pool of physicians, nurses, and clinical staff in the industry. BGH will also have the strongest referral network in Thailand. Most of the physicians in the major hospitals have obtained board certifications in their specialties. BMC's clinical staff are well-recognized for their skill in cardiology, cancer, and neurology. SVH specializes in kidney, liver, and bone marrow transplants while SNH is well-known as a children hospital and teen center. BNH specializes in joint and spine care and infertility. BNH is able to attract a lot of foreign patients and people working in the surrounding area. Hospitals like BPH, BPK, and BKH are positioned as tertiary care centers in the eastern, southern, and northeastern regions, respectively.

BGH has put in a lot of effort to upgrade its hospitals in terms of quality of care and services offered. For example, Phyathai 3 Hospital opened a heart care services

center in May 2012. This upgrade is expected to enhance its customer base and increase patient acuity. Similarly, Paolo Memorial Nawamin Hospital opened its cancer care center in May 2012. The focus on tertiary care will help increase the revenue per patient and the utilization of medical equipment and lab services.

▪ **Experienced management team**

BGH's management team has more than a decade of experience in the healthcare industry. The competence of the management team has allowed BGH to maintain its market-leading position. The management team has a proven track record in investment, merger and acquisitions, as well as strategy. The success of their efforts is evidenced by the acquisitions BGH has made, plus BGH's geographical diversification. The hospitals that BGH purchased have brought more rapid growth. In addition, BGH has tried to maintain its debt at a manageable level. The acquisition of the Phyathai and Paolo Hospital Groups through a share swap is a good example of BGH's very conservative financial policy.

The management team carefully oversees the company's long-term plans and expansion strategies. BGH plans to expand in both domestic and neighboring markets. The company has prepared itself for the ASEAN Economic Community (AEC) by implementing training program and improving language skills for its physicians, clinical staff, and nurses. In addition, the company also co-operates with well-known overseas medical care centers, in order to provide high quality services to Thai patients.

**FINANCIAL ANALYSIS**

BGH's financial profile is characterized by strong growth in revenue, increasing operating cash flow, and acceptable liquidity. A larger base of customers brings good prospects in terms of revenue, cash flow, and profitability. Cash flow protection and pretax returns on permanent capital have improved. However, any future investments or acquisitions which are debt-financed may push the amount of debt higher.

▪ **Solid revenue growth and stable profitability**

BGH's revenue base is stronger than its peers. Revenue from hospital operations in 2011 stood at Bt35,224 million, soaring by 50% y-o-y from Bt23,513 million in 2010. BGH's revenues are more than twice that of the second-largest SET-listed private hospital operator in Thailand. Revenue for the first six months of 2012 reached Bt21,059 million, up by 35% from the same period of the previous year. The rise was driven by growth in patient volume, patient acuity, more patient referrals, and the inclusion of revenues from PYT and Paolo.

Operating income before depreciation and amortization as a percentage of sales has been relatively stable, ranging from 20%-22% during 2009 through the first half of 2012. However, the government mandated an increase in the minimum wage in mid-2012. The wage rise hurt the financial performance of the Paolo Hospital Group. In addition, BGH has raised the professional fee for its nurses. This pushed personnel costs higher as well. However, the increase in minimum wage and the rise in nurses' profession fee had no significant impact on BGH's overall profitability.

Going forward, cost-control initiatives and the improvement of the utilization of assets and services shared within the group are expected to enhance the company's profitability. BGH is expected to benefit from economies of scale through the centralized purchasing of medicines, medical supplies, and key medical equipment.

▪ **Capital structure remained acceptable**

BGH's debt to capitalization ratio ranged from 45%-49% during 2007-2009 and dropped to 40% at the end of 2010. The drop came because BGH had strong earnings retention and it did not make any debt-financed acquisitions in 2010. BGH's total debt stood at around Bt10,000-Bt12,000 million during 2007-2010. However, total debt rose to Bt16,792 million at the end of 2011, and to Bt20,968 million at the end of June 2012. The rises were mainly due to the inclusion of PYT and Paolo's debts after the acquisitions and the investments in new hospitals and

affiliated companies. However, the debt to capitalization ratio slightly dropped to 37.5% at the end of June 2012 because the equity base grew.

In the medium term, BGH's investment plans cover both domestic and international opportunities. BGH plans capital expenditures of Bt6,200-Bt7,700 million per annum over the next three years. The planned capital expenditures are primarily for improving its hospital facilities and investing in the non-hospital segment plus new hospitals. TRIS Rating expects BGH to manage its capital structure carefully in order to keep its financial profile strong.

▪ **Stronger cash flow protection**

BGH's ability to generate cash flow has continually improved. Liquidity and financial flexibility are acceptable. FFOs climbed from Bt4,372 million in 2010 to Bt6,605 million in 2011, and stood at Bt4,096 million for the first half of 2012.

The FFO to total debt ratio were relatively stable, ranging from 39%-41% during 2010-2011. The ratio at the end of June 2012 was 19.5% (non-annualized). The EBITDA interest coverage ratio has risen because revenues and profits have grown. The ratio climbed from 8 times in 2008 to 12.4 times in 2011 and 18 times for the first half of 2012. BGH's current level of FFOs is sufficient to service its debt obligations which will be due over the next 12 months.

### Financial Statistics and Key Financial Ratios\*

Unit: Bt million

	----- Year Ended 31 December -----					
	Jan-Jun 2012	2011	2010	2009	2008	2007
Sales (revenues from hospital only)	21,059	35,224	23,513	21,597	21,188	18,432
Gross interest expense	404	770	584	641	647	688
Net income from operations	4,520	4,386	2,295	1,725	1,662	1,244
Funds from operations (FFOs)	4,096	6,605	4,372	3,999	3,893	3,351
Capital expenditures	2,884	3,560	1,192	1,496	1,976	2,998
Total assets	64,949	58,792	32,197	30,359	27,931	26,232
Total debts	20,968	16,792	10,751	12,256	11,440	11,385
Shareholders' equities	34,956	33,417	16,283	14,747	12,988	11,710
Operating income before depreciation and amortization as % of sales	20.5	20.0	21.5	21.6	21.6	22.5
Pretax return on permanent capital (%)	11.0 **	17.7	13.9	11.6	12.8	11.1
Earnings before interest, tax, depreciation and amortization (EBITDA) interest coverage (times)	18.0	12.4	10.1	8.2	8.1	6.7
FFOs/total debt (%)	19.5 **	39.3	40.7	32.6	34.0	28.5
Total debt/capitalization (%)	37.5	33.4	39.8	45.4	46.8	49.3

\* Consolidated financial statements

\*\* Non-annualized

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