

INSIDE THIS ISSUE:

Major Development in 2013	1
2013 Performance	2
Summary of Balance Sheets	4
IR Activities	6

Performance Highlights

Major Development in 2013

- Change the status from investments in associated companies to subsidiary companies

 - ◆ Additional investment in Thonburi Medical Center Public Co., Ltd (“KDH”) or Samitivej Thonburi Hospital of Baht 528 million

During 1Q13, Royal Bangkok Healthcare Co., Ltd., a subsidiary company, has acquired 3,741,612 shares in KDH from the existing shareholders at Baht 55 per share totaling Baht 206 million. As a result, the Company and its subsidiary company hold 44.96% in KDH. Consequently, a subsidiary company submitted a tender offer to purchase KDH shares resulting in an increase in shareholding to 45.02%. Since 2Q13, the Company appointed all directors and management to manage KDH. Then, KDH changed its status to become a subsidiary company. During 3Q13, the Company purchased additional investment in KDH totaling Baht 36 million resulting in an increase in shareholding to 47.69%. In 4Q13, KDH increased its registered capital which offered to the existing shareholders at ratio of 2 existing shares to 1 new share at the offering price of Baht 80 per share. The Company and its subsidiary company had exercised the rights resulting in an increase in shareholding in KDH to 55.35%.
 - ◆ Additional investment in The Medic Pharma Co., Ltd. of Baht 162 million

The Company purchased additional 798,000 shares in The Medic Pharma Co., Ltd. at Baht 200 per share totaling Baht 160 million. As a result, the Company’s shareholding increased from 49% to 86.23% and changed this company’s status to become a subsidiary company since June 2013. In 3Q13, the Company purchased additional investment in The Medic Pharma Co., Ltd. resulting in an increase in shareholding to 86.89%.
- An expansion of new network hospitals

 - ◆ Bangkok Hospital Khon Kaen

In 2Q13, Bangkok Khon Kaen Hospital Co., Ltd., a subsidiary company, acquired Vachprasit Hospital Co., Ltd. to operate a hospital in Khon Kaen province. Currently, it is in the process of renovating and upgrading the facilities.

Thailand



Overseas



◆ Bangkok Hospital Phitsanulok

Since October 1st, 2013, Bangkok Hospital Phitsanulok has become our 31st network hospital at the purchase price of Baht 576 million.

In this regard, the Company offered newly issued shares under a general mandate by way of a private placement, as previously approved by AGM, in the amount of 3,636,771 shares with the offering price of THB 127.22 per share, totaling Baht 463 million.

2013 Performance

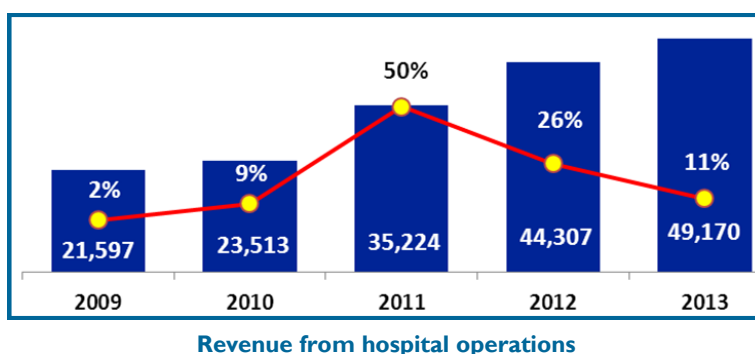
Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated net profit of Baht 6,113 million, an increase of 6% yoy. If including non-recurring items which are gain on fair value adjustment of investments of Baht 148 million during 2013 and gain on fair value adjustment of investments of Baht 1,795 million together with share of income from investment in associated companies of Baht 276 million during 2012, net profit was Baht 6,261 million or decreased by 20% yoy. The summarized 2013 consolidated performance is as follows:-

1. Operating income

Total operating income were Baht 51,158 million, an increase of Baht 5,164 million or 11% from 2012, primarily due to:

- ◆ Revenues from hospital operations were Baht 49,170 million, an increase of Baht 4,863 million or 11% from 2012. The growth was contributable to an increase in number of outpatients and inpatients across our network hospitals, rising healthcare inflation and an increase in patient acuity together with patient ward renovation, an increase in patient referral and the consolidation of Bangkok Hospital Udon since December 2012, Samitivej Thonburi Hospital since May 2013 and Bangkok Phitsanulok Hospital since October 2013.

During 2013, Thai and international patients grew 10% and 11% yoy respectively resulting in the revenue proportion between Thai and international patients remains unchanged at 72%:28% in 2012 and 2013. From type of patient perspectives, outpatient revenues grew by 11% yoy while the inpatient revenues increased by 10% yoy.

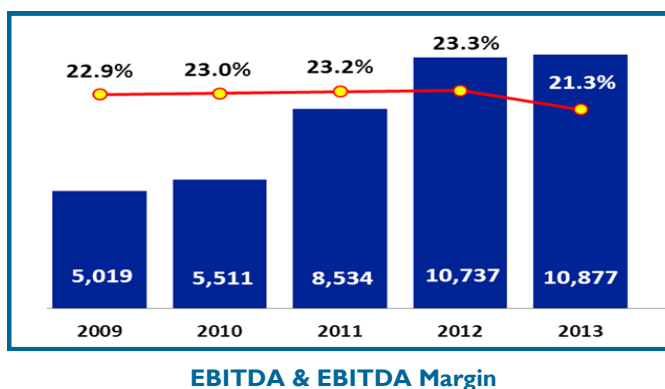


- ◆ Revenues from sales of goods and food were Baht 417 million, an increase of 67% from 4Q12, mainly from an increase in sales of A.N.B. Laboratories Co., Ltd. together with consolidation of The Medic Pharma Co., Ltd since June 2013.
- ◆ Other incomes were Baht 147 million, a decrease of 10% yoy.

2. Operating expenses

- ◆ The Company and its subsidiaries reported cost of hospital operations and others (including depreciation and amortization) were Baht 32,977 million, an increase by 13% from 2012. An increase was due mainly to an organic growth in revenues from hospital operations together with rising in clinical staffs expenses as a result of an increasing in annual salary and number of clinical staffs together with newly recruited specialist doctors both full-time and part-time to accommodate the rising demand of the existing network hospitals and in preparation for the new network hospitals.

- ◆ The administrative expenses (including depreciation and amortization) were Baht 10,549 million, an increase by 18% from 2012, due mainly to an increase in annual salary and other administrative expenses as a result of rising in operating income, for example, an increase in utilities expenses and rental expenses together with rising in provisioning for doubtful debts in accordance with our provisioning policy.



EBITDA, consequently, increased from 10,737 in 2012 to Baht 10,877 million in 2013 or slightly increased by 1% yoy. EBITDA margin, however, decreased from 23.3% in 2012 to 21.3% in 2013.

3. Depreciation and amortization expenses

The depreciation and amortization expenses were Baht 3,244 million in 2013, an increase by 10% yoy due mainly to renovation expansion and new medical equipment of the network hospitals together with the consolidation of depreciation and amortization of new network hospitals.

4. Others majors items

- ◆ Share of income from investments in associated companies of Baht 988 million was mainly from share of income from investment in Bumrungrad Hospital Public Co., Ltd (“BH”) of Baht 628 million together with share of income from investment in Ramkhamhaeng Hospital Public Co., Ltd (“RAM”) of Baht 348 million.
- ◆ Finance expenses increased to Baht 957 million or increased by 13% yoy due mainly to an issuance of debentures during 2013 totaling Baht 7,000 million and short-term loan from financial institutions of Baht 4,600 million to finance for the expansion of network hospitals netted with redemption of maturity debentures and repayment of short term loan from financial institutions.
- ◆ Taxes in 2013 were Baht 1,392 million, a decrease from Baht 1,611 million in 2012, due mainly to a reduction in corporate income tax rate to 20%.

5. Non-Recurring Items

- ◆ In 2013, the Company and its subsidiaries recorded non-recurring items for gain on fair value adjustment of investments totaling Baht 148 million as a result of “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. There are two Step Acquisitions from the following investments

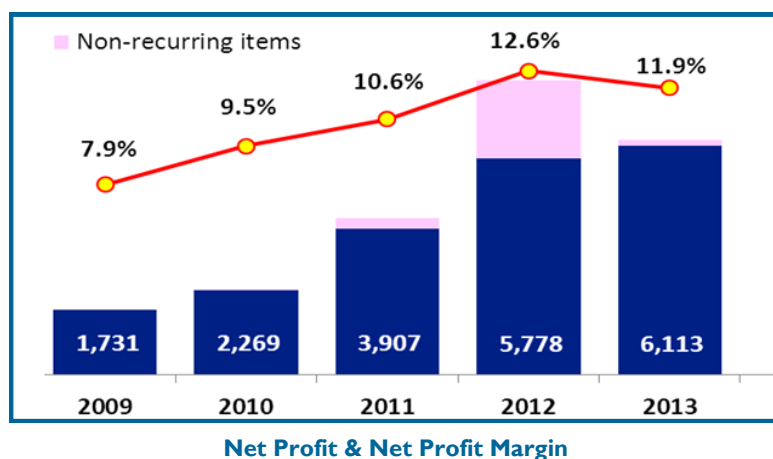
1) Investment in Thonburi Medical Center Public Co., Ltd

During IQ13, Royal Bangkok Healthcare Co., Ltd, a Company’s subsidiary, acquired additional shares in Thonburi Medical Center Public Co., Ltd (“KDH”) resulting in the Company and the subsidiary to increase its holding from 20.01% to 45.02%. During 2Q13, the Company appointed directors and management to manage KDH, therefore, such company changed its status to become a subsidiary company. The Company realized the gain from remeasurement of its previously held shareholding to fair value by Baht 61 million. At present, the Company increased its shareholding in KDH to 55.35%.

2.) Investment in The Medic Pharma Co., Ltd

The Company acquired additional shares in The Medic Pharma Co., Ltd for totaling Baht 160 million and increased its shareholding from 49.00% to 86.23%. The Medic Pharma Co., Ltd then becomes a subsidiary company. The Company realized the gain from remeasurement of its previously held shareholding to fair value by Baht 87 million. At present, the Company increased its shareholding to 86.89%. items of totaling Baht 276 million for gain on sales of all of BH investments in Bangkok Chain Hospital Public Co., Ltd of Baht 135 million together with RAM's gain on swap of securities of Baht 141 million during 3Q12.

In 2012, the Company and its subsidiaries recorded non-recurring items for gain on fair value adjustment of investment in BH totaling Baht 1,795 million during 1Q12. Also, the Company and its subsidiaries recorded non-recurring



As a result, If excluding the non-recurring items, net profit was Baht 6,113 million, an increase of Baht 335 million or increased by 6% yoy. Net profit margin, however, decreased from 12.6% in 2012 to 11.9% in 2013. Basic earnings per share increased from Baht 3.74 in 2012 to Baht 3.95 in 2013.

If including the non-recurring items, net profit was Baht 6,261 million in 2013, a decrease of Baht 1,588 million, or decreased by 20% yoy. Net profit margin decreased from 17.1% in 2012 to 12.2% in 2013. Basic earnings per share also decreased from Baht 5.08 in 2012 to Baht 4.05 in 2013.

Summary of Balance Sheets

(Unit : THB mm)	<u>Dec-13</u>	<u>Dec-12</u>	<u>Chg %</u>
Total Assets	76,399	68,461	12%
Total Liabilities	33,755	30,074	12%
Total shareholders' equity	42,644	38,387	11%

The consolidated financial position of the Company and its subsidiaries as of December 31, 2013: The Company and its subsidiaries reported total assets of Baht 76,399 million, an increase of Baht 7,938 million or increased by 12% from December 31, 2012. Significant changes are summarized as follows:-

- ◆ Trade and other receivables of Baht 4,925 million, an increase by 15% yoy due mainly to an increase in revenue from hospital operations together with growth in private health insurance and contracts resulting in an increase in average collection period from 32.7 days in 2012 to 35.4 days in 2013. Allowance for doubtful accounts of Baht 431 million as of 31 December 2013 is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of the receivables aging.
- ◆ Inventories of Baht 919 million, an increase by 18% yoy. Inventories are consisted of 85% medicines and medical supplies, 9% reagent and 6% supplies and others.

- ◆ Investment in associated companies of Baht 13,092 million, an increase by 2% yoy due mainly to share of income from associates companies.
- ◆ Property, premises and equipment of Baht 38,875 million, an increase by 17% yoy due mainly to building renovation, purchase of new medical equipment, land purchase, building under construction and medical equipment under installation for new network hospitals, for example, Bangkok Hospital Khonkaen and Bangkok Hospital Chiangmai totaling Baht 7,666 million together with land, building and medical equipment from an acquisitions of KDH for Baht 559 million, The Medic Pharma Co., Ltd. for Baht 123 million and Bangkok Hospital Phitsanulok for Baht 545 million, netted with accumulated depreciation.

Total consolidated liabilities as of December 31, 2013 were Baht 33,755 million, an increase of Baht 3,681 million or 12% from December 31, 2012, due mainly to an issuance of debentures amounting to Baht 7,000 million and increase in short-term loans from financial institutions of Baht 4,600 million, netted with redemption of debentures of Baht 2,000 million, repayment of short-term loan from financial institutions of Baht 5,809 million and repayment of long-term loans from financial institutions of Baht 980 million.

Total consolidated shareholders' equity was Baht 42,644 million, an increased by Baht 4,257 million or 11% from December 31, 2012. This is due mainly to comprehensive income during 2013 netted with dividend payment of Baht 2,782 million.

Financial Analysis	2013	2012
Returns (%)		
Return on Asset	8.4	9.1
Return on Equity	15.8	16.8
Liquidity (x)		
Current Ratio	0.9	0.8
Quick Ratio	0.8	0.7
Asset & Liabilities Management (Days)		
Average Collection Period	35.4	32.7
Average Inventory Period	9.3	11.2
Average Accounts Payable	41.7	43.1
Leverage & Coverage Ratio (x)		
Total Debt to Equity	0.5	0.5
Net Debt to Equity	0.4	0.4
Net Debt to EBITDA	1.7	1.5
Interest Coverage	11.4	12.6

Excluding non-recurring items

Remark

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

Return on assets and return on equity during 2013 decreased from 2012 as the Company is in the process of expansion by opening new network hospitals in key strategic locations resulting in an increase of net fixed assets of Baht 5,723 million together with an expansion of healthcare related businesses to accommodate rising healthcare demand.

Total debt to equity and net debt to equity remains unchanged at 0.5x and 0.4x respectively as of December 31, 2012 and as of December 31, 2013. In addition, Net debt to EBITDA increased from 1.5x as of December 31, 2012 to 1.7x as of December 31, 2013 while interest coverage ratio decreased slightly from 12.6x as of December 31, 2012 to 11.4x as of December 31, 2013.

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

IR Activities

Analyst Meeting



BDMS hosted the 1/2014 Analyst meeting for the 4Q13 and 2013 results on Mar 5, 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 under investor relations.

dbTISCO Access Thailand Services Sectors Corporate Day



On 7 March 2014, BDMS join dbTISCO Access Thailand Services Sectors Corporate Day organized by Deutsche TISCO Investment Advisory to update on the Company's performance and address any questions or comment to the management. The meeting was led by Khun Narumol Noi-Am, BDMS CFO, and Khun Ajaya Intaraprasong, BDMS Finance Director, Investor Relations. Participants of the event included 42 local institutional investors.



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 76,399 million in assets as of December 2013. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 29 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.

Contact: Investor Relations
 Bangkok Dusit Medical Services Public Company Limited
 2 Soi Soonvijai 7, New Petchburi Road, Bangkok 10310 Thailand
 Tel +66(0)2755-1793