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Section 3

Financial position and performance

13. FINANCIAL POSITION AND PERFORMANCE

13.1 Summary of Financial Information

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
COMPARED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER**

Unit: Thousand Baht

	2013	%	2012	%	2011	%
ASSETS						
Current assets						
Cash and cash equivalents	5,857,211	33.95	6,034,144	37.75	1,260,731	9.21
Trade and other receivables	1,306,952	7.58	1,335,000	8.35	1,126,061	8.22
Inventories	304,538	1.76	233,751	1.46	265,740	1.94
Prepaid expenses	49,940	0.29	52,359	0.33	48,621	0.36
Other current assets	33,195	0.19	14,449	0.09	3,134	0.02
Total current assets	7,551,836	43.77	7,669,703	47.98	2,704,287	19.75
Non-current assets						
Investments in associates	234,586	1.36	237,745	1.49	4,251,255	31.05
Other long-term investments	1,700	0.01	1,700	0.01	1,900	0.01
Property, plant and equipment	9,095,693	52.72	7,683,004	48.06	6,241,553	45.59
Intangible assets	189,298	1.10	235,973	1.48	256,204	1.87
Other non-current assets	27,459	0.16	33,629	0.21	17,348	0.13
Deferred tax assets	150,957	0.88	122,952	0.77	218,431	1.60
Total non-current assets	9,699,693	56.23	8,315,003	52.02	10,986,691	80.25
TOTAL ASSETS	17,251,529	100.00	15,984,706	100.00	13,690,978	100.00

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**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
COMPARED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER**

Unit: Thousand Baht

	2013	%	2012	%	2011	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Trade and other payables	858,882	4.98	799,949	5.00	602,685	4.40
Accrued physicians' fees	488,246	2.83	502,738	3.15	452,055	3.30
Accrued expenses	384,508	2.23	394,061	2.47	269,107	1.97
Income tax payable	329,138	1.91	372,559	2.33	124,932	0.91
Other current liabilities	64,324	0.37	68,315	0.43	57,208	0.42
Total current liabilities	2,125,098	12.32	2,137,622	13.37	1,505,987	11.00
Non-current liabilities						
Long-term loans from a related party	176,400	1.02	-	-	-	-
Long-term debentures	4,966,090	28.79	4,960,466	31.03	4,954,926	36.19
Provision for long-term employee benefits	386,976	2.24	376,130	2.35	277,761	2.03
Total non-current liabilities	5,529,466	32.05	5,336,596	33.39	5,232,687	38.22
Total liabilities	7,654,564	44.37	7,474,218	46.76	6,738,674	49.22

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**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
COMPARED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER**

Unit: Thousand Baht

	2013	%	2012	%	2011	%
Shareholders' equity						
Share capital						
Registered						
921,211,022 ordinary shares of Baht 1 each (2012: 921,043,709 ordinary shares of Baht 1 each, 2011: 921,034,085 ordinary shares of Baht 1 each)	921,211		921,044		921,034	
1,491,663 preference shares of Baht 1 each (2012: 1,658,976 preference shares of Baht 1 each, 2011: 1,668,600 preference shares of Baht 1 each)	1,492		1,659		1,669	
Issued and paid-up						
728,560,559 ordinary shares of Baht 1 each (2012: 728,393,246 ordinary shares of Baht 1 each, 2011: 728,383,622 ordinary shares of Baht 1 each)	728,561	4.22	728,393	4.55	728,383	5.32
1,491,663 preference shares of Baht 1 each (2012: 1,658,976 preference shares of Baht 1 each, 2011: 1,668,600 preference shares of Baht 1 each)	1,492	0.01	1,659	0.01	1,669	0.01
Premium on ordinary shares	285,568	1.66	285,568	1.79	285,568	2.09
Convertible bonds treated as equity securities	550,000	3.19	550,000	3.44	550,000	4.02
Retained earnings						
Appropriated - statutory reserve	92,275	0.53	92,275	0.58	92,275	0.67
Unappropriated	7,695,106	44.61	6,608,287	41.34	5,240,978	38.28
Other components of shareholders' equity	243,963	1.41	244,306	1.53	51,298	0.37
Equity attributable to owners of the Company	9,596,965	55.63	8,510,488	53.24	6,950,171	50.76
Non-controlling interests of the subsidiary	-	-	-	-	2,133	0.02
Total shareholders' equity	9,596,965	55.63	8,510,488	53.24	6,952,304	50.78
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17,251,529	100.00	15,984,706	100.00	13,690,978	100.00

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**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER**

Unit: Thousand Baht

	2013	%	2012	%	2011	%
Revenues						
Revenues from hospital operations	14,250,586	97.27	12,856,205	91.56	11,014,830	97.42
Rental income	95,400	0.65	126,339	0.90	120,816	1.07
Interest income	154,135	1.05	98,369	0.70	29,836	0.26
Gain on sales of investments	-	-	789,826	5.62	280	0.01
Exchange gains	54,417	0.37	69,509	0.50	45,200	0.40
Other income	96,848	0.66	101,389	0.72	95,259	0.84
Total revenues	14,651,386	100.00	14,041,637	100.00	11,306,221	100.00
Expenses						
Cost of hospital operations	8,836,088	60.31	8,242,007	58.70	7,070,241	62.53
Administrative expenses	2,527,116	17.25	2,294,947	16.34	2,035,056	18.00
Total expenses	11,363,204	77.56	10,536,954	75.04	9,105,297	80.53
Profit before share of profit (loss) from investments in joint venture and associates, finance cost and income tax expenses	3,288,182	22.44	3,504,683	24.96	2,200,924	19.47
Share of profit (loss) from investments in joint venture and associates	5,882	0.04	93,343	0.66	82,684	0.73
Profit before finance cost and income tax expenses	3,294,064	22.48	3,598,026	25.62	2,283,608	20.20
Finance cost	(147,874)	(1.01)	(240,750)	(1.71)	(189,427)	(1.68)
Profit before income tax expenses	3,146,190	21.47	3,357,276	23.91	2,094,181	18.52
Income tax expenses	(625,408)	(4.27)	(798,764)	(5.69)	(506,146)	(4.48)
Profit for the year	2,520,782	17.21	2,558,512	18.22	1,588,035	14.04
Profit attributable to:						
Equity holders of the Company	2,520,782	17.21	2,557,792	18.21	1,588,032	14.04
Non-controlling interests of the subsidiary	-	-	720	0.01	3	-
	2,520,782	17.21	2,558,512	18.22	1,588,035	14.04

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**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER**

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
							Other components of shareholders' equity						
							Other comprehensive income						
							Exchange differences						
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		on translation of financial statements in foreign currencies	Excess of investment over book value of a subsidiary	Other paid-in capital of an associate	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
	Ordinary shares	Preference shares			Appropriated	Unappropriated							
Balance as at 31 December 2011 - as previously reported	728,384	1,669	285,568	550,000	92,275	5,022,547	(8,214)	(192,662)	252,173	51,297	6,731,740	2,133	6,733,873
Cumulative effect of change in accounting policy for deferred tax	-	-	-	-	-	218,431	-	-	-	-	218,431	-	218,431
Balance as at 31 December 2011 - as restated	728,384	1,669	285,568	550,000	92,275	5,240,978	(8,214)	(192,662)	252,173	51,297	6,950,171	2,133	6,952,304
Decrease in excess of investment over book value of a subsidiary due to sales of investment in a subsidiary	-	-	-	-	-	(192,662)	-	192,662	-	192,662	-	-	-
Preference shares converted to ordinary shares	10	(10)	-	-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of a subsidiary due to reduction of the subsidiary's share capital	-	-	-	-	-	-	-	-	-	-	-	(1,347)	(1,347)
Decrease in non-controlling interests of a subsidiary due to sales of investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(1,505)	(1,505)
Dividend paid	-	-	-	-	-	(912,499)	-	-	-	-	(912,499)	-	(912,499)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(32,500)	-	-	-	-	(32,500)	-	(32,500)
Total comprehensive income for the year (restated)	-	-	-	-	-	2,504,969	347	-	-	347	2,505,316	720	2,506,035
Balance as at 31 December 2012 - as restated	728,393	1,659	285,568	550,000	92,275	6,608,287	(7,867)	-	252,173	244,306	8,510,488	-	8,510,488
Balance as at 31 December 2012 - as previously reported	728,393	1,659	285,568	550,000	92,275	6,485,335	(7,867)	-	252,173	244,306	8,387,536	-	8,387,536
Cumulative effect of change in accounting policy for deferred tax	-	-	-	-	-	122,952	-	-	-	-	122,952	-	122,952
Balance as at 31 December 2012 - as restated	728,393	1,659	285,568	550,000	92,275	6,608,287	(7,867)	-	252,173	244,306	8,510,488	-	8,510,488
Preference shares converted to ordinary shares	167	(167)	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(1,387,085)	-	-	-	-	(1,387,085)	-	(1,387,085)
Interest paid for convertible bonds treated as equity securities	-	-	-	-	-	(32,500)	-	-	-	-	(32,500)	-	(32,500)
Total comprehensive income for the year (restated)	-	-	-	-	-	2,506,405	(343)	-	-	(343)	2,506,062	-	2,506,062
Balance as at 31 December 2013	728,561	1,492	285,568	550,000	92,275	7,695,107	(8,210)	-	252,173	243,963	9,596,965	-	9,596,965

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**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER**

	Unit: Thousand Baht		
	2013	2012	2011
Cash flows from operating activities			
Profit before tax	3,146,190	3,357,276	2,094,181
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: -			
Depreciation and amortisation	882,266	709,080	647,808
Allowance for loss on impairment of assets	(354)	594	-
Bad debts and allowance for doubtful accounts	23,940	15,108	19,603
Loss on sales and write-off of equipment	2,643	11,748	6,543
Provision for long-term employee benefits	22,438	56,735	9,026
Gain on sales of investments	-	(789,826)	(280)
Share of profit from investments in associates	(5,882)	(93,343)	(82,684)
Interest income	(154,135)	(98,369)	(29,836)
Amortisation of debenture issuing costs to interest expense	5,624	5,540	-
Interest expense	142,250	235,210	189,427
Profit from operating activities before changes in operating assets and liabilities	4,064,980	3,409,753	2,853,788
Operating assets (increase) decrease			
Trade and other receivables	4,107	(224,047)	(187,296)
Inventories	(70,787)	31,989	(48,038)
Other current assets	(16,326)	(15,053)	(371)
Other non-current assets	6,170	(16,282)	281
Operating liabilities increase (decrease)			
Trade and other payables	38,205	118,297	(15,212)
Accrued physicians' fee	(14,493)	50,683	46,611
Accrued expenses	(10,806)	124,954	44,168
Other current liabilities	(3,990)	11,107	868
Provision for long-term employee benefits	(29,592)	(24,650)	-
Cash flows from operating activities	3,967,468	3,466,751	2,694,799
Cash paid for income tax expense	(693,209)	(442,199)	(633,593)
Net cash flows from operating activities	3,274,259	3,024,552	2,061,206

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**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER**

	Unit: Thousand Baht		
	2013	2012	2011
Cash flows from investing activities			
Acquisition of investments	-	(1,045,034)	(3,562,938)
Dividend received	5,400	49,875	57,148
Cash receipt from share capital reductions of a subsidiary and an associate	-	361,738	612,647
Cash receipt from sales of investments	-	4,483,293	2,758
Acquisition of property, plant and equipment and payment of construction and medical equipment payables	(2,217,856)	(982,397)	(1,071,084)
Acquisition of computer software	(13,762)	(37,276)	(18,822)
Proceeds from sales of equipment	4,436	3,958	5,084
Decrease in cash and cash equivalents of a subsidiary at the disposal date	-	(1,527)	-
Interest income	154,135	98,369	29,836
Net cash flows from (used in) investing activities	(2,067,647)	2,930,999	(3,945,371)
Cash flows from financing activities			
Net repayment for short-term loan from financial institution	-	-	(100,000)
Repayment of long-term loans from financial institution	-	-	(1,430,000)
Net cash receipt from debentures issuing	-	-	4,954,926
Cash receipt from long-term loan from a related party	176,400	-	-
Interest paid for long-term loan from a related party	(1,664)	-	-
Interest paid for long-term debentures	(139,333)	(235,210)	(182,185)
Dividend paid	(1,386,072)	(911,750)	(692,672)
Interest paid for convertible bonds treated as equity securities	(32,500)	(32,500)	(32,500)
Net cash flows from (used in) financing activities	(1,383,169)	(1,179,460)	2,517,569
Decrease (increase) in translation adjustment	(376)	174	(165)
Decrease in non-controlling interests of a subsidiary	-	(2,852)	-
Net increase in cash and cash equivalents	(176,933)	4,773,413	633,239
Cash and cash equivalents at beginning of year	6,034,144	1,260,731	627,492
Cash and cash equivalents at end of year	5,857,211	6,034,144	1,260,731

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**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL RATIO SUMMARY**

<i>Consolidated</i>	2013	2012	2011
<u>Liquidity Ratios</u>			
Liquidity ratio (times)	3.55	3.59	1.80
Quick ratio (times)	3.36	3.44	1.57
Cash ratio (times)	1.54	1.66	1.28
Accounts Receivables Turnover (times)	10.20	9.82	9.68
Average Collection Period (days)	35.30	36.67	37.18
Inventory Turnover (times)	30.52	30.93	27.30
Sales Period (days)	11.80	11.65	13.19
Accounts Payable Turnover (times)	12.19	12.83	11.95
Payment Period (days)	29.54	28.10	30.12
Cash Cycle (days)	17.55	20.24	20.24
<u>Profitability Ratios</u>			
Gross Margin (%)	42.4	39.9	40.1
EBITDA Margin (%)	27.7	25.3	25.0
Operation Margin (%)	21.6	25.9	19.3
Cash to operating profit (%)	104.5	88.8	94.9
EBT Margin (%)	21.5	23.8	18.4
Net Margin before Extraordinary Items (%)	17.2	15.1	13.7
Net Margin (%)	17.2	18.1	13.9
Return on equity (%)	27.8	35.0	24.4
<u>Efficiency Ratio</u>			
Return on assets (%)	15.2	18.1	14.0
Return on fixed assets (%)	40.6	46.9	37.2
Asset turnover (times)	0.88	0.95	0.99
<u>Financial Policy Ratio</u>			
Total Liabilities to Equity (times)	0.80	0.88	0.97
Debt to Equity (times)	0.54	0.59	0.72
Net Debt to Equity (times)	(0.07)	(0.12)	0.53
Interest Coverage Ratio (times)	16.42	13.81	14.88
Debt service coverage ratio (CASH BASIS) (times)	14.38	13.56	11.88

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**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL RATIO SUMMARY**

<i>Consolidated</i>	2013	2012	2011
<u>Baht per share</u>			
Par Value	1.00	1.00	1.00
Book Value Per Share	13.17	11.68	9.54
Book Value Per Share - Fully Diluted	11.06	9.81	8.02
Earnings Per Share	3.46	3.51	2.18
Earnings Per Share - Fully Diluted	2.91	2.95	1.83
Dividend per share	1.80	1.80	1.10
<u>Growth ratios</u>			
Sales from hospital operations (%)	10.8	16.7	12.5
Cost of goods sold (%)	6.3	17.1	11.6
Administrative expenses (%)	7.8	13.2	10.7
EBITDA (%)	20.8	18.0	15.1
Operating profit (%)	-8.0	56.9	17.1
Net profit before extraordinary items (%)	25.4	29.2	17.7
Net profit (%)	-1.4	61.1	26.2
Total assets (%)	7.9	16.8	49.6

14. Management Discussion and Analysis

For 2013, Total revenues advanced to Baht 14,651 million, a 4.3% improvement over 2012 revenues of Baht 14,042 million. Net profit declined 1.4% to Baht 2,521 million in 2013 from Baht 2,558 million in 2012, with Net profit margin of 17.2% in 2013 compared with 18.1% in 2012.

The Company's Total revenues and results for 2012 included extraordinary items related to the sale of investments in Bangkok Chain Hospital PCL (doing business as "Kasemrad Hospital Group"), and the Share of loss from Bumrungrad International Limited mostly associated with the sale of the investment in Asian Hospital Inc. and certain wind-down costs. The details of these transactions are presented in the Extraordinary Items section.

Excluding these extraordinary items, Adjusted Total revenues were Baht 13,252 million in 2012 compared with 14,651 million in 2013, leading to adjusted growth of 10.6%. Adjusted Net profit in 2012 was Baht 2,010 million compared with Baht 2,521 million in 2013, producing an adjusted increase of 25.4%, while Adjusted Net profit margin was 15.1% in 2012 versus 17.2% in 2013, a 2.1% improvement from the prior year.

Details of the management discussion and analysis are as follows.

1. Income Statement

The Company reported 2013 Revenues from hospital operations of Baht 14,251 million, a 10.8% improvement from Baht 12,856 million in 2012. Outpatient volumes were mostly the same between 2013 and 2012, decreasing slightly in the Thai market, while inpatient volumes reflected a small decline in 2013, mostly from the international market. Both outpatient and inpatient volumes were impacted by one fewer day in 2013, as well as a strong 2012. For outpatient services, revenue intensity improved 4.4% year-over-year, while inpatient service intensity improved 2.3% year-over-year on a patient-day basis and 0.9% year-over-year on an admission basis. Accordingly, inpatient and outpatient service revenues grew by 8.3% and 13.1%, respectively. The revenue contribution from inpatient services in 2013 was 47.6% and from outpatient services was 52.4%, compared with 48.6% and 51.4%, respectively, for 2012, reflecting the higher intensity growth in outpatient business. Revenues by nationality in 2013 remained consistent with the prior year at 61.1% from international patients and 38.9% from Thai patients.

Rental income was Baht 95 million in 2013 compared to Baht 126 million in 2012 due to the planned expiration of an apartment building lease, and the conversion of previous rental space to temporary offices for hospital personnel necessitated by the campus expansion. Interest income advanced to Baht 154 million in 2013 from Baht 98 million in 2012, mainly due to higher average cash balances associated with Baht 4,482 million in net cash proceeds from the sale of all shares in Bangkok Chain Hospital PCL in July 2012. Exchange gains declined to Baht 54 million from Baht 70 million due to timing differences associated with collections on certain Middle East accounts. Total revenues in 2013 were Baht 14,651 million, compared to Baht 14,042 million in 2012, a 4.3% improvement year-over-year. In 2012, Total revenues included the Baht 790 million pretax gain from the sale of all shares in Bangkok Chain Hospital PCL, as further explained in the Extraordinary Items section. Excluding this pretax gain, Adjusted Total revenues in 2012 were Baht 13,252 million compared with Baht 14,651 million in 2013, resulting in adjusted growth of 10.6% year-over-year.

The Company reported Cost of hospital operations (including Depreciation and amortization) of Baht 8,836 million for 2013, or 7.2% more than Baht 8,242 million in 2012, which was less than the 10.8% growth in Revenues from hospital operations. The change includes approximately Baht 158 million in merit, minimum wage, benefits, and inflationary increases associated with employee labor costs; Baht 105 million additional Depreciation and amortization costs associated with the campus expansion and revised estimated useful lives of certain assets; Baht 101 million in mostly inflationary increases related to cost of medicine and medical supplies; and Baht 16 million more in electricity cost. Administrative expenses (including Depreciation and amortization) were Baht 2,527 million in 2013, increasing 10.1% from Baht 2,295 million in 2012. This variance included Baht 68 million additional Depreciation and amortization costs, as described above; Baht 46 million in merit, minimum wage, benefits, and inflationary increases associated with employee labor costs; Baht 39 million additional marketing

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expenses mostly related to doctor campaigns, medical specialty programs, and international patient referrals; and Baht 19 million more in software support and maintenance costs. EBITDA grew 20.8% year-over-year from Baht 3,326 million in 2012 to Baht 4,016 million in 2013, with the EBITDA margin advancing to 27.7% in 2013 compared with 25.3% in 2012.

Depreciation and amortization increased from Baht 709 million in 2012 to Baht 882 million in 2013, largely associated with the campus expansion and revised estimated useful lives of certain assets. The Company reported Baht 6 million Share of profit from investments in associates in 2013, compared to Share of profit of Baht 93 million in 2012. The reduction was primary attributable to Baht 107 million Share of profit from Bangkok Chain Hospital PCL, which was sold in early July 2012, resulting in no corresponding Share of profit in 2013. This was offset by Baht 17 million Share of loss from Bumrungrad International Limited in 2012 which included the capital gain taxes associated with the sale of its investment Asian Hospital Inc. in December 2011, along with certain wind-down costs.

Finance cost was Baht 148 million in 2013 compared to Baht 241 million in 2012. The decrease was primarily due to Baht 97 million in capitalized interest expenses related to the campus expansion.

Corporate income tax of Baht 625 million in 2013 was lower than Baht 799 million in 2012, mostly due to Baht 223 million associated with the gain from the sale of all shares in Bangkok Chain Hospital PCL in 2012, Baht 94 million from the reduction of the statutory corporate income tax rate from 23% in 2012 to 20% in 2013, offset by Baht 153 million increased taxes due to higher taxable operating profit in 2013 compared with 2012.

Basic EPS for 2013 of Baht 3.46 was 1.4% lower than Baht 3.51 in 2012, while 2013 Diluted EPS declined at the same rate to Baht 2.91 from Baht 2.95 in 2012. Excluding the extraordinary items related to the sale of investments in Bangkok Chain Hospital PCL and the Share of loss from Bumrungrad International Limited, , Adjusted Basic EPS for 2012 was Baht 2.76, resulting in a 25.4% improvement year-over-year to Baht 3.46 in 2013. Adjusted Diluted EPS grew at the same rate from Baht 2.32 in 2012 to Baht 2.91 in 2013.

Income statements Unit: Million Baht	2013	2012	Change
Revenues from Hospital Operations	14,251	12,856	10.8%
Gain on sales of investments	-	790	-100%
Total Revenues	14,651	14,042	4.3%
EBITDA	4,016	3,326	20.8%
Share of profit from investments in associates	6	93	-93.7%
Net Profit	2,521	2,558	-1.4%
<i>EBITDA Margin</i>	<i>27.7%</i>	<i>25.3%</i>	
<i>Net Profit Margin</i>	<i>17.2%</i>	<i>18.1%</i>	
EPS Unit: Baht	2013	2012	Change
EPS – Basic	3.46	3.51	-1.4%
EPS – Fully Diluted	2.91	2.95	-1.4%

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2. Statement of Financial Position

As at 31 December 2013, the Company reported Total current assets of Baht 7,552 million, a decrease from Baht 7,670 million as at 31 December 2012. The variance is mostly due to a reduction of Baht 177 million in Cash and cash equivalents and a decline of Baht 28 million in Trade and other receivables, offset with an increase of Baht 71 million in Inventories. Trade accounts receivables were Baht 1,284 million as at 31 December 2013 versus Baht 1,314 million as at 31 December 2012. The collection period was 35.3 days as at 31 December 2013 compared to 36.7 days as at 31 December 2012.

Total non-current assets increased to Baht 9,700 million as at 31 December 2013 from Baht 8,315 million as at 31 December 2012, mostly due to additional Property, plant and equipment associated with the campus expansion. Total assets grew to Baht 17,252 million as at 31 December 2013 from Baht 15,985 million as at 31 December 2012.

Total current liabilities were Baht 2,125 million as at 31 December 2013, a decrease from Baht 2,138 million as at 31 December 2012. The reduction was primarily from Baht 43 million less Income tax payable; a Baht 14 million decline in Accrued physician fee, and a Baht 10 million decrease in various Accrued expenses; offset by Baht 59 million more in Trade and other payables.

Non-current liabilities rose to Baht 5,529 million as at 31 December 2013 from Baht 5,337 million as at 31 December 2012, mostly due to a Baht 176 million long-term loan from an associate. Although Cash and cash equivalents decreased somewhat as noted above, the total debt as at 31 December 2013 remained significantly lower than the Cash and cash equivalents balance, leading to a net cash balance after considering outstanding debt. After adding back the 2013 capitalized interest expense related to the campus expansion of Baht 97 million, the Company's Interest coverage ratio improved to 16.4x in 2013 from 13.8x in 2012, due to higher EBITDA in 2013 compared to 2012.

Total shareholders' equity grew to Baht 9,597 million as at 31 December 2013 from Baht 8,511 million as at 31 December 2012. This increase resulted from the Company's 2013 Net profit of Baht 2,521 million, netted off with a dividend payment of Baht 1,387 million and other changes in Retained earnings of Baht 47 million. Average return on assets (ROA) decreased from 18.1% in 2012 to 15.2% in 2013. Similarly, Average return on equity (ROE) declined from 35.0% in 2012 to 27.8% in 2013. Both changes were due to extraordinary items in 2012, consisting mostly of the net gain realized by the Company from the sale of all of its investment in Bangkok Chain Hospital PCL.

Unit: Million Baht	31-Dec-13	31-Dec-12	Change
Total Assets	17,252	15,985	7.9%
Total Liabilities	7,655	7,474	2.4%
Total Shareholders' Equity	9,597	8,511	12.8%
	2013	2012	
Interest Coverage Ratio (x)	16.4	13.8	
Average Collection Period (days)	35.3	36.7	
Average Inventory Period (days)	11.8	11.7	
Average Payables Period (days)	29.5	28.1	
Net Debt to Equity (x)	(0.1)*	(0.1)*	
Average Return on Assets (%)	15.2%	18.1%	
Average Return on Equity (%)	27.8%	35.0%	

* Cash and cash equivalents balance exceed the total debt at the end of period

- Translation -

3. Liquidity

The Company's Net cash flows from operating activities in 2013 were Baht 3,274 million, compared to Baht 3,025 million in 2012. This increase was due to additional cash from operations offset by changes in working capital and decreased corporate income tax paid. Net cash flows used in investment activities were Baht 2,068 million in 2013, compared with Net cash flows from investment activities of Baht 2,931 million in 2012. This change was due to the net proceeds of Baht 4,482 million from the sale of the investment in Bangkok Chain Hospital PCL in 2012; Baht 1,235 million additional ongoing capital spending in 2013 mostly associated with the campus expansion; and proceeds received from the capital reduction exercise by Bumrungrad International Limited of Baht 362 million in 2012. The above were somewhat offset by the purchase of all common shares of Ruenmongkol Co., Ltd. for Baht 1,045 million for the ownership in its land and buildings located in Sukhumvit Soi 1 area, to facilitate the expansion of capacity near the main campus in 2012. The Company reported Net cash used in financing activities of Baht 1,383 million in 2013 versus Baht 1,179 million in 2012, mostly due to a higher dividend payment in 2013, offset by a Baht 177 million long-term loan from an associate in 2013. As a result of the above, Cash and cash equivalents were Baht 5,857 million as at 31 December 2013, compared to Baht 6,034 million as at 31 December 2012.

The Company's Liquidity ratio and Quick ratio both remained the same year-over-year at 3.6x and 3.4x, respectively.

Unit: Million Baht	2013	2012
Cash Flow from Operating Activities	3,274	3,025
Cash Flow from (used in) Investing Activities	(2,068)	2,931
Cash Flow used in Financing Activities	(1,383)	(1,179)
Net (decrease) increase in cash and cash equivalents	(177)	4,777
Cash and cash Equivalents at end of year	5,857	6,034
	31-Dec-13	31-Dec-12
Liquidity Ratio (x)	3.6	3.6
Quick Ratio (x)	3.4	3.4

4. Contractual Obligations

	(Unit: Million Baht)				
	As at 31 December 2013				
	Fixed interest rates			Effective	
	Within 1 year	1-5 years	Over 5 years	Total	interest rate (% per annum)
Long-term loan from a related party	176	-	-	176	2.00
Long-term debentures	-	2,485	2,481	4,966	4.13 - 4.97
	176	2,485	2,481	6,489	

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios which include:

- maintenance of a net debt to equity ratio not exceeding 1.75:1
- maintenance of a net debt to EBITDA ratio not exceeding 3.25:1

5. Extraordinary Items

During 2012, the Company recorded 2 extraordinary items as follow:

- 1) On 10 July 2012, the Company sold all of its investment in Bangkok Chain Hospital PCL, doing business as "Kasemrad Hospital Group", totaling 498.75 million shares (including shares received by the Company as a dividend in 2011), at a price of Baht 9.15 for each share. The Company received proceeds from the share sale of Baht 4,482 million after deducting applicable transaction costs associated with the sale. A pre-tax gain on sale of Baht 790 million was part of total revenue and net profit in the consolidated financial statements in 2012.

Taxes incurred on the sale were Baht 223 million for 2012. As a result, a net gain on the sale of Baht 567 million is included in 2012 net profit. The sale of this investment was made in accordance with a resolution of the Company's Board of Directors Meeting held on 2 July 2012

- 2) In 2012, the Company recorded the Share of loss from Bumrungrad International Limited which included the capital gain taxes and tax advisory services of Baht 14 million associated with the sale of investment in Asian Hospital Inc., a 56.5% subsidiary which was sold in December 2011, as well as certain wind-down costs of Bumrungrad International Limited of Baht 5 million. Bumrungrad International Limited had applied for Tax Treaty Relief on the sale of Asian Hospital Inc. which was ultimately not granted in the final phase of the process, triggering capital gain taxes on the transaction.

14.1. Audit Fees

For the year 2013, the Company and subsidiaries have paid audit fees in the amount of Baht 2.88 million. The Company's 2013 audit fees have been approved by the shareholders' meeting.