

IHH Healthcare Berhad

Results Briefing Presentation FY 2014

26 February 2015



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Agenda

* Key Operational Highlights

- Strong year-on-year growth in patient volume and intensity
- Project progress – Malaysia
- Project progress – International
- Project progress – Turkey

* Key Financial Highlights

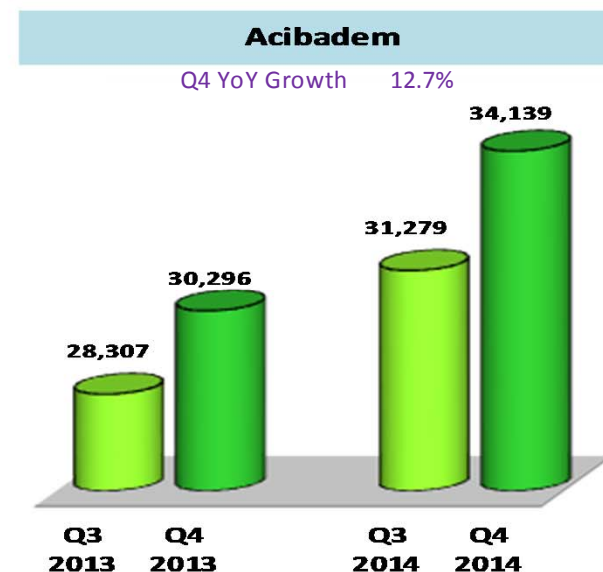
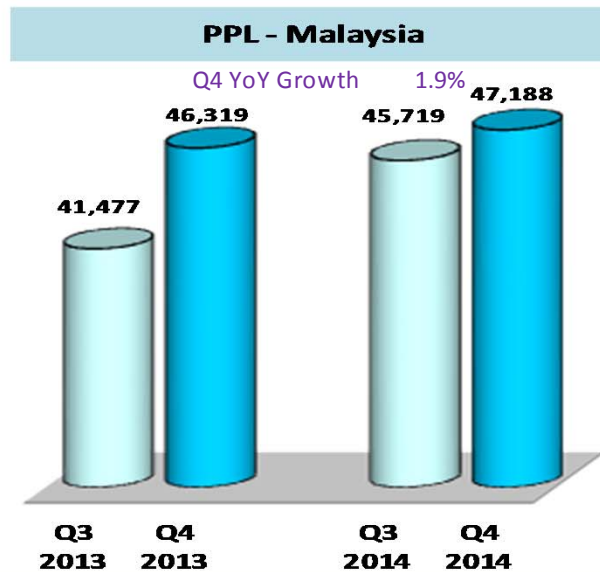
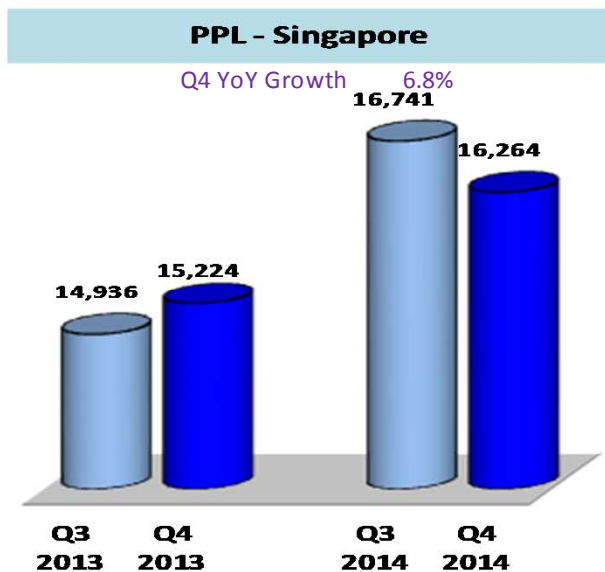
- Key Group Highlights
- Key Group Highlights (without PLife REIT results)
- Performance by SBUs (in key metrics)
- Strong balance sheet and operating cash flows
- Expansion capital expenditure
- Outlook and Prospects



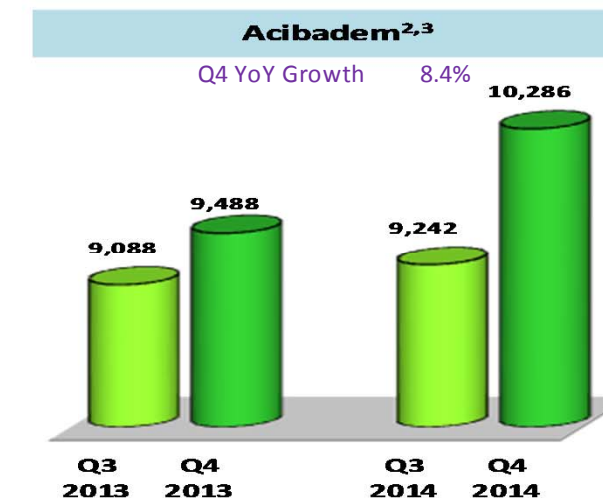
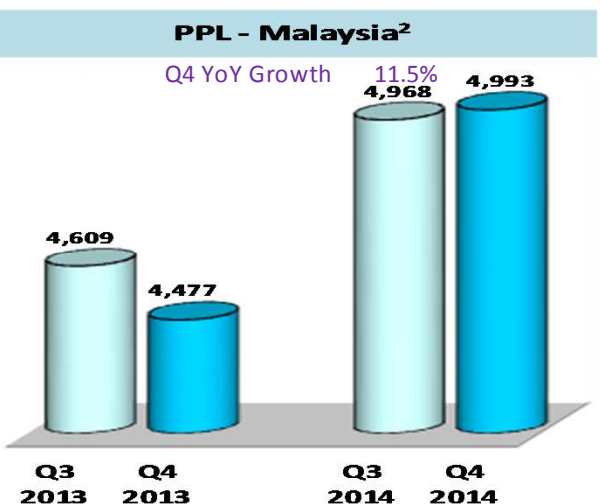
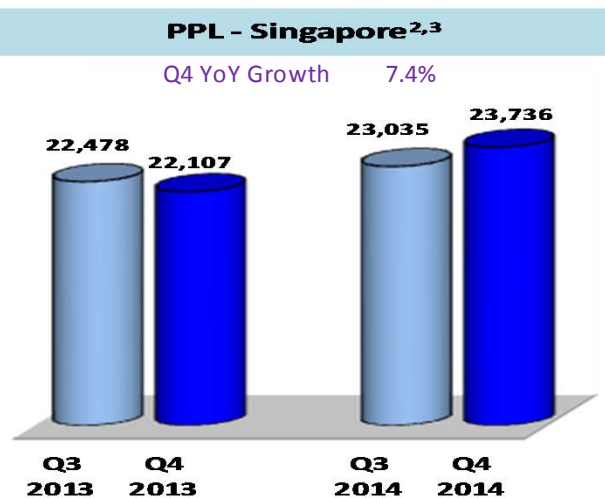
Key Operational Highlights

Except PPL – Singapore, inpatient volumes grew in Q4 QoQ; Increased on YoY for all. Revenue intensity generally improved against last year and Q3

Inpatient Admission Volumes¹ (Number)



Average Revenue per Inpatient Admission¹ (RM)



1. Based on Singapore, Malaysia and Acibadem Holdings hospitals only. International hospitals not included.
 2. Specialist fees not included in Singapore and Malaysia but included in Acibadem Holdings' average revenue per inpatient admission
 3. Based on a uniform exchange rate throughout the periods shown (SGD: 2.68312; TL: 1.48296)

Project Progress – Malaysia

Type	Hospital	Description	Target Completion
Expansion Project	Pantai Hospital Kuala Lumpur	Phase 1: 200 consultant suites, 8 COEs Phase 2: 120 beds capacity	Phase 1: Early 2015 Phase 2: Planning / Design stage
Expansion Project	Pantai Hospital Klang	80 beds capacity	<ul style="list-style-type: none"> • Planning stage • Target Completion: End 2016
Expansion Project	Gleneagles Kuala Lumpur	100 beds capacity	<ul style="list-style-type: none"> • Under construction • Target Completion: 2nd half 2015
Expansion Project	Pantai Hospital Ayer Keroh	160 beds capacity	<ul style="list-style-type: none"> • Planning stage • Target completion: Early 2017

Project Progress – Malaysia

Type	Hospital	Description	Target Completion
Greenfield Project	Gleneagles Medini	Phase 1a: 150 bed capacity	<ul style="list-style-type: none">• Under construction• Target Completion of Phase 1a: Early 2015
Greenfield Project	Gleneagles Medini	Phase 1b: Medical Office Block (162 Medical Clinic Suite)	<ul style="list-style-type: none">• Target Completion of Phase 1b: End 2016
Greenfield Project	Gleneagles Kota Kinabalu	250 beds capacity	<ul style="list-style-type: none">• Under construction• Target Completion : Early 2015

Project Progress – International

Type	Hospital	Description	Target Completion
Consultancy Agreement, HMA	Abu Dhabi, UAE Danat Al Emarat Hospital	126 bed capacity	<ul style="list-style-type: none"> • Target Completion: End 2014 • Operation in Q1 2015
50-50% JV Greenfield Project	India Gleneagles Khubchandani, Mumbai	450 bed capacity	<ul style="list-style-type: none"> • Under Construction • Target Completion: 2015
60-40% JV Greenfield Project	Hong Kong Gleneagles Hong Kong Hospital	500 bed capacity	<ul style="list-style-type: none"> • Under Construction. • Target Completion: Early 2017

Project Progress – Turkey

Type	Hospital	Description	Target Completion
Expansion Project	Acibadem Bodrum	Phase 2: Cancer Care Center.101 beds capacity	<ul style="list-style-type: none"> • Under Construction • Target completion: Q2 2015
Expansion Project	Acibadem Sistina Skopje	81 beds capacity and an Oncology Dept	<ul style="list-style-type: none"> • Exterior construction completed • Target completion: Q1 2015
Expansion Project	Acibadem Maslak	200 beds capacity	<ul style="list-style-type: none"> • Construction to commence in 2015 • Target completion: 2017
Brownfield Project	Acibadem Taksim	120 inpatient beds expected	<ul style="list-style-type: none"> • Construction in progress • Target construction completion date: 1st half 2015

Project Progress – Turkey

Type	Hospital	Description	Target Completion
Greenfield Project	Acibadem Altunizade	Located in Istanbul Expected: 250+ bed capacity	<ul style="list-style-type: none"> Construction to commence in 2015 Target Completion: 2016
Greenfield Project	Acibadem Kartal	Located in Istanbul Expected: 120 bed capacity	<ul style="list-style-type: none"> Project under evaluation and related discussions are ongoing
Greenfield Project	Acibadem Atasehir	Located in Istanbul Expected: 180 bed capacity	<ul style="list-style-type: none"> Project under evaluation and related discussions are ongoing



Key Financial Highlights

Key Group Highlights

(Excluding PLife REIT's results)

Revenue, EBITDA & PATMI (Excl EI) grew 9%, 10% and 26% respectively vs Q4 2013 Continued EBITDA margin expansion from 23.1% in Q4 2013 to 23.3% in Q4 2014

- * Robust performance driven by Year on Year growth in volume and revenue intensity.
- * Mount Elizabeth Novena Hospital, Acibadem Ankara Hospital and Acibadem Bodrum Hospital continue to ramp up their operations and margins since their openings in FY2012.
- * Acibadem Atakent Hospital opened on 2 January 2014
Acibadem Atakent's revenue continue to increase in Q4 2014, to report a Q4 2014 revenue of RM59.1 million (58% QonQ)
Acibadem Atakent achieved positive QTD EBITDA of RM8.0 million in Q4 2014, within 1 year from its opening (Q4 2013: EBITDA loss of RM5.6 million)
- * Pantai Hospital Manjung opened on 19 May 2014
Start-up loss and pre-operating EBITDA losses reduced RM1.1mil compared to Q4 2013.
- * EBITDA margins improved despite the start-up losses of new hospitals due to operating leverage as patient revenues grew faster than expenses

Key Group Highlights (cont'd)

(Excluding PLife REIT's results)

- * Benefits of diversification with strong Singapore Dollar offsetting weak Turkish Lira (“TL”) on translation of subsidiary groups’ income statements* and balance sheets
 - Group Revenue and EBITDA growth eroded by the weak Turkish Lira.
 - Group recognised an exchange loss of RM4.6 million and RM58.4 million on the translation of the non-TL borrowings in Q3 2014 and YTD 2014 respectively.
 - Net foreign currency translation gains recognised in the Group’s other comprehensive income - boosted by the strong Singapore Dollar when translating the balance sheets of the Group’s Singapore operations

- * With the Group’s continued strong balance sheet and operating cashflows, the Board of Directors of IHH recommends a first and final single tier cash dividend of 3 sens per ordinary share for the financial year ended 31 December 2014, subject to Shareholders’ approval at the forthcoming Annual General Meeting
 - Upon approval, this represents an increase in dividend payout of 1 sens per ordinary share compared to the previous year

*: Movements in key average exchange rates used to translate the results of significant overseas subsidiaries into RM

<u>SGD Average Rates Variance</u>	<u>QTD</u>	<u>YTD</u>
vs Last Year	0.8%	2.5%
<u>TL Average Rates Variance</u>	<u>QTD</u>	<u>YTD</u>
vs Last Year	-6.5%	-9.3%

IHH Group achieved double-digit EBITDA and PATMI (excluding exceptional items) growth over last year

Total Group Results

<i>RM'mil</i>	QTD Dec			YTD Dec		
	2014	2013	Variance	2014	2013	Variance
Revenue	1,937.4	1,780.1	9%	7,344.0	6,756.5	9%
EBITDA	587.5	450.6	30%	1,939.0	1,658.3	17%
<i>EBITDA Margin (%)</i>	30.3%	25.3%	5.0%	26.4%	24.5%	1.9%
PATMI	239.2	230.1	4%	754.3	631.2	20%
<i>PATMI Margin (%)</i>	12.3%	12.9%	-0.6%	10.3%	9.3%	0.9%
PATMI (Excluding exceptional items ¹)	244.2	172.1	42%	785.0	610.6	29%
<i>PATMI Margin (%)</i> (Excluding exceptional items ¹)	12.6%	9.7%	2.9%	10.7%	9.0%	1.7%

1: Exceptional items, net of tax and minority share

Effects of strengthening Singapore Dollar offsets the weakening Turkish Lira upon the translation of the results of the Group's foreign operations

Excluding PLife REIT's Results

	QTD Dec				YTD Dec			
	2014	2013	Variance	Variance (@ Constant Currency)	2014	2013	Variance	Variance (@ Constant Currency)
<i>RM'mil</i>								
Revenue	1,914.5	1,757.3	9%	11%	7,249.7	6,675.3	9%	12%
EBITDA	446.6	406.3	10%	12%	1,640.6	1,473.8	11%	13%
EBITDA Margin (%)	23.3%	23.1%	0.2%	0.2%	22.6%	22.1%	0.6%	0.4%
PATMI	197.8	219.0	-10%	-8%	673.4	583.0	15%	15%
PATMI Margin (%)	10.3%	12.5%	-2.1%	-2.2%	9.3%	8.7%	0.6%	0.3%
PATMI								
(Excluding exceptional items¹)	202.8	161.0	26%	28%	704.1	562.4	25%	25%
PATMI Margin (%)								
(Excluding exceptional items¹)	10.6%	9.2%	1.4%	1.3%	9.7%	8.4%	1.3%	1.0%

1: Exceptional items, net of tax and minority share

Healthy 26% growth on Q4 core earnings

Exceptional Items

RM'mil

	QTD Dec			YTD Dec		
	2014	2013	Variance	2014	2013	Variance
Profit after tax and minority interests	239.2	230.1	4%	754.3	631.2	20%
Add back/(Less): Exceptional Items						
Professional and consultancy fees for acquisitions	2.6	1.4		3.8	4.7	
Change in fair value of contingent consideration payable ⁱ	-	0.1		-	(3.9)	
Change in fair value of investment properties ⁱⁱ	0.2	(47.3)		0.2	(47.3)	
Property, plant and equipment written off	1.7	0.7		2.1	0.9	
Intangible assets written off	0.1	0.5		0.1	0.5	
Write back of impairment loss on financial assets ⁱⁱⁱ	-	(22.8)		-	(22.8)	
Gain on disposal of property, plant and equipment	(0.7)	(0.5)		(2.9)	(3.7)	
Gain on disposal of assets held for sale	-	-		-	(0.1)	
Gain on disposal of subsidiaries ^{iv}	(0.3)	(0.0)		(0.3)	(4.4)	
Exchange loss on net borrowings ^v	4.6	54.0		58.4	189.8	
Tax refund relating to a prior year ^{vi}	-	-		-	(22.0)	
Investment tax allowance ^{vii}	-	(22.9)		-	(22.9)	
	8.3	(36.8)		61.3	68.9	
Add/(less): Tax effects on exceptional items	(0.9)	(10.8)		(11.7)	(38.0)	
	7.4	(47.6)		49.7	31.0	
Add/(less): Minority interest share of exceptional items	(2.4)	(10.4)		(18.9)	(51.6)	
	5.0	(58.0)		30.7	(20.6)	
Profit after tax and minority interests (Excluding exceptional items ^{viii})	244.2	172.1	42%	785.0	610.6	29%
Less: PATMI contribution from PLife REIT	(41.4)	(11.1)		(80.9)	(48.1)	
Profit after tax and minority interests (Excluding exceptional items ^{viii} and PLife REIT)	202.8	161.0	26%	704.1	562.4	25%

Note:

i) Fair valuation of contingent consideration payable relate to the acquisition of Bodrum Tedavi.

ii) Fair valuation of investment properties held for rental to third parties at Mount Elizabeth Novena Hospital and Specialist Centre.

iii) Write back of impairment previously recognised, upon recovery of the deposit placed to increase the Group's ownership in certain subsidiaries in China.

iv) Gain on disposal of GCRC Pte Ltd, an indirect 51%-owned subsidiary of the Group in 2013. Additional gain was recognised upon finalisation of the price consideration in 2014.

v) Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings.

vi) Tax credit in 2013 as a result of successful recovery of tax paid in a prior year.

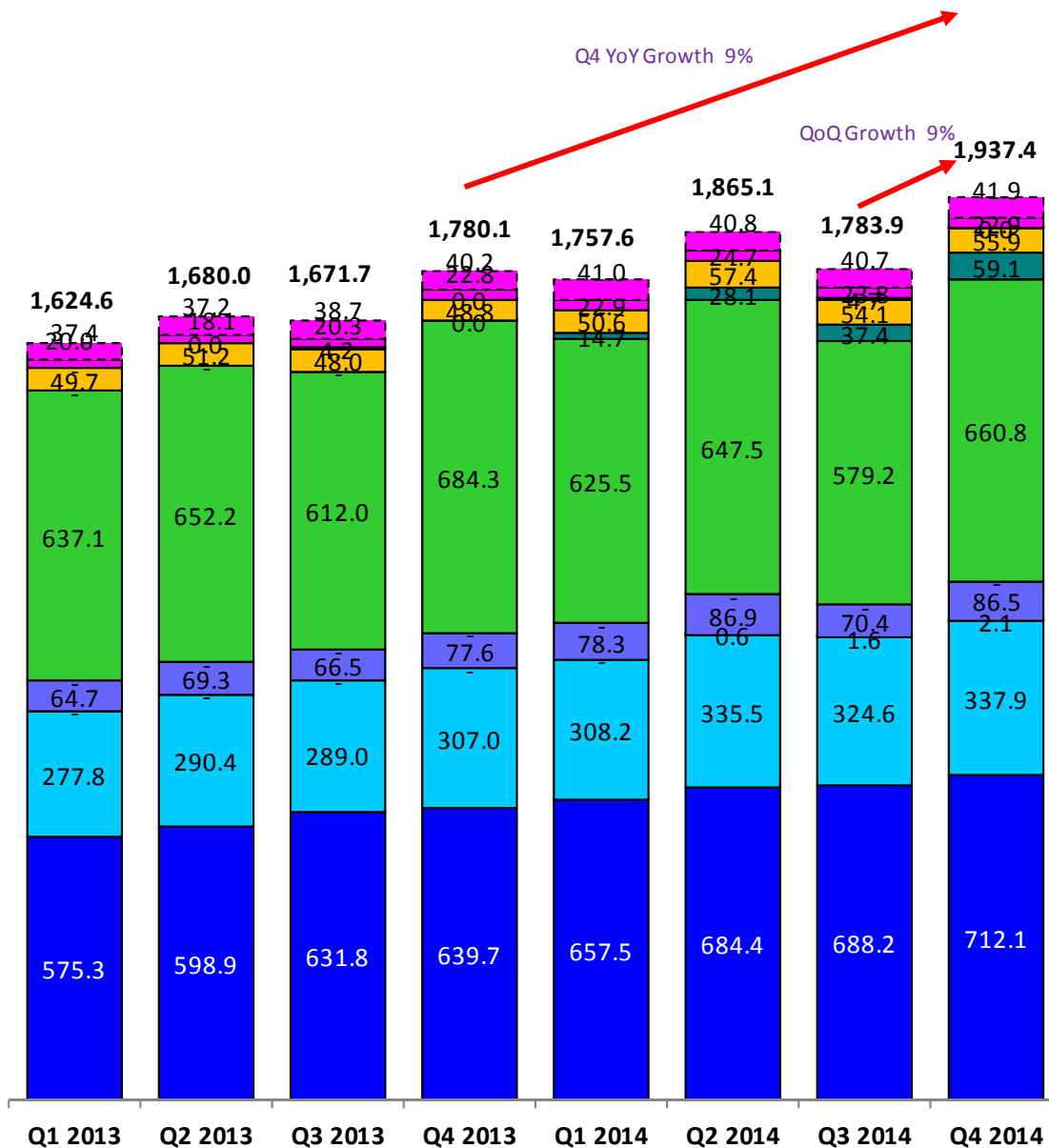
vii) Investment tax allowance granted in relation to the Group's hospital construction projects and capital investments in Malaysia.

viii) Exceptional items, net of tax and non-controlling interests

Robust year-on-year revenue growth from existing operations and contribution from new hospitals

QoQ revenue rebounded from the seasonally slow Q3

Revenue (RM 'mil)



Variances

Segments	Q4'14	Q4'14	YTD'14
	vs Q3'14	vs Q4'13	vs YTD'13
GROUP	9%	9%	9%
GROUP (Excl REIT)	9%	9%	9%

PLife REIT	-4%	0%	16%
Others	-99%	55%	12%
IMU Health	3%	15%	10%
Acibadem Holdings (New)	58%	NM	NM
Acibadem Holdings	14%	-3%	-3%
PPL-International (New)	-	-	-
PPL-International	23%	12%	16%
PPL-Malaysia (New)	28%	-	-
PPL-Malaysia	4%	10%	12%
PPL-Singapore	3%	11%	12%

PLife REIT (Intersegment)

"Others" segment comprises of IHH Group corporate offices as well as other investment holding entities

"New Hospitals" as referred to in these slides refers to:

Malaysia

- Pantai Hospital Manjung (Opened in May 2014)
- Gleneagles Hospital Medini
- Gleneagles Hospital Kota Kinabalu

International

- GHK Hospital

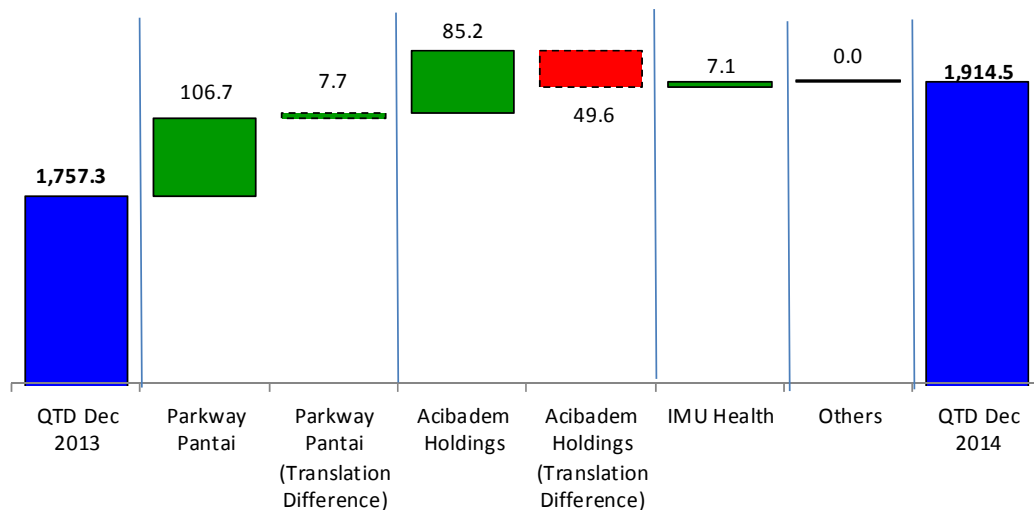
Acibadem Holdings (Turkey)

- Acibadem Atakent Hospital (Opened in January 2014)
- Acibadem Altunizade Hospital

IHH Group's revenues would be stronger than actual if translated at constant currency

Revenue Variance (RM'mil)

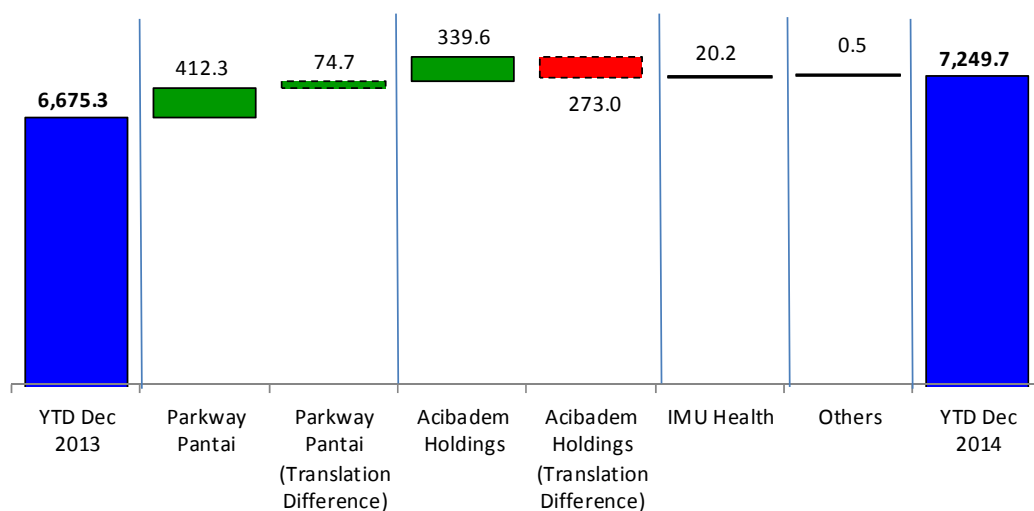
Revenue - QTD Variance



Q4'14 vs Q4'13

	Actual	@ Constant Currency
Parkway Pantai	11%	10%
Acibadem Holdings	5%	12%
IMU Health	15%	15%
Group (Excl PLife REIT)	9%	11%

Revenue - YTD Variance



YTD'14 vs YTD'13

	Actual	@ Constant Currency
Parkway Pantai	13%	11%
Acibadem Holdings	3%	13%
IMU Health	10%	10%
Group (Excl PLife REIT)	9%	12%

The above figures excludes PLife REIT

Healthy EBITDA growth and margin improvement vs last year driven by higher revenues and operating leverage; Partially offset by pre-operating costs of new operations

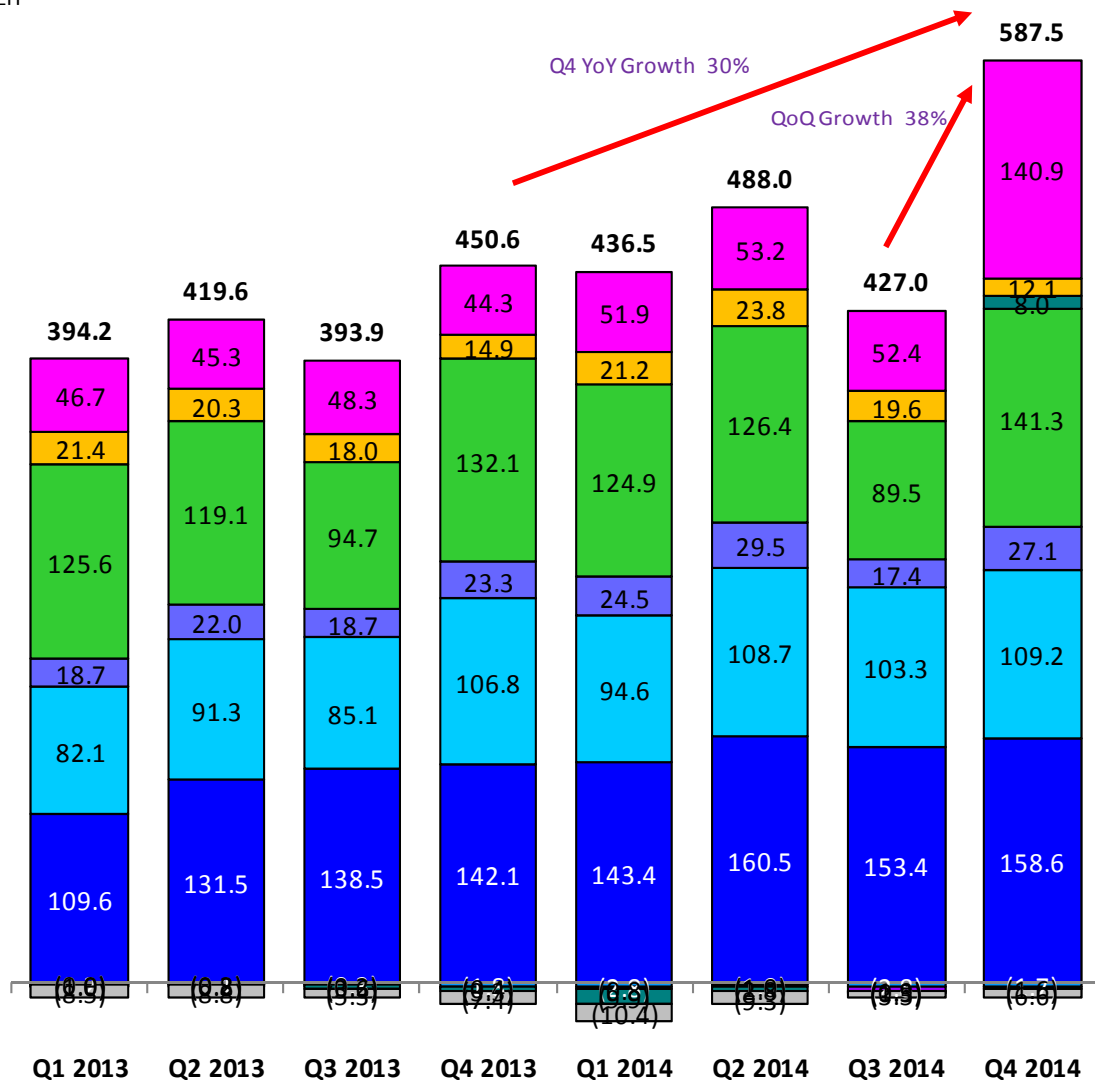
EBITDA (RM 'mil)

Margins w/o PLife REIT

21.7%	22.5%	20.9%	23.1%	22.2%	23.6%	21.3%	23.3%
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Margins w/o New Hospitals & PLife REIT

21.7%	22.6%	21.2%	23.4%	23.1%	24.3%	22.1%	23.8%
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Variations

Segments	Q4'14 vs Q3'14	Q4'14 vs Q4'13	YTD'14 vs YTD'13
GROUP	38%	30%	17%
GROUP (Excl REIT)	19%	10%	11%

Segment	Q4'14 vs Q3'14	Q4'14 vs Q4'13	YTD'14 vs YTD'13
PLife REIT	169%	NM	62%
Others	-87%	11%	1%
IMU Health	-38%	-18%	3%
Acibadem Holdings (New)	NM	NM	42%
Acibadem Holdings	58%	7%	2%
PPL-International (New)	18%	NM	NM
PPL-International	56%	16%	19%
PPL-Malaysia (New)	39%	8%	NM
PPL-Malaysia	6%	2%	14%
PPL-Singapore	3%	12%	18%

Excluding the New Hospitals and PLife REIT, IHH Group's EBITDA margins increased 0.4% to 23.8% in Q4 2014, contributed by operating leverage achieved by the Group's major operations:

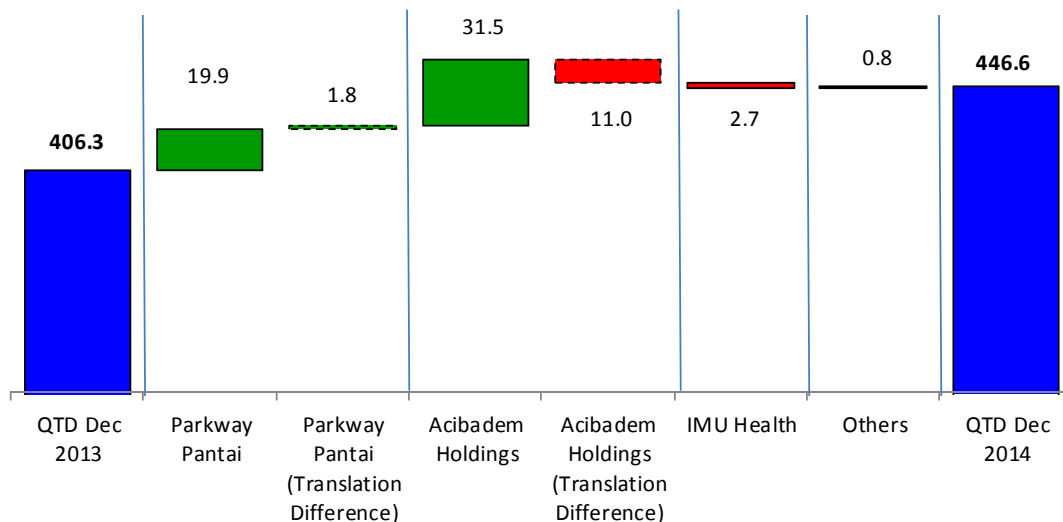
EBITDA Margin	Q4 2014	Q4 2013	Q4'14 vs Q4'13
PPL-Singapore	22.3%	22.2%	0.1%
PPL-Malaysia *	32.3%	34.8%	-2.5%
PPL-International *	31.3%	30.0%	1.3%
Acibadem Holdings *	21.4%	19.3%	2.1%
IMU Health	21.7%	30.5%	-8.8%

*: Excluding new hospitals

Translation gains on Parkway Pantai's EBITDA partially offsets translation losses on Acibadem Holding's EBITDA

EBITDA Variance (RM'mil)

EBITDA - QTD Variance

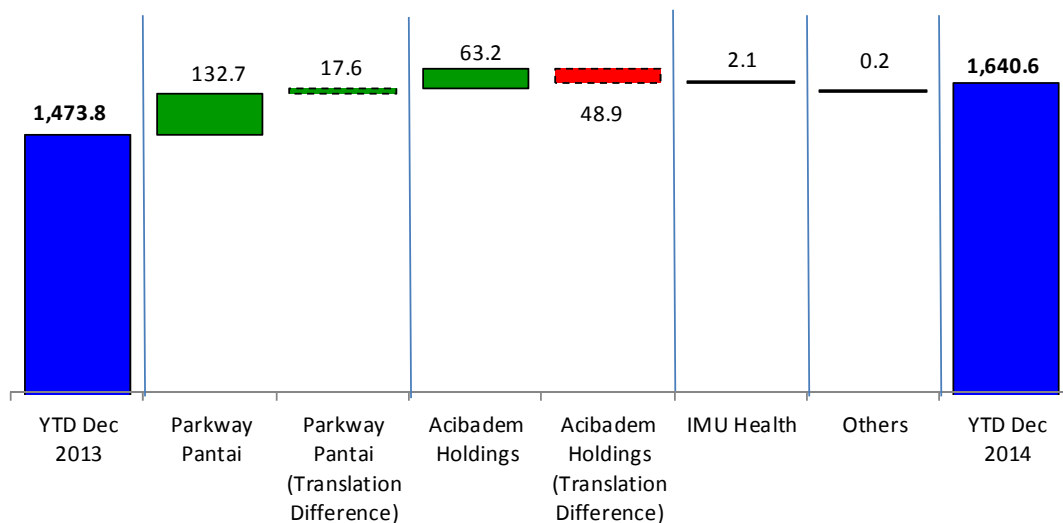


Q4'14 vs Q4'13

Actual	@ Constant Currency
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Parkway Pantai	8%	7%
Acibadem Holdings	16%	24%
IMU Health	-18%	-18%
IHH Group (Excl PLife REIT)	10%	12%

EBITDA - YTD Variance



YTD'14 vs YTD'13

Actual	@ Constant Currency
--------	---------------------

Parkway Pantai	16%	14%
Acibadem Holdings	3%	14%
IMU Health	3%	3%
IHH Group (Excl PLife REIT)	11%	13%

The above figures excludes PLife REIT

Continued improvements in balance sheet and key coverage ratios

Balance Sheet	As at	As at
	31 Dec 2014	31 Dec 2013
	<i>RM'mil</i>	<i>RM'mil</i>
Total Assets	28,640	27,261
- Tangible Assets	16,948	15,752
- Intangible Assets		
Goodwill	9,155	8,881
Other intangibles	2,538	2,628
Total Liabilities	(7,327)	(7,338)
Total Equity	21,313	19,923
Non-controlling Interests	(1,862)	(1,848)
Total Shareholders' Equity (excluding non-controlling interests)	19,452	18,075
Net Tangible Assets ("NTA") (excluding non-controlling interests)	7,759	6,566
Total Debt	(4,269)	(4,461)
Total Cash	2,468	2,145
Net Debt	(1,801)	(2,316)
Net Debt / NTA	0.23	0.35
Net Debt / Equity	0.08	0.12
Net Debt / EBITDA* (times)	0.93	1.39

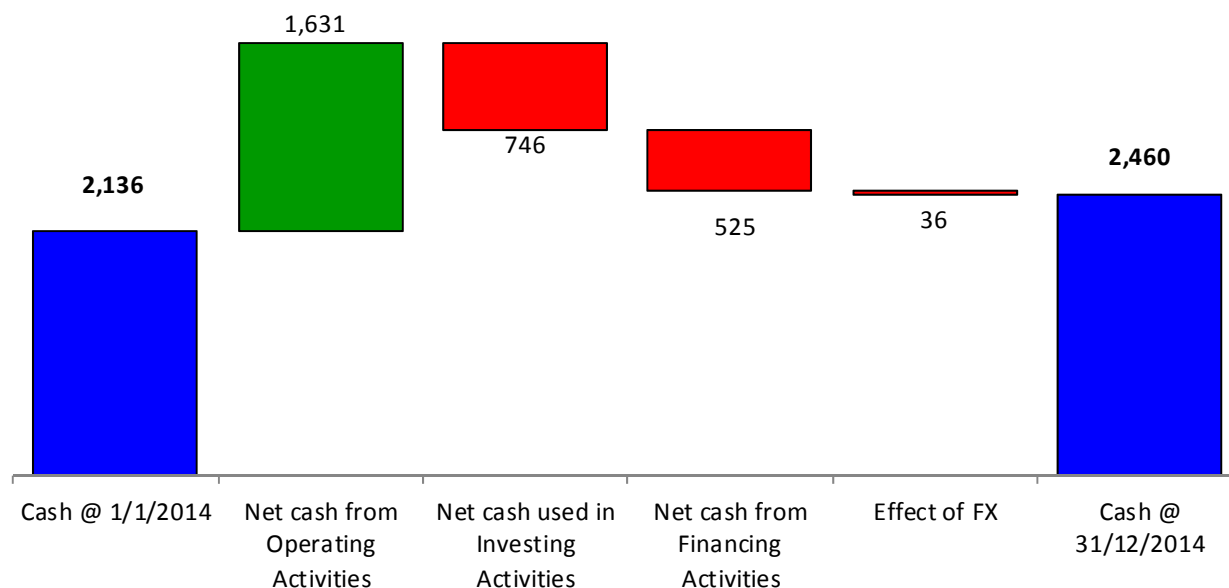
0.23	0.35
0.08	0.12
0.93	1.39



*: Based on last 12 months EBITDA

Strong operating cash flows to support annual dividends and capital expenditure for expansion

Cashflows @ 31 December 2014 (RM'mil)



Cash Reconciliation to Cashflow Statement:

	RM'mil
Cash per Balance Sheet	2,468
Less:	
Cash collateral received	(5)
Fixed deposits pledged	(3)
Cash per Cashflow Statement	2,460

Cash

@ 31 Dec 2014	RM'mil
Parkway Pantai	855
Acibadem Holdings	240
IMU Health	180
Others	800
	<u>2,075</u>
PLife REIT	393
	<u><u>2,468</u></u>

Debt

@ 31 Dec 2014	RM'mil
Parkway Pantai	509
Acibadem Holdings	2,192
IMU Health	-
Others	1
	<u>2,702</u>
PLife REIT	1,568
	<u><u>4,269</u></u>

Expansion Capital Expenditure

– Construction & Medical Equipment

RM' mil

Pantai Hospital Kuala Lumpur	Expansion
Pantai Hospital Klang	Expansion
Gleneagles Kuala Lumpur	Expansion
Gleneagles Medini	Greenfield
Gleneagles Kota Kinabalu	Greenfield
Budgeted expenditure for approved projects	

Gleneagles Hong Kong Hospital	Greenfield
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Acibadem Bodrum	Expansion
Acibadem Maslak	Expansion
Acibadem Taksim	Brownfield
Acibadem Altunizade	Greenfield
Acibadem Kartal	Greenfield
Acibadem Atasehir	Greenfield
Budgeted expenditure for approved projects	

Total Unincurred Expansion Capital Expenditure

Projected Disbursements Q1 2015 till 2017

106.4
49.2
29.2
337.9
64.0
21.8
<hr/>
749.6

Funded from Malaysia's operating cash flows and new bank facilities if required

1,776.6

Parkway will fund 60% of this balance through its bank facility and the 40% partner for the HK Hospital Project will fund balance of 40%

43.3
133.0
79.8
242.3
198.0
263.6
8.1
<hr/>
967.9

Acibadem will fund these from operating cash flows and Acibadem's bank facilities

3,494.1

Based on the following exchange rates:

1 SGD	: 2.6831
1 TL	: 1.4830
1 HKD	: 0.4521

Outlook & Prospects : Overall IHH Group

- * Emerging markets will continue to enjoy higher growth in demand for quality private healthcare driven by:
 - Demographics of home markets
 - Faster growing upper/middle class
 - Increased medical travellers from non-traditional markets to medical hubs
- * Strong pipeline of beds coming onstream in 2015 to support increasing demand and hence drive revenue growth
 - Hospitals that were opened in 2012-2014¹ will continue to ramp up operations and progressively open additional wards
 - Several hospitals expansion² projects expected to complete
 - Construction of new hospitals³ expected to complete and would open up their wards progressively
- * Inflationary impact on staff costs, rentals and other operating expenses and start-up costs of newly commissioned hospitals will be mitigated through
 - Continued growth and improved margins of the hospitals opened in 2012-2014
 - Operating leverage from economies of scale and growth in revenues
 - Increased mix of higher revenue intensity cases and price adjustments

Note:

1: Includes Mount Elizabeth Novena Hospital, Pantai Hospital Manjung, Acibadem Bodrum Hospital, Acibadem Ankara Hospital and Acibadem Atakent Hospital

2: Includes Gleneagles Hospital Kuala Lumpur, Pantai Hospital Kuala Lumpur, Acibadem Bodrum Hospital's cancer care centre and Acibadem Sistina Skopje

3: Includes Gleneagles Medini Hospital, Gleneagles Kota Kindabalu Hospital

Outlook & Prospects: Overall IHH Group (cont'd)

- * Expect emerging markets to operate in an environment of volatile exchange rates :
 - IHH's geographically diversified operating subsidiaries spreads currency risks arising from translation differences in the Group's balance sheet and income statement
 - The Group minimises most of its currency risks by borrowing in the functional currency of the borrowing entity or by borrowing in the same currency as its foreign operations (ie. hedge of net investments)
 - This is with the exception of Acibadem Holdings where it borrows in US-dollar and hedges its cash flow instead
 - through medical tourism receipts in hard currency and
 - substantial USD cash buffer

- * Continued strong balance sheet and operating cash flows will enable IHH to support its expansion plans and meet its dividend payout policy.



Q&A