

IHH Healthcare Berhad

Results Briefing Presentation Q1 2015

28 May 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



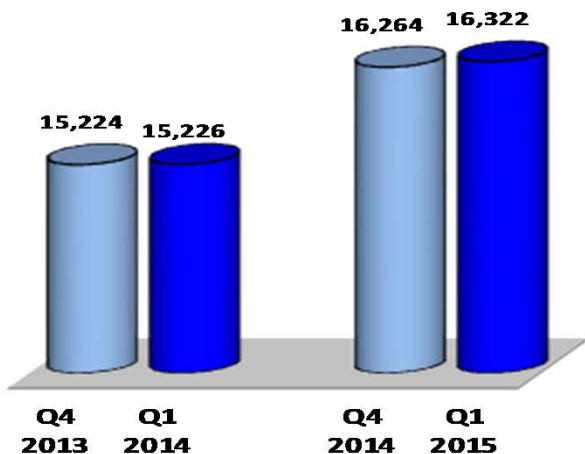
Key Operational Highlights

Inpatient volumes and revenue intensity increased YoY for all.

Inpatient Admission Volumes¹ (Number)

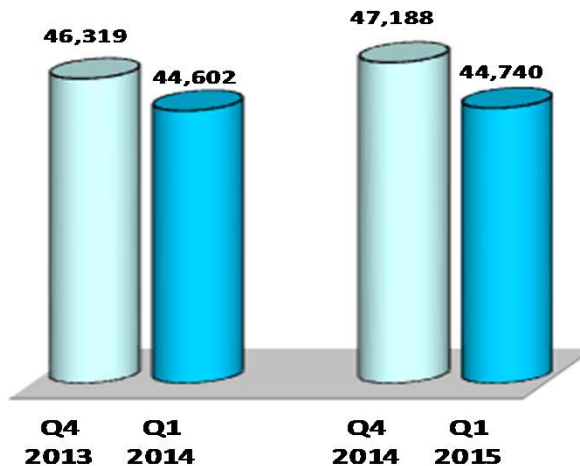
PPL - Singapore

Q1 YoY Growth 7.2%



PPL - Malaysia

Q1 YoY Growth 0.3%



Acibadem

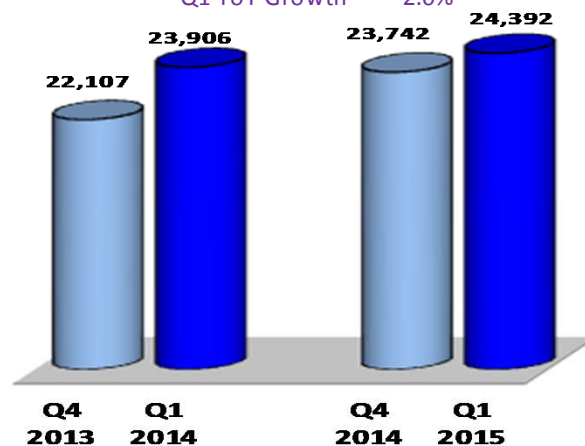
Q1 YoY Growth 2.6%



Average Revenue per Inpatient Admission¹ (RM)

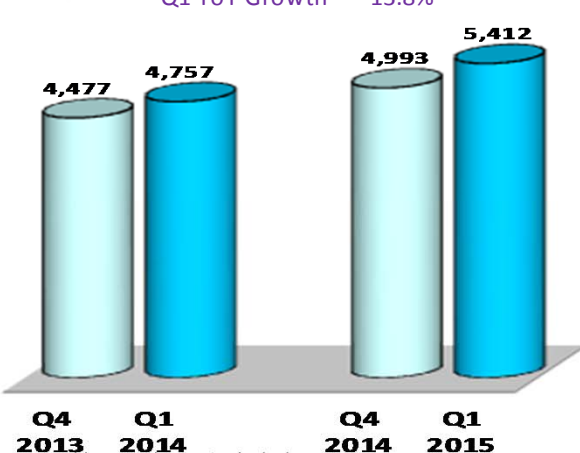
PPL - Singapore^{2,3}

Q1 YoY Growth 2.0%



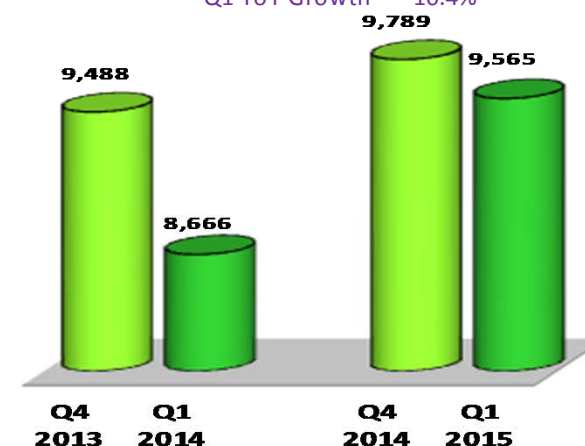
PPL - Malaysia²

Q1 YoY Growth 13.8%



Acibadem^{2,3}

Q1 YoY Growth 10.4%



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: 2.68384; TL: 1.41143)

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	<ul style="list-style-type: none"> Phase 1: Completed and commenced operation in March 2015. Phase 2: Planning & Design
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 Klang	80 beds capacity	<ul style="list-style-type: none"> Planning stage Target Completion: End 2016
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 Kota Kinabalu	250 beds capacity	<ul style="list-style-type: none"> Completed and commenced operation in May 2015
Greenfield Project	Gleneagles Medini	Phase 1a: 150 bed capacity	<ul style="list-style-type: none"> Under construction Target Completion of Phase 1a: 2nd half 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

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: 2015
50-50% JV Greenfield Project	India Gleneagles Khubchandani, Mumbai	450 bed capacity	<ul style="list-style-type: none"> Target Completion: End 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 Sistina Skopje	81 beds capacity and an Oncology Dept	<ul style="list-style-type: none"> • Under Construction • Target completion: Q2 2015
Expansion Project	Acibadem Bodrum	Phase 2: Cancer Care Center.101 beds capacity	<ul style="list-style-type: none"> • Target completion: Q3 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: 2nd half of 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
Greenfield Project	Acibadem Atasehir	Located in Istanbul Expected: 180 bed capacity	<ul style="list-style-type: none">• Project under evaluation



Key Financial Highlights

Key Group Highlights

(Excluding PLife REIT's results)

Revenue, EBITDA & PATMI (Excl EI) grew 14%, 17% and 34% respectively vs Q1 2014 Continued EBITDA margin improvement from 22.3% in Q1 2014 to 22.8% in Q1 2015

- * Robust performance driven by Year on Year growth in volume and revenue intensity
- * Mount Elizabeth Novena Hospital achieved positive PATMI for Q1 2015
- * Acibadem Atakent's revenue continue to increase in Q1 2015, to report a Q1 2015 revenue of RM58.6 million (Q1 2014: RM14.7 million)
Acibadem Atakent reduced its start-up EBITDA loss to RM0.8 million in Q1 2015 (Q1 2014: EBITDA loss of RM9.9 million)
- * EBITDA margins improved despite the start-up losses of new hospitals due to operating leverage as patient revenues grew faster than expenses
- * Acquisition of Continental Hospitals Limited completed on 23 March 2015
Results would be consolidated into the Group's income statement from Q2 2015 onwards
- * Benefits of diversification with strong Singapore Dollar ("SGD") offsetting weak Turkish Lira ("TL") on translation of subsidiary groups' income statements* and balance sheets
 - Group Revenue and EBITDA growth eroded by the weak TL
 - Group recognised an exchange loss of RM116.4 million on the translation of the non-TL borrowings in Q1 2015.
 - Net foreign currency translation loss recognised in the Group's other comprehensive income

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

SGD Average Rates Variance

vs Last Year

YTD

2.7%

TL Average Rates Variance

vs Last Year

YTD

-1.3%

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

Total Group Results

<i>RM'mil</i>	YTD Mar		
	2015	2014	Variance
Revenue	2,003.0	1,757.6	14%
EBITDA	506.0	438.0	16%
<i>EBITDA Margin (%)</i>	25.3%	24.9%	0.3%
PATMI	171.5	159.1	8%
<i>PATMI Margin (%)</i>	8.6%	9.0%	-0.5%
PATMI			
(Excluding exceptional items¹)	227.8	172.9	32%
<i>PATMI Margin (%)</i>			
(Excluding exceptional items¹)	11.4%	9.8%	1.5%

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

	YTD Mar			Variance (@ Constant Currency)
	2015	2014	Variance	
<i>RM'mil</i>				
Revenue	1,980.3	1,734.7	14%	13%
EBITDA	452.4	386.2	17%	16%
<i>EBITDA Margin (%)</i>	<i>22.8%</i>	<i>22.3%</i>	<i>0.6%</i>	<i>0.6%</i>
PATMI	158.4	146.9	8%	4%
<i>PATMI Margin (%)</i>	<i>8.0%</i>	<i>8.5%</i>	<i>-0.5%</i>	<i>-0.7%</i>
PATMI				
(Excluding exceptional items¹)	214.7	160.7	34%	30%
<i>PATMI Margin (%)</i>				
(Excluding exceptional items¹)	10.8%	9.3%	1.6%	1.4%

¹: Exceptional items, net of tax and minority share

Healthy 34% growth on Q1 core earnings

Exceptional Items

RM'mil

	YTD Mar		
	2015	2014	Variance
Profit after tax and minority interests	171.5	159.1	8%
Add back/(Less): Exceptional Items			
Professional and consultancy fees for acquisitions	0.7	0.2	
Exchange loss on net borrowings ⁱ	116.4	28.6	
	117.1	28.8	
Add/(less): Tax effects on exceptional items	(23.3)	(5.7)	
	93.8	23.1	
Add/(less): Minority interest share of exceptional items	(37.5)	(9.2)	
	56.3	13.8	
Profit after tax and minority interests (Excluding exceptional itemsⁱⁱ)	227.8	172.9	32%
Less: PATMI contribution from PLife REIT	(13.1)	(12.2)	
Profit after tax and minority interests (Excluding exceptional itemsⁱⁱ and PLife REIT)	214.7	160.7	34%

Note:

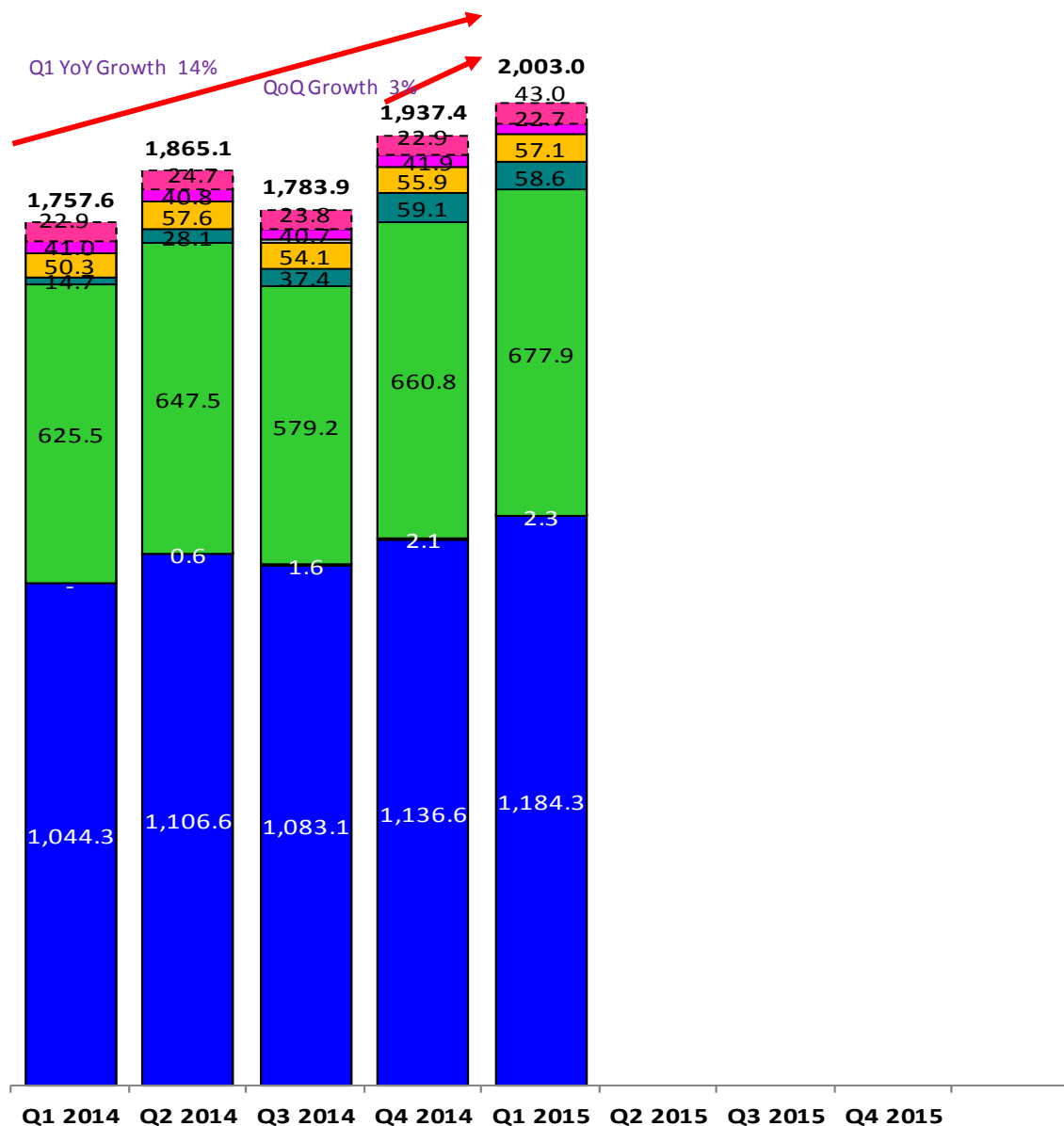
i) Exchange differences arising from foreign currency denominated borrowings/payables net of foreign currency denominated cash/receivables, recognised by Acibadem Holdings.

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

Quarterly operating revenue exceeded RM2.0 billion mark

Robust growth from existing operations and contribution from the ramp up of new hospitals

Revenue (RM 'mil)



Variations

Segments	Q1'15	Q1'15	YTD'15
	vs Q4'14	vs Q1'14	vs YTD'14
GROUP	3%	14%	14%
GROUP (Excl REIT)	3%	14%	14%

PLife REIT (External)	-1%	-1%	-1%
Others	-100%	-	-
IMU Health	2%	13%	13%
Acibadem Holdings (New)	-1%	NM	NM
Acibadem Holdings (Existing)	3%	8%	8%
Parkway Pantai (New)	10%	-	-
Parkway Pantai (Existing)	4%	13%	13%

PLife REIT Interco Revenue

"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:

Parkway Pantai – Malaysia

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

Parkway Pantai – North Asia

- GHK Hospital

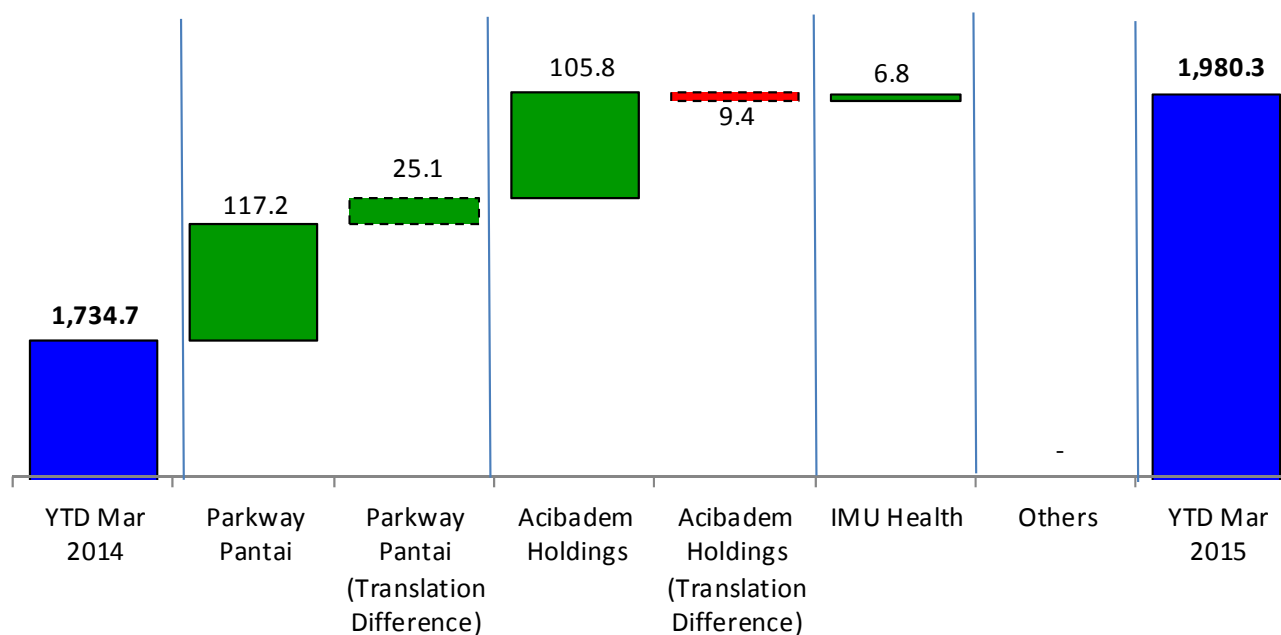
Acibadem Holdings – Turkey

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

IHH Group's revenues boosted by net favourable exchange rates upon translation

Revenue Variance (RM'mil)

Revenue - YTD Variance



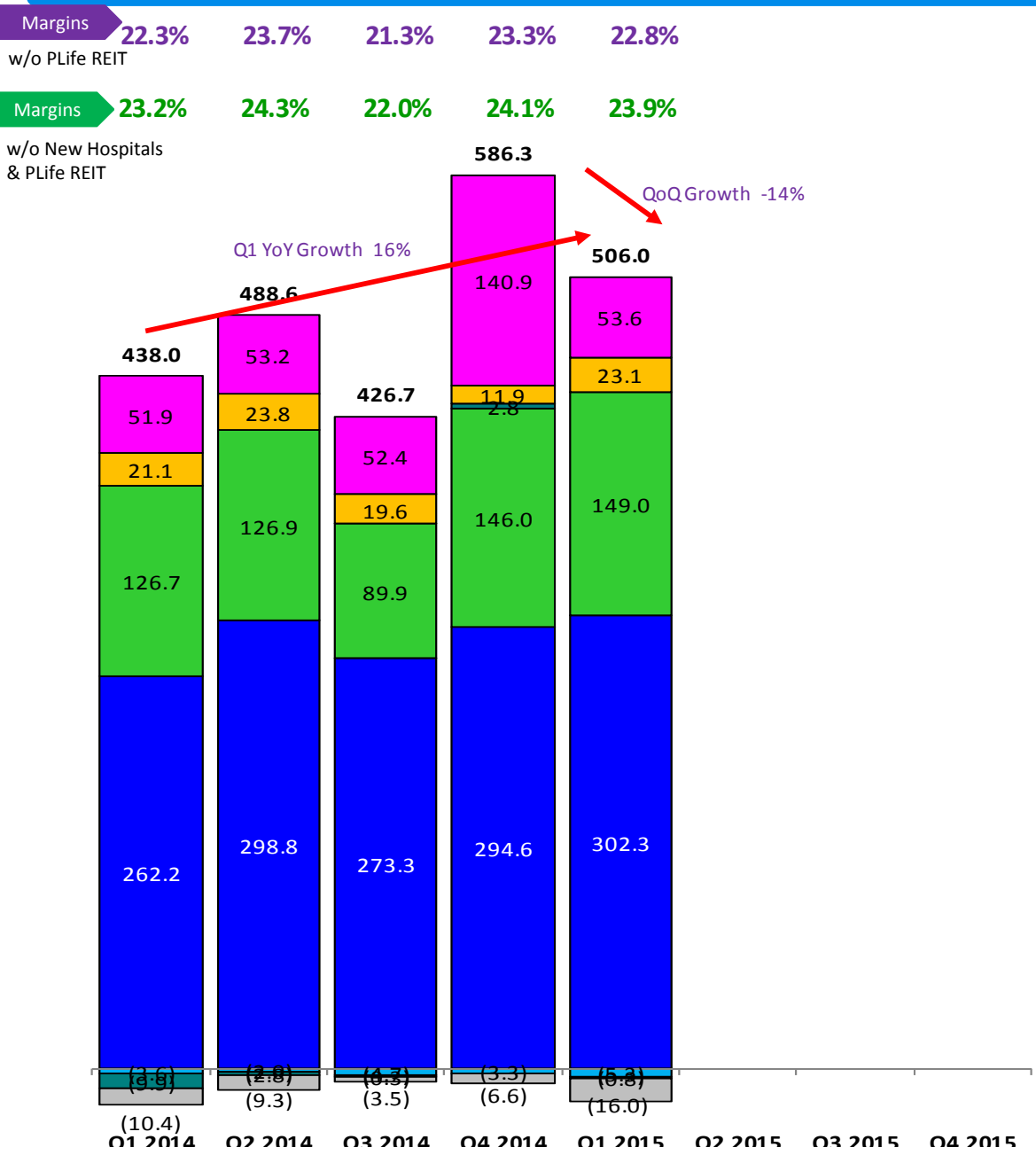
Parkway Pantai
Acibadem Holdings
IMU Health
Group (Excl PLife REIT)

YTD'15 vs YTD'14	
Actual	@ Constant Currency
Parkway Pantai	11%
Acibadem Holdings	17%
IMU Health	13%
Group (Excl PLife REIT)	13%

Healthy EBITDA growth and margin improvement vs last year driven by higher revenues and operating leverage

QoQ decline due to PLife REIT's valuation and divestment gains boosting Q4 2014 EBITDA

EBITDA (RM 'mil)



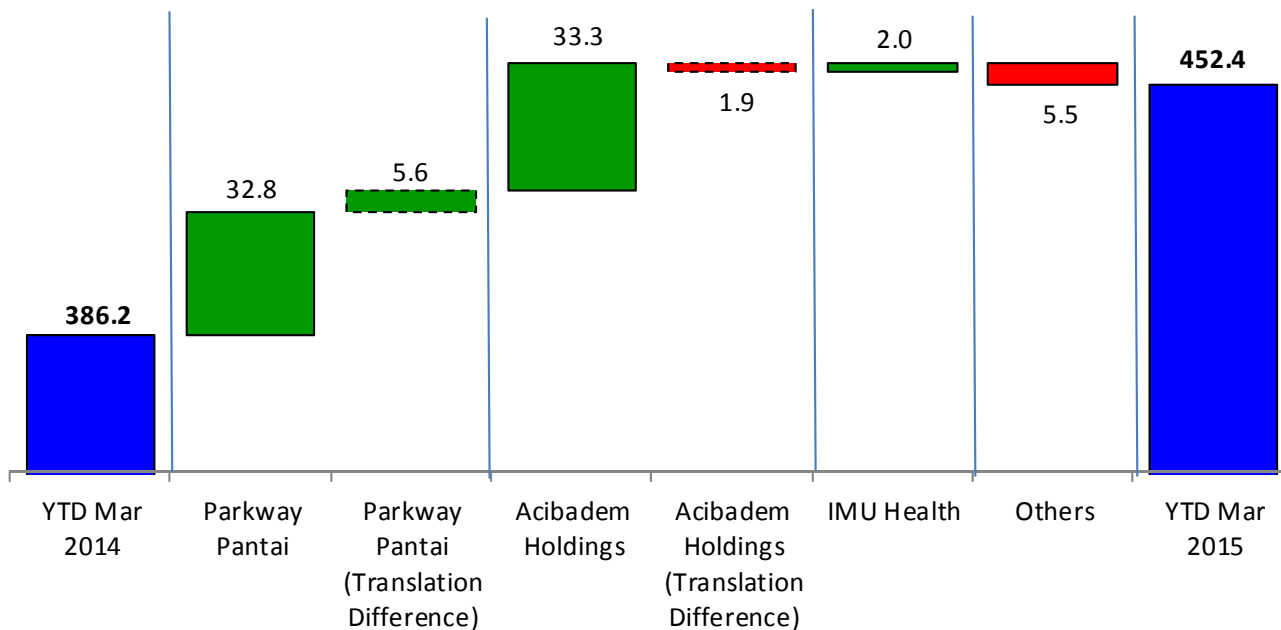
Variations

Segments	Q1'15	Q1'15	YTD'15
	vs Q4'14	vs Q1'14	vs YTD'14
GROUP	-14%	16%	16%
GROUP (Excl REIT)	2%	17%	17%
PLife REIT	-62%	3%	3%
Others	-144%	-53%	-53%
IMU Health	94%	9%	9%
Acibadem Holdings (New)	-129%	92%	92%
Acibadem Holdings (Existing)	2%	18%	18%
Parkway Pantai (New)	-61%	-46%	-46%
Parkway Pantai (Existing)	3%	15%	15%

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

EBITDA Variance (RM'mil)

EBITDA - YTD Variance



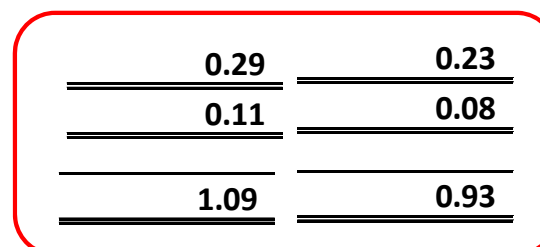
Parkway Pantai
 Acibadem Holdings
 IMU Health
IHH Group (Excl PLife REIT)

YTD'15 vs YTD'14	
Actual	@ Constant Currency
Parkway Pantai	13%
Acibadem Holdings	29%
IMU Health	9%
IHH Group (Excl PLife REIT)	16%

The above figures excludes PLife REIT

Balance sheet and key coverage ratios continue to remain healthy despite debt taken to finance acquisition of Continental Hospitals Ltd in March 2015

Balance Sheet	As at	As at
	31 Mar 2015	31 Dec 2014
	<i>RM'mil</i>	<i>RM'mil</i>
Total Assets	29,679	28,640
- Tangible Assets	18,015	16,948
- Intangible Assets		
Goodwill	9,193	9,155
Other intangibles	2,470	2,538
Total Liabilities	(7,929)	(7,327)
Total Equity	21,749	21,313
Non-controlling Interests	(1,842)	(1,862)
Total Shareholders' Equity (excluding non-controlling interests)	19,908	19,452
Net Tangible Assets ("NTA") (excluding non-controlling interests)	8,244	7,759
Total Debt	(4,597)	(4,269)
Total Cash	2,214	2,468
Net Debt	(2,383)	(1,801)
Net Debt / NTA	0.29	0.23
Net Debt / Equity	0.11	0.08
Net Debt / EBITDA* (times)	1.09	0.93

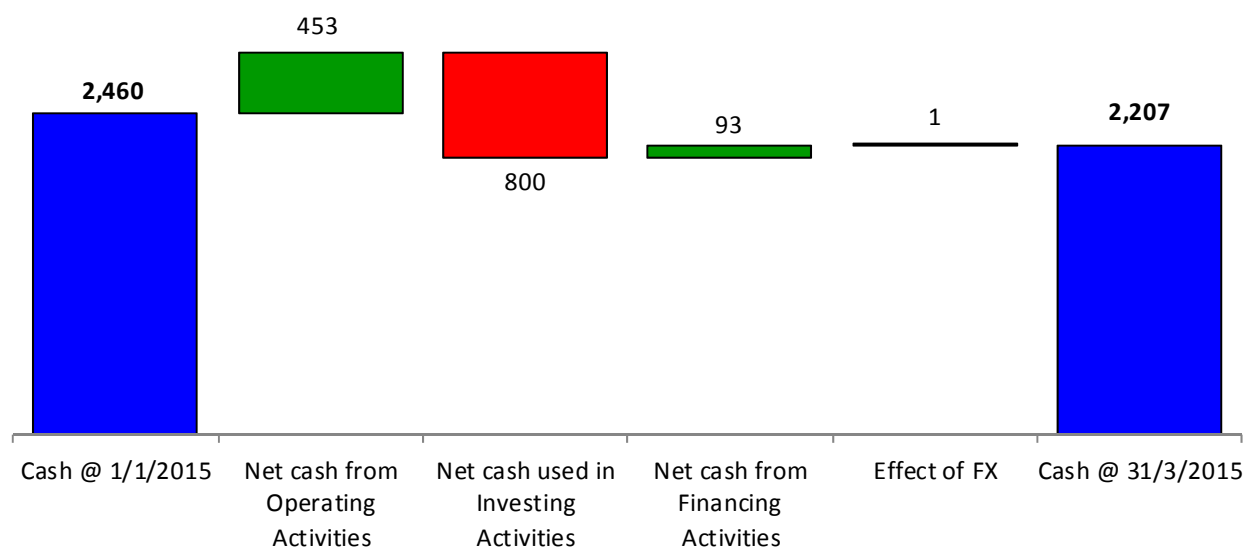


*: Based on last 12 months EBITDA

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

Investing cash outflows includes RM167million for acquisition of Continental Hospitals Ltd

Cashflows @ 31 March 2015 (RM'mil)



Cash Reconciliation to Cashflow Statement:

	RM'mil
Cash per Balance Sheet	2,214
Less:	
Cash collateral received	(3)
Fixed deposits pledged	(5)
Cash per Cashflow Statement	<u>2,207</u>

Cash

	@ 31 March 2015	RM'mil
Parkway Pantai	-	
Acibadem Holdings	217	
IMU Health	196	
Others	1,746	
	<u>2,160</u>	
PLife REIT	54	
	<u>2,214</u>	

Debt

	@ 31 March 2015	RM'mil
Parkway Pantai	883	
Acibadem Holdings	2,190	
IMU Health	1	
Others	0	
	<u>3,074</u>	
PLife REIT	1,523	
	<u>4,597</u>	

Expansion Capital Expenditure

– Construction & Medical Equipment

RM' mil

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

Projected Disbursements Q2 2015 till 2017

85.6
49.2
29.2
140.3
291.7
58.3
16.0

670.5

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

Gleneagles Hong Kong Hospital	Greenfield
-------------------------------	------------

1,838.3

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%

Acibadem Bodrum	Expansion
Acibadem Maslak	Expansion
Acibadem Taksim	Brownfield
Acibadem Altunizade	Greenfield
Acibadem Kartal	Greenfield
Acibadem Atasehir	Greenfield
Budgeted expenditure for approved projects	

33.7
264.9
57.2
510.7
196.5
261.6
2.2

1,326.9

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

Total Unincurred Expansion Capital Expenditure

3,835.6

Based on the following exchange rates:

1 SGD	: 2.6838
1 TL	: 1.4114
1 HKD	: 0.4734

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
 - 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
- * Acquisition of Continental Hospitals Limited
 - Results will be consolidated from April 2015 onwards

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)

- * 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

- * 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

QoQ growth across all operating divisions

<u>Revenue</u> ¹	Q-on-Q			QTD Y-on-Y			YTD Y-on-Y		
	<u>Q1 2015</u>	<u>Q4 2014</u>	<u>Variance</u>	<u>Q1 2015</u>	<u>Q1 2014</u>	<u>Variance</u>	<u>YTD 2015</u>	<u>YTD 2014</u>	<u>Variance</u>
	RM'mil	RM'mil	%	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Parkway Pantai:									
- Singapore	752.3	712.1	6%	752.3	657.4	14%	752.3	657.4	14%
- Malaysia	344.8	337.9	2%	344.8	308.2	12%	344.8	308.2	12%
- Malaysia ^(New)	2.3	2.1	10%	2.3	-	-	2.3	-	-
- North Asia	56.8	54.1	5%	56.8	48.9	16%	56.8	48.9	16%
- North Asia ^(New)	-	-	-	-	-	-	-	-	-
- India	-	-	-	-	-	-	-	-	-
- PPL Others*	30.4	32.4	-6%	30.4	29.7	3%	30.4	29.7	3%
Parkway Pantai	1,186.6	1,138.7	4%	1,186.6	1,044.3	14%	1,186.6	1,044.3	14%
Acibadem Holdings	677.9	660.8	3%	677.9	625.5	8%	677.9	625.5	8%
Acibadem Holdings ^(New)	58.6	59.1	-1%	58.6	14.7	NM	58.6	14.7	NM
Acibadem Holdings	736.6	719.9	2%	736.6	640.2	15%	736.6	640.2	15%
IMU Health	57.1	55.9	2%	57.1	50.3	13%	57.1	50.3	13%
Others^	-	0.0	-100%	-	-	-	-	-	-
GROUP (Excl REIT)	1,980.3	1,914.5	3%	1,980.3	1,734.7	14%	1,980.3	1,734.7	14%
PLife REIT Total	65.7	64.8	1%	65.7	63.9	3%	65.7	63.9	3%
Less: PLife REIT Inter-segment	(43.0)	(41.9)	-3%	(43.0)	(41.0)	-5%	(43.0)	(41.0)	-5%
PLife REIT	22.7	22.9	-1%	22.7	22.9	-1%	22.7	22.9	-1%
GROUP	2,003.0	1,937.4	3%	2,003.0	1,757.6	14%	2,003.0	1,757.6	14%

1: Relates to external revenue only.

It excludes PLife REIT's rental income earned from Parkway Pantai. Similarly, it excludes Parkway Pantai's dividend and management fee income earned from PLife REIT.

*: PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai.

^: Others comprise mainly IHH's corporate office as well as other investment holding entities that is not part of the Group's main SBUs.

QoQ EBITDA eroded by higher costs from new hospitals

EBITDA ¹	Q-on-Q			QTD Y-on-Y			YTD Y-on-Y		
	Q1 2015	Q4 2014	Variance	Q1 2015	Q1 2014	Variance	YTD 2015	YTD 2014	Variance
	RM'mil	RM'mil	%	RM'mil	RM'mil	%	RM'mil	RM'mil	%
Parkway Pantai:									
- Singapore ²	166.3	154.9	7%	166.3	140.0	19%	166.3	140.0	19%
- Malaysia	108.8	109.2	0%	108.8	94.5	15%	108.8	94.5	15%
- Malaysia ^(New)	(2.9)	(1.7)	-72%	(2.9)	(2.8)	-4%	(2.9)	(2.8)	-4%
- North Asia	13.4	17.7	-24%	13.4	14.5	-7%	13.4	14.5	-7%
- North Asia ^(New)	(2.4)	(1.6)	-48%	(2.4)	(0.8)	-193%	(2.4)	(0.8)	-193%
- India	(0.0)	(0.0)	77%	(0.0)	(0.0)	80%	(0.0)	(0.0)	80%
- PPL Others*	13.8	12.8	7%	13.8	13.3	4%	13.8	13.3	4%
Parkway Pantai	297.1	291.3	2%	297.1	258.6	15%	297.1	258.6	15%
Acibadem Holdings	149.0	146.0	2%	149.0	126.7	18%	149.0	126.7	18%
Acibadem Holdings ^(New)	(0.8)	2.8	-129%	(0.8)	(9.9)	92%	(0.8)	(9.9)	92%
Acibadem Holdings	148.2	148.8	0%	148.2	116.8	27%	148.2	116.8	27%
IMU Health	23.1	11.9	94%	23.1	21.1	9%	23.1	21.1	9%
Others [^]	(16.0)	(6.6)	-144%	(16.0)	(10.4)	-53%	(16.0)	(10.4)	-53%
GROUP (Excl REIT)	452.4	445.5	2%	452.4	386.2	17%	452.4	386.2	17%
PLife REIT ³	53.6	140.9	-62%	53.6	51.9	3%	53.6	51.9	3%
GROUP	506.0	586.3	-14%	506.0	438.0	16%	506.0	438.0	16%

1: Relates to the EBITDA performance of each SBUs, after elimination of dividend income from within the Group.

2: Includes rental expense incurred for lease of hospitals from PLife REIT.

3: Includes rental income earned from lease of hospitals to Parkway Pantai.

*: PPL Others comprise mainly Parkway Pantai's hospital in Brunei, corporate office as well as other investment holding entities within Parkway Pantai.

^: Others comprise mainly IHH's corporate office as well as other investment holding entities that is not part of the Group's main SBUs.