



FULL YEAR RESULTS PRESENTATION

12 Months ended 31 December 2013

13 March 2014

Bupa 

DISCLAIMER

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

- *This document may contain certain forward-looking statements with respect to certain of The British United Provident Association Limited group's ("**Bupa's**") plans and its current goals and expectations relating to future financial condition, performance and results. By their nature forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Bupa's control, including, among others, global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the impact of competition, the timing, impact and other uncertainties of future mergers or combinations within relevant industries. As a result, Bupa's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in Bupa's forward-looking statements. Bupa does not undertake to update forward-looking statements contained in this document or any other forward-looking statement it may make.*

AGENDA

- 1.0** **Introduction and Highlights Stuart Fletcher, CEO**
 - 2.0 Financial Review Evelyn Bourke, CFO
 - 2.1 Group Financial Review
 - 2.2 Segmental Results
 - 2.3 Cash, Debt and Solvency
 - 3.0 Operating Priorities and Outlook Stuart Fletcher, CEO
 - 4.0 Q&A
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FY 2013 GROUP HIGHLIGHTS:

ACCELERATED GLOBAL EXPANSION DRIVES INTERNATIONAL GROWTH

- Good growth in customers, revenue and underlying profit
 - Revenues up 8%
 - Underlying profit before taxation up 5%⁽¹⁾
 - Customer numbers up 57%⁽²⁾
- Significant M&A and capital investment
- Leverage increased to fund acquisitions
- Strong financial position and confidence in future direction
- Driving quality, affordable healthcare for our customers

(1) To reflect the trading performance of the business in a consistent manner, we adjust profit before taxation for a number of one-off items. See slide 12

(2) We have changed our definition of customers to be an individual or party from whom Bupa derives revenue and who can elect to use our services. 2012 comparatives have also been restated. This includes joint ventures and associates. In 2013, customers increased by 5.4m (39%) as a result of acquisitions, and 1.2m (9%) as a result of growth in our Indian micro insurance scheme customers.

EMERGING GLOBAL HEALTHCARE TRENDS

CHANGING NATURE OF HEALTHCARE NEEDS

- Greater prevalence of age-related and long-term conditions, driven by ageing population and lifestyle choices

PERSON-CENTRED CARE

- Integrating care to provide a connected service focused around the individual can deliver better quality care, but is challenging across fragmented health systems

MOVING CARE OUT OF THE HOSPITAL

- Growing trend, alongside changing healthcare needs, to move to delivery of care outside the hospital to more appropriate and effective settings

CHANGES IN PATIENT EXPECTATIONS

- Populations are increasingly expecting more from their healthcare providers and becoming empowered by easier access to information. With this, follows demand for more personalised care

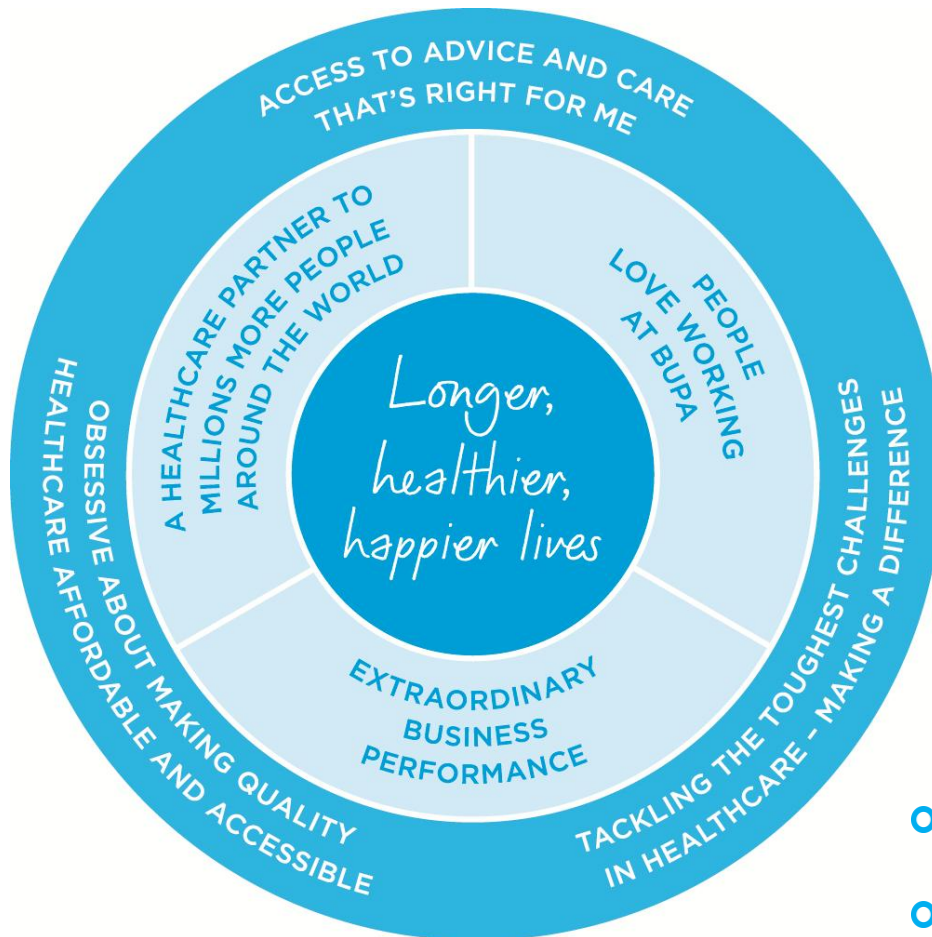
PAYING FOR OUTCOMES RATHER THAN SERVICE

- Some governments are now considering new payment systems based on outcomes and different funding models, recognising that radical reforms may be necessary to deliver quality outcomes in a sustainable way

PROACTIVE RATHER THAN REACTIVE

- Healthcare systems increasingly recognise the importance of shifting focus from reactive to preventative solutions. Prevention and wellness are crucial to addressing long-term conditions

BUPA 2020



- In 2012 we created an ambitious strategic vision for what Bupa will look like in 2020
- Bupa 2020 is defined by our enduring purpose of longer, healthier, happier lives
- One year on we are building momentum as our people embrace and seek to deliver our vision

GROWING OUR FOOTPRINT AND PRESENCE ACROSS THE VALUE CHAIN IN LINE WITH BUPA 2020

		Market Unit											
		UK	SLA		Aus & NZ		IDM					BGMU	
Country		UK	Spain	Chile ⁽¹⁾	Aus	NZ	Poland	HK	Thai.	Arabia	India	US ⁽²⁾	IPMI
Funding	PMI	■	■	■	■		■	■	■	■	■	■	■
	Med. Subscriptions						■						
	Travel	■			■				■				■
Care Mgt. & Comm.	Dental	■	■	■	■		■						
	Health Dialog	■	■		■							■	
	Hospital	■	■	■			■						
Healthcare Provision	Clinics ⁽³⁾	■	■	■			■	■					
	Home Healthcare	■											
	Dental	■	■		■	■	■						
	Optical				■								
	Other Wellness	■	■		■								
	Brain Rehab	■				■							
Aged Care Provision	Care Home	■	■		■	■	■						
	Care Villages	■				■							
	Medical Alarms					■							

- Bupa participation
- Bupa in Joint Venture / Partnership
- Bupa distributes 3rd party products
- ⋯ New/Significant expansion

(1) Completed February 2014

(2) Bupa's stake in Highway to Health enables access to the Blue Cross and Blue Shield system and ability to sell to US outbound customers

(3) Including primary care, diagnostic and wellness clinics

2013 – ACHIEVEMENTS

EXPANDING OUR PARTICIPATION

- M&A investment totalling £1.3bn, including the execution of six major acquisitions
- H1 acquisitions performing well
- Acquired Richmond Care Villages in UK in August
- Acquired Quality HealthCare in October, complementing our existing Hong Kong business
- Acquired a 49% stake in Highway to Health, in December, forming a partnership with Blue Cross and Blue Shield system that will create the largest global healthcare provider network
- In December announced decision to tender for up to 56% of Cruz Blanca to create a domestic platform in Chile and the Andean region. Transaction completed in February 2014

BUILDING CAPACITY AND DISCIPLINE

- Significant management activity taken to mitigate challenging external operating environment
- Created global expert networks and platforms around health and benefits management, aged care and sales and marketing, to share best practice
- Solvency II capital now the reference for all strategic investment decisions
- Large scale, global quantitative consumer study leading to the new global brand proposition for Bupa
- De-risked the DB pension scheme
- Successful bond issue

2013 – ACHIEVEMENTS (CONTINUED)

ALIGNING THE ORGANISATION

- Market Unit structure and operating model now in place
- Selective external recruitment and new members to the Executive Team
- Significant investment in leadership
- First private healthcare company to be awarded Carbon Trust Standard certification

REACHING MILLIONS MORE

- Partnering with:
 - World Heart Federation to develop and launch Ground Miles
 - Alzheimer's Disease International to launch 10 point dementia charter
 - UICC to improve risk assessment, screening and early detection of cancer at the workplace
 - WHO/ITU to deliver mHealth
 - IDF: launched a 2nd research project in September 2013 – a Global Diabetes Scorecard

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FY 2013 FINANCIAL OVERVIEW

REVENUES

FY2012 £8.4bn

FY2013 £9.1bn

(Up 8%)

PROFIT BEFORE TAX⁽¹⁾

FY2012 £585.1m

FY2013 £514.4m

(Down 12%)

UNDERLYING PROFIT BEFORE TAX⁽²⁾

FY2012 £609.5m

FY2013 £638.5m

(Up 5%)

NET CASH GENERATED FROM OPERATING ACTIVITIES

FY2012 £742.9m

FY2013 £467.6m

(Down 37%)

LEVERAGE⁽³⁾

FY2012 19%

FY2013 29%

(Up 10% pts)

IGD COVERAGE

FY2012 367%

FY2013 309%

(Down 16%)

(1) 2012 restated to reflect revised IAS19

(2) 2012 restated to exclude £4.0m of transaction costs and the impact of IAS19

(3) Gross debt (including hybrid debt) / gross debt plus equity

UNDERLYING PROFIT

	FY 2013 £m	FY 2012 £m
Summary of results		
Total revenues	9,058.7	8,373.9
Underlying profit before taxation	638.5	609.5
Non-underlying items	(124.1)	(24.4)⁽¹⁾
Profit before taxation	514.4	585.1
Taxation	(103.0)	(134.9)
Profit for the period	411.4	450.2

NON-UNDERLYING PROFIT ITEMS

	FY 2013 £m	FY 2012 ⁽¹⁾ £m
Amortisation of intangible assets arising on business combinations	37.3	26.8
Impairment of goodwill and intangible assets	33.5	-
Restructuring costs	21.7	17.9
Transaction costs on acquisitions and disposals	28.6	4.0
Realised and unrealised foreign exchange gains and losses	16.1	4.4
Loss on disposal of fixed assets	2.3	0.2
Net property revaluation (gain)/loss	(6.4)	4.5
Gains on return seeking assets, net of hedging	-	(26.1)
Other	(9.0)	(7.3)
Total non-underlying profit items	124.1	24.4

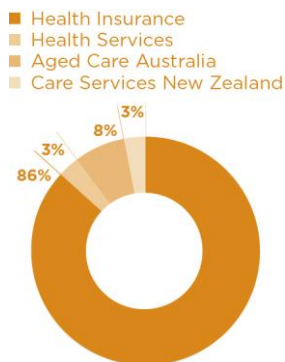
(1) 2012 restated to include £4.0m of transaction costs

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AUSTRALIA AND NEW ZEALAND

REVENUES BY BUSINESS



REVENUES

£3,791.8m

(FY 2012: £3,554.0m Up 7%)

Underlying PROFIT

£284.1m

(FY 2012: £274.6m Up 3%)

CUSTOMERS

4.9m

(FY 2012: 4.1m Up 19%)

Good growth continues and customer numbers increase despite economic and regulatory headwinds

Health Insurance

- Revenue flat in an environment where regulatory changes stimulate customer downgrades
- New, more affordable, tailored products developed to mitigate this trend

Health Services

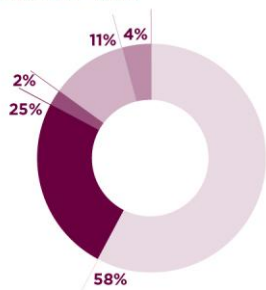
- Health Services achieved double digit increase in revenue and strong profit growth
- Dental Corporation has contributed significant revenue and profit since the acquisition in May

Care Services

- Homes acquired from Innovative Care contributed to revenue growth
- Double digit profit growth
- Occupancy levels remain consistently high at 92.2%
- Largest provider of Care Services in New Zealand with 11% market share

UNITED KINGDOM

REVENUES BY BUSINESS



REVENUES

£2,573.5m

(FY 2012: £2,528.8 Up 2%)

Underlying PROFIT

£139.5m

(FY 2012: £110.9m Up 26%)

CUSTOMERS

3.9m

(FY 2012: 3.9m Flat)

UK on a better trajectory with stable revenues and customer numbers with growth in profits

Health Insurance

- Much needed profit growth year-on-year as a result of initiatives to reduce operating costs and tackle medical inflation
- Improved operating margins put the business on sustainable footing for the long term
- Bupa welcomes regulatory reform that ensures longevity of the market

Care Services

- Revenue and occupancy remained flat
- Publicly funded residents increased which, combined with higher running costs, put pressure on margins
- We invested £59m in our UK care home network
- Acquisition of Richmond Care Villages marked an expansion of our offering

Health Clinics

- Revenue and customer numbers increased year-on-year, driven by the expansion of dental centres

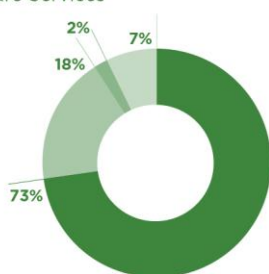
Home Healthcare & Hospital Services

- Significant revenue growth on 2012 was mitigated by public sector pricing pressure, pushing this segment to a small loss
- Revenue and customer numbers increased at Bupa Cromwell Hospital whilst disciplined cost control led to an increase in profitability

SPAIN AND LATIN AMERICA DOMESTIC

REVENUES BY BUSINESS

- Health Insurance
- Hospitals and New Services Provision
- Dental
- Care Services



REVENUES

£1,363.5m

(FY 2012: £1,190.8m Up 15%)

Underlying PROFIT

£126.5m

(FY 2012: £113.4m Up 12%)

CUSTOMERS

2.4m

(FY 2012: 2.3m Up 8%)

Good revenue and profit growth in a very challenging macro environment in Spain. First tangible moves in Latin America in 2014

Health Insurance

- Revenues up with good growth in customer numbers
- Ongoing initiatives to manage medical costs against backdrop of higher claims

Hospitals & Provision

- Double-digit growth driven by PPP performance including the acquisition of Torrejon Hospital, in late 2012

Dental

- Sale of dental products was strong, driven by new product launches, with 80,000 new customers compared to 2012

Care Services

- Growth in residency and occupancy, which partially offset the impact of lower fees

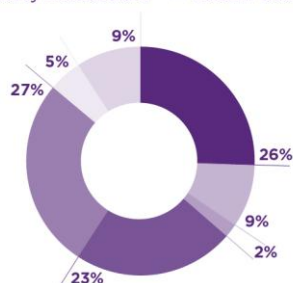
Latin America Domestic

- Announced tender offer to acquire up to 56% in Cruz Blanca in December. Transaction completed February 2014

INTERNATIONAL DEVELOPMENT MARKETS

REVENUES BY BUSINESS

- Bupa Hong Kong
- Bupa Thailand
- Bupa Arabia
- Quality HealthCare
- Max Bupa
- LUX MED
- Health Dialog



Recent acquisitions performing well and revenue and customer numbers continue to rise in first full year as a Market Unit

Health Insurance

- Major customer number gains at Bupa Hong Kong and Bupa Thailand
- Bupa Arabia customer numbers up by 26% driving profit growth
- Max Bupa in India grew year-on-year customer numbers by 355% and has extended into the bancassurance market

REVENUES⁽¹⁾

£377.3m

(FY 2012: £227.3m Up 66%)

Underlying PROFIT

£5.9m

(FY 2012: £4.7m Up 26%) ⁽²⁾

CUSTOMERS

8.7m

(FY 2012: 2.8m Up 216%)

Health Analytics

- Pressures remain in competitor pricing and external policy environment
- We are taking steps to deal with these challenges

Subscription and Provision

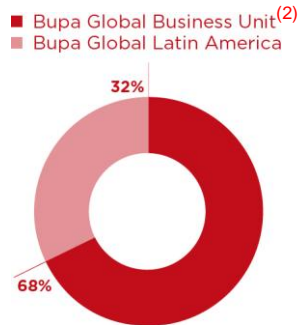
- LUX MED has added 3 million customers to Bupa
- Consolidated market-leading position with acquisition of diagnostics business and special orthopaedic hospital
- Integration of Quality HealthCare in Hong Kong has added 0.8m customers and performed ahead of expectations in 2013

(1) Revenues of £377.3m do not include revenues from Bupa Arabia (associate company) and Max Bupa, India (joint venture)

(2) 2012 restated to exclude £4.0m of transaction costs

BUPA GLOBAL (FORMERLY IPMI⁽¹⁾)

REVENUES BY BUSINESS



Meaningful increase in corporate contract wins drive revenues and profitability

- New executive team driving new initiatives including a global customer focused strategy
- Performance was particularly strong across UAE, Singapore and Hong Kong
- Ministry of Foreign Affairs (MOFA) contracts were won in Saudi Arabia, Mexico and Peru
- Bupa became market leader in Egypt with 46% market share
- Acquisition of 49% of Highway to Health (HTH) gives Bupa access to US healthcare system for the global customer proposition
- A strategic partnership with Blue Cross and Blue Shield, America's largest health system, giving it access to 11,500 hospitals and 750,000 medical professionals worldwide

REVENUES

£953.0m

(FY 2012: £872.0m Up 9%)

Underlying PROFIT

£114.0m

(FY 2012: £100.7m Up 13%)

CUSTOMERS

1.9m

(FY 2012: 0.9m Up 117%)

(1) International Private Medical Insurance

(2) Bupa Global Business Unit was formerly Bupa International

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CASH GENERATION

GOOD OPERATING CASHFLOW AND SIGNIFICANT FUNDING FOR ACQUISITIONS

	FY 2013	FY 2012
	£m	£m
Profit before taxation	514.4	585.1 ⁽¹⁾
Financial income	(82.1)	(124.6)
Financial expenses	88.0	69.8
Depreciation, amortisation and impairment	259.6	196.8
Other non-cash items	18.6	1.2
Changes in working capital and provisions/Other	(215.6)	135.7 ⁽¹⁾
Taxation paid	(115.3)	(121.1)
Net cash generated from operating activities	467.6	742.9
Capital expenditure ⁽²⁾	(330.9)	(264.9)
Net acquisitions/disposals of businesses	(976.6)	(4.1)
Net interest income received/paid	(2.4)	(7.0)
Repayment of borrowings	(334.5)	(26.7)
Proceeds from new borrowings	868.5	-
FX/Other	(197.8)	8.2
Net increase/(decrease) in cash and financial investments	(506.1)	448.4
Closing cash and financial investments⁽³⁾	3,053.8	3,559.9

(1) 2012 restated to reflect revised IAS19

(2) Includes purchase of investment properties

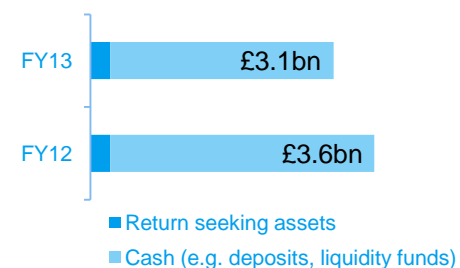
(3) Includes restricted assets

CASH AND FINANCIAL INVESTMENTS

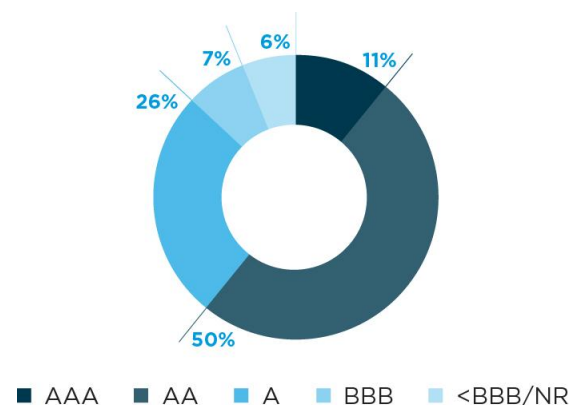
BUPA CONTINUES TO PURSUE A LOW RISK INVESTMENT STRATEGY

- £3.1bn cash and financial investments
- Decrease in cash due to funding acquisitions
- Conservative investment portfolio
- Approximately 87% of portfolio held in investments rated \geq A-/A3 by 1 or more agency
- £250m return seeking asset portfolio in UK insurance entity: equivalent to 8% of Group cash and financial investments

CASH AND INVESTMENT PORTFOLIO



FY13 CASH AND INVESTMENTS BY CREDIT RATING (%)

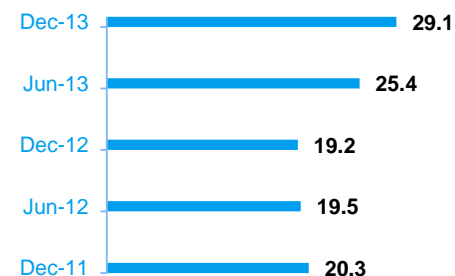


BORROWINGS

BUPA MANAGES ITS LEVERAGE WITHIN RATING AGENCY TOLERANCES

	FY 2013	FY 2012
	£m	£m
Borrowings under £1.1bn bank facilities	375	–
£500m subordinated bond due 2023	499	–
£330m hybrid bond (perpetual)	386	420
£350m senior bond due 2016	365	361
£235m care homes securitisation due 2029 / 2031	238	238
£50m debenture due 2014	51	53
Other borrowings	69	74
Total borrowings	1,983	1,146

LEVERAGE (%)



- Higher levels of borrowing to fund growth with £500m subordinated bond issued in H1 2013
- £300m bank facility put in place at year-end to provide prudent liquidity for acquisitions
- Bupa Finance Plc senior debt ratings re-affirmed at A- (Fitch) and Baa2 (Moody's)

SOLVENCY

THE GROUP MAINTAINS STRONG REGULATORY SOLVENCY LEVELS

Group Solvency Position (IGD)	FY2013	FY2012
	£m	£m
Capital Resources	2,462.7	2,901.9
Capital Requirement	797.1	790.4
Solvency Surplus	1,665.6	2,111.5
Solvency Coverage	309%	367%

£446M REDUCTION IN SURPLUS SINCE FY12 FOLLOWING SIGNIFICANT ACQUISITIONS

Group Solvency Movements

	£m
2012 Year end solvency surplus	2,111.5
Profits	405.8
Issue of subordinated debt	500.0
Acquisitions	(1,102.0)
Foreign Exchange	(150.1)
Other movements	(92.9)
Change in requirement	(6.7)
2013 Year end solvency surplus	1,665.6

- Acquisitions reduced solvency surplus by £1.1bn
- Although the implementation of Solvency II has been delayed, it is a key factor in all long term decisions

SOLVENCY II

BUPA REMAINS COMFORTABLY SOLVENT UNDER THE NEW REGIME

- We expect Solvency II to be fully effective from 1 January 2016
- We are currently in the Solvency II preparation period that started 1 January 2014
- Bupa will be regulated as a mixed activity Group, with Bupa Insurance Ltd and Sanitas Seguros regulated as Solo entities
- Their National Supervisors have confirmed their reporting requirements for Bupa Insurance Ltd and Sanitas Seguros during the preparation phase
- Programme of implementation underway across Bupa
- We will remain comfortably capitalised under Solvency II, both as a Group and at each Solo entity level

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CURRENT OPERATING PRIORITIES

Australia & New Zealand

- Transformation – in health funding, enhancing end to end customer experience and operating efficiency
- Expanding our care home portfolio while creating additional services, e.g. care hubs
- Growing dental business and leveraging increased Bupa customer traffic (cross-selling)
- Growing the newly created Health Services business and delivering public sector opportunities

United Kingdom

- Transformation - delivering operational efficiencies and brand coherence by operating as a single Market Unit
- Targeting under-served self-pay segments and maximising opportunities in public sector integrated care contracts
- Optimising portfolios in care homes and clinics

Spain & Latin America Domestic

- Expanding owned dental provision network
- Capturing new PMI customers which generate acceptable returns, while reducing lapse rates
- Executing domestic market entry strategy for Latin America

International Development Markets

- In Hong Kong, successfully integrating Quality HealthCare and delivering bancassurance plans
- Accelerating the growth of LUX MED
- Resolving Health Dialog performance
- Transformation – creating a flexible operating system that will be used in multiple insurance markets

Bupa Global

- Shifting distribution focus to admitted markets, individual / SME and direct corporate
- Partnering with SisCos to utilise joint scale and local market expertise to grow in domestic markets
- Regionalising operations in priority markets (e.g. US, Greater China)
- Develop distinctive and profitable set of tiered branded global healthcare propositions

Bupa-wide priorities

- Setting and implementing our global brand direction
- Continue to strengthen risk and governance capabilities
- Transforming PMI/PHI
- Integrating acquisitions for delivery
- Focus on further driving cash generation
- Invest in leadership and talent capability

OUTLOOK

- 2014 will be a year of consolidating acquisitions and driving growth from all our businesses
- 2014 is about making our business even more customer-centred, setting and implementing our global brand direction and continuing to streamline our operations and cost base
- Trading conditions in some key markets will remain challenging, however, our businesses are focused on delivering sustained growth
- We expect good growth from both our existing and acquired businesses whilst realising further benefits of integration
- We will continue to build on our diversified international platform to deliver on our purpose of longer, healthier, happier lives

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QUESTIONS AND ANSWERS

APPENDIX: DETAILED ORGANISATION STRUCTURE

MARKET UNITS

Australia and New Zealand	United Kingdom	Spain and Latin America Domestic	International Development Markets	Bupa Global
Bupa Australia Health Insurance	Bupa Health Funding	Sanitas Seguros	Bupa Hong Kong	Bupa Global Business Unit
Bupa Aged Care Australia	Bupa Health Clinics	Sanitas Hospitales and New Services	Bupa Thailand	Bupa Global Latin America
Bupa Care Services New Zealand	Bupa Care Services UK	Sanitas Dental	Bupa Arabia	Bupa Global North America
Bupa Health Services Australia	Bupa Home Healthcare	Sanitas Residencial	Max Bupa	
	Bupa Cromwell Hospital	Latin America Domestic Development	LUX MED	
		Cruz Blanca	Quality HealthCare	
			Health Dialog	
			Bupa China	

APPENDIX: BUPA'S EXECUTIVE TEAM



Stuart Fletcher
Chief Executive Officer



Evelyn Bourke
Chief Financial Officer



Dean Holden
Managing Director,
Australia and New
Zealand



Richard Bowden
Managing Director, UK



Iñaki Ereño
Managing Director,
Spain and Latin
America Domestic



Alison Platt
Managing Director,
International
Development Markets



Robert Lang
Managing Director,
Bupa Global



Steve John
Director, Corporate
Affairs



Denise Collis
Chief People Officer



Yasmin Jetha
Chief Information
Officer



Paul Zollinger-Read
Chief Medical Officer



Theresa Heggie
Chief Strategy and
Marketing Officer



Paul Newton
Chief Legal Officer