



FULL YEAR RESULTS PRESENTATION

12 months ended 31 December 2014

5 March 2015

AGENDA

- 1 **Group Highlights - Stuart Fletcher, CEO**
 - 2 Segmental Results - Stuart Fletcher, CEO
 - 3 Financial Review - Evelyn Bourke, CFO
 - 4 Operating Priorities and Outlook - Stuart Fletcher, CEO
 - 5 Q&A
-

FY 2014 GROUP HIGHLIGHTS:

BUPA DELIVERS GOOD RESULTS WITH CONTINUED GLOBAL GROWTH

- Revenues £9.8bn, up 8%; up 15% at constant exchange rates (CER)
- Underlying profit before taxation flat at £637.8m⁽¹⁾; up 8% at CER
- Good revenue and profit growth excluding recently acquired businesses⁽²⁾ and related financing costs⁽³⁾ (revenues up 6% at CER, underlying profit up 6% at CER)
- Customer numbers up 31% to 28.7m, including 6.2m⁽⁴⁾ from joint ventures and associates and 2.4m added through acquisitions
- Growth in our established markets with a particularly strong performance from Australia and New Zealand
- Good contribution from recently acquired businesses
- Leverage down to 27.6% following strong cash generation
- Reaffirmation of Bupa's key senior credit ratings during the year (Fitch A- and Moody's Baa2)

(1) See slide 13 for definition of underlying profit before taxation

(2) Businesses acquired in 2013 and 2014, most notably Innovative Care, LUX MED, Dental Corporation, Quality HealthCare and Cruz Blanca Salud

(3) Adjusted for the impact on our net financial expense for the cost of additional borrowings used to finance acquisitions

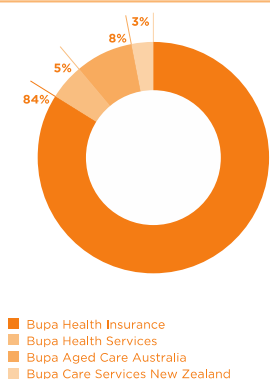
(4) Revenues from our associate and joint ventures, Bupa Arabia, Max Bupa and Highway to Health Inc., are excluded in our reported figures. Customer numbers and the appropriate share of profit from these businesses are included in our reported numbers

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AUSTRALIA AND NEW ZEALAND

REVENUES BY BUSINESS ⁽¹⁾



REVENUES ⁽²⁾

£3,759.6m

(FY 2013: £3,791.8m)

Down 1%; Up 11% CER

UNDERLYING PROFIT

£309.2m

(FY 2013: £284.1m)

Up 9%; Up 24% CER

CUSTOMERS

5.7m

(FY 2013: 4.9m)

Up 16%

Strong growth driven by 2013 acquisitions and the quality and breadth of our service

Performance

- Delivered growth in revenue, customers and underlying profit
- Particularly strong revenue growth in our Health Services business supported by the full year contribution of Dental Corporation
- Health Insurance business helped drive profitability
- High occupancy levels of over 90% maintained in Bupa Aged Care Australia and Care Services New Zealand

Healthcare partner to millions more

- Significantly expanded provision capability
- Partnership with Healthscope Hospitals
- Notable public sector partnerships

A place where our people love to work

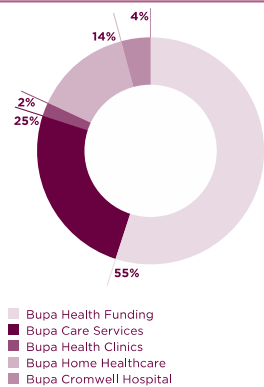
- Employee engagement score 76% and Leadership Index score 75%
- Over 80% of our people participated in at least one employee wellbeing activity over the year

(1) Chart includes all revenues to give a sense of the scale of each business

(2) Revenues of £3,759.6m do not include the revenues of equity accounted associates (Dental Corporation, Canada)

UNITED KINGDOM

REVENUES BY BUSINESS



REVENUES

£2,711.2m

(FY 2013: £2,573.5m)

Up 5%; Up 5% CER

UNDERLYING PROFIT

£175.0m

(FY 2013: £139.5m)

Up 25%; Up 25% CER

CUSTOMERS

4.0m

(FY 2013: 3.9m)

Up 3%

Second year of growth, with improvements in operational efficiency and innovation to meet changing customer needs creating momentum for 2015

Performance

- Revenue growth driven by Bupa Health Clinics, Bupa Home Healthcare and Bupa Care Services
- Profit supported by operational efficiency savings and growth in Bupa Health Clinics, Bupa Home Healthcare and Bupa Cromwell Hospital
- Customer numbers up due to growth in Bupa Health Funding SME business, Bupa Health Clinics and Bupa Cromwell Hospital

Healthcare partner to millions more

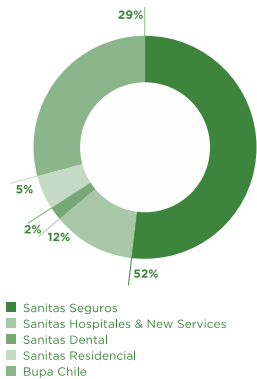
- Campaigning to make healthcare more affordable and accessible for customers
- Ground breaking long-term agreement with Spire Healthcare
- Investing to address the health and care needs of the UK's growing ageing population

A place where our people love to work

- Employee engagement score 59% and Leadership Index score 62%
- All of our people provided with Business Fit, including access to Bupa Anytime Healthline for round-the-clock medical advice

SPAIN AND LATIN AMERICA DOMESTIC

REVENUES BY BUSINESS



REVENUES

£1,842.5m

(FY 2013: £1,363.5m)

Up 35%; Up 42% CER

UNDERLYING PROFIT

£130.6m

(FY 2013: £126.5m)

Up 3%; Up 9% CER

CUSTOMERS

4.9m

(FY 2013: 2.4m)

Up 104%

Resilient performance despite continued macro headwinds in Spain. Bupa Chile integration progressing well

Performance

- Performance supported mainly by Bupa Chile, Sanitas Dental and Sanitas Residencial in terms of revenue, customer numbers and profit
- Integration in Bupa Chile continues to progress as planned and the business is performing ahead of expectations
- Sanitas Residencial achieved record occupancy increasing to 92%

Healthcare partner to millions more

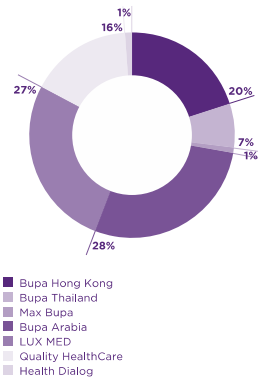
- On-going initiatives to manage medical costs
- Renewal of Sanitas partnership with BBVA
- Investing in products and services across our hospitals and PPPs

A place where our people love to work

- Employee engagement score 81% and Leadership Index score 73%
- Over 2,600 employees participated in our Sanitas' 'Smile' programme, now developed as a product for corporate customers

INTERNATIONAL DEVELOPMENT MARKETS

REVENUES BY BUSINESS (1)



REVENUES(2)

£506.7m

(FY 2013: £377.3m)

Up 34%; 42% CER

UNDERLYING PROFIT

£17.1m

(FY 2013: £5.9m)

Up 190%; Up 235% CER

CUSTOMERS

12.1m

(FY 2013: 8.7m)

Up 39%

Strong performance in 2014 by growing and developing established and recently acquired businesses

Performance

- Revenue growth driven by full year contribution of both the Polish LUX MED and Hong Kong based Quality HealthCare business
- Profit growth driven by strong performance of Bupa Arabia, 2013 acquisitions and the divestment of Health Dialog
- Focused on developing LUX MED's integrated provision and funding model, continuing to embed the Quality HealthCare clinic business into the organisation

Healthcare partner to millions more

- In India, Max Bupa launched important Bancassurance partnerships to significantly extend our distribution network

A place where our people love to work

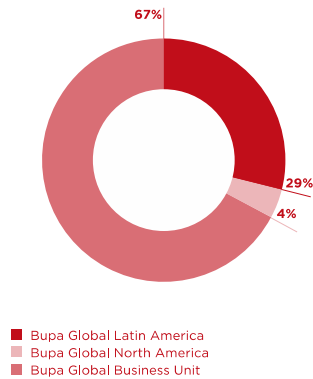
- Employee engagement score 75% and Leadership Index score 77%
- Over 1,400 doctors and nurses took part in LUX MED's "Academy"

(1) Chart includes all revenues to give a sense of the scale of each business

(2) Revenues of £506.7m do not include the revenues of equity accounted joint ventures (Max Bupa, India) and associates (Bupa Arabia)

BUPA GLOBAL

REVENUES BY BUSINESS (1)



REVENUES (2)

£958.7m

(FY 2013: £953.0m)

Up 1%; Up 4% CER

UNDERLYING PROFIT

£97.9m

(FY 2013: £114.0m)

Down 14%; Down 12% CER

CUSTOMERS

2.1m

(FY 2013: 1.9m)

Up 11%

Transformation commenced: operations regionalised, operational efficiency improved and new tiered products launched in key markets

Performance

- Revenue growth and customer numbers driven by corporate account wins
- Began the transformation of Bupa Global through regionalising and streamlining of our operations

Healthcare partner to millions more

- Strategic global partnership with the Blue Cross Blue Shield Association, largest US-based healthcare system
- Reached millions more with distribution partnership in Hong Kong with Hang Seng Bank
- Developed new tiered products in key markets, providing flexible access to high quality healthcare

A place where our people love to work

- Employee engagement score 63% and Leadership Index score 68%
- Opportunities for our people to have a positive impact on their communities

(1) Chart includes all revenues to give a sense of the scale of each business

(2) Revenues of £958.7m do not include the revenues of equity accounted associates (Highway to Health, Bupa Global North America)

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FY 2014 FINANCIAL OVERVIEW

REVENUES

FY2013 £9.1bn

FY2014 £9.8bn

(Up 8%)

(Up 15% at CER)

UNDERLYING PROFIT BEFORE TAXATION⁽¹⁾

FY2013 £638.5m

FY2014 £637.8m

(Flat)

(Up 8% at CER)

STATUTORY PROFIT BEFORE TAXATION

FY2013 £514.4m

FY2014 £609.2m

(Up 18%)

NET CASH GENERATED FROM OPERATING ACTIVITIES

FY2013 £467.6m

FY2014 £789.5m

(Up 69%)

LEVERAGE⁽²⁾

FY2013 28.9%

FY2014 27.6%

(Down 1.3% pts)

IGD COVERAGE

FY2013 309%

FY2014 319%

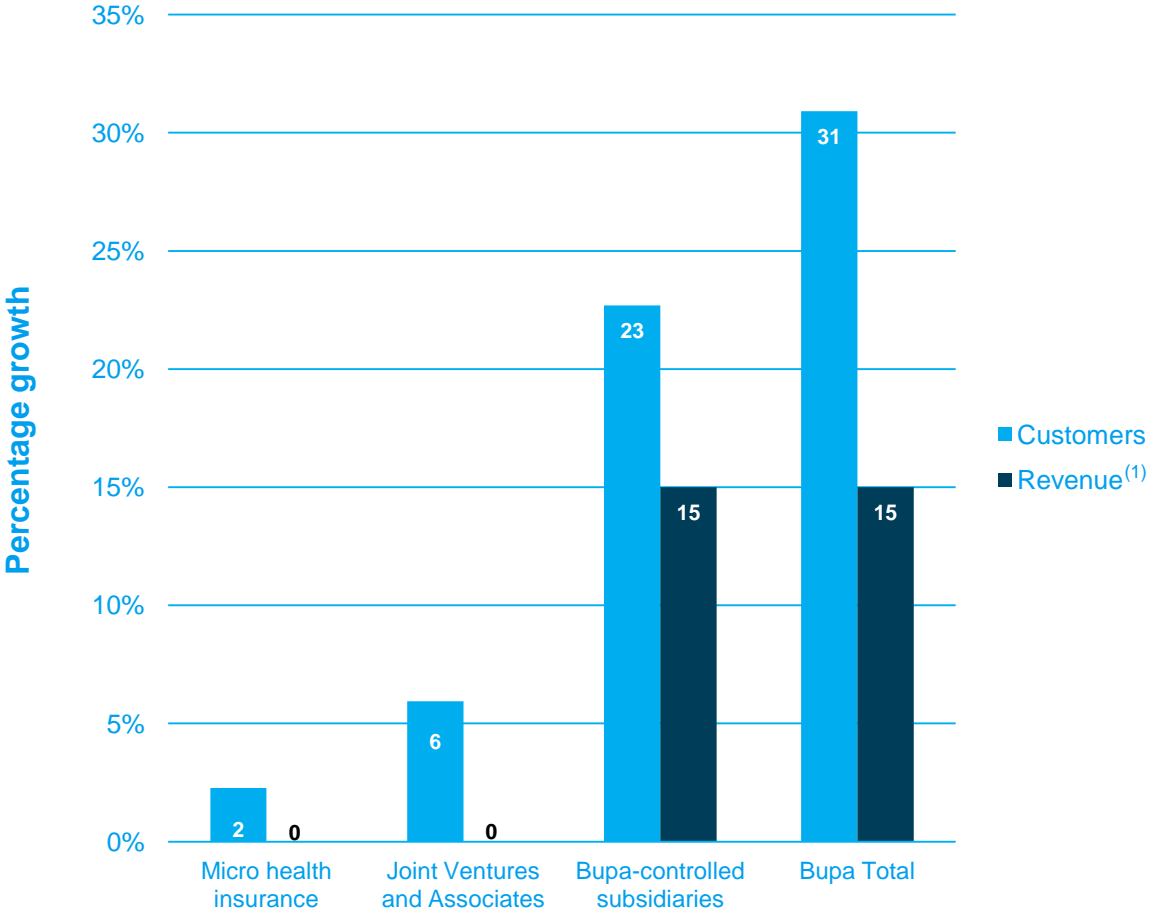
(Up 3%)

(1) In order to reflect trading performance in a consistent manner, we remove a number of non-trading items from our reported profit that limit comparability to arrive at underlying profit. See slide 13

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

GROWTH IN CUSTOMERS AND REVENUES

JOINT VENTURES/ASSOCIATES AND MIX OF BUSINESSES ACCOUNT FOR DIFFERENCE BETWEEN REVENUE AND CUSTOMER GROWTH



(1) Revenue growth calculated at constant exchange rates

UNDERLYING PROFIT

Summary of results		
	FY 2014 £m	FY 2013 £m
Total Revenues	9,777.8	9,058.7
Underlying profit before taxation	637.8	638.5
Non-underlying items	(28.6)	(124.1)
Statutory Profit before taxation	609.2	514.4
Taxation	(86.4)	(103.0)
Profit for the period	522.8	411.4

NON-UNDERLYING PROFIT ITEMS

	FY 2014 £m	FY 2013 £m
Amortisation of intangible assets	(51.5)	(37.3)
Impairment of goodwill	-	(20.7)
Impairment of intangible assets	(0.7)	(12.8)
Restructuring costs	(14.5)	(21.7)
Transaction costs on acquisitions and disposals	(5.4)	(28.6)
Realised and unrealised foreign exchange gains/(losses)	7.1	(11.9)
Net property revaluation (losses)/gains	(0.7)	6.4
Net loss on disposal of fixed assets	(1.8)	(2.0)
Net gain on disposal of businesses	27.1	-
Gains on return seeking assets, net of hedging	13.8	-
Other ⁽¹⁾	(2.0)	4.5
Total non-underlying profit items	(28.6)	(124.1)

(1) Includes Central non-underlying items and loss on sale of equity accounted investments

SOLVENCY

THE GROUP MAINTAINS STRONG SOLVENCY COVER

Group Solvency Position (IGD)	FY2014	FY2013
	£m	£m
Capital Resources	2,588.1	2,462.7
Capital Requirement	812.0	797.1
Solvency Surplus	1,776.1	1,665.6
Solvency Coverage %	319%	309%

£110.5M INCREASE IN SURPLUS SINCE FY2013 DRIVEN BY STRONG FINANCIAL PERFORMANCE IN 2014

Group Solvency Movements	£m
2013 Year end solvency surplus	1,665.6
Profits	491.2
Property revaluations	11.3
Acquisitions & Disposals	(356.2)
Increase in inadmissible assets	(217.9)
Foreign exchange	12.1
Movement in non-controlling interest	19.9
Valuation and other movements	165.0
Change in requirement	(14.9)
2014 Year end solvency surplus	1,776.1

SOLVENCY II

BUPA REMAINS COMFORTABLY SOLVENT UNDER THE NEW REGIME

- Solvency II will apply from 1 January 2016
- We will be subject to Group regulation, with Bupa Insurance Ltd and Sanitas Seguros regulated as Solo entities
- We will remain comfortably capitalised under Solvency II, both as a Group and at each Solo entity level
- We are confident that we will meet all preparatory phase reporting requirements through 2015

CASH GENERATION

VERY STRONG OPERATING CASHFLOW IN 2014, DELIVERED ACROSS THE BUSINESS

	FY 2014 £m	FY 2013 £m
Profit before taxation expense	609.2	514.4
Financial income	(80.8)	(82.1)
Financial expenses	117.7	88.0
Depreciation, amortisation and impairment	262.0	259.6
Other non-cash items	(37.5)	18.6
Movements in insurance assets/liabilities	30.1	(177.3)
Change in net pension asset/liability	(41.6)	(40.7)
Changes in working capital	124.9	2.4
Cash generated from operations	984.0	582.9
Income taxation paid	(193.5)	(115.3)
Increase in cash held in restricted assets	(1.0)	-
Net cash generated from operating activities	789.5	467.6
Capital expenditure ⁽¹⁾	(391.8)	(330.9)
Net acquisitions/disposals of businesses ⁽²⁾	(152.4)	(976.6)
Net interest income received/paid	(68.0)	(2.4)
Repayment of borrowings	(447.4)	(334.5)
Proceeds from new borrowings	379.2	868.5
FX/Other	65.9	(197.8)
Net increase/(decrease) in cash and financial investments	175.0	(506.1)
Closing cash and financial investments⁽³⁾	3,228.8	3,053.8

(1) Includes purchase of investment properties

(2) Includes acquisitions/disposals of equity accounted investments

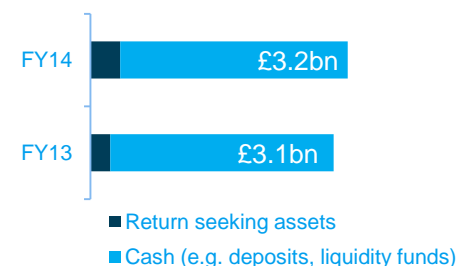
(3) Includes restricted assets

CASH AND FINANCIAL INVESTMENTS

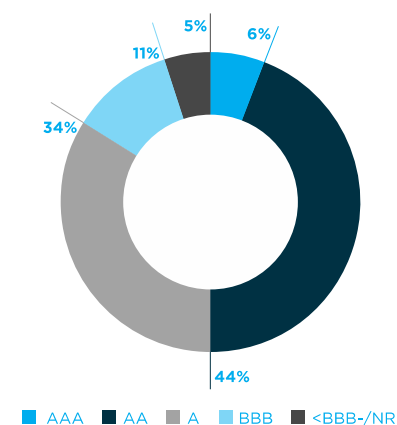
HIGH LEVELS OF CASH – INVESTED PRUDENTLY

- £3.2bn cash and financial investments
- Only a marginal increase since 2013 Y/E as most cash generation used to invest in growth and repay debt
- Conservative investment portfolio
- Approximately 84% of portfolio held in investments rated \geq A-/A3 by 1 or more agency
- £373m return-seeking asset portfolio held in UK and Australian insurance businesses (12% of Group cash and financial investments)

CASH AND INVESTMENT PORTFOLIO



FY14 CASH AND INVESTMENTS BY CREDIT RATING (%)

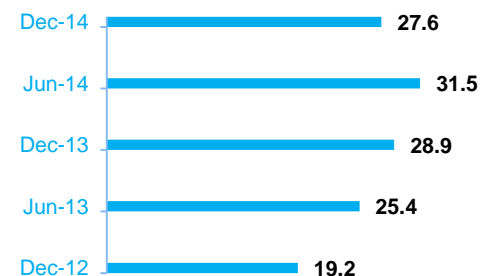


BORROWINGS

LEVERAGE DOWN TO 27.6% FOLLOWING STRONG CASH REPATRIATIONS

	FY 2014 £m	FY 2013 £m
Borrowings under £800m bank facility	-	150
Borrowings under £300m acquisition facility (expired June 2014)	-	225
£500m subordinated bond due 2023	499	499
£330m perpetual hybrid bond (g'teed by Bupa Insurance Ltd)	398	386
£350m senior bond due 2016	362	365
£350m senior bond due 2021	348	-
£235m care homes securitisation due 2029 / 2031	238	238
£50m debenture due 2014	-	51
Bupa Chile	164	-
Other	75	69
Total borrowings	2,084	1,983

LEVERAGE (%)



- Strong cashflows and repatriations in H2 have enabled a material repayment of debt by the year end
- As a result, Bupa's £800m bank facility was (and remains) fully repaid
- Leverage has fallen from 31.5% at HY to 27.6% at FY
- Bupa Finance Plc senior debt ratings remain at A- (Fitch) and Baa2 (Moody's)

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-
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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

International Development Markets

- Integration of acquisitions and accelerating the growth of LUX MED
- Delivering bancassurance plans
- Transformation – creating a flexible operating system that will be used in multiple insurance markets

United Kingdom

- Focused on growth through making private healthcare more accessible and affordable
- Transformation – delivering efficiencies and organising around specific customer segments
- Optimising portfolios in care homes and clinics
- Further investment in dental provision and Care Services

Bupa Global

- Transformation – continue to regionalise operations and improve operational efficiency
- Develop and launch tiered global healthcare propositions in priority markets
- Partnering with other MU's to utilise joint scale and local market expertise to grow in domestic markets

Spain & Latin America Domestic

- Integration of Bupa Chile
- Expanding owned dental provision network
- Capturing new Health Insurance customers – supported by new products and services
- Managing medical costs carefully to ensure our products are affordable and we deliver sustainable growth

Bupa-wide priorities

- Continued focus on operational efficiency
- Integrate and deliver performance from our acquired businesses
- Organic growth and innovation
- Continue to strengthen risk and governance capabilities
- Focus on driving further cash generation
- Invest in people, leadership and talent capability
- Ensure Bupa-wide practice sharing platforms are delivering impact on business performance
- Deliver Bupa's carbon reduction targets

OUTLOOK

- Our diversified international footprint and expertise positions us well for growth
- Continued focus on integrating and driving performance from all our businesses
- Strengthened organisational platform allows us to make healthcare more affordable and accessible
- Continued focus on operational efficiency and innovation to meet changing customer needs
- Disciplined focus on growth and financial performance so that we can continue to deliver on Bupa 2020 and our purpose

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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 Health Insurance	Bupa Health Funding	Sanitas Seguros	Bupa Hong Kong	Bupa Global Latin America
Bupa Health Services	Bupa Care Services	Sanitas Hospitales and New Service	Bupa Thailand	Bupa Global North America
Bupa Aged Care Australia	Bupa Health Clinics	Sanitas Dental	Max Bupa	Bupa Global Business Unit
Bupa Care Services New Zealand	Bupa Home Healthcare	Sanitas Residencial	Bupa Arabia	
	Bupa Cromwell Hospital	Bupa Chile	Bupa China	
			LUX MED	
			Quality HealthCare	

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.*