



HALF YEAR RESULTS PRESENTATION

6 MONTHS ENDED 30 JUNE 2013

7 August 2013



www.bupa.com

AGENDA

- 1.0 Introduction and Highlights Stuart Fletcher,
Chief Executive Officer**
 - 2.0 Financial Review Evelyn Bourke, Chief Financial Officer
 - 2.1 Group Financial Review
 - 2.2 Segmental Results
 - 2.3 Cash, Debt and Solvency
 - 3.0 Operating Priorities and Outlook Stuart Fletcher,
Chief Executive Officer
 - 4.0 Q&A
-

HY 2013 GROUP HIGHLIGHTS

- Revenues up 8% to £4.5bn
 - Underlying profit before taxation up 1% to £258.9m⁽¹⁾
 - Customer numbers up 30% to 14.5m
 - Statutory profit before taxation down 15% to £218.0m
 - Further expansion into new geographies and services through acquisition and partnership
 - New organisational structure embedded and driving efficiencies
 - Successful subordinated bond issue
 - Reaffirmation of A- senior debt rating from Fitch
-

⁽¹⁾To reflect the trading performance of the business in a consistent manner, we adjust profit before taxation for impairment and amortisation of intangible assets arising on business combinations, net revaluation and impairment charges on property, gains or losses on return seeking assets and one-off items

HY 2013 MARKET UNIT HIGHLIGHTS

Market Unit	Revenues		Underlying profit/(loss)	
	HY 2013 £m	Var from HY 2012 %	HY 2013 £m	Var from HY 2012 %
Australia & New Zealand	1,910.5	11%	115.9	(9)%
UK	1,255.3	0%	59.2	124%
Spain & Latin America Domestic	681.7	14%	46.0	(13)%
International Development Markets	152.6	33%	(5.1)	(368)%
International PMI	464.8	10%	51.0	16%

- Australia & New Zealand Good revenue and customer growth, although some regulatory pressure impacting profits
- UK Improved performance following claims cost management and healthcare purchasing initiatives
- Spain & Latin America Domestic Strong customer and revenue growth across all businesses although higher claims costs reduced profits
- International Development Markets Investment in new market opportunities and very strong revenue and customer growth in our insurance businesses
- International PMI Strong growth resulting from development of more affordable and tailored products and through new partnerships

EXTERNAL LANDSCAPE

ECONOMIC

- Economic uncertainty in core markets – Australia, Spain and UK - continued pressure on consumer and business confidence
- Growth in developing and emerging markets with rise in middle classes fuelling demand for high quality healthcare

POLITICAL/REGULATORY

Australia

- Multiple legislative changes impacting affordability of private health insurance
- Aged care reforms legislation likely to be this year but detail still undefined
- Federal election in second half of 2013, although unlikely to see a change of policy

United Kingdom

- Competition Commission investigation into private healthcare market
- Continued government spending restraint, impacting aged care fees

Spain

- Cuts to public expenditure impacting waiting times in Spanish NHS
- Austerity measures continue to intensify

ACQUISITIONS – INTERNATIONAL DEVELOPMENT MARKETS

LUX MED

- In April Bupa acquired LUX MED, the largest private healthcare provider in Poland, providing integrated healthcare to over 1m customers with a network of over 100 clinics
- Clear fit with Bupa's 2020 vision offering entry to a fast growing market
- The business offers Bupa further geographic and product diversification
- Performance better than expectations since completion
- Ambitious plans to invest in the business currently underway

ACQUISITIONS – AUSTRALIA AND NEW ZEALAND

Dental Corporation

- In May Bupa acquired Dental Corporation Holdings Limited (Dental Corp)
- Dental Corp is the largest dental group in Australia and New Zealand and it comprises of 190 clinics across both countries.
- The acquisition will help broaden our offerings and achieve further growth in our markets

Innovative Care's care homes

- In February Bupa acquired nine care homes from Innovative Care with a further care home purchased in July, representing over 1,000 beds
- Most significant acquisition in the Australian aged care market for several years and underlines Bupa's investment in Australian health care
- Good fit with our business, offering premium accommodation and a reputation for high quality care

AGENDA

- 1.0 Introduction and Highlights Stuart Fletcher,
Chief Executive Officer
 - 2.0 Financial Review Evelyn Bourke, Chief Financial Officer**
 - 2.1 Group financial review**
 - 2.2 Segmental Results
 - 2.3 Cash, Debt and Solvency
 - 3.0 Operating Priorities and Outlook Stuart Fletcher,
Chief Executive Officer
 - 4.0 Q&A
-

HY 2013 FINANCIAL OVERVIEW

REVENUES

HY2012 £4.1bn

HY2013 £4.5bn

(Up 8%)

PROFIT BEFORE TAX⁽¹⁾

HY2012 £256.0m

HY2013 £218.0m

(Down 15%)

UNDERLYING PROFIT BEFORE TAX⁽¹⁾

HY2012 £255.4m

HY2013 £258.9m

(Up 1%)

NET CASH GENERATED FROM OPERATING ACTIVITIES⁽¹⁾

HY2012 £527.1m

HY2013 £238.1m

(Down 55%)

LEVERAGE⁽²⁾

HY2012 19.5%

HY2013 25.4%

(Up 6% pts)

IGD COVERAGE

FY2012 367%

HY2013 324%

(Down 12%)

(1) 2012 restated to reflect the revised IAS 19

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

UNDERLYING PROFIT

	HY 2013 £m	HY 2012 £m
Summary of results		
Total revenues	4,464.8	4,118.0
Underlying profit before taxation	258.9	255.4 ⁽¹⁾
Non-underlying items	(40.9)	0.6
Profit before taxation	218.0	256.0 ⁽¹⁾
Taxation	(47.9)	(60.3)
Profit for the period	170.1	195.7 ⁽¹⁾

NON-UNDERLYING PROFIT ITEMS

	HY 2013 £m	HY 2012 £m
Amortisation of intangible assets arising on business combinations	16.9	13.8
Net property revaluation and impairment charge	(4.3)	(3.6)
Restructuring costs	4.3	–
Costs associated with acquisition of subsidiary companies	18.0	–
Losses/(gains) on return seeking assets, net of hedging	7.2	(11.5)
Other	(1.2)	0.7
Total non-underlying profit items	40.9	(0.6)

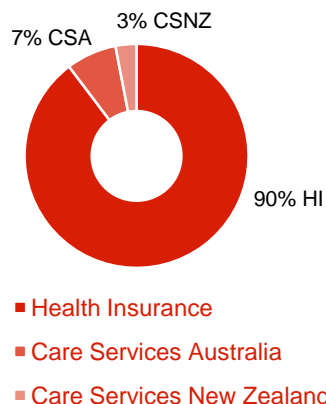
(1) Restated to reflect the revised IAS 19

AGENDA

- 1.0 Introduction and Highlights Stuart Fletcher,
Chief Executive Officer
 - 2.0 Financial Review Evelyn Bourke, Chief Financial Officer**
 - 2.1 Group Financial Review
 - 2.2 Segmental Results**
 - 2.3 Cash, Debt and Solvency
 - 3.0 Operating Priorities and Outlook Stuart Fletcher,
Chief Executive Officer
 - 4.0 Q&A
-

AUSTRALIA AND NEW ZEALAND

REVENUES BY BUSINESS



Good growth in customer numbers and revenue, despite ongoing economic uncertainty and low levels of consumer confidence

Health Insurance

Good customer growth with increased market share

Reduction in profit driven by lower than expected government-regulated premium increases and cover downgrades

Development of affordable and tailored product suite

Care Services

Good underlying business growth in Australia, but lower occupancy due to an increase in capacity impacted profits

Ongoing refurbishment programme to deliver better care to residents in an enhanced environment

Revenue and profits increased year-on-year in New Zealand, with increased occupant numbers in care homes

REVENUES

£1,910.5m

(HY 2012: £1,727.7m **Up 11%**)

UNDERLYING PROFIT

£115.9m

(HY 2012: £127.6m **Down 9%**)

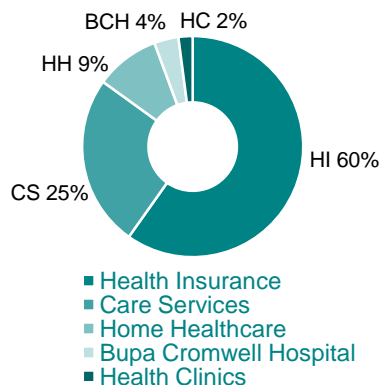
CUSTOMERS

3.7m

(HY 2012: 3.4m **Up 9%**)

UNITED KINGDOM

REVENUES BY BUSINESS



REVENUES

£1,255.3m

(HY 2012 : £1,252.4m **Flat**)

UNDERLYING PROFIT

£59.2m

(HY 2012 : £26.4m **Up 124%**)

CUSTOMERS

2.8m

(HY 2012 : 2.9m **Down 3%**)

Improved performance with steady revenues and increased profit

Health Insurance

Revenues and customer numbers down, but profit up due to improved claims cost management and a reduction in operating expenditure

Ongoing action to tackle medical inflation and deliver more affordable private medical insurance to customers

Care Services

Small rise in number of publicly funded residents, but overall reduction in occupancy, revenue and profit

Health Clinics

Revenue ahead year-on-year, driven by new dental centres and increased numbers of musculo-skeletal centre customers

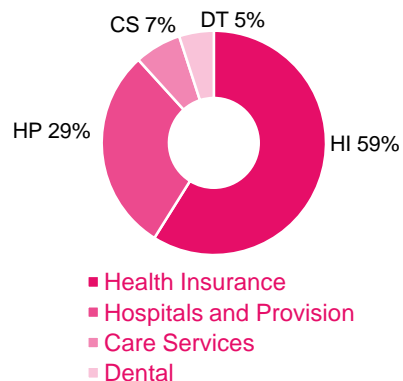
Home Healthcare & Hospital Services

Increased revenue and patients in Home Healthcare, but profit down due to margin pressure and staffing costs

Increased revenue at the Bupa Cromwell Hospital driven by strong growth in outpatient usage

SPAIN AND LATIN AMERICA DOMESTIC

REVENUES BY BUSINESS



REVENUES

£681.7m

(HY 2012 : £598.9m **Up 14%**)

UNDERLYING PROFIT

£46.0m

(HY 2012 : £52.8m **Down 13%**)

CUSTOMERS

2.8m

(HY 2012 : 2.2m **Up 32%**)

Strong customer and revenue growth, however, profits down due to higher claims costs

Health Insurance

Customer numbers up following strong focus on customer retention and new collaboration and distribution agreements

Ongoing initiatives to manage medical costs against backdrop of higher claims

Hospitals & Provision

Strong revenue and profit growth driven by organic growth and new acquisitions

Dental

Good revenue and customer growth driven by increased use of 30 existing centres and the opening of six new centres in the first half of the year

Care Services

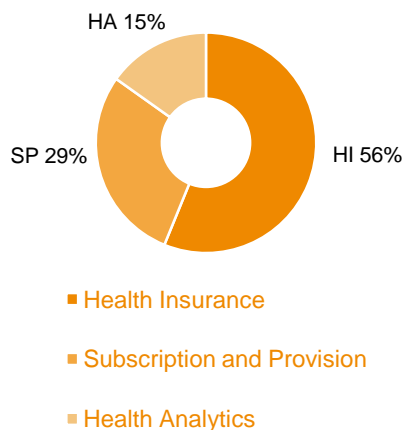
Revenue and occupancy up, but profits flat with continued pressure on operating costs

Latin America Domestic

Continue to plan strategy for entry to small number of domestic markets in Latin America

INTERNATIONAL DEVELOPMENT MARKETS

REVENUES BY BUSINESS



Very strong growth in revenue and customer numbers. Significant investment to support developing market opportunities and challenges in Health Dialog resulted in a small loss

Health Insurance

Strong performance in Hong Kong following investment in marketing campaigns

Expansion to corporate client base as well as monthly pay product drove growth in Thailand

Bupa Arabia saw growth in revenue, profit and customer numbers despite fierce price competition

Max Bupa in India experienced double digit growth in both revenue and customer numbers

Health Analytics

Reduced revenue, profit and customer numbers in Health Dialog as a result of in-sourcing of disease management by large regional insurers but business is repositioning

Subscription & Provision

LUX MED's revenue and profit performance better than expected since completion

REVENUES⁽¹⁾

£152.6m

(HY 2012 : £114.4m **Up 33%**)

UNDERLYING PROFIT/(LOSS)

£(5.1)m

(HY 2012 : £1.9m **Down 368%**)

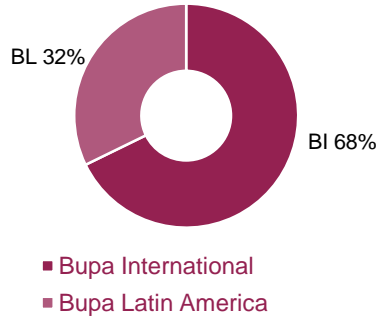
CUSTOMERS

4.4m

(HY 2012 : 2.0m **Up 121%**)

(1) Revenues of £152.6m do not include revenues from Bupa Arabia (associate company) and Max Bupa, India (joint venture)

REVENUES BY BUSINESS



REVENUES

£464.8m

(HY 2012 : £423.9m **Up 10%**)

UNDERLYING PROFIT

£51.0m

(HY 2012 : £44.0m **Up 16%**)

CUSTOMERS

0.7m

(HY 2012 : 0.7m **Up 6%**)

INTERNATIONAL PMI

Substantial growth in revenue, customer numbers and profit driven by new strategic corporate partnerships, enhanced sales capabilities and development of more tailored products and services

Strong performance in North and East Africa driven by corporate growth and partnerships

Growing demand in UAE for premium brand healthcare products

Launch of Bupa Flex in Ecuador, approval granted to sell products to customers in Guatemala and new suite of products launched in Bolivia

AGENDA

- 1.0 Introduction and Highlights Stuart Fletcher,
Chief Executive Officer
 - 2.0 Financial Review Evelyn Bourke, Chief Financial Officer**
 - 2.1 Group Financial Review
 - 2.2 Segmental Results
 - 2.3 Cash, Debt and Solvency**
 - 3.0 Operating Priorities and Outlook Stuart Fletcher,
Chief Executive Officer
 - 4.0 Q&A
-

CASH GENERATION

	HY 2013	HY 2012
	£m	£m
Profit before taxation	218.0	256.0 ⁽¹⁾
Financial income	(45.4)	(59.2)
Financial expenses	38.1	34.3
Depreciation, amortisation and impairment	104.4	93.1
Other non-cash items	13.1	(2.3)
Changes in working capital and provisions/Other	(51.5)	267.7
Taxation paid	(38.6)	(62.5)
Net cash generated from operating activities	238.1	527.1
Capital expenditure	(109.5)	(110.4)
Net acquisitions/disposals of businesses	(498.0)	2.2
Net interest income received/paid	(7.4)	9.6
Proceeds from interest bearing liabilities	493.5	-
Other	(9.6)	13.3
Cash available for repayment of borrowing	107.1	441.8
Repayment of borrowings	(290.7)	(6.8)
Net increase/(decrease) in cash and financial investments	(183.6)	435.0
Closing cash and financial investments⁽²⁾	3,376.3	3,562.7

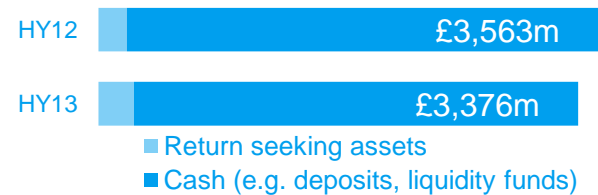
(1) Restated

(2) Includes restricted cash

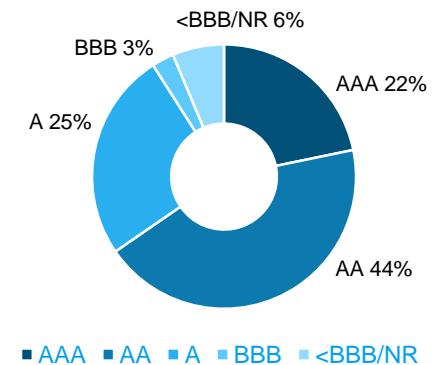
CASH AND FINANCIAL INVESTMENTS

- £3.4bn cash and financial investments
- Decrease in cash due to funding acquisitions
- Conservative investment portfolio
- Approximately 91% of portfolio held in investments rated $\geq A-/A3$ by 1 or more agency
- £250m return seeking asset portfolio; equivalent to 7% of Group cash and financial investments

CASH AND INVESTMENT PORTFOLIO



HY13 CASH AND INVESTMENTS BY CREDIT RATING (%)

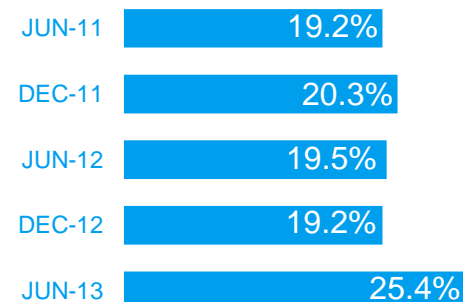


BORROWINGS

	HY13 £m	HY12 £m
Borrowings under £800m facility	–	–
£500m subordinated bond due 2023	498	–
£330m hybrid bond (perpetual)	410	426
£350m senior bond due 2016	365	361
£235m care homes securitisation due 2029 / 2031	238	238
£50m debenture due 2014	52	54
Other borrowings	82	55
Total borrowings	1,645	1,134

- o £800m bank facility undrawn at HY 2013
- o Leverage higher due to £500m subordinated bond issue
- o Bupa Finance Plc senior debt rating re-affirmed at A- (Fitch) in July 2013. Moody's rating Baa2 stable

LEVERAGE



£500M SUBORDINATED BOND ISSUE

- In April against a strong market backdrop, Bupa accessed the public debt markets for the first time since 2009
- This deal represented only our second subordinated debt issue since 2004
- Very positive investor interest during the road show, with over 70 accounts participating in a series of one-one meetings and group lunch
- Upon launch the transaction attracted an order book of £5bn, representing ten times oversubscription against the announced £500m maximum
- The issue raised £500m of Tier 2 capital, supporting the recent growth activity of the Group

SOLVENCY

The Group maintains strong regulatory solvency levels under the current regime

Group Solvency Position (IGD)	HY13	FY12
	£m	£m
Capital Resources	2,699.3	2,901.9
Capital Requirement	833.4	790.4
Solvency Surplus	1,865.9	2,111.5
Solvency Coverage	324%	367%

The Group's regulatory solvency surplus has decreased by £246m since 31 December 2012 to £1.9bn

Group Solvency Movements	£m
2012 Year end solvency surplus	2,111.5
Profits	170.1
Issue of subordinated debt	500.0
Acquisitions	(730.0)
Other movements	(142.7)
Change in requirement	(43.0)
Estimated 2013 half year solvency surplus	1,865.9

- Although the implementation of solvency II has been delayed, its requirements are factored into long term investment decisions
- We expect to remain comfortably solvent under the new regime

AGENDA

- 1.0 Introduction and Highlights Stuart Fletcher,
Chief Executive Officer
 - 2.0 Financial Review Evelyn Bourke, Chief Financial Officer
 - 2.1 Group Financial Review
 - 2.2 Segmental Results
 - 2.3 Cash, Debt and Solvency
 - 3.0 Operating priorities and Outlook Stuart Fletcher,
Chief Executive Officer**
 - 4.0 Q&A
-

CURRENT OPERATING PRIORITIES

AUSTRALIA AND NEW ZEALAND

Committed to driving PHI market share momentum following the successful 2012 brand launch

Expansion of non-PHI services including out-of-hospital care and dental

Further development of our care home portfolio, following recent acquisition from Innovative Care

INTERNATIONAL DEVELOPMENT MARKETS

Development opportunities in new markets alongside continued growth in existing businesses

Integration of LUX MED in Poland, following completion of the acquisition earlier this year

Expansion of our distribution network

UNITED KINGDOM

Further integration of the Market Unit to drive efficiencies across BUs and enable customer focus

Focus on expanding out-of-hospital care services

Development of our dental provision, care home new build programme and redevelopment of the Cromwell Hospital

INTERNATIONAL PRIVATE MEDICAL INSURANCE

Focus on new market development and effective provider management

Expansion of onshore Latin American IPMI presence to drive growth, increase control over medical costs and explore new distribution channels

Development of our international, cross border capabilities

SPAIN & LATAM DOMESTIC

Focus on growing the strength of our integrated model

Development of our PPPs and dental services

Exploring strategy for market entry in Latin America domestic

OUTLOOK

- Continuing to drive growth and profitability from our acquisitions and existing businesses
- Looking for opportunities that will allow us to diversify and strengthen our offer
- Continuing to innovate and ensure that our restructured organisation is as efficient as possible
- Expect economic conditions to remain challenging in many parts of the globe
- Dynamics provide Bupa with a sustainable platform for growth

AGENDA

- 1.0 Introduction and Highlights Stuart Fletcher,
Chief Executive Officer
 - 2.0 Financial Review Evelyn Bourke, Chief Financial Officer
 - 2.1 Group Financial Review
 - 2.2 Segmental Results
 - 2.3 Cash, Debt and Solvency
 - 3.0 Operating Priorities and Outlook Stuart Fletcher,
Chief Executive Officer
 - 4.0 Q&A**
-

QUESTIONS AND ANSWERS

APPENDIX: DETAILED ORGANISATION STRUCTURE

MARKET UNITS

Australia and New Zealand	United Kingdom	Spain and Latin America Domestic	International Development Markets	International PMI
Bupa Australia	Bupa Care Services UK	Sanitas Seguros	Health Dialog	Bupa International
Bupa Care Services Australia	Bupa Health Funding	Sanitas Hospitales	Bupa Hong Kong	Latin America IPMI
Bupa Care Services New Zealand	Bupa Health Clinics	Sanitas Dental	Bupa Thailand	
	Bupa Home Healthcare	Sanitas Residencial	Bupa China	
	Bupa Cromwell Hospital	Latin America Domestic	Max Bupa India	
			Bupa Arabia	
			LUX MED	
			New Market Development	

APPENDIX: BUPA'S EXECUTIVE TEAM

COLLECTIVELY SHAPING AND LEADING STRATEGIC DIRECTION AND PRIORITISATION



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



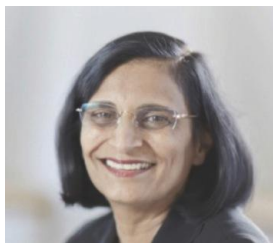
Robert Lang
Managing Director,
International PMI



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