



Press Release March 2014

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Executive summary

Section I. Risk rating

Banmédica S.A. stock and bond risk ratings published by Fitch Rating and ICR are the following:

Stocks	Level 2
Bonds	AA-

Source: Credit Analysis Fitch Ratings- June 30, 2013

Bond lines rating: Fitch and ICR assigned a rating of 'AA-(cl)' for two bond lines (10 and 30 years) for UF 2.2 million each with a maximum emission of UF 2.2 million. The purpose of this placement was to finance part of the company investment plan and to refinance debt plus other corporate purposes. Also, Fitch confirmed its existing rating to Banmédica.

Equity rating: The equity rating is based on its strong solvency and liquidity indicators plus a strong track record at the Chilean stock market. The company market cap reached MMUS\$1.299 as of March 31th 2014 with 67,78% trading activity in 2014.

Section II. Revenues, EBITDA and Net profit

Operating revenues increased 9,61% reaching Ch\$ 246.233 million for the first quarter. This growth is mainly explained by higher hospital and ambulatory services coming from higher operating revenues in Vidaintegra explained by the opening of new medical centers, as well as on higher operating revenues from foreign subsidiaries. In the case of Colombia, Colmédica and the increase in the price of its plans and from Clinica San Felipe and Laboratorio ROE in Perú due to an increase on ambulatory and hospital activities, and higher sales of laboratory tests.

Company's EBITDA decreased 4,93% to Ch\$ 30.110 million mainly explained by lower EBITDA margin from the health insurance companies in Chile.

Net profit of the Company decreased to Ch\$ 15.011 million (-16,55%) explained by lower operating income due to an increase in the medical loss ratio and higher sick leave. Also, higher administrative expenses in addition to an inflation effect

Section III. Highlights

- Dividend: Empresas Banmédica distributed a dividend of \$35 per share equivalent to 62,45% of its annual net profit. This information was sent to the Regulator on April 2013.

Section IV. Medical Facilities Investment Plan

- In the first quarter of 2014, the investments reached Ch \$ 8.973 million, equivalent to 1,65x depreciation.
- Higher investments on fixed assets in Clinica Santa Maria and Clinica Davila plus Medium Size Hospitals. These major investment plans has allowed Banmedica to maintain its leadership in the healthcare market by providing high-quality care, excellence and safety to its clients.

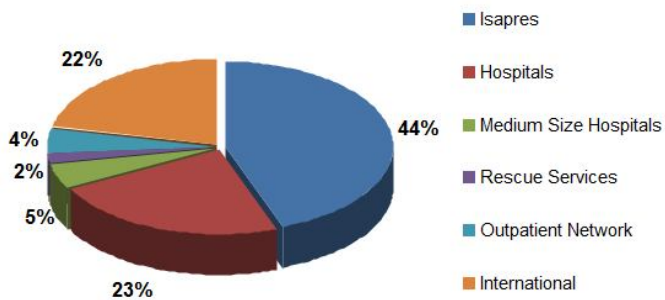
Section V. Financial Results Summary

	Mar.2014	Mar. 2013	Change
Revenues (Millions of Ch\$)	246.233	224.648	21.586
Ebitda (Millions of Ch\$)	30.110	31.671	(1.561)
Ebitda Margin (%)	12,23%	14,10%	-1,87%
Net Profit (Millions of Ch\$)	15.011	17.988	(2.976)
Net Margin (%)	6,10%	8,01%	-1,91%
Occupancy Rate (Hospitals)	73,46%	74,80%	-1,34%
Physician Consultations (Number)	855.512	815.671	39.841
Number of Health Insurance	436.117	409.727	26.390

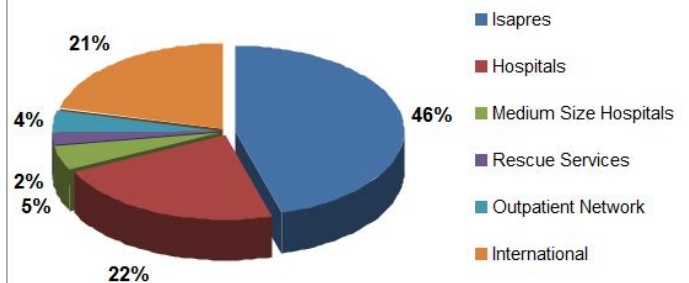
Net Income attributable to shareholders added Ch\$ 15.011 million (Ch\$ 18,66 per share), a decrease in 16,55% when compare to March 2013, mainly explained by lower operating income coming from Isapres due to a higher medical loss ratio, sick leave and administrative expenses.

Empresas Banmédica			
Financial Highlights (Ch \$ Millions)	Mar.2014	Mar. 2013	Change
Revenues	246.233	224.648	21.586
Cost of Sales	(187.241)	(166.874)	(20.367)
Gross Income	58.992	57.774	1.218
Gross Margin (%)	23,96%	25,72%	-1,76%
SG & A Expenses	(34.749)	(31.408)	(3.341)
Non Operating Result	(9.232)	(8.378)	(854)
Net Profit	15.011	17.988	(2.976)
Net Margin (%)	6,10%	8,01%	-1,91%
Ebitda	30.110	31.671	(1.561)
Ebitda Margin (%)	12,23%	14,10%	-1,87%

Total revenues as of March 2014



Total revenues as of March 2013



Section VI. Balance Sheet Analysis

Statement on Financial Position (Ch\$ Millions)		
	Mar.2014	Dec. 2013
Current Assets	257.145	244.400
Fixed Assets	319.763	314.811
Other Assets	163.905	156.896
Total Assets	740.814	716.107
Current Liabilities	326.674	299.655
Long Term Liabilities	198.235	212.967
Minoritary Interest	12.996	13.416
Equity	202.908	190.069
Equity and Liabilities	740.814	716.107

Cash and Cash Equivalents	39.828	37.524
Financial Debt	203.689	203.618
Net Financial Debt	163.861	166.093

The change in total assets between March 2014 and December 2013 was explained by:

- An increase on Cash and Cash Equivalents due to cash surpluses in health insurance companies, resulting from investing in money market funds. In foreign subsidiaries the increase on Cash and Cash Equivalents is mainly explained by greater amounts held on bank accounts.
- A variation of Other Non-Financial Assets (Current and Noncurrent), mainly due to an increase on deferred sales commissions expenses for Isapre Banmedica, Help and Colmedica.
- An increase in accounts receivable associated with greater inpatient and outpatient activities in Health Providers.
- An increase on Other Financial Assets Noncurrent, primarily due to an increase in the guarantee required by the Healthcare Superintendence

- An increased on Investments Accounted mainly for two reasons: the effect on the conversion settings using the Equity Method and the recognition of income earned in the Subsidiary Clinica del Country.
- A change in property, plant and equipment due to higher investments in fixed assets on Health Providers. As a result of these investment plans, Banmedica has been able to provide with high-quality care, excellence and safety to its clients, maintaining its leadership in the healthcare market.

Shareholders' Equity:

Shareholders Equity (Ch\$ million)	Quarter ended March 2014			Change %
	mar-14	dec-13	mar-13	Mar.14-Mar.13
Capital	32.332	32.332	32.332	0,0%
Reserves	(3.238)	(5.414)	(10.978)	-70,5%
Retained earnings:				
Retained earnings prior periods	176.964	131.707	165.581	6,9%
Income for the period	15.011	45.101	17.988	-16,5%
Provision for mandatory dividend	(18.161)	(13.657)	(19.234)	-5,6%
Equity attributable to shareholders	202.908	190.069	185.688	9,3%
Non-controlling interest	12.996	13.416	12.835	1,3%
Total Equity	215.905	203.485	198.523	8,8%
ROE*	22%	25%	28%	-23,0%

(*) Annualized Net Profit attributable to shareholders / Average equity attributable to shareholders.

Shareholders' equity totaled CLP\$ 202.908 million for the first quarter. ROE for the period between April 2013 and March 2014 reached 22%.

Financial position and financial debt changes.

RATIOS	March 2014	Dec.2013
Indebtedness Ratio	2,59x	2,70x
Financial Indebtedness Ratio	0,94x	1,00x

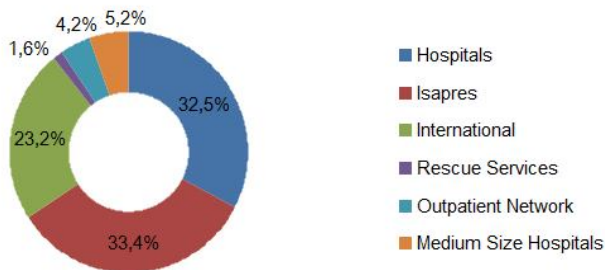
The financial indebtedness ratio was 0,94 for the first quarter, less compared to December 2013 due to an increase in Shareholders' equity for the recognition of income earned for the period between January 2014 and March 2014.

Our financial expenses coverage decreased to 7,12 as of March 2014 explained by:

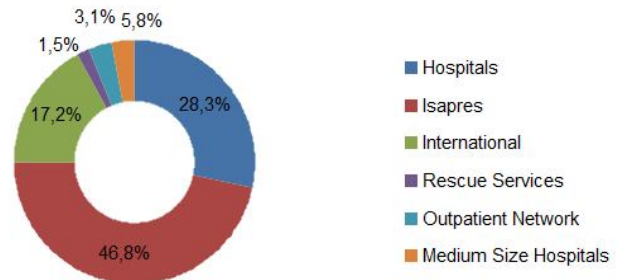
- EBITDA for the period between April 2013 and March 2014 amounted Ch\$ 92.540 million versus Ch\$ 99.485 million for the period between April 2012 and March 2013. The result is mainly explained by lower profits from the Isapre business.
- In the period between April 2013 and March 2014 financial expenses reached Ch\$ 13.005 million, 19,30% higher when comparing with the period between April 2012 and March 2013, due to an increase on Net Debt.

Section VII.- EBITDA Composition by Business Unit

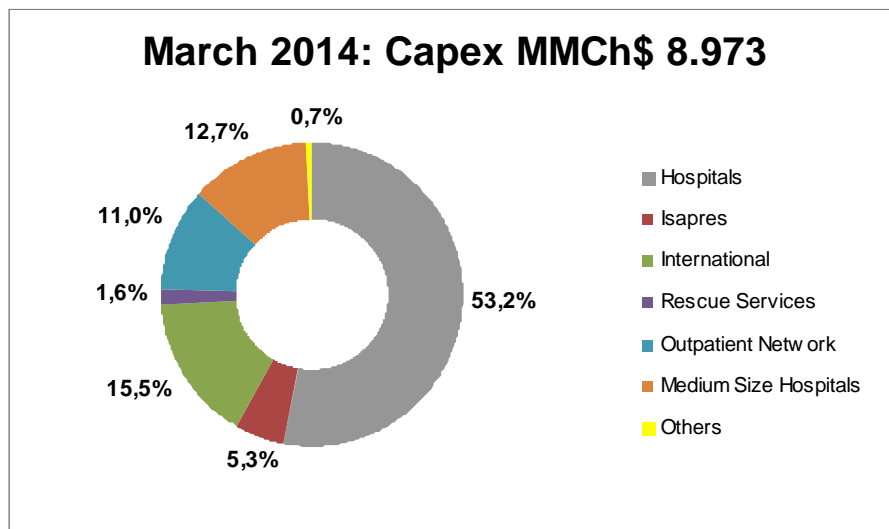
Mar. 2014: Ebitda MMCh\$ 30.110



Mar. 2013: Ebitda MMCh\$ 31.671



Section VIII.- Capex Composition



Capex highlights:

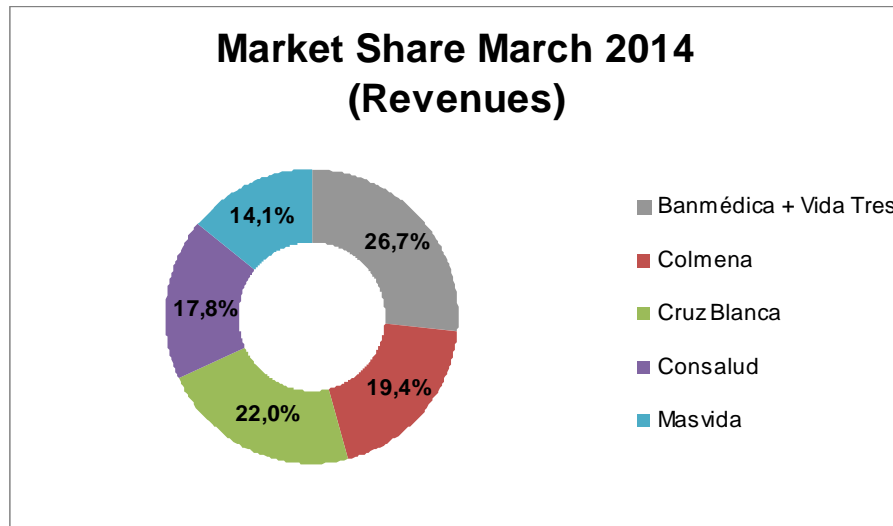
- New investment project in Health Providers, mainly in Clinica Santa Maria, Clinica Davila and Medium Size Hospitals.

Section IX.- Financial Highlights by Business Unit

Isapres			
Financial Highlights (Ch \$ Millions)	Mar.2014	Mar. 2013	Change
Revenues	125.519	116.230	9.290
Cost of Sales	(102.616)	(90.187)	(12.429)
Gross Income	22.904	26.043	(3.139)
Gross Margin (%)	18,25%	22,41%	-4,16%
SG & A expenses	(13.079)	(11.198)	(1.882)
Non Operating Result	681	(1.458)	2.139
Net Income	10.505	13.387	(2.882)
Net Margin (%)	8,37%	11,52%	-3,15%
Ebitda	10.199	15.172	(4.973)
Ebitda Margin (%)	8,13%	13,05%	-4,93%

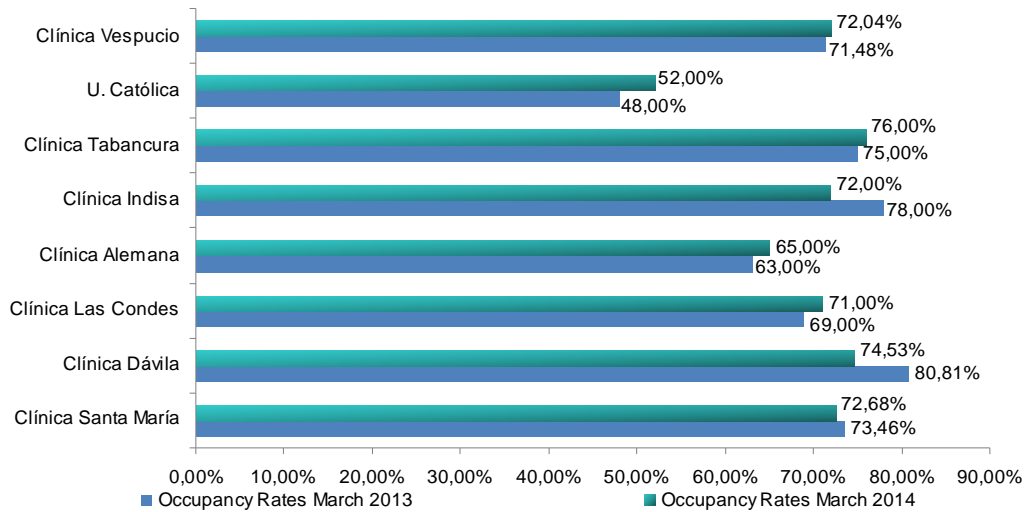
Isapres results

- Variation is explained by higher medical loss ratio and sick leave.
- Higher administrative expenses.



Hospitals			
Financial Highlights (Ch \$ Millions)	Mar.2014	Mar.2013	Change
Revenues	78.109	68.453	9.656
Cost of Sales	(59.371)	(51.881)	(7.490)
Gross Income	18.738	16.572	2.166
Gross Margin (%)	23,99%	24,21%	-0,22%
SG & A expenses	(11.005)	(9.818)	(1.188)
Non Operating Result	(3.574)	(2.602)	(972)
Net Income	4.159	4.152	7
Net Margin (%)	5,32%	6,07%	-0,74%
Ebitda	11.490	10.185	1.306
Ebitda Margin (%)	14,71%	14,88%	-0,17%

Hospitals results: The results in Hospitals are mainly due to an increase on ambulatory and hospital activities. Both Clínica Santa María and Clínica Dávila are leaders in occupancy rate.



Source: Clínicas de Chile A.G.

Outpatient network			
Financial Highlights (Ch \$ Millions)	Mar. 2014	Mar. 2013	Change
Revenues	12.539	10.916	1.624
Cost of Sales	(11.242)	(9.915)	(1.327)
Gross Income	1.297	1.001	297
Gross Margin (%)	10,35%	9,17%	1,18%
SG & A expenses	(894)	(780)	(114)
Non Operating Result	(298)	(190)	(108)
Net Income	106	31	75
Net Margin (%)	0,84%	0,28%	0,56%
Ebitda	1.269	1.001	269
Ebitda Margin (%)	10,12%	9,17%	0,96%

Outpatient results: Best results in Vidaintegra are explained by the opening of new medical centers in Santiago. Total sales increased by 14,87%, with growth in physician consultations and diagnostic exams, reaching 267.409 consultations and 566.560 on laboratory tests.

Rescue Services			
Financial Highlights (Ch \$ Millions)	Mar.2014	Mar.2013	Change
Revenues	5.492	5.464	27
Cost of Sales	(2.607)	(2.653)	47
Gross Income	2.885	2.811	74
Gross Margin (%)	52,53%	51,44%	1,09%
SG & A expenses	(2.515)	(2.418)	(97)
Non Operating Result	46	(54)	100
Net Income	416	339	77
Net Margin (%)	7,57%	6,21%	1,36%
Ebitda	474	492	(17)
Ebitda Margin (%)	8,64%	9,00%	-0,36%

Rescue Services results: In the first quarter of 2014, the variation is mainly explained by less cost of sales and a higher income linked to inflation.

Colmédica Colombia			
Financial Highlights (Ch \$ Millions)	Mar.2014	Mar. 2013	Change
Revenues	52.397	47.017	5.380
Cost of Sales	(40.801)	(37.706)	(3.095)
Gross Income	11.596	9.311	2.286
Gross Margin (%)	22,13%	19,80%	2,33%
SG & A expenses	(7.100)	(5.764)	(1.336)
Non Operating Result	(1.205)	(999)	(205)
Net Income	3.292	2.547	744
Net Margin (%)	6,28%	5,42%	0,86%
Ebitda	4.780	3.845	934
Ebitda Margin (%)	9,12%	8,18%	0,94%

Colmédica results: Best results in Colmédica are explained by higher revenues due to an increase in the price on prepaid plans.

Colombia Hospitals			
Financial Highlights (Ch \$ Millions)	Mar. 2014	Mar. 2013	Change
Revenues	15.894	11.177	4.717
Cost of Sales	(10.402)	(7.181)	(3.221)
Gross Income	5.492	3.996	1.496
Gross Margin (%)	34,55%	35,76%	-1,20%
SG & A expenses	(3.762)	(2.382)	(1.379)
Non Operating Result	(857)	(757)	(100)
Net Income	873	857	16
Net Margin (%)	5,49%	7,67%	-2,17%
Ebitda	2.549	1.952	597
Ebitda Margin (%)	16,04%	17,46%	-1,42%

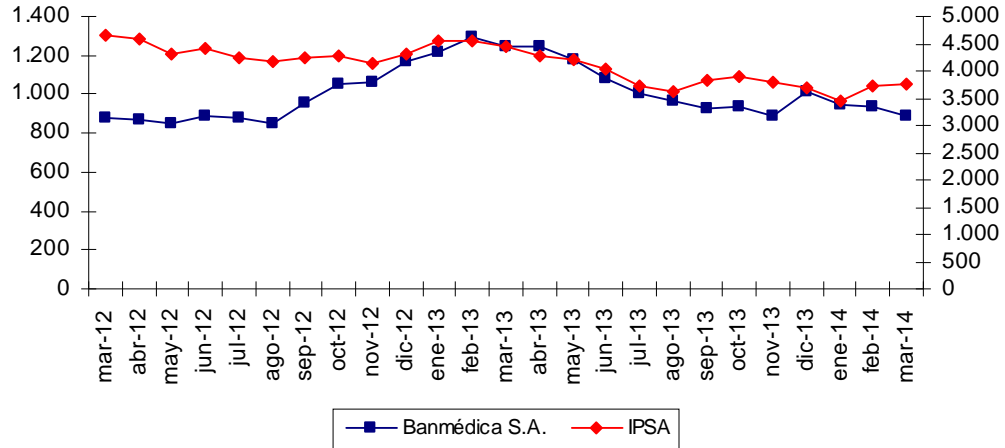
Results for Colombian Hospitals

Results variation is due to an increase on ambulatory and hospital activities.

Empremédica			
Financial Highlights (Ch \$ Millions)	Mar.2014	Mar. 2013	Change
Revenues	8.395	6.640	1.755
Cost of Sales	(5.614)	(4.640)	(973)
Gross Income	2.781	2.000	782
Gross Margin (%)	33,13%	30,12%	3,01%
SG & A expenses	(1.006)	(554)	(452)
Non Operating Result	(786)	(502)	(284)
Net Income	990	943	46
Net Margin (%)	11,79%	14,21%	-2,42%
Ebitda	2.136	1.720	416
Ebitda Margin (%)	25,45%	25,90%	-0,46%

Empremédica Results: Best results are due to an increase on ambulatory and hospital activities (the occupancy rate raised to 67%), and higher sales of laboratory tests.

Section X.- Stock Market Information



Banmédica	
Closing Price 31/03/2014 (Ch\$ per share)	890,00