



USP Hospitales

February , 2012



Who we are



Gabriel Masfurroll
*Ex-CEO and President of
 USP Hospitales*
*(Executive Committee
 Member)*

- Founder, CEO and President of USP Hospitales from 1998 to 2010
- Over 30 years of experience in the healthcare industry
- Degrees in Economics (Universidad de Barcelona) and Hospital Management (ESADE). Training at Mayo Clinic and at Cleveland Clinic
- Previous positions include:
 - Chairman and board member of HCA Healthcare Corporation of America (Spain and Portugal) (1996–1998)
 - Managing Director BUPA's Spanish Hospital subsidiary Sanitas (1994–1996)
 - CEO and director of AMI Iberica (1989–1998)
 - Management positions in facilities like Clínica Quirón, Fundación Jiménez Díaz, Fundación Puigvert and Hospital de San Pablo



Soledad Jorge Nebot
*Ex-General Corporate
 Manager of USP Hospitales*
*(Executive Committee
 Member)*

- Co-founder of USP Hospitales. Held General Corporate Manager position during 1998-2010
- Degree in Law and Business Administration (ICADE, Madrid) and Master in Business Administration at IESE (Barcelona)
- Previous positions include:
 - Finance manager at Healthcare Corporation of America (1997–1998)
 - Senior analyst at GBS Finanzas (1997)
 - Regional manager of Sanitas (BUPA's Spanish Hospital subsidiary)



Esther Sultán
*Ex-Corporate Development
 Director of USP Hospitales*
*(Executive Committee
 Member)*

- Head of USP Hospitales Corporate Development from 2004 to 2010
- Previously, responsible for different positions in Caixaholding, Price Waterhouse Coopers Corporate and Socios Financieros (Madrid and Barcelona) advising in an important number of M&A transactions. Worked in PwC's Audit division for four years and has collaborated with a private equity fund for a period of eight months in New York
- Degree in Economics and Business Administration (Universidad de Barcelona)



Juan Pedro Calvo
*Ex-Legal Counsel and USP
 Hospitales General Secretary*
*(Executive Committee
 Member)*

- Co-founder of USP Hospitales. Chief Legal Officer (1998-2010)
- Former Managing Director of Sanitas Outpatient Surgery network of 14 centres (1989–1998)
- Practiced law since 1985. Specialised in Real Estate Zoning Legislation in the Universidad Complutense in 1984
- Degree in Law (Universidad Complutense de Madrid) and Executive MBA by Escuela Europea de Negocios in Madrid



Dr. Ramon Berra
*Ex-Hospitals Director of USP
 Hospitales*

- Joined USP in 2007
- Previously Technical Director at Viamed Salud and PwC Senior Manager responsible for the public health section
- Graduate in Medicine and General Surgery (Universidad Autónoma de Madrid)
- Masters Degree in Administration and Management of Health Services (ICADE)
- Programme of High Level Management in Health Service Institutions



Santiago Raventos
*Ex-IT Director of USP
 Hospitales*

- Member of the Management Committee since January 2001.
- Before he worked in Clínica Quirón, Sema Group, and Instituto Universitario Dexeus, as a programming analyst and director of the IT departments.
- Masters in Software Systems Engineering. Technician Specialized in IT Management

Founders and top management of USP Hospitales

History of USP Hospitales

Chronology

1998	■ USP Hospitales founded in Spain by Management team (14.5% stake), in association with USPI and WCAS (Welsh, Carson, Anderson & Stowe) ■ Acquisition of Instituto Dexeus (first acquisition worldwide of USPI), CLE (Vitoria), HST (Coruña) and CSC (Seville)
1999	■ Integration of recently acquired facilities, IT systems integration, etc
2000	■ Acquisition of SCA and Juan XXIII imaging centre (Madrid), and CSJ (Madrid) ■ Building and opening of the Planetarium ASC (Barcelona)
2001	■ USPI IPO in NASDAQ: USP Management stake in USP swapped for USPI shares ■ Stock performance successfully overcame 11 September
2002	■ Acquisition of HSC (Murcia)
2003	■ Acquisition of HMB (Marbella) ■ Management team re-acquired a 3% stake in USP for cash
2004	■ Building and opening of the Ophthalmology ASC (Coruña) and the IVF ASC (Murcia) ■ Team led MBO, with Management holding a 20% stake and Mercapital 80%
2005	■ Acquisition of HCO (Tenerife) and HSJ (Torrevieja)
2006	■ Acquisition of IOB (Barcelona) and HCA (Tenerife) ■ Service contract signed with PLN (Mallorca)
2007	■ Recapitalisation and special dividend to shareholders ■ Strategic alliance with CGD to advise the Portuguese hospital group HPP, cross-shareholding ■ Majority in USP acquired by Cinven (64%), with management (25%), CDG (10%) and Fundación Alex (1%) as co-shareholders ■ Tender offer process for service agreement with CNSS to run 13 hospitals in Morocco ■ New Dexeus starts operations following an investment of €60m
2008	■ Focus on cost efficiency programmes (Project Lazaro) with cost reduction of € 10 MM in two years. Complete surgical area renovation in Seville and new ambulatory centre in Marbella
2009	■ May 2009, management completes the refinancing of the Company, allowing its future viability. RBS and Barclays get control of USP Hospitales
2010	■ Departure of founding management team in January 2010 ■ Initiation of construction of La Bahia hospital ■ Initiation of sale process

USP Hospitales credit history

- €100m LBU facility with Société Générale. First LBU facility in Spain when company's EBITDA was €10m

- Société Générale debt was refinanced into a US facility due to the IPO

- First staple finance in Spain to prepare for the MBO process €140m facility with ING

- €160m add-on debt for acquisitions during the period 2004–2006. Acquisitions were financed 100% debt

- March 2007 – Total €398.5m debt for Recapitalisation transaction with ING / RBS. First opco/propco facility in healthcare in Spain

- July 2007- MBO – €500m facility with RBS / Barclays and €100m Cap Ex line

- RBS/Barclays debt-for-equity swap

- **Current debt structure (~€308m)**
 - c.€145m senior debt
 - c.€114m PIK
 - c.€45 capital leases

Overview of USP Hospitales

USP started in 1998 with only 3 people and 12 years after:

Largest independent private provider of high quality medical facilities in Spain, having started an **international expansion process**

- Main independent player with a relevant position in the Spanish private healthsystem
- 5% market share in the highly fragmented Spanishmarket
- Top 3 player in Portugal through 25% ownership in HPP (7 hospitals, divestment in 2007), entrance in Angola and winners of an international public tender for the privatisation of 13 public hospitals in Morocco

Stable revenue mix, enjoying **above market average exposure to high margin private sector customers**: “HICs”, self-paying private patients and foreign patients (more than 80% of its revenues)

Diversified medical service mix, being **reference in the private market** in the most relevant specialties (Gynaecology, Orthopaedic Surgery, Sports Medicine, Oncology, Cardiology, Internal Medicine, Neurosurgery and Ophthalmology)

Strong asset base, with strategically selected hospitals portfolio in growing keyurban and tourism related areas, enjoying high private health insurance eligible population due to

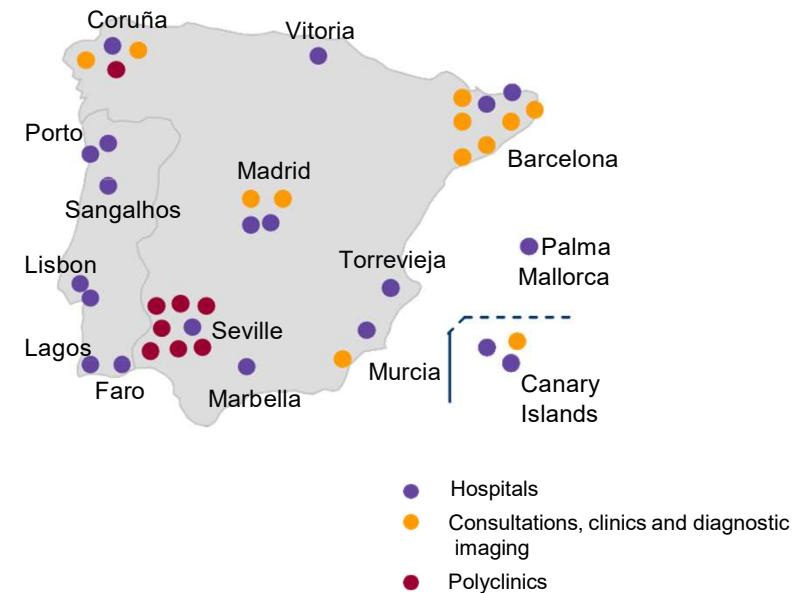
- High population density
- Affluent tourism and foreign population settling in coastalregions

Innovative management model in healthcare

- **State-of-the-art** infrastructures and technology
- Development of a **strong brand** (member of “Marcas Renombradas” Forum) and quality recognition (Top 20 awards , Creu de St Jordi, Best in Classawards..)
- Development of **strategic alliances** with key industry leaders (GE, Telefónica...)
- **Partnership with doctors through strategic ad-hocalliances**
- **Focus in Human resources**: motivation, incentivisation and competition
- **Corporate Social Responsibility**: USP FundaciónAlex

42 medical facilities
1,660 beds
7,000 healthcare professionals

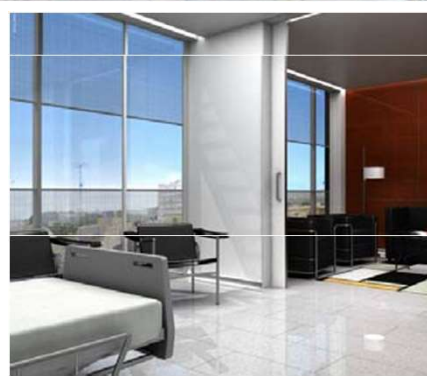
2 MM patients treated per year
121,000 surgeries



Strategic development over 12 years

1.- Best-in-class portfolio of facilities, infrastructures and technology

- Important renovation and expansion CapEx was carried out in order to have **state of the art facilities, infrastructure and technology**.
- In 2007 three newly constructed centers were opened in Madrid (San José Outpatients Surgery center), Seville (Ave Maria Outpatients Surgery center) and Barcelona (USP Instituto Universitario Dexeus)
- After 5 years of development works and c.€40 million net investment, New Dexeus started operations in H2 2007. The facility meant a gross built area of 50,000 sqm including 20,000 sqm committed to hospital space, 20,000 sqm to parking and 10,000 sqm of MOB.



Strategic development over 12 years

1.- Best-in-class portfolio of facilities, infrastructures and technology (cont'd): images of some centers



Strategic development over 12 years (cont'd)

2.- Strong brand recognition



- USP has **an industry recognition of excellence** which attracts most well known doctors. The brand has been developed leveraging the reputation of its more prominent facilities and physicians.
- USP hospitals have been named in the Top 20 “**Best Private Centres**” published by IASIST every year since 2001
- Company’s reputation for quality is highlighted by its annual independent patient satisfaction survey (**97% of patients were satisfied with the service provided**)
- In 2008 it became member of the prestigious “**Marcas Renombradas**” Forum where the main Spanish companies are represented, being the first health brand accepted. Also recognized with the award of the Best Corporate Brand in 2007 by the prestigious Esade Business School



2008: Gabriel Masfurroll named one of the 18 Leading Managers in Spain



2007 ESADE Brand Awards



“Top Excellence Awards” in the Private Hospitals category in several hospitals



“2007 Best in Class”: Marbella and San Carlos USP Hospitales awarded for their excellence



“2008 Creu de Sant Jordi”: top recognition given by the Cataluña Government

Marca Corporativa

USP Hospitales, modelo de unificación

USP Hospitales es una compañía con ocho años de vida que cuenta con una red de 32 centros hospitalarios en 15 ciudades españolas. El rápido crecimiento que ha experimentado le ha llevado a realizar un esfuerzo en la unificación y la estandarización de su marca en todos sus centros. Las claves de su éxito están en una sólida estructura profesional dedicada a construir una marca fuerte y homogénea, la introducción de la marca en la estrategia global de la compañía, y su esfuerzo en unificar los usos de la marca en un sector con fuerte impacto emocional.



Expansión 15/02/07
Brand Awards by Expansión

En la estrategia de marca de USP Hospitales se ha involucrado toda la compañía.

USP HOSPITALES

Miembro del Foro de Marcas Renombradas

La Vanguardia 28/04/08

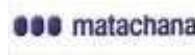
⌘ USP Hospitales, primer grupo hospitalario privado de España, que preside Gabriel Masfurroll, ha entrado a formar parte del Foro de Marcas Renombradas, con lo que se pretende impulsar la marca España en el ámbito de la salud. USP, propietaria de la Dexeus, es la primera marca hospitalaria presente en el Foro.

Strategic development over 12 years (cont'd)

3.- Strategic alliances

USP developed a network of strategic alliances with industrial leaders:

- In 2005, USP set up an strategic alliance with General Electric, being the first cooperation agreement in all areas where GE develops its activity that GE has signed outside of the USA
- USP Mastercard was launched together with GE and a local saving bank. It has been the first credit card that provides access to the cardholder's medical details
- Other strategic alliances signed by the Company include: Telefónica, Grifols, Serunion, Bionexo, CEAC (Planeta Group) and Universidad Autónoma de Barcelona
- Preferential agreements with certain technology suppliers have been also signed, such as CISCO, AGFA Healthcare, B. Brau Aesculap, Erbe-Sim, Karl Storz, Matachana, Maquet, Stryker and others



General Electric innovates in the European Health sector together with USP
Expansión, 16 September of 2005



Financial Times, 1 September of 2005



Strategic development over 12 years (cont`d)

4.- Training and Best practices

- *USP Instituto Universitario Dexeus*, together with *Clínica Universitaria de Navarra*, were pioneers in Spain to be the only private hospitals associated with prestigious public Universities to offer pre and postgraduate training programmes.
- They were also pioneers in receiving accreditation from the Minister of Health for resident doctors programmes in several specialties, such as anaesthesiology, ophthalmology, radiology, Ob&Gyn, orthopaedic and paediatrics.
- USP also promoted I+D in all its hospitals throughout different programs in fields such as IVF, oncology, “growth factors”, and stem cells, among others.
- As business model, the prestigious **IESE Business School** carried out the “USP Hospitales Case” to be presented to their students. The “case” is being used as study material in international Masters Programs and University postgraduate courses.

5. – Group Procurement

- USP is the only Spanish hospitals operator that has **developed in-house a group procurement centre**, managing the group purchases globally instead of on a hospital by hospital basis
- These group procurement initiatives enable an increase in the Company’s purchasing power, achieving unit price reduction across large business lines
- Nowadays, USP manages **almost 100%** of the group purchases through this area, thanks to **the standardization of catalogues and products** across its hospital network
- This initiative permitted savings of **1.5€ MM in 2008** and **2.5€ MM in 2009**

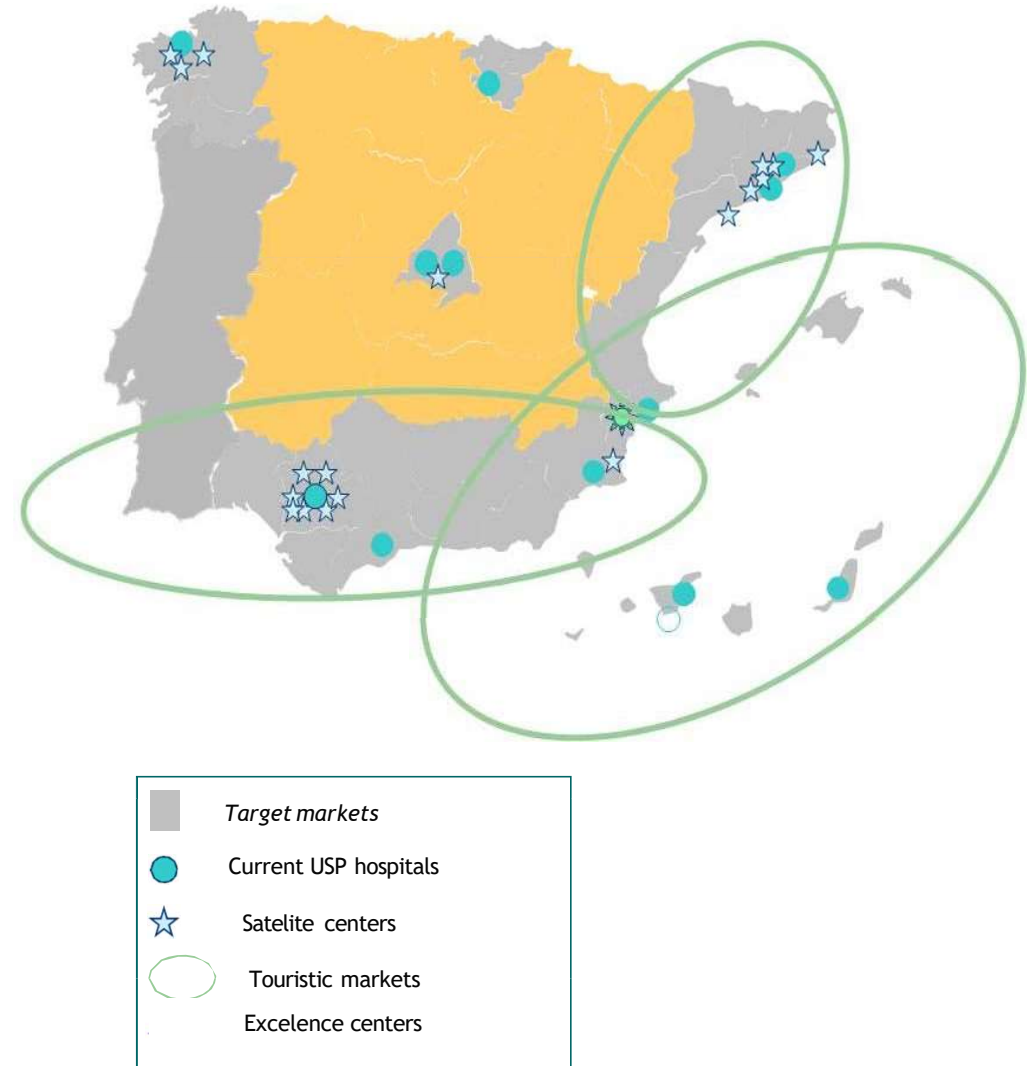
6. – IT Systems

- Integration of clinic and administrative systems
- PACS in all the hospitals
- Data warehouse integrated system
- HIS developed in-house and integrated through the hospital network

Strategic development over 12 years (cont`d)

7.- Growth Strategy

- Internal Growth
 - ✓ Satellite centers in the hospitals influential areas
 - ✓ Improvement of the existing facilities: Barcelona, Seville, Madrid, Marbella.....
 - ✓ New business lines (USP Sports medicine, USP Plus...)
- External Growth: Acquisitions in areas with:
 - ✓ strong PMI penetration
 - ✓ high population density
 - ✓ leading position in local market, both in terms of prestige, size, and importance for the HICs, with the aim to strength the Company's competitive position in the market
 - ✓ profitability of target hospitals usually have lower margins than USP but offer significant upside potential
- Tourist market development:
 - ✓ Commercial agreements with the most relevant tour operators and travel agencies
- Alliances
 - ✓ With all the healthcare regional systems
 - ✓ With the most relevant healthcare insurance companies
 - ✓ With the most prestigious doctors



Strategic development over 12 years (cont`d)



7.- Growth Strategy (cont'd): USP Sport case as new business line

USP Hospitales developed USP Sport, a product that brought together the best specialists in Sports Medicine in Spain, who were in charge of leading many medical interventions to major international sports players.

This service covered a whole range of targets:

- Individuals.
- Clubs and Sports Associations.
- High Performance Centers.
- Sports Federations.
- Schools.
- Other similar entities.

USP Hospitales also became the Spanish Olympic Committee (COE) and the Spanish Basketball Federation (FEB) Official Medical Service, and was the Eurobasket 2007 and the Tennis Conde de Godo Thropee Official Medical Service, among others.



OLIMPISMO ACUERDO CON EL COMITÉ OLÍMPICO ESPAÑOL

USP velará por la salud de los atletas olímpicos

GUILERMO GARCÍA / INICIADO
USP Hospitalares firmó ayer un acuerdo con el Comité Olímpico Español para ser el servicio médico de los deportistas olímpicos españoles en 2016. Mediante este acuerdo, el grupo hospitalario dirigido por Gabi Masferrer, que ya fue el servicio de eventos como el Eurobasket o el último Conde de... dotará de cobertura sanitaria a todos aquellos deportistas y preparadores del programa ADO durante este año olímpico. "Es una propuesta que ninguna empresa podía rechazar. Los ofrecimos al COE hace tres meses y es un honor intentar..."



Theresa Zabell, Alejandro Blanco y Gabriel Masfurrull firman el acuerdo



Los campeones utilizan medicina de vanguardia para multiplicar el rendimiento y acelerar su recuperación

Marta Maturana Madrid

Los maestros de historia cuentan un día que a principios del siglo XIX hubo un deportista apodado Felipe que engañaba a los otros, empujados de jamón y queso, chocolate, pizza, pasta carbonara y litro de bebida vigorizante cada vez que se tiraba a la piscina; y que gracias a esa dieta desordenada y puertagráfica batió varios nuevos mundiales y ganó ocho medallas de oro en los Juegos Olímpicos de París. Todo un récord.

Y así entonces se llega hablando del *fat food*, pero que nadie piensa hoy que sea desproporcionada ingesta de calorías -30.000 diarias!- y su contenido nutricional son el capricho de un joven rico y famoso que fue sólo hipocresía. Hace ya tiempo que nada en el deporte es asínta, y menos la dieta de un superhombre como Michael Phelps.

La medicina ha revolucionado el mundo de la alta competición, y ha dejado transmutar

"Es difícil que el pico de velocidad vuelva a estar en un blanco", dice Ribas

...los chicos que se montan de jugadores trabajando, un equipo semejante al que pone a punto el coach de Fernando Alonso", dice el doctor Juan Ribas, director de los Servicios Médicos del Sevilla F.C. Gabriel Masferrer, presidente del grupo hospitalario USP y ex jugador de competición insiste en la superioridad de Mark Spitz (tiene oros en Milán): "Lo que ocurre es que detrás de Phelps, un auténtico profesio-

Al simple ejercicio físico y la planificación táctica se han centrado en los últimos tiempos mejoras radicales en las instalaciones —piscinas que no hacen olas o pistas multigrasas Mondo Track FTX—, técnicas para medir con precisión de milímetros las aptitudes atléticas (oxímetro-básculas del metabolismo energético, esta-



En busca de Usain Bolt

[illegible]

Strategic development over 12 years (cont`d)

7.- Growth Strategy (cont`d): The Marbella hospital case



	2003	2004	2005	2006	2007	CAGR
P. servicios total	3,58	7,97	11,91	16,28	22,79	58,8%
P. servicios total - Inpatient	2,82	5,84	7,59	9,58	12,89	46,2%
Privado	1,02	1,70	2,26	2,78	3,89	39,7%
Seguros de salud	1,80	4,14	5,33	6,80	9,00	49,5%
P. servicios total - Outpatient	0,76	2,13	4,32	6,70	9,90	90,0%
Privado	0,32	0,82	1,69	2,14	2,40	65,5%
Seguros de salud	0,44	1,31	2,63	4,56	7,50	103,2%
Otros ingresos	0,31	0,08	0,10	0,10	0,02	(49,6)%
Costes operativos	2,95	6,09	9,06	12,80	17,83	56,9%
Personal	1,38	2,26	3,02	4,14	5,91	44,0%
Honorarios	0,40	0,87	1,14	4,84	6,45	100,4%
Otros	1,17	2,96	4,90	3,82	5,47	47,0%
EBITDA	0,94	1,97	2,94	3,60	4,99	51,8%
Admisiones	2.675	3.853	4.011	5.010	5.546	20,0%
Precio / admisión	1.054	1.516	1.892	1.912	2.324	21,9%

Before acquisition, Marbella hospital was not focused in the tourist market. Since acquisition, agreements with more than 80 GP's (that derive patientes to the hospital) in the Costa del Sol and 30 travel agencies, tour operators and international HIC's were signed.

Agreements with HIC were also developed, becoming a reference for the main ones

Sales multiplied by 5 and average price per admission approximately by 2

Strategic development over 12 years (cont'd)

8.- Acquisition track record

- USP was **the fastest growing hospital network in Spain**, completing 13 acquisitions, through which it has built a nationwide coverage
- Typical targets had EBITDA margins of c. 10%-15% or lower, which USP increased to c. 17%-20% within 3-5 years.
- USP developed a **protocol of standardized actions** to both (i) enable a swift integration of targets; and (ii) achieve significant capacity and operational enhancement
 - Strengthening and broadening the range of medical specialties to achieve a global service offering in line with the Group's network.
 - Standardisation of surgical procedures, Group's expertise "cross-fertilization" and sharing of best practices
 - Improvement of medical facilities with most up-to-date technologies (mainly in medical diagnostics) to ensure a high quality service
 - Recruitment of experienced and renowned local medical professionals and heavy promotion of the USP brand
 - Deriving economies of scale from centralized purchasing contracts and pricing

€ million	Date	At acquisition			2007			EBITDAR CAGR (%)
		EV/EBITDAR (x)	EBITDAR (€m)	EBITDA (€m)	EV/EBITDAR (x)	EBITDAR (€m)	EBITDA (€m)	
Barcelona Dexeus	1998	9.3x	1.2	1.2	2.0x	5.6	5.2	19%
Vitoria La Esperanza	1998	Nm	0.0	0.0	5.5x	0.7	0.7	48%
La Coruña Santa Teresa	1998	7.3x	1.4	1.4	4.1x	2.6	2.6	7%
Seville Sagrado Corazón	1998	12.2x	2.1	2.1	2.9x	8.7	8.0	17%
Madrid Imaging ¹	2000	9.3x	0.4	0.4				
Madrid San Camilo ¹	2000	4.5x	2.3	0.7	4.9x	2.6	0.7	2%
Madrid San José ¹	2001	9.2x	0.7	0.7		1.6	1.4	15%
Murcia San Carlos	2002	2.4x	3.3	3.3	1.5x	5.5	5.5	11%
Marbella	2003	13.5x	0.9	0.9	2.5x	5.0	5.0	53%
Tenerife La Colina ²	2005	9.3x	1.9	1.9	4.7x	3.8	3.8	42%
Alicante San Jaime ²	2005	10.0x	3.9	3.9	6.3x	6.2	6.2	26%
Barcelona IOB ³	2006	8.1x	1.9	0.9	7.3x	2.1	1.5	11%
Tenerife Costa Adeje ³	2006	6.2x	1.3	1.3	7.8x	1.0	0.8	-20%

1 Imaging, San Camilo and San José units are merged, sharing certain central costs

2 2004 EBITDA in the column "at acquisition"

3 2005 EBITDA in the column "at acquisition"

Strategic development over 12 years (cont'd)

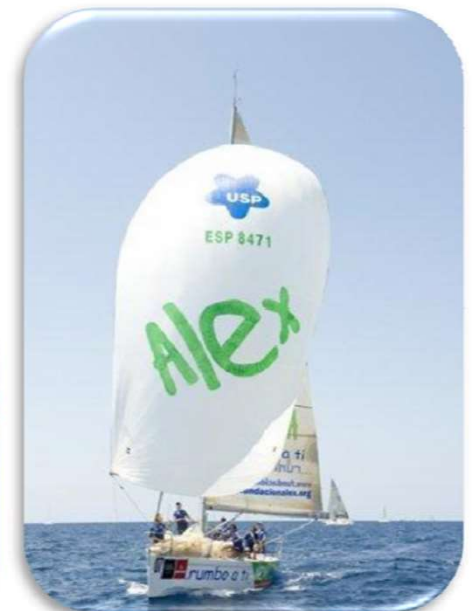


9.- Social responsibility: Alex Foundation

Fundación Alex (www.fundacionalex.org) is a **non for profit Foundation**, created by Gabriel Masfurroll in 2006.

Aware of community needs, USP founders established this Foundation in 2006, which is dedicated to social projects related to **unprotected and disabled children**, placing high priority on **health and integration** through sport.

Its goals are to promote **health**, specially focused on **children and disability**. This shows the emphasis the company places on social responsibility.



Strategic development over 12 years (cont'd)



9.- Social responsibility: Alex Foundation (cont'd)



Operating & financial performance 2004 - 2007

Strong top line growth with stable margins

Above market average organic growth of 13.4% (CAGR 04–07) driven by

- Unique service offering and market positioning
- Increase in revenue per admission → Δ profitability
- Net increase in number of beds → Δ size

Substantial contribution of acquisitions performed during 2005, 2006 and 2007 to overall revenue growth

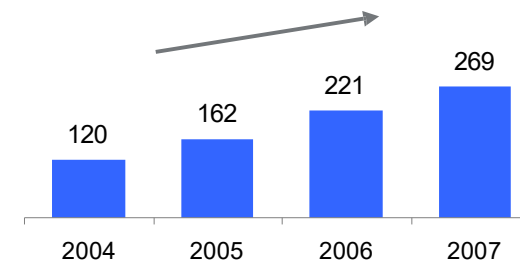
- These acquisitions represent 40% of total revenues in 2007

Stable EBITDA margins during the 2004–2007 period

- Improvement in existing facilities' EBITDA partially offsets mix impact of acquisition of lower margin hospitals

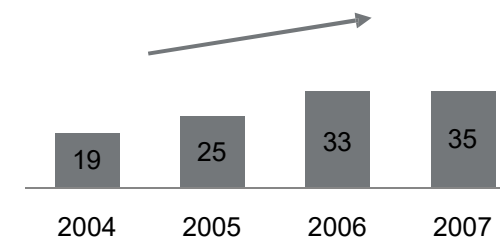
Revenues (€m)

CAGR: 30.8%



EBITDA (€m)

CAGR: 22.6%



Strong revenue growth combined with sustainable profitability

Recognition of excellence: multiple awards



Diario Médico Favourites of the Net, for its constant effort on innovate and improve its website (2008)



Gabriel Masfurroll named one of the 18 Leading Managers in Spain by *crf.com* (2008)



USP Hospitales named one of the companies with more future by *crf.com* (2007)



Ernst & Young and *IESE* named Gabriel Masfurroll Entrepreneur of the Year (2008)



Aliad awards USP Hospitales Human Resources for its training policy (2008)



Creu de Sant Jordi, top recognition given by the Catalanian Government (2008)



Top Excellence Awards in the Private Hospitals category (2001-2010)



ESADE Brand Award (2007)



Best in Class: USP Hospitales awarded for its excellence (2007-2009)



Expansión awards the 100 Best Ideas of the year (2006)



AHM awarded with *Diario Médico* Best Ideas (2004)



IBM System and Innovation: International award (London 2007)



Emprendedores Awards: USP Hospitales awarded with "outstanding company" (2007)



Actualidad Económica 100 Best Ideas (R&D) (2007)

Recognition of excellence: multiple awards



USP Instituto Universitario
Dexeus



"Hospital
amigo de los
niños" por la
Unicef y la
OMS



USP Hospital Santa Teresa



USP Hospital San Camilo

Cruz de Sanidad (Orden Civil) por la labor asistencial
prestada por USP Hospital San Camilo en el 11-M (2004).



USP Hospital San José



USP Hospital San Carlos



Reconocimiento de
la FEAPS



Premio ASSIDO
(Asociación para
Personas con
Síndrome de
Down).

USP Clínica Sagrado
Corazón



Premios Socio
Sanitarios 2007 a la
Institución Sanitaria
Privada, por la
enfermería de la
Unidad de Cuidados
Intensivos.

USP Clínica La Esperanza

