APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035

Apollo HOSPITALS TOUCHING LIVES

6th January 2015

The Secretary,
Bombay Stock Exchange Ltd (BSE)
Phiroze Jheejheebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Scrip Code - 508869
ISIN INE437A01024

The Secretary,
National Stock Exchange,
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra - Kurla Complex
Bandra (E)
Mumbai - 400 051.
Scrip Code- APOLLOHOSP
ISIN INE437A01024

The Manager
The National Stock Exchange,
Wholesale Debt Market
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra - Kurla Complex
Bandra (E)
Mumbai - 400 051.
ISIN INE437A07062,
INE437A07070,
INE437A07088
INE437A07093 &
INE437A07104

Dear Sir,

Please find enclosed a Press Release that is planned to be released today regarding acquisition of Nova Speciality Hospitals by Apollo Health and Lifestyle Limited, a wholly owned subsidiary of Apollo Hospitals Enterprise Limited. The deal size would be in the range of Rs. 135-145 crores.

You are requested to kindly take this on record.

Thanking you

Yours faithfully
For APOLLO HOSPITALS ENTERPRISE LIMITED

S M KRISHNAN
Sr. GENERAL MANAGER -FINANCE
& COMPANY SECRETARY

CC : The Secretary,
Luxembourg Stock Exchange,
B.P. 165,
L-2011 Luxembourg.

Ref : ISIN US0376081065 - Rule 144a GDR
ISIN US0376082055 - Reg. S GDR

Securities and Exchange Commission
Division of Corporation Finance
Office of International Corporate Finance
450 Fifth Street, N.W.
Washington, D.C
20549-0302

File No. 82-34893

IS/ISO 9001:2000

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Apollo Health and Lifestyle Ltd. expands its footprint with the acquisition of Nova Specialty Hospitals

~ Taking Medical Care one step closer to the Home

Apollo Health and Lifestyle Limited (AHLL), a wholly owned subsidiary of Apollo Hospitals Enterprise Limited, established with the aim of taking medical care from tertiary care settings closer to the home, has successfully completed the acquisition of Nova Specialty Hospitals. Through this acquisition, AHLL endeavours to provide superior value to patients and Doctors with an enhanced reach and high quality services.

Nova Specialty Hospital's existing centres will serve as new centres under the Apollo brand name & will benefit from Apollo's legacy of expertise, clinical excellence and empathy. This acquisition fits into the growth strategy of AHLL, providing a larger footprint, including in some markets where the company has no presence currently.

Commenting on this strategic move, **Ms. Sangita Reddy, Joint Managing Director - Apollo Hospital Enterprises Limited said,** *"AHLL is currently present in the secandary care segment through the Day Surgery & Cradle formats. Given the immense potential and the need far quality healthcare delivery closer to the home, this acquisitian will enable AHLL to significantly expand its' faatprint and will catapult it into a leadership position in this segment of healthcare. We believe the format has strong potential and with the brand equity of Apollo, combined with the deep hospital expertise we bring to bear, AHLL will grow this business significantly in the next few years. There is strong synergy between NSH format and the tertiary care hospitals and we intend to capture these synergies to the benefit of the patients we serve, and Doctors we partner with. This acquisition will also mark the entry of Apollo in new markets such as Mumbai, Jaipur and Kanpur, where we have for many years had patients waiting for the Apollo's medical excellence and compassionate care to serve them". In the coming months, Apollo will re-launch these centres with new branding, an expanded menu of services and quality systems built on Apollo's deep expertise in the hospitals space."*

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"Nova Specialty Hospitals is a chain of 11 Short Stay Surgery Centres which are equipped with advanced medical facilities backed by good surgical teams. These Centres are designed to provide canvenient facilities for patients to undergo planned surgeries. In addition, AHLL will strengthen the service offerings in these centres by introducing Apollo's Preventive Health Checks and also establishing Sugar Clinics. AHLL is aiming to create a business of Rs 500 crs in 5 years in the space of multi-specialty Short stay/Day surgery centres." said Mr Neeraj Garg, Chief Executive Officer, Apollo Health & Lifestyle Ltd.

The acquired chain of Nova Specialty Hospitals is spread over 8 cities and will add to the Apollo network 45 Modular OTs, over 350 patient beds, with an average 20,000 SFT of built-up space in each centre. These centres provide both In-patient and OPD services with 60% of the procedures currently being done as day procedures. The combined network will clock a turnover between Rs 115 - 125 Crs for the year ending Mar' 15 and with the group synergies that Apollo brings to the table, management is confident of achieving break even in the next 18 to 24 months. The deal size will be in the range of 135 -145 Crs subject to final closure.

Mr. Suresh Soni, Chairman Nova Medical Centres said, *"Nova Specialty Hospitals were early movers in the concept of Short Stay Surgeries in India. The main facus was making quality health care affordable and accessible to the masses. Nova had established a pan India footprint with 11 centres, over 800 surgical procedures, 500+ doctors in 5 years. The Apollo Group is now in a position to accelerate NSH's growth given its position as the pre-eminent hospital group with a well-established brand. I am glad and satisfied that Nova's Specialty Hospitals are in the best possible hands and care to grow from here."*

Apollo group has always been proactive in offering healthcare to meet the changing patterns of diseases and constantly strives to make quality medical care accessible to all. Through this acquisition, AHLL delivers on its promise to create newer ways to deliver high quality healthcare, through enhanced service delivery models, which will benefit the entire health eco-system including its physicians & patients.

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About Apollo Health and Lifestyle

Apollo Health and Lifestyle (AHLL) is headquartered in Hyderabad. It was founded in 2002 with the aim "to bring medical care closer to the home of the patient, bridging the gap between tertiary care and the home." To achieve this, AHLL has established the nation's largest network of standardised day-to-day healthcare facilities, branded "Apollo Clinic". With close to 100 facilities operational across the length and breadth of the country and the Middle East, the network continually grows every day, and offers services that no other healthcare operator in the country can match. Apollo Clinics' take Apollo's Expertise, Closer to You. AHLL has also expanded its' primary care offering with the launch of Apollo Sugar Clinics, which are integrated Diabetes disease management clinics. It will also be launching a national Diagnostics chain in the next few months.

AHLL also operates a network of Women & Children hospitals – Apollo Cradle – that provide Clinical Excellence and Personalized care to women for Obstetrics, Gynecology and Fertility treatments, along with world-class neonatal and paediatric care. It also runs a chain of centres focused on Day surgery / Short stay for planned surgeries.

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