

Part - I

FORTIS HEALTHCARE LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2012

(₹ in lacs)

Particulars	Consolidated						Standalone					
	Quarter ended			Nine months ended			Quarter ended			Nine months ended		
	31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	31-Mar-12	31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	Year ended
1. Income from Operations	(unaudited) 152,357	(unaudited) 147,674	(unaudited) 59,702	(unaudited) 439,589	(unaudited) 167,444	(audited) 294,300	(unaudited) 8,381	(unaudited) 8,219	(unaudited) 6,490	(unaudited) 24,689	(unaudited) 19,861	(audited) 26,785
2. Other Operating Income	1,503	1,671	880	4,545	3,042	4,104	541	457	348	1,399	1,019	1,324
3. Total Income	153,860	149,345	60,582	444,134	170,486	298,404	8,922	8,676	6,838	26,088	20,880	28,109
4. Expenditure												
(a) Cost of Material consumed	27,050	26,231	15,474	78,901	44,440	66,731	2,507	2,508	1,815	7,617	5,900	7,857
(b) Employees Benefit Expenses	50,383	48,126	11,045	145,716	31,678	73,816	2,601	2,610	1,598	7,524	4,967	7,074
(c) Professional Charges to Doctors	8,887	8,516	7,968	25,506	21,341	22,724	639	627	461	1,873	1,426	1,902
(d) Other expenditure	52,273	45,339	17,707	139,036	48,962	94,802	3,628	2,946	1,713	9,318	8,194	10,799
(e) Total	138,593	128,212	52,194	389,159	146,421	258,073	9,375	8,691	5,587	26,332	20,487	27,632
5. Profit (+)/ Loss (-) from Operations before Other Income & financial cost, depreciation and amortisation (3-4)	15,267	21,133	8,388	54,975	24,065	40,331	(453)	(15)	1,251	(244)	393	477
6. Other Income	4,663	5,549	4,986	13,606	7,503	17,731	4,944	5,076	5,044	15,272	9,297	12,705
7. Exceptional gain/ (loss) (refer note 6)	97,383	(692)	-	96,482	-	633	(174)	-	-	(174)	-	18,462
8. Profit (+)/ Loss (-) from Operations before financial cost, depreciation and amortisation (5+6+7) (EBITDA)	117,313	25,980	13,374	165,063	31,568	58,695	4,317	5,061	6,295	14,854	9,690	31,644
9. Net depreciation/ impairment & amortization expenses	12,035	7,601	4,240	26,299	11,543	18,222	416	404	301	1,191	882	1,211
10. Profit from Operations before finance costs (8-9)	105,278	18,389	9,134	138,764	20,025	40,473	3,901	4,657	5,994	13,663	8,808	30,433
11. Finance costs	15,805	16,856	5,954	50,629	14,956	29,697	3,280	3,152	3,729	9,728	7,168	10,293
12. Profit from Operations before tax (10-11) (including profit attributable to discontinuing operations, refer note 7)	89,473	1,533	3,180	88,135	5,069	10,776	621	1,505	2,265	3,935	1,640	20,140
13. Tax expense	16,731	2,260	836	20,957	2,566	4,085	261	568	-	1,305	-	-
14. Net Profit from ordinary activities after tax (12-13)	72,742	(727)	2,344	67,178	2,503	6,691	360	937	2,265	2,630	1,640	20,140
15. Less : Minority Interest in profit / (loss)	2,553	2,230	(334)	6,126	(509)	(398)	-	-	-	-	-	-
16. Add : Share in profit/(loss) of associate companies	314	114	24	566	56	133	-	-	-	-	-	-

17. Net Profit after taxes, minority interest and share of profit/(loss) of associates (14-15+16)	70,503	(2,843)	2,702	61,618	3,068	7,222	360	937	2,265	2,630	1,640	20,140
18. Paid-up equity share capital (Face Value ₹10 per Share)	40,520	40,520	40,518	40,520	40,518	40,518	40,520	40,520	40,518	40,520	40,518	40,518
19. Reserves excluding Revaluation Reserves						249,112						279,663
20. Earnings Per Share (excluding exceptional items)	(6.63)	(0.53)	0.67	(8.60)	0.76	1.63	0.13	0.23	0.56	0.69	0.40	0.41
- Basic												
- Diluted	(6.63)	(0.53)	0.67	(8.60)	0.76	1.63	0.13	0.23	0.56	0.69	0.40	0.41
Part II												
A. Particulars of Shareholding												
1. Public shareholding – No. of Shares	75,049,486	75,049,486	75,023,466	75,049,486	75,023,466	75,025,766	75,049,486	75,049,486	75,023,466	75,049,486	75,023,466	75,025,766
- Percentage of shareholding	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%
2. Promoters and promoter group Shareholding												
a) Pledged/ Encumbered – No. of Shares	282,225,200	286,574,800	218,439,000	282,225,200	218,439,000	235,053,900	282,225,200	286,574,800	218,439,000	282,225,200	218,439,000	235,053,900
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	85.5%	86.8%	66.2%	85.5%	66.2%	71.2%	85.5%	86.8%	66.2%	85.5%	66.2%	71.2%
- Percentage of shares (as a % of the total share capital of the company)	69.7%	70.7%	53.9%	69.7%	53.9%	58.0%	69.7%	70.7%	53.9%	69.7%	53.9%	58.0%
b) Non-encumbered – No. of Shares	47,928,749	43,579,149	111,714,949	47,928,749	111,714,949	95,100,049	47,928,749	43,579,149	111,714,949	47,928,749	111,714,949	95,100,049
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	14.5%	13.2%	33.8%	14.5%	33.8%	28.8%	14.5%	13.2%	33.8%	14.5%	33.8%	28.8%
- Percentage of shares (as a % of the total share capital of the company)	11.8%	10.8%	27.6%	11.8%	27.6%	23.5%	11.8%	10.8%	27.6%	11.8%	27.6%	23.5%
B. Investor Complaints												
Pending at the beginning of the quarter	Nil											
Received during the quarter	10											
Disposed off during the quarter	9											
Remaining unsolved at the end of the quarter	1											

Notes to the results:

- The above unaudited financial results for the period ended December 31, 2012 have been reviewed by the Audit, Risk & Control Committee and approved by the Board of Directors at their respective meetings held on February 11, 2013 and February 12, 2013. These unaudited financial results for the quarter ended December 31, 2012 were subjected to a limited review by the auditors of the Company.

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2. Segment Reporting

Business Segments:

The Group is primarily engaged in the business of healthcare services, which as per Accounting Standard 17 on 'Segment Reporting' notified by Companies (Accounting Standards) Rules, 2006 (as amended) is primary business segment. Healthcare services include various patient care services delivered through clinical establishment, medical services companies, pathology and radiology services, etc.

Geographical segments:

The group operates in the business segment explained above in two principal geographical areas, geographical segments being classified as secondary segment. In India, its home country, the group focuses largely on healthcare services. Additionally, the group's operations 'Outside India' are mostly in the Australasia region focusing on South East Asia, Middle East and Australia through the group's headquarters based in Singapore. In the Australasia region, the group primarily operates in following countries: Singapore, Hong Kong, Vietnam, Australia, Mauritius and New Zealand.

Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Company's consolidated revenues by geographical market.

Region	Quarter ended			Nine months ended			Year ended
	Dec 31, 2012	Sep 30, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	March 31, 2012	
India	74,251	73,788	63,322	216,687	174,294	245,273	
Outside India*	84,272	81,106	2,245	241,053	3,695	70,862	
Total	158,523	154,894	65,567	457,740	177,989	316,135	

* Includes revenue relating to discontinuing operations (see note 7 below)

- Other income includes interest income, foreign exchange fluctuation gain, profit on sale of assets, profit on sale of investments, forward cover premium amortization and miscellaneous income, whichever is relevant for the period.
- Due to restatement and settlement of foreign currency monetary items, the Company and its subsidiaries recognize foreign exchange fluctuation differences in the profit and loss account. This difference may result in either net gain or loss and is accordingly, included under 'other income' or 'other expenditure' for the specific period. Further exchange difference arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest costs have been reported under finance cost.
- The statutory auditors have reported their inability to express an opinion on the matter relating to land under leasehold arrangements with the Delhi Development Authority and certain demands raised by the income tax authorities in respect of a subsidiary aggregating to ₹ 8,990 lacs. As the matters are sub-judice and appeals against the demands are pending at various stages, based on the advice received from legal counsels the management is of the view that the matters shall get resolved in its favour.

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6. Exceptional items for ₹ 97,383 lacs and ₹ 96,482 lacs included in the above results for the quarter and nine months period ended December 31, 2012 respectively includes:

Particulars	31-Dec-12	
	Quarter ended	Nine months ended
a) Gain on dilution of stake in Religare Health Trust ("RHT")		
- Gain on dilution	105,454	105,454
- Less: Direct legal and professional expenses relating to dilution of stake	4,576	5,477
- Less: Stamp duty and other expenses	363	363
Net gain on dilution of stake in RHT	100,515	99,614
b) Accrual of expenses in relation to discontinuing of operations of Dental Corporation Holdings Limited (refer note 7)	3,132	3,132
Net Exceptional items	97,383	96,482

(₹ in lacs)

Gain on dilution of stake in RHT

During year ended March 31, 2012, the Company initiated internal corporate restructuring within the Group with a view to streamline and focus Group companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light models. Subsequent to it RHT, a business trust established in Singapore, was listed on the Singapore Exchange Securities Trading Limited on October 19, 2012.

RHT made an offering of 567,455,000 common units at S\$ 0.90 per common unit. Post the listing of RHT on Singapore Stock Exchange on October 19, 2012, the stake of Group in RHT has been diluted from 100% to 28%. Accordingly, assets and liabilities of Clinical Establishment Division held by RHT Group do not form part of the consolidated assets and liabilities of the Company w.e.f. October 19, 2012. Such deconsolidation has resulted in a net gain of ₹ 100,515 lacs and ₹ 99,614 lacs (net of expenses directly incurred on the transaction) and has been included as an exceptional item for the current quarter and nine months ended December 31, 2012 respectively.

and

7. Discontinuing of operations relating to Dental Corporation Holdings Limited ("DC"), Australia

During the current quarter, Fortis Healthcare Australia Pty Limited (FHA), a wholly owned subsidiary of the Company entered into a Non-Binding Indicative offer to divest its 63.51% holding in DC to BUPA, Australia for a consideration of AUD 276 million. The deal is subject to shareholders and regulatory approvals and will be completed in due course. In relation to this transaction, the difference between the estimated sales value and the carrying value of net assets of DC, amounting to ₹ 5,334 lakhs is considered as impairment.

The revenue and expenses in respect of the operation activities attributable to above discontinuing operations included in the consolidated financial results are as follows:

Particulars	Quarter ended		Nine Months ended	
	31-Dec-12	30-Sep-12	31-Dec-12	Year ended 31-Mar-12
Total Income	46,532	41,882	130,572	36,815
Total expenditure	41,621	38,022	118,448	35,352
Profit before tax	4,911	3,860	12,124	1,463
Tax expenses	1,569	973	3,504	422
Profit after tax	3,342	2,887	8,620	1,041

(₹ in lacs)

Since DC was consolidated from January 11, 2012, corresponding quarter and nine months period ended for the previous year are not applicable.

8. Consequent to the notification dated December 29, 2011, issued by the Ministry of Corporate Affairs, on Accounting Standard -11 "The effect of changes in foreign exchange rates", the Company opted to amortise exchange differences relating to long term foreign currency monetary items (other than relating to acquisition of depreciable capital assets) over the balance period of such long term monetary items effective April 1, 2011, as required by paragraph 46A of said notification. Consequently, foreign exchange gain of ₹ 394 lacs for the period ended December 31, 2011 and ₹ 170 lacs for the quarter ended December 31, 2011, is being amortised over the remaining term of the monetary items due to such change in accounting policy. The results for the quarter and nine months ended December 31, 2011 have also been adjusted for ₹ 224 lacs to make them comparable.

9. Management of two subsidiaries of the group in Singapore has determined change in the Company's reporting currency from Singapore dollars (SGD) to United States dollars (USD) with effect from 1 April 2012. Prior to 1 April 2012, these Companies had invoiced its subsidiaries for management fees in Singapore Dollars, United States Dollars ("USD"), Australian Dollars ("AUD") and Hong Kong Dollars. With effect from 1 April 2012 onwards, invoicing for management fees is being done in United States dollars. This change in reporting currency of the group's subsidiaries has been applied prospectively.

10. The Company had purchased 74.59% stake in SRL Limited on May 11, 2011. Further, Company through one of its subsidiary had acquired 100% stake in Fortis Healthcare International Pte Limited on January 11, 2012 from RHC Financial Services (Mauritius) Limited, alongwith its subsidiaries and associates. The consolidated results include financial results of this acquired entities from the completion date, hence the figures are not strictly comparable with previous periods.

11. As permitted by the guidance note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item in its financial statements and as required by clause 41 to the listing agreement to use the classifications as per Revised Schedule VI, the Group has shown the EBITDA as a separate line item in the above financial results. In its measurement, the Group does not include depreciation and amortization expense, finance costs and tax expense.

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12. The previous periods' figures have been regrouped and recasted, wherever considered necessary.

Date: February 12, 2013
Place: Gurgaon



for and on behalf of the Board of Directors



Malvinder Mohan Singh
Executive Chairman