

PRESS RELEASE

FORTIS WITNESSES A STRONG Q2 FY16

GROUP CONSOLIDATED NET PROFIT (PATMI) AT RS 34 CR VERSUS LOSS OF RS 58 CR IN CORR QTR

CONSOLIDATED INDIA BUSINESS REVENUE AT RS 1087 CR UP FROM RS 978 CR IN THE CORR QTR, L Yr

CONSOLIDATED INDIA BUSINESS EBITDAC AT RS 190 Cr, UP 25% OVER THE CORR QTR, L Yr

CONSOLIDATED INDIA OPERATING MARGINS AT 17.5%, UP FROM 15.6% IN THE CORR QTR, L Yr

SRL TURNS IN A STELLAR PERFORMANCE WITH OPERATING MARGINS AT AN ALL TIME HIGH OF 28.3%

Gurgaon, November 4, 2015: Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery Company, today, announced its consolidated results for the quarter ended September 30, 2015 (Q2FY16)

India Business - Key Highlights for the Quarter (Q2FY16)

- Consolidated India Business Revenues were at Rs 1,087 Cr versus Rs 978 Cr in the corresponding quarter, last year. Operating EBITDAC (EBITDA before net business trust costs) witnessed significant improvement, up substantially at Rs 190 Cr, +25%; representing a 17.5% margin versus a 15.6% margin in the corresponding previous quarter.
- Consolidated India business Profit before Tax (PBT) before foreign exchange (loss)/gain and exceptional items was at Rs 15.7 Cr versus a loss of Rs 28.7 Crs in the corresponding previous quarter.
- India hospital business revenues were at Rs 883 Cr as compared to Rs 797 Cr in the corresponding previous quarter, a growth of 11%. Operating EBITDAC was at Rs 132 Cr, a growth of 15.4% over the corresponding quarter last year; representing a margin of 15.0% against a margin of 14.4% in the corresponding quarter of the previous year.
- The India diagnostics business recorded robust operating margins of 28.3% at Rs 58 Cr, a strong growth of 53% over the corresponding quarter. This compares favourably with the 20.7% margin in the corresponding previous quarter and 23% margin in the trailing quarter. Net revenues stood at Rs 203 Cr versus Rs 181 Cr in the corresponding previous quarter, a growth of 12%.

*EBITDAC refers to EBITDA before net business trust costs

Reported Group Financial Highlights for Q2FY16

The reported results for Q2FY16 are not comparable to the corresponding previous period due to progressive divestments of the Company's international businesses namely RadLink Asia, Singapore and Fortis Surgical Hospital Singapore which were a part of the Company's business in Q2 FY15 and were divested in Q1 FY16.

- Consolidated Group Revenues for Q2FY16 were at Rs 1097 Cr versus Rs 1031 Cr in the previous quarter.

- Consolidated Profit after Tax and after Minority Interest and share in associates (PATMI) stood at Rs 34 Cr versus a loss of Rs 58 Cr in Q2FY15.

Commenting on the results, Mr Bhavdeep Singh, CEO, Fortis Healthcare, said, "We have seen a consistent growth in both revenues and operating margins of our hospital and diagnostic business over the preceding quarters. This is a reflection of an uptick in the business with better overall performance including in the operations of our newer facilities. It is also attributable to the underlying efficiencies that we are progressively generating. The diagnostics business has done very well with operating margins edging upwards to the 30 percent mark. With the clean-up in our balance sheet, rationalisation of some low performing units and better quality of business, we are progressing into the positive territory on our PATMI. This augurs well for the future"

The Company continued to maintain a healthy Balance Sheet with net debt of the Company as on 30 September 2015 at Rs 435 Cr representing a net debt to equity ratio of 0.09x (as compared to 0.13x as on June 30, 2015 and 0.24x as on September 30, 2014).

The Company, during the quarter, also increased its equity stake in its diagnostics subsidiary SRL Limited taking its current stake to 57% from 53.9% previously. It acquired an equity stake of 3.1% from Sabre Partners Trust, Spring Healthcare (P) Limited and Spring Healthcare India Trust. The Company continues to work with the remaining private equity investors under its obligation to provide them an exit option for their respective stakes in SRL Limited.

Key Highlights - Hospital Business

- The Average Revenue Per Occupied Bed (ARPOB) for the hospital business during the quarter stood at Rs 1.34 Cr an increase of 6% over the corresponding quarter. The Average Length Of Stay (ALOS) improved to 3.57 days from 3.60 days while the occupancy during the quarter witnessed a significant increase to 77% versus 71% in the corresponding previous quarter.
- The Fortis Memorial Research Institute (FMRI), Gurgaon, continued to gain momentum and reached a quarterly revenue run rate of over Rs 100 Cr within 2 years of its launch. Revenues at FMRI grew 19% to reach Rs 101 Cr in the quarter. The facilities ARPOB at Rs 2.37 Crs remained the highest in the Company's network of multi specialty hospitals.
- Ludhiana, the facility launched in 2014, also witnessed an encouraging momentum with revenues for the quarter seeing a 33% growth.
- In keeping with its intent to capitalise on the increasing demand in Mother & Child care segment, the Company further expanded its presence in the country with its marquee brand La Femme. The Company launched La Femme, Bengaluru, a 70 bed comprehensive and distinctive boutique hospital for women offering a holistic range of medical services.
- A number of the Company's facilities introduced and further expanded its clinical programs and service offerings viz;

- The Fortis Escorts Heart Institute (FEHI) established a fully integrated Center of Excellence for Liver and Digestive diseases
- FMRI launched a Sports Psychology Programme to help sportspersons overcome emotional challenges.
- Fortis, Malar launched “Seniors First” a privilege programme for the elderly.
- Fortis BG Road, Bengaluru launched Fortis Foremost - a privilege program directed at top corporates
- The Company during the quarter has actively disengaged itself from its hospital operations in Kangra, Himachal Pradesh.
- During the quarter, Fortis continued to demonstrate clinical excellence across specialities and facilities.

Some of the distinctive medical cases in Q2 included:

- A high-precision and excellently coordinated effort involving police, airport authorities and medical professionals in Mumbai and Pune led to a successful heart transplant at Fortis Hospital, Mulund, Mumbai, on August 3. This was the first heart transplant to be conducted in Mumbai after a gap of 47 years. Two more successful heart transplants were conducted during the same month, taking the total to three, and reinforcing Fortis Mulund's position as a leading centre for cardiac care.
- A team of doctors at Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj, Delhi, performed the first ever reported bariatric surgery on a 54 year old rectal cancer survivor, from Sudan helping him to lead a better quality of life. The surgery was led by Dr Randeep Wadhawan, Director and Head, Department of Minimal Access, Bariatric and Gastrointestinal Surgery at Fortis Flt Lt Rajan Dhall Hospital.
- Doctors at Fortis Escorts Hospital, Faridabad, led by Dr K. D. Soni, Head - Department of Orthopaedics, and Dr Anurag Aggarwal, Senior Consultant, conducted surgery on a 74-year-old patient from Iraq, suffering from severe osteoarthritis and deformed knees, helping him to walk again.
- The Paediatric Cardiology Team at Fortis Hospital, Mohali, successfully conducted three cardiac procedures on a preterm underweight newborn. The critical surgery was performed by an outstanding team led by Dr T. S. Mahant, Executive Director – CTVS and Dr Rajat Kumar Gupta, Paediatric Cardiologist. The team was ably supported by Dr Sunil K. Agrawal, Senior Consultant – Neonatology, Dr Swapna Misra, Senior Consultant – Obstetrics & Gynaecology, among others.
- Doctors at Fortis Escorts Hospital, Amritsar, placed a permanent pacemaker to give a new lease of life to a pre-term baby, born with complete heart blockage. The case is reportedly the first of its kind in Punjab. The surgery was conducted by Dr D. M. Saini, Cardiac Surgeon, and Dr Arun Chopra, Director – Cardiology, and ably supported by several others, including Dr Tarsem Singh and Dr Lucky Bhalla.

- Doctors at Fortis Escorts Heart Institute, New Delhi, successfully performed a double surgery to correct a left ventricle aneurysm followed by a left ventricular assist device (LVAD) implant. This was a unique achievement because it was the first ever recorded case in India of a 70-year-old patient undergoing a procedure of dual complexity. The team of cardiologists was led by Dr. T S Kler, Executive Director, Cardiac Sciences, Fortis Escorts Heart Institute. The surgical team was led by Dr. Z S Meharwal, Director & Coordinator, Department of Cardiovascular Surgery, while Dr. Vishal Rastogi, Director – Heart Failure Clinic and his team extended their support in management of the patient's heart functions.
- Doctors from the Department of Neurosurgery at Fortis Hospital, Noida, led by Dr Manish Vaish, Senior Consultant - Neurosurgery, have surgically treated several patients suffering from the Trigeminal Disease. One of the most painful conditions known to mankind, it is often referred to as the "suicide disease," because it drove people to end their lives, before effective treatments were discovered.
- The first "swap" kidney transplant was conducted at the Fortis Memorial Research Institute, Gurgaon, in August. The complex surgeries were led by Dr Sanjay Gogoi, Director - Urology & Renal Transplant, FMRI.
- Setting yet another record in clinical excellence, Fortis Hospital, Cunningham Road, Bengaluru, a team of doctors led by Dr Keshava R., Consultant Interventional Cardiologist, conducted an angioplasty within 11 minutes of the patient's arrival. In the process, they improved upon their previous best time of 18 minutes.

Key Highlights - Diagnostics Business

- The lab medicine i.e. the pathology business contributed 86% to total revenues and grew 22% over the previous quarter. The contribution of the imaging business to total revenues declined to 8% during the quarter from 12% in the corresponding previous quarter, primarily due to network rationalization. Clinical Trial, Wellness and the International segment revenues contributed 6% to overall revenues.
- SRL performed over 3.85 million accessions in the quarter in both the Pathology and Radiology segments; a growth of 11% over the corresponding previous quarter.
- SRL continued to grow its laboratory and collection centre network; adding 26 new laboratories and 27 collection centers while rationalising its portfolio with the closure of 8 laboratories and 59 collection centers respectively
- As of September 30, 2015, SRL had a network of 283 labs and approx. 6,800 collection points.

Awards & Recognitions - Q2

- In a resounding recognition for its Corporate Social Responsibility (CSR) efforts, Fortis won three awards at the prestigious 5th Asia Best CSR Practices Awards 2015. Fortis won the Awards in the categories of Concern for Health, Women's Empowerment and Community Project of the Year.

- Fortis Hospital, Mohali, was felicitated with the Pearl Blue Best Multispeciality Hospital (Tricity) Award 2015.
- Fortis Hospitals across the country registered their presence at the survey of hospitals and clinics offering lifestyle-related treatment in six disciplines, published by The Times of India, India's leading National English Daily, underscoring the excellent quality of clinical services offered.
- Fortis Hospital, Bannerghatta Road, Bengaluru, won two recognitions at the National Awards for Excellence in Healthcare. The hospital's "Project Safecont" was named the Best Radiological Service Improvement Project while "Project Express ER" received the Best Quality Initiative - Clinical Service Improvement Project award.
- Fortis C-DOC Hospital, Centre for Diabetes, Endocrinology & Allied Multi Specialities won the Best Hospital in India in Diabetes Care for the second time in a row at the CIMS Healthcare Excellence Awards 2015.
- Fortis Escorts Hospital, Jaipur, was honoured with the Quality Council of India (QCI) – D. L. Shah Platinum Award, for the third time. Fortis, Jaipur, is the only hospital in Rajasthan to receive the coveted award thrice.
- Fortis Hospital, Cunningham Road, Bengaluru, won the Best Hospital in Cardiac Care award at the prestigious CIMS Healthcare Excellence Awards. The hospital has completed 25 years of its existence and has many medical achievements to its credit, including India's first Beating Heart (off pump) Bypass Surgery in 1992, the world's first Awake Major Open Heart Surgery (Quadruple Bypass with AVR) on a 74-year old without anaesthesia or ventilator in 2002, and record Door to Balloon time of 11 minutes for primary angioplasty, among many others.
- Revalidating our commitment to energy management, Fortis Hospital, Mohali, and Fortis Hiranandani Hospital, Vashi, were jointly awarded the top spot at the 16th CII National Awards for Excellence in Energy Management while Fortis Hospital, Anandapur, Kolkata, was named the Runners-up. The awards were announced at the Energy Efficiency Summit - 2015, held at Hyderabad.
- Fortis Hospital, Mulund, won five recognitions at the prestigious Asian Hospital Management Awards (AHMA), across multiple categories. The hospital won the Equipment Premier League (EPL) recognition under the Bio Medical Facilities Improvement category and the Cardiac "R.E.A.C.H" (Reaching Enabling And Caring @ Home) initiative which won an award under the Clinical Service Improvement category. The hospital's Information Technology initiative, 'Enabling a Paradigm Shift – From Manual to Automated Mode', was feted under the Innovations in Healthcare IT category. The 'Fittest Fortisian' initiative, Fortis Mulund's fitness drive for a healthier workplace, won two awards, under the Service Improvement for Internal Customers and Human Resource Development categories.

About Fortis Healthcare Limited

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 54 healthcare facilities (including projects under development), approximately 10,000 potential beds and 283 diagnostic centres.

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