

PRESS RELEASE

FORTIS REPORTS CONSOLIDATED Q1 FY14 REVENUES AT RS 1,517 Cr, UP 8%,

REVENUE GROWTH EX-DENTAL CORP, 18.3%

DIVESTS DENTALCORP FOR RS 1497 Cr

REDUCES NET DEBT BY RS 2,487 Cr, DOWN 43%

INDIA BUSINESS REVENUES RECORD STRONG GROWTH AT RS 814 Cr, UP 21.7%

Gurgaon, Haryana, August 8, 2013: Fortis Healthcare Ltd. (Fortis), amongst the leading integrated healthcare delivery companies with a focus on India, today, announced its consolidated results for the quarter ended June 30, 2013 (Q1 FY14).

Key Financial Highlights for the quarter (Q1 FY14)

The results for the quarter include the financials of Dental Corporation, Australia from April to May 2013 (2 months) as against the full quarter in Q1 FY 13 and are hence not comparable. The divestiture of Dental Corporation was completed on May 31, 2013, and effective June 1, 2013 the business was deconsolidated.

- Consolidated Group Revenues at Rs 1,517 Cr, up 8%.
- Operating Group EBITDAC* at Rs 152 Cr, representing a margin of 10%.
- Consolidated PAT at a negative Rs (221) Cr as against a negative Rs (60) Cr in the corresponding quarter, primarily due to a one-time forex loss relating directly to the divestment of Dental Corporation, Australia.

*EBITDAC refers to EBITDA before net business trust costs

Key Financial Highlights for the quarter (Q1 FY14) Excluding Dental Corporation

- Consolidated Group Revenues at Rs 1,188 Cr, up 18.3%.
- Both the India and International businesses show healthy revenue growth.
- Consolidated Operating EBITDAC margin excluding start-up expenses stood at 11.9% as against 11.4% in the corresponding previous quarter. An improvement of 50 basis points.
- Consolidated PAT at negative Rs (124) Cr compared to Rs (72) Cr in Q1 FY13, includes Forex impact of Rs 18 Cr and finance cost of Rs 12 Cr towards early loan settlement.
- The net debt of the Company was at Rs 3283 Cr in the quarter, down by Rs 2487 Cr and representing a net debt to equity ratio of 0.7x versus 1.1x as of 31st March 2013.

- The India business (hospitals and diagnostics) recorded revenues at Rs 814 Cr up 21.7% from Q1FY13. Operating EBITDAC margins excluding start-up and one off expenses were at 14.5%, similar to the corresponding previous quarter.
- India hospital business revenues at Rs 654 Cr up 23% from Q1FY13. Operating EBITDAC excluding start-up costs, represented a margin of 14% in the quarter.
- The India diagnostics business recorded net revenues of Rs 160 Cr as against Rs 137 Cr in the corresponding previous quarter, a growth of 17%. The operating EBITDA recorded a significant improvement with margins expanding to 16.5% in the quarter compared to 13.9% in Q1 FY13.
- The Company's international operation revenues (excluding Dental Corporation) were at Rs 374 Cr, up 11.5% and contributed 31.5% to the consolidated revenues. Operating EBITDAC margin excluding start-up expenses stood at 6.4% in the quarter, versus 5.4% in the corresponding previous quarter, an improvement of 100 basis points.

*EBITDAC refers to EBITDA before net business trust costs

Commenting on the results, Mr Vishal Bali, Group CEO, Fortis Healthcare Ltd, said, "This has been a significant quarter for the company in strengthening the balance sheet. We also strengthened our strategic relationship with IFC with a USD 100 million investment. Our India business continues to show robust organic growth. Over the coming quarters, we will continue to strengthen the organisation organically."

The company continues to evaluate its portfolio of businesses to ensure the right strategic fit and further strengthen its focus in geographies and verticals that present relatively better growth opportunities, especially markets such as India. The Company has entered into an agreement with a wholly owned subsidiary of Chandler Holdings Limited to sell its entire stake in its Vietnam business for an aggregate consideration of USD 80 mn. This transaction, subject to the necessary regulatory approvals and consents is expected to be completed shortly.

The Company has also successfully undertaken capital raising initiatives through the issue of equity and equity linked instruments to financial and strategic investors in order to fund its growth and expansion plans for the foreseeable future and also further strengthen its Balance Sheet.

In June 2013, the Company made a preferential allotment of 18.8 million equity shares of the Company to International Finance Corporation (IFC) aggregating to an investment of approx. USD 33 Mn by IFC. In addition, IFC further invested USD 55 million in the form of Foreign Currency Convertible Bonds (FCCBs) issued by the Company. Along with IFC's participation in the recently concluded Institutional Placement Programme (IPP), their total investment in the Company stands at USD 100 million. This reiterates the confidence reposed by IFC in the company and further substantiates their long term commitment to enable the delivery of high quality healthcare.

In July 2013, the Company successfully launched and concluded the issue of its FCCB's up to USD 30 million, which were listed on the Singapore Stock Exchange.

Concluding its planned capital raising initiatives, the Board of Directors of the Company in July 2013 also authorised the issue of up to approx. 8.85 million equity shares to Standard Chartered Private Equity Limited, for an aggregate consideration of up to USD 13.5 million, on a preferential basis. The transaction which is expected to be completed shortly will be subject to execution of necessary agreements and receipt of approvals and consents.

India Business Highlights

- Following the launch of our flagship, the Fortis Memorial Research Institute, in May 2013, the facility continues to ramp up well and is on an encouraging growth trajectory.
- In Q1FY14, the top 10 hospitals contributed approx. 75% to the hospital business revenue, compared to 70% in the corresponding previous period. Most hospitals including the larger ones such as Mulund, Jaipur, Shalimar Bagh, BG Road, among others continued to show good growth momentum both in revenues and operating margins.
- Key operating metrics of the hospital business continued to exhibit a steady upward momentum with the ARPOB for the quarter at Rs 1.1 Cr a growth of 10% over the corresponding quarter. Occupancy stood at 72% while ALOS was at 3.8 days for the quarter.
- The company continued to witness buoyant growth in its various specialities. Revenue from Orthopaedics, Neuro sciences, Renal sciences, Pulmonology, Gynaecology Oncology and Gastroenterology grew by 23%, 52%, 41%, 50%, 35%, 40% and 14% respectively. The revenue from Cardiac sciences (which represents 31% of the India Business revenue) grew by 10% over the corresponding quarter.
- The Company's **diagnostics business (SRL)** continued to strengthen its operational performance recording robust margins of 16.5% during the quarter versus 13.9% in Q1 FY13 and 14.2% in the trailing quarter. SRL added 1 new laboratory, 43 collection centres, 352 direct clients and 16 co-marketing clients. It further expanded its service offerings by adding 6 new tests. The numbers of accessions performed by SRL during the quarter stood at 3.16 million, a growth of 11% over the corresponding quarter. The SRL network today spans approximately 240 laboratories and over 1300 collection centers.

International Business Highlights

The International Business of the Company (excluding Dental Corporation) recorded a growth of 11.5% during the quarter to reach Rs 374 Cr.

Key Entity Performance

- **Quality Healthcare (QH), Hong Kong** recorded revenues of Rs 253 Cr compared to revenues of Rs 230 Cr in Q1 FY13, a growth of approx. 10%. The network and centre consolidation strategy continued to be implemented across the QH network. The Company also formally launched its new oncology centre in June, initiating a number of marketing programs and campaigns to increase public awareness.

- **RadLink-Asia, Singapore** recorded revenues of Rs 34 Cr, a growth of 10% over the corresponding previous Quarter and exhibited a robust operating performance. This was led in part by the radio-pharmaceuticals business vertical, which witnessed a significant improvement versus the corresponding previous quarter. The Company entered into a strategic collaboration with Nanyang Technological University to develop tracers for imaging cancer, neurodegenerative diseases, inflammation and immune response.
- **Fortis Colorectal Hospital, Singapore** the company's super speciality hospital for colorectal diseases recorded revenues of approx. Rs 9 Cr in the quarter. The hospital which was formally launched in late 2012 undertook a series of marketing campaigns to increase the awareness of colorectal diseases and was also successful in enlisting itself with reputed institutions as a panel hospital and screening facility.
- **Fortis Hoan My, Vietnam** registered revenues of Rs 72 Cr during the quarter, a growth of 20%. During the quarter, Fortis Healthcare Limited announced the divestiture of its entire equity stake in Fortis Hoan My Medical Corporation ("Hoan My") to Chandler Holdings Limited for USD 80 Mn. The transaction which is subject to regulatory approvals is expected to be completed shortly.

About Fortis Healthcare Limited

Fortis Healthcare Limited is an integrated healthcare delivery service provider in Asia. The healthcare verticals of the company span primary care, diagnostics, day care specialty and hospitals, with a healthcare network spanning 8 countries. Currently, the company operates its healthcare delivery network in India, Hong Kong, Singapore, Vietnam, Dubai, Mauritius, Sri Lanka, with 70 healthcare facilities (including projects under development), over 11,000 potential beds, over 600 primary care centres, over 240 diagnostic centers and over 20,000 employees together with approximately 2,000 people employed at our managed healthcare facilities.

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