Fortis Healthcare Limited
Tower-A, Unitech Business Park, Block-F,
South City 1, Sector – 41, Gurgaon,
Haryana – 122 001 (India)
Tel : 0124 492 1033
Fax : 0124 492 1041
Emergency : 105010
Email : secretarial@fortishealthcare.com
Website : www.fortishealthcare.com

FHL/SEC/STEX/RR/2018-19 **May 14, 2018**

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051
Scrip Symbol: FORTIS

BSE Limited
Corporate Services Department,
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001
Scrip Code:532843

Sub: Regulation 30 Update – TPG-Manipal's New Offer

Dear Sir(s),

This is in continuation to our letter Ref. No. FHL/SEC/STEX/RR/2018-19 dated April 25, 2018 and May 6, 2018 whereby, it was informed that the Board of Directors of Fortis Healthcare Limited ("**the Company**") has received Revised Offer from Manipal and TPG with a proposal to invest in the Company.

It is hereby informed that the Company today i.e. May 14, 2018, has received a New Offer, as attached herewith.

We will keep the stock exchanges updated/informed in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records please. We assure you of our full cooperation at all times.

You are kindly requested to take the same on record.

Thanking you,

Yours faithfully
For **Fortis Healthcare Limited**

RAHUL RANJAN
Digitally signed by RAHUL RANJAN
Date: 2018.05.14 18:38:32 +05'30'

Rahul Ranjan
Company Secretary
M. No. ACS 17035
Encl: a/a

ManipalHospitals
LIFE'S ON

May 14, 2018

To
The Board of Directors,
Fortis Healthcare Limited
3rd Floor, Tower A,
Unitech Business Park,
South City 1, Block F, Sector 41,
Gurgaon – 122001

Copy to:
Bhavdeep Singh, CEO, Fortis Healthcare Limited
Rahul Ranjan, Company Secretary, Fortis Healthcare Limited

Dear Directors,

Subject: Revised binding offer

Pursuant to the announcement by Fortis Healthcare Limited ("**FHL**") on May 10, 2018, we understand that the board of directors of FHL ("**FHL Board**") decided to recommend the offer from Hero Enterprise Investment Office-Burman Family Office to FHL's shareholders ("**FHL Shareholders**") for their approval, for an upfront equity infusion of INR 800 crores into FHL at a price of INR 167 per share or the price determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) ("**SEBI ICDR Regulations**"), whichever is higher, through preferential allotment and a further amount of INR 1000 crores through preferential issue of warrants (of which INR 250 crores will be invested upfront being an amount equivalent to 25% of the consideration of warrants) at a price of INR 176 per share or the price determined in accordance with the SEBI ICDR Regulations, whichever is higher ("**Hero and Burman Offer**").

We have been following the developments of the past few days after the announcement by FHL and have observed, through media reports, the negative reaction of the FHL Shareholders to the decision of the FHL Board to accept the Hero and Burman Offer. We also believe that, unlike our offer, the Hero and Burman Offer only partially solves the short term liquidity concerns of FHL and fails to deliver any long term benefits to FHL or solve the larger issues facing FHL, including in particular, FHL's payment obligation for the acquisition of the relevant Indian entities from RHT and the exit required to be provided by FHL to the private equity investors in SRL. In light of this, procuring the approval of 75% of the FHL Shareholders for the Hero and Burman Offer is likely to be very challenging for the FHL Board.

In light of the above and taking into account the larger interests of FHL and its stakeholders, we would like to further revise the financial proposal made in our binding offer to the FHL Board on May 6, 2018 (the "**New Offer**" and after such revisions, the "**Modified New Offer**") as follows:

(i) the Preferential Allotment shall be undertaken at a price per equity share of INR 180;

(ii) for purposes of the Merger, a value of INR 9,403 crores shall be attributed to FHL and a value of INR 6,070 crores shall be attributed to MHEPL (being the same value of MHEPL as had been originally determined by the independent valuers for purposes of the transactions contemplated under the definitive documents executed between us on March 27, 2018). A value of INR 9,403 crores for FHL shall translate into a per share value of INR 180 per equity share;

(iii) the Rights Issue shall be underwritten by all or any of us and/or our respective affiliates; and

Manipal Health Enterprises Pvt. Ltd. Bengaluru

(iv) if and when the Modified New Offer is accepted by the FHL Board, suitable definitive documents will be executed with FHL to give effect to the Modified New Offer. To clarify, the definitive documents shall be a significantly simplified version of the Implementation Agreement and Composite Scheme that were executed/approved between us on March 27, 2018 and will incorporate the changes suggested by us on May 6, 2018 in order to increase deal certainty and reflect the terms of the Modified New Offer.

Other than as set out above, all the other terms and conditions of the New Offer shall remain the same.

The Modified New Offer is not only financially beneficial for FHL and its stakeholders in the short term but also solves the larger issues facing FHL, including FHL's payment obligation for the acquisition of the relevant Indian entities from RHT and the exit required to be provided by FHL to the private equity investors in SRL. The Modified New Offer also uniquely combines the strengths of two leading healthcare services businesses in the country, being MHEPL and FHL, to create the largest healthcare services company and a highly synergistic platform that can potentially deliver an additional EBITDA of INR 200 crores per annum thereby delivering long term benefits and growth to all the stakeholders of FHL. The additional EBITDA from synergy benefits alone are potentially worth an additional INR 50 per equity share in present value terms to the FHL Shareholders. The Modified New Offer is, accordingly, significantly better than any other offer/bid that FHL has received to date, including the Hero and Burman Offer, and we request the FHL Board to reconsider its decision to refer the Hero and Burman Offer to the FHL Shareholders. Instead, we request the FHL Board to consider referring the Modified New Offer to the FHL Shareholders for their approval.

The Modified New Offer is binding in its entirety and shall remain valid for acceptance by the FHL Board within a period of 15 days from the date of this letter, i.e. by 11:59 p.m. (Indian Standard Time) on May 29, 2018 ("**Validity Period**"). FHL and/or the FHL Board must communicate in writing their acceptance of the Modified New Offer to us within the Validity Period. If FHL or the FHL Board fails to accept the Modified New Offer within the Validity Period, the Modified New Offer shall stand automatically (and without the need for further notice) revoked and terminated, unless we unilaterally or mutually agree to extend such Validity Period.

Please note that neither FHL nor the FHL Board shall be entitled to accept the Modified New Offer on a piece-meal basis and rejection/non-acceptance by FHL and/or the FHL Board of any part of the Modified New Offer shall be considered a rejection of the entire Modified New Offer (unless otherwise agreed by us).

All capitalized but undefined terms in this letter shall have the meaning ascribed to such terms in our letter dated May 6, 2018 to the FHL Board.

If you have any questions or need any clarifications, please feel free to contact Mr. Shyam Powar of Allegro Capital.

Thank you.

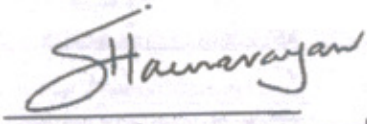


Yours sincerely,

Manipal Health Enterprises Private Limited
Authorized Signatory

Name:
Title: SAMEER AGARWAL
CFO

Manipal Global Health Services
Authorized Signatory



Name: HARINARAYAN SHARMA
Title: AUTHORISED SIGNATORY

TPG Asia VI SF Pte. Ltd.
Authorized Signatory

Name: MICHAEL LAGATTA
Title: VICE PRESIDENT

TPG Asia VII SF Pte. Ltd.
Authorized Signatory

Name: MICHAEL LAGATTA
Title: VICE PRESIDENT