



Apollo shows strong financial performance Rolls out “Centers of Excellence”.

**Consolidated Revenues up 22.4% at Rs. 7.2 billion
Consolidated Net profit up 30.3% at Rs 545 million**

**Successfully raises equity funds of Rs 3300 million through QIP
in July 2011.**

**Q1FY12 Standalone Revenues at Rs. 6,410 million, up by 22.5%
Standalone EBITDA at Rs. 1,059 million, up by 19.9%
Profit after Tax (PAT) up by 30.6% to Rs. 513 million**

- Strategy to focus on Centers of Excellence; Cardiology, Oncology, Neurosciences, Orthopedics, Emergency and Transplants, begins to show traction in performance in select locations.
- Standalone Pharmacies delivered strong growth with Revenues growing 36% to Rs. 1,898 million driven by strong volumes in Existing stores and momentum from new stores.
- Continued to focus on EBITDA expansion by driving buying efficiencies, operating leverage and closure of loss making stores.
- The Apollo Hospitals Brand was ranked among the top 10 business Superbrands in India by Superbrands, the independent authority and arbiter of branding.
- Raised Rs. 3300 million through QIP issue of 66,66,666 equity shares at Rs. 495 each comprising a premium of Rs. 490 per share (face value of Rs. 5 per share). These funds will be used primarily for expansion of the hospital network to strengthen and deepen its pan India presence.
- The Apollo Hospitals Group completes the milestone of 100 liver transplantations and 1,000 tissue transfer surgeries during the quarter.
- Enters into a preliminary Joint venture agreement with the Government of Tanzania in connection with the establishment of an advanced healthcare facility in Dar es Salaam.

Chennai, August 10, 2011: The Apollo Hospitals Group, one of the largest private healthcare services providers in India reported its consolidated results for the quarter ended June 30, 2011 according to Indian GAAP.

Financial Highlights

- **Standalone Q1FY12 Performance**

- o Revenues grew 22.5% to Rs. 6,410 million compared to Rs. 5,233 million in Q1FY11.
- o EBITDA grew 19.9% to Rs. 1,059 million as against Rs. 883 million in Q1FY11.
- o PAT was Rs. 513 million vs. Rs. 393 million in Q1FY11, a growth of 30.5%.
- o Diluted EPS of Rs. 3.88 per share in Q1FY12

- **Consolidated Q1FY12 Performance (Unaudited)**

- o Revenues grew 22.4% to Rs. 7,234 million compared to Rs. 5,910 million in Q1FY11.
- o EBITDA grew 21.4% to Rs. 1,197 million as against Rs. 986 million in Q1FY11.
- o PAT was Rs. 545 million in Q1FY12 vs. Rs. 418 million in Q1FY11.
- o Diluted EPS of Rs. 4.13 per share in Q1FY12

Chairman's Message

Commenting on the group's performance **Dr. Prathap C Reddy, Chairman** said, *"FY12 has started on a positive note with continued momentum in the business. This is visible from our growth of over 22% led by volume growth from mature hospitals and pharmacies as well as new facilities like Bhubaneswar which are displaying promising progress."*

"Our strategy to focus on key specializations through our "Centers of Excellence" initiative to provide best in class clinical and service outcomes, I believe will help us continue to deliver consistent and competitive growth and further underscore the fact that the Apollo Brand is synonymous with healthcare excellence in India. This has yet again been substantiated by SuperBrands who have ranked us among the most powerful business brands in India."

"We were also heartened by the response to our QIP issue. Investors have reposed their faith in our ability to balance social responsibilities and business returns. With a well-defined plan for expanding our network of hospitals through an integrated healthcare model, we are confident that we will be able to meet their expectations."

Attached: Details to the announcement

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About Apollo Hospitals Enterprise Ltd. (AHEL)

The Company was founded by Dr. Prathap C. Reddy in 1979 and became a public listed company on the BSE in 1983 and was listed on the NSE in 1996. The Company has continuously invested in bed capacity creation and has increased the bed capacity under its management from approximately 150 operational beds at the commencement of its hospital services business in 1983 to 8,617 operational beds in 53 hospitals located in India and overseas as of June 30, 2011. The company also operates 1,220 pharmacies and 62 primary clinics across India, as of June 30, 2011.

In addition, the company provides medical business process outsourcing services through one of its associates and health insurance services through one of its joint venture companies. To enhance our service to our customers and complement our business, we also provide the following services: telemedicine services, education and training programs and research services.

Disclaimer

Some of the statements in this document that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Further, this document may make references to reports and publications available in the public domain. Apollo Hospitals Enterprise Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.

Note: The Company on a quarterly basis adopts and publishes Standalone financial results as per the stock exchange listing agreement requirements. The consolidated financial results provided for the Quarter are unaudited and for information purposes only.

Details to the announcement

Key Achievements – 4 Pillars

At Apollo, corporate success is anchored by 4 key pillars **Clinical Excellence, Technological Excellence, Patient Care Excellence and Value Excellence**. Apollo Hospitals' believes in delivery of best patient care, employing best-in-class procedures and technologies with an eye on sustainable growth performance.

- Clinical Excellence: Apollo strives to maintain consistently higher rates of case success rates.
- Technological Excellence: Apollo relies on world-class, state-of-the-art equipment, devices and procedures to consistently deliver superior clinical outcomes.
- Patient Care Excellence: Apollo is driven by patient well-being.
- Value Excellence: Apollo balances performance goals with top-notch healthcare service delivery which is affordable to the masses.

Operating Highlights

- During the quarter, Apollo Hospital, Noida was awarded NABH Accreditation for a period of 3 years.
- In April 2011, the Apollo Hospitals Group completed 1,000 tissue transfer surgeries.
- In May 2011, the Apollo Centre for Liver disease and Transplantation crossed the milestone of 100 liver transplantations. This has been achieved over the last three years with a success rate of over 90 per cent.
- The Apollo Gleneagles Cancer Hospital completed 1,000 Renal Transplant cases.
- Apollo Hospitals, Chennai introduces an innovative healthcare delivery model - Apollo Day Surgery center, which is the first-of-its-kind in Chennai and a dedicated facility for minor surgeries requiring short-stay.
- Apollo Hospitals Enterprise Ltd entered into an MoU with the University College, London for collaboration in training and clinical research. Under the MoU both parties will promote and carry out educational and research initiatives in health sciences.
- Apollo Hospitals has signed a preliminary Joint venture agreement with the Government of Tanzania to set up a state-of-the-art 250 bed advanced healthcare facility in Dar-es-Salaam.

Segment-wise Performance Update

Hospitals

Revenues of the hospital division of Apollo hospitals Enterprise Limited (Standalone) (consisting of hospital services, hospital-based pharmacies and consulting) increased by 17.7% to Rs. 4,514 million in Q1FY12 compared to Rs. 3,836 million in Q1FY11.

Apollo's newer hospitals continued to display steady progress and improvement in operating parameters:

- Apollo Bhubaneswar reported Revenues of Rs. 106.9 million in Q1FY12 against Rs. 53.4 million in the same quarter last year. Average occupancy already at 70% on the back of continuous increase in patient admissions. EBITDA margins now at 3% and expected to improve further during the course of the year.
- Hyderabad cluster displayed strong growth on the back of new beds added over the last 15 months. Average occupancy at 560 beds (60% utilization) as compared to 482 beds (60% utilization) in Q1 FY11. Strong volume growth on focus COE's like Cardiology (30%), Neurosciences (26%) and Orthopedics. Apollo Hospital, Secunderabad reported Revenue of Rs. 71.40 million in Q1FY12 against Rs. 16.02 million in the same quarter last year.
- Apollo REACH Hospitals at Karimnagar and Karur also performed well with revenue growth of 16.7% and 60.1% respectively.

Standalone Pharmacies

Apollo Pharmacies continued to consolidate its pan-India presence as it added 21 stores in Q1FY12, taking its network to 1,220 operational stores by June 30, 2011. The like-for-like growth in revenues / store for the batch of stores opened prior to March 2007 was 16.5% in Q1FY12.

The steady improvement in operating metrics was demonstrated by the batch of mature stores (pre March 2007) as it reported an EBITDA margin of 5.14% in Q1FY12. This represents an increase of 52 basis points over the EBITDA margin of 4.62% in Q1FY11.

Overall Revenue Growth for all standalone pharmacies was strong as it expanded by 35.9% from Rs. 1,397 million in Q1FY11 to Rs. 1,898 million in Q1FY12. Further, the business continued to report improved profitability with EBITDA of Rs. 23 million in Q1FY12 compared to an EBITDA loss of Rs.28 million in Q1FY11. The company will look to consolidate its performance and continue to enhance its pan India presence over the ensuing financial year.

Subsidiaries & JVs

Apollo Munich Health Insurance Company Limited

The Company achieved a Gross Written Premium of INR 718 mio against INR 421 mio achieved during the same quarter in the previous year representing a growth of 71%. The Company disbursed INR 333 mio towards claims during Q1 2011-12 compared to INR 185 mio paid during the corresponding period in the previous year. The incurred claim ratio improved to 59% (Q1 2011-12) from 66% (Q1 2010-11) due to prudent underwriting and improved pricing. The Company has opened 7 new offices during the first quarter of the current financial year. The assets under management stood at INR 3,080 mio as on June 30, 2011. The loss for Q1 2011-12 was lower by INR 86 mio in comparison to Q1 2010-11.

Apollo Health Street

For Q1FY12, AHS reported revenues of Rs. 1,220 million, an increase of 12.6% compared to revenues of Rs. 1,084 million in Q1FY11.

During the quarter, Apollo Health Street announced a new agreement with The Reading Hospital and Medical Center, Pennsylvania, USA. The partnership includes the management of all billing and accounts receivable for the hospital's small balance accounts.

AHS also augmented its sales team with the addition of four sales professionals to the company's provider and health plan solutions sales teams, which reflects the company's growing client list and increased customer retention.

Accreditations & Awards

Superbrands, the independent authority and arbiter of branding, has included Apollo Hospitals among India's top 10 business Superbrands of 2011. Hundreds of leading Indian brands were evaluated first by a very knowledgeable group of brand-savvy citizens and then by the Superbrands Council which comprised some of the country's most outstanding marketing minds. Only brands that achieved a very high level of recognition were invited to participate in the Business Superbrands book.

A Certificate for Significant Achievement in financial performance in the year 2010 – 2011 was conferred upon Apollo Hospitals Kolkata by Indian Chamber of Commerce (ICC), Kolkata.