

PRESS RELEASE

**FORTIS CONSOLIDATED FY13 REVENUES AT RS 6052 CR, UP 103%,
FY13 PAT AT RS 500 CR, UP FROM RS 72 CR in FY12
OPERATING EBITDAC* AT RS 812 CR, UP 103%
Q4 REVENUES AT RS 1610 CR, UP 26%, Q4 EBITDAC AT RS 187 CR
TAKES MULTIPLE STEPS TO SIGNIFICANTLY STRENGTHEN BALANCE SHEET**

Gurgaon, Haryana, May 30, 2013: Fortis Healthcare Ltd. (Fortis), amongst the fastest growing integrated healthcare delivery companies in Asia, today, announced its consolidated results for the quarter and year ended March 31, 2013 (Q4FY13 and FY13).

Key Financial Highlights for the year (FY13)

- Consolidated Global Revenues at Rs 6,052 Cr, up 103%
- Consolidated Operating EBITDAC at Rs 812 Cr, up 103% and representing a margin of 13.4%
- Consolidated Operating EBITDAC margin excluding start up and one off expenses stood at 14.4%
- Consolidated Global PAT at Rs 500 Cr compared to Rs 72 Cr in FY12. This includes a one-time gain arising from the business trust transaction.
- India hospital business revenues at Rs 2,293 Cr in FY13 up 20% from FY12. Operating EBITDAC in FY13 at Rs 327 Cr representing a margin of 14.3% against a margin of 14.6% in FY12. Operationalised approx. 600 beds in FY13. Launched 3 hospitals during the year viz. Gurgaon, Kangra and Dehradun.
- The India diagnostics business exhibited a stronger operating performance with FY13 revenues at Rs 579 Cr, up 33%. The operating EBITDA was at Rs 80 Cr, representing an EBITDA margin of 13.9% (vs 9.7% in FY12).
- The Company's international operations in FY13 stood at Rs 3,180 Cr and contributed 52% to the global consolidated revenues. Operating EBITDA margins stood at 12.7%. The Company commissioned its state-of-the-art single speciality, Fortis Colorectal Hospital, in Singapore, during the year. Operating EBITDAC margin excluding start up and one off expenses stood at 14.1%

*EBITDAC refers to EBITDA before net business trust costs

Key Financial Highlights for the quarter (Q4FY13)

- Consolidated Revenues in Q4 were at Rs 1,610 Cr, up 26%.
- Consolidated Operating EBITDAC was at Rs 187 Cr, and represented a margin of 11.6%
- Consolidated Global PAT was at a negative (Rs 116 Cr) versus Rs 42 Cr in Q4FY12.
- The India hospital business posted a 17% revenue growth to touch Rs 605 Cr and recorded an Operating EBITDAC margin before net business trust cost of 13.1%. This compares to an Operating EBITDA margin of 14% in the corresponding previous quarter. Excluding the start-up costs of new facilities, primarily FMRI Gurgaon and one off expenses, operating EBITDAC margins stood at 15.8% in the quarter compared to 15.4% in the trailing quarter.
- The India diagnostics business posted a healthy operating performance with net revenues at Rs 155 Cr, a growth of 26%. EBITDA margins in the quarter for the diagnostics business were at 15% compared to 7% in the corresponding previous quarter and 10.3% in the trailing quarter.
- The International business contributed approximately 53% to consolidated revenues and stood at Rs 850 Cr, up 34% from Q4FY12. This also compares favourably with the Rs 819 Cr reported in Q3FY13. Operating EBITDA margin for the International business stood at 10% in the quarter. Excluding the start-up costs of the new the Fortis Colorectal Hospital in Singapore and one-time transaction expenses, operating EBITDA margins stood at 11.7% in the quarter compared to 14.4% in the trailing quarter.

Commenting on the results, Mr Vishal Bali, Group CEO, Fortis Healthcare Ltd, said, "Our focus in FY13 was targeted towards a twin objective of strengthening our balance sheet position while improving the operating performance of the company. Over the last 2 quarters we have achieved a significant improvement in the debt equity position of the company which will stand at 0.6x post the closure of the DC transaction by month end. All our businesses have shown significant growth on an annualised basis; we are taking multiple steps to consolidate the operating performance of the company with our Indian operations poised to contribute over 70% of our global business during FY14."

In May, 2013, the Company formally inaugurated its flagship facility, The Fortis Memorial Research Institute (FMRI), located in Gurgaon. The facility brings the next generation of super-specialisation in Oncology, Trauma and Paediatric care with embedded centres of excellence at the hospital in Neurosciences, Minimal Access Surgery, Cardiac Sciences and Orthopaedics. With a potential capacity for 1,000 beds (450 beds in Phase I), FMRI aims to explore new frontiers in healthcare using a multi-disciplinary approach to clinical diagnosis, interventions and treatment outcomes.

*EBITDAC refers to EBITDA before net business trust costs

Strategic Measures by Fortis during the year to deleverage its balance sheet

During the year, several measures were taken to progressively unwind the debt position of the company. These are listed below.

- The Company received an investment of Rs 370 Cr in its diagnostics business (SRL) from International Finance Corporation (IFC) and NYLIM Jacob Ballas India Fund (NJBIF) in the form of Compulsorily Convertible Preference Shares (CCPS).
- In line with its intent to pursue an asset light strategy the Company successfully listed the Religare Health Trust (RHT) on the Singapore stock exchange raising gross proceeds of approximately Rs 2,200 Cr. The proceeds received have been mainly utilised for deleveraging. The Company as a sponsor holds ~ 28% stake in the RHT.
- The Company had announced the sale of its entire stake in Dental Corporation, in December 2012 to BUPA. In May 2013, The Supreme Court of Victoria approved the scheme of arrangement for Bupa Australia Health Pte Ltd. to complete its full acquisition of Dental Corporation. The Company will receive an aggregate sale consideration of AUD 270 million. The proceeds which shall be utilised for debt reduction will further strengthen the Company's Balance Sheet and is expected to bring its net debt to equity ratio closer to the targeted 0.6x. (Note - With the proposed divestiture of Dental Corporation, the future international revenue contribution to consolidated revenues is expected to come down to approx. 30%.)
- In May 2013, the Company successfully completed the Institutional Placement Program in order to adhere to the SEBI guidelines to meet the minimum public shareholding requirement. The issue comprised an offer for 34.99 mn equity shares and was subscribed 3.5x at the upper end of the price band, enabling the Company to raise Rs 322 Cr from various large Indian and foreign institutional investors.

India Business Highlights

India Hospital Business

- The India Hospital Business as of end FY 13 comprised ~4,100 operational beds. FY 14 will see an additional 1,000 beds primarily comprising of the already launched FMRI facility in Gurgaon (Phase I), a hospital each in Ludhiana and Chennai and some expansion in existing facilities.
- Post the launch of the above mentioned facilities, future bed expansion plans of the Company would be based on its asset light strategy.
- In FY13, the top 10 hospitals contributed approx. 80% to the hospital business revenue, similar to the corresponding previous period. Most hospitals including the larger ones such as Mohali, 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 witness robust momentum with the ARPOB for the year at Rs 1.04 Cr a growth of 12%, versus FY 12. Occupancy stood at 74% while ALOS was at 3.8 days, both showing steady improvement compared to the previous year (72% occupancy and 4.0 days ALOS).
- For the financial year 2012-13, the hospital business consolidated its super speciality position and grew all its core specialities. The revenue from Cardiac sciences (which represents 35% of the India Business revenue) grew by 16% over the corresponding quarter. Similarly, revenue from Orthopaedics, Neuro sciences, Renal sciences, Pulmonology, Gynaecology and Gastroenterology grew by 21%, 15%, 31%, 56%, 26% and 41% respectively.
- The Company's diagnostics business witnessed a significant improvement in its operational performance. "SRL Diagnostics" (SRL) recorded operating EBITDA margins of 13.9% in FY13 compared to 9.7% in FY12. The two major business verticals of Pathology and Radiology contributed 83% and 17%. The business undertook a total of over 10 million accessions for Pathology and Radiology during the year, a 16% growth over the corresponding previous period.
- SRL further expanded its presence in the country taking its total network to over 1290 collection centres, 12 reference laboratories and 230 network laboratories. It also expanded its service offerings by adding approx. 46 new tests in FY13 taking the total number of tests offered to over 3,600.

International Business Highlights

The proposed divestment of Dental Corporation, the Company's business in Australia, New Zealand and Canada is expected to be completed by May 31, 2013. On a pro-forma basis excluding the Dental Corporation business, the other International businesses contribute approx. 30% to total revenues of the Company.

The Company continues to evaluate its international business portfolio and to ensure that all efforts are made to cross leverage its current verticals within the region to optimise their value.

Key Entity Performance

- **Quality Healthcare (QH), Hong Kong** recorded revenues of Rs 954 Cr compared to proforma revenues of Rs 755 Cr in FY12, a growth of 26%. For the quarter, QH recorded revenues of 247 Cr, up 16% over the corresponding previous quarter. The Company successfully implemented its speciality centre strategy and network management plan including Radiology. There was a focus on adding specialties, and there was a launch of a gastro intestinal centre with an endoscopy suite during the year.
- **RadLink-Asia, Singapore** recorded revenues of Rs 121 Cr versus revenues of Rs 108 Cr in FY12, a growth of 12%. For the quarter, revenues stood at Rs 31 Cr compared to Rs 29 Cr in the corresponding previous quarter. During the year, the Company received outsourcing work from new clients that included large public and private sector medical

institutions. RadLink also received an approval from the Health Sciences Authority to supply specific radiopharmaceuticals to hospitals and healthcare establishments.

- **Fortis Colorectal Hospital, Singapore** the company's super speciality hospital for colorectal diseases recorded revenues of approx. Rs 10 Cr in the quarter. The hospital which was formally launched in late '12 saw revenues at Rs 23 Cr for FY13.
- **Fortis Hoan My, Vietnam** registered revenues of Rs 250 Cr during the year, a robust growth of 58% and for the quarter revenues stood at Rs 58 Cr, +34%. The company tied up with a number of insurance companies to offer its services to their customers. During the year the Fortis Operating System (FOS) was implemented across all Fortis Hoan My facilities in order to standardize operational processing and various reporting metrics. The existing hospital facility in Cuu Long witnessed a capacity addition of 200 beds taking the total number of beds across all Fortis Hoan My facilities to approx. 1000.
- **Dental Corporation, Australia** recorded net revenues of Rs 1,809 Cr for the year and Rs 500 Cr for the quarter, a growth of 35% and 39% respectively over the corresponding previous periods. As of 31st March 2013, Dental Corporation had a total of 186 practices with 536 principal and associated dentists.

(The International Businesses were consolidated from Q4 FY12 onwards. All numbers related to FY 12 are on MIS based proforma financials)

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 speciality and hospitals, with a healthcare network spanning 12 countries. Currently, the company operates its healthcare delivery network in India, Hong Kong, Singapore, Vietnam, Dubai, Mauritius, Sri Lanka, Australia, New Zealand with 70 healthcare facilities (including projects under development), over 11,000 potential beds, over 600 primary care centres, over 190 day care speciality centres, over 240 diagnostic centers and over 22,500 employees together with approximately 2,000 people employed at our managed healthcare facilities.

DISCLAIMER

This press release may contain forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events, or otherwise. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Company may alter, modify or otherwise change in any manner the content of this press release, without obligation to notify any person of such revision or changes.

For further details please contact:

Raghu Kochar / Nibha Bhandari Vyas
Fortis Healthcare Ltd
9811617256 / 98110 65557

Anurag Kalra / Gaurav Chugh
Fortis Healthcare Ltd
9810109253 / 9958588900