PRESS RELEASE

FORTIS CONSOLIDATED PAT AT RS 32 CR

CONSOLIDATED REVENUES FOR THE QUARTER AT RS 1281 CR

INDIA REVENUES GROW 22% TO RS 879 CR; OPERATING MARGIN AT 14.6%

Gurgaon, Haryana, November 12, 2013: Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery company today, announced its consolidated results for the quarter ended September 30, 2013 (Q2 FY14).

India Business - Key Financial Highlights for the quarter (Q2 FY14)

(All comparisons with Q2 FY13, unless stated otherwise)

- Consolidated India Business Revenues at Rs 879 Cr, up 22%.
- India Hospital business shows robust revenue growth at Rs 708 cr, up 24%. Diagnostic business revenue at Rs 171 Cr, up 14%.
- Consolidated India Business operating EBITDAC (EBITDA before net business trust costs) at Rs 128 Cr, a growth of 20%. Margin at 14.6% (excluding start up, Margin at 15.7%). Margins jump from 11.8% in Q1 FY14 to 14.6% in Q2 FY14.
- Operating EBITDAC margin for the hospital business at 13.2%. Margin jumps 2.6% over Q1 FY 14. (Excluding start-ups, operating EBITDAC margins improve to 14.5%, up from 14 % in Q1 FY14).
- The Company's flagship hospital, the Fortis Memorial Research Institute, witnesses strong ramp up and reaches EBITDAC breakeven for the quarter.
- India Diagnostics business revenues grow to Rs 171 Cr, up 14%.
- Operating EBITDAC Margin for the diagnostics business at 20.1% touches its highest ever number for the quarter. Margins up from 16.1% in the corresponding previous quarter and 16.5% in the trailing quarter.

Reported Group Financial Highlights for the quarter (Q2 FY14)

The reported results for Q2 FY14 are not comparable as they (1) Exclude the financials of Dental Corporation, Australia [divested in May 2013] as against the full quarter in Q2 FY13 and (2) Include the financials of Fortis Hoan My, Vietnam [divested in August 2013] for a period of 2 months, as against the full quarter in Q2 FY 13.

- Consolidated Group Revenues at Rs 1,281 Cr versus Rs 1,493 Cr for the corresponding quarter.

- Operating Group EBITDAC at Rs 167 Cr, representing a margin of 13.1% as against 14.1% for Q2 FY13.

- Consolidated PAT turns positive at Rs 32 Cr against a negative Rs (28) Cr in the corresponding quarter and a negative Rs (221) Cr in Q1 FY14.

Commenting on the results, Vishal Bali, Group CEO, Fortis Healthcare Ltd, said, "Our results for the quarter strongly reflect the focus of the company on the India business. The operating performance of the company continues to show margin improvement alongside the deleveraging of the balance sheet, which has been achieved simultaneously. We will pursue both greenfield and brownfield capacity expansion to continue our growth trajectory and market leadership in India."

The Company during the quarter completed its strategic divestiture of Fortis Hoan My, its business in Vietnam. The deal was completed in August for a value of USD 80 Mn. The Company also divested its entire stake in Quality Healthcare, its primary care business in Hong Kong, to BUPA, for a consideration of USD 355 Mn. The deal was completed in October 2013. With this, the India business is expected to contribute close to 95% of the Company's overall revenues going forward.

The proceeds from the divestitures and the fund raising activities are being primarily utilised to reduce debt and strengthen the Balance Sheet. These will also enable the Company to fund its growth and expansion plans for the foreseeable future.

The net debt of the Company as on 30th September 2013 was at Rs 2,963 Cr, down from Rs 5,771 Cr as on 31st March 2013, reflecting a reduction of approximately Rs 2,800 Cr. The Net debt to equity ratio stood at 0.6x down from 1.1x as on 31st March 2013. With the proceeds from the divestiture of Quality Healthcare received in October 2013, the net debt is expected to further reduce from current levels towards a targeted net debt to equity ratio of ~ 0.3x.

India Business Highlights

HOSPITALS

- Following the launch of our flagship, the Fortis Memorial Research Institute (FMRI), in May 2013, the facility continues to ramp up well and has recorded revenues of Rs 60 Cr in the quarter. FMRI has in a short period of 4 months since launch become the third largest revenue contributor for the Company and has achieved EBITDAC breakeven for the quarter.

- In Q2FY14, the top 10 hospitals of the Company contributed approx. 77% to the hospital business revenue. Most hospitals, including the larger ones at Mulund, Noida, Shalimar Bagh, Jaipur, Anandpur, Vashi and Faridabad, among others, continued to show good growth momentum, both in revenues and operating margins.

- Key operating metrics for the hospital business witnessed a steady upward momentum with the ARPOB for the quarter at Rs 1.08 Cr a growth of 8% over the corresponding quarter. Occupancy stood at 79% versus 78% in the corresponding previous quarter, while ALOS was at 3.9 days for the quarter, similar to that in Q2 FY13.

- Cardiac, Orthopaedics, Neuro sciences, Renal sciences, Pulmonology, Gynaecology and Oncology grew by 12%, 25%, 52%, 41%, 52%, 35% and 47% respectively. The Company witnessed a healthy growth in the volume of procedures in the Neurology, Orthopaedics, Oncology and Renal Sciences medical specialties.

- International patient revenues also witnessed a significant increase for the quarter reaching Rs 62 Cr, representing approximately 9% of the overall hospital business revenues and recording a growth of 83%.

- The company expects to commence operations in two Greenfield facilities in Ludhiana and Chennai, in H2FY14. These facilities will add close to 400 beds to the Fortis Network and along with FMRI and further additions in existing facilities, this would take the total number of bed additions to ~1,000 beds in FY14.

DIAGNOSTICS (SRL)

- The Company's diagnostics business (SRL) recorded a robust operating performance. The business registered its highest ever quarterly operating margin at 20.1%. This compares to a margin of 16.1% in the corresponding previous quarter and 16.5% in Q1 FY14.

- SRL further strengthened its distribution and marketing network by adding 8 new laboratories, 58 collection centres, 406 direct clients and 17 co-marketing clients during the quarter. It expanded its service offerings by adding 5 new tests. SRL has today achieved significant scale and size with over 30 million tests performed on an annualized basis. Presently, the SRL network spans approximately 240 laboratories and over 1,300 collection centers.

- In order to further strengthen its presence in North India, SRL has signed an MOU with the Government of Himachal Pradesh, wherein, it will set up and manage pathology labs in a number of state run hospitals.

- SRL has signed an exclusive association agreement with Lanka Hospitals, a Govt of Sri Lanka enterprise, to provide technical knowhow and management for setting up new laboratories across Sri Lanka.

International Business Highlights

- The Company's international operation revenues were at Rs 402 Cr contributing 31% to the consolidated revenues. Operating margin stood at 9.8%. However, excluding start-up expenses of the Fortis Colorectal Hospital, operating margins were at 12.9%.

- The Company's international businesses comprising largely of Quality Healthcare in Hong Kong and Fortis Hoan My, the hospital business in Vietnam, recorded revenues of Rs 282 Cr and Rs 59 Cr for the quarter. Both these have been divested in October and August 2013 respectively.

- RadLink Asia, the Company's radiology and imaging business in Singapore recorded revenues of Rs 37 Cr, a robust growth of 23% over the corresponding quarter with a strong operating performance. It recorded a healthy EBITDA margin of 26%.

- Fortis Colorectal Hospital, Singapore recorded revenues of Rs 11 Cr, a growth of ~ 100% over the corresponding previous quarter.

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 speciality facilities. Currently, the company operates its healthcare delivery services in India, Singapore, Dubai, Mauritius and Sri Lanka with 65 healthcare facilities (including projects under development), over 10,000 potential beds, over 240 diagnostic centres and a team strength of more than 17,000 people.

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