

PRESS RELEASE

FORTIS INDIA OPERATIONS REPORTS ROBUST QUARTER; POSITIVE PAT

**CONSOLIDATED INDIA REVENUES AT RS 1,102 CRS, UP 9%
EBITDAC AT RS 182 CRS, 16.5% MARGIN**

**BOARD PROVIDES AN IN-PRINCIPLE APPROVAL TO DEMERGE THE DIAGNOSTICS
BUSINESS; TO MEET ON AUGUST 19, 2016 FOR FINAL APPROVAL**

- **STRONG OPERATIONAL PERFORMANCE FROM THE HOSPITAL BUSINESS**
- **HOSPITAL BUSINESS REVENUES AT RS 910 CRS, UP 9%.**
- **HIGHEST EVER Q1 EBITDAC AT RS 139 CRS, 15.3% margin (14.4% in Q1 FY16)**
- **DIAGNOSTIC BUSINESS REVENUES AT RS 192 CRS, UP 7%, EBITDA AT RS 43 CRS, 22.4% MARGIN**

Gurgaon, August 4, 2016: Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery Company, today, announced its consolidated results for the quarter ended June 30, 2016 (Q1FY17).

The Board of Directors at its meeting held today, provided an in-principle approval to demerge the company's diagnostic business which includes operations of SRL Limited. The Board has formed a Restructuring Committee to detail the nuances of the demerger structure, including valuation, share entitlement ratio and other incidental matters and to present the same before the Board on August 19, 2016 for final approval.

India Business - Key Financial Highlights for the quarter (Q1FY17)

- Consolidated India Business Revenues at Rs 1,102 Cr, up 9%.
- Consolidated Operating EBITDAC for the India Business (EBITDA before net business trust costs) was at Rs 182 Cr, representing a margin of 16.5% versus 16.1% in the corresponding previous period.
- Consolidated Operating EBITDA for the India Business was at Rs 65 Cr, up 36%, representing a margin of 5.9% versus a margin of 4.7% in the corresponding previous period.
- PAT after minority interests and share in associates witnessed a significant improvement to Rs 15.1 Cr versus Rs (4.0) Cr in Q1FY16.

- Q1FY17 revenues for the India hospital business were at Rs 910 Cr, up 9% as compared to Q1FY16. Operating EBITDAC was at Rs 139 Cr, witnessing the highest ever EBITDAC for Q1 in a fiscal. The EBITDAC for the India hospital business represents a margin of 15.3%, up from 14.4% in Q1FY16. The EBITDA of the India hospital business has also witnessed a significant improvement, rising more than 4x as compared to the corresponding previous quarter.
- Key operational parameters in the Company's hospital business continued to see a healthy uptrend. The ARPOB (Average Revenue per Occupied Bed) grew to Rs 1.47 Cr compared to Rs 1.40 Cr in the corresponding previous quarter. ALOS (Average length of stay) was at 3.52 days versus 3.53 days while occupancy improved to 74% versus 70% in the corresponding previous quarter.
- FMRI, the Company's flagship facility recorded revenues of Rs 117 Cr in the quarter, a healthy growth of 21%. The facility continues to be the highest ARPOB generating hospital in the Company's network of multi-specialty hospitals with an ARPOB of Rs 2.72 Cr, an increase of 12% over the corresponding previous quarter. Revenue at Fortis Ludhiana, the other new facility, continued to ramp up. It recorded a revenue of Rs 27 Cr, an increase of 64% over the corresponding previous period.
- The India diagnostics business recorded revenues (net of inter company elimination) of Rs 192 Cr, up 7%. The operating EBITDA was at Rs 43 Cr, representing an EBITDA margin of 22.4% against 23.9% in Q1 FY16.

*EBITDAC refers to EBITDA before net business trust costs

Reported Group Financial Highlights for Q1FY17

The reported results for the quarter are not comparable with the corresponding previous period due to progressive divestments of the Company's international businesses.

- Consolidated Group Revenues for Q1FY17 were at Rs 1,121 Cr versus Rs 1,034 Cr for the previous quarter. Consolidated PAT after Minority Interest and share in associates (PATMI) for Q1FY17 was at Rs 16 Cr versus Rs 93 Cr in Q1FY16. The PATMI for the previous corresponding period includes a net exceptional gain of Rs 87 Cr as a result of the divestment of the international businesses in Singapore.

Commenting on the results, Mr Bhavdeep Singh, CEO, Fortis Healthcare Ltd, said, “At Fortis, our driving force and inspiration continues to be the vision of creating a world-class integrated healthcare delivery system combining the finest medical skills with patient-centric care and services. Driven by the values of Patient Centricity, Integrity, Innovation, Teamwork and Ownership, we are on the right track with hospital business up 9% and the highest ever Q1 EBITDAC at Rs 139 Cr. In the coming quarters, we will drive further substantive gains as we further accelerate our efforts across all focus areas.”

The Company continued to maintain a healthy net debt to equity ratio at 0.18 times versus 0.13 times at the end of June 2015 and 0.16 times on March 31, 2016. Its net debt stood at Rs 873 Cr as of the quarter ended June 30, 2016.

Key Highlights Q1FY17 - Hospital Business

- During the quarter, the top 10 facilities contributed approx. 77% of the hospital business revenue. Most facilities, including the larger ones at FMRI, Shalimar Bagh, Noida, Anandapur, Mulund, and Ludhiana continued to exhibit growth momentum both in terms of revenues and operating margins.
- The contribution of International sales to the overall revenue of the Hospital business stood at 11 % (Rs 101 Cr), a robust growth of 21% over the the corresponding previous quarter.
- In order to further strengthen its clinical programs and have the best available talent for treating its patients, the Company during the quarter witnessed the joining of a number of senior consultants in the urology, nephrology and orthopaedics specialties. These eminent doctors would bring on board their immense knowledge and vast experience thus providing a sharper focus on enhancing patient care and clinical outcomes.
- The Company introduced and expanded its clinical programs and service offerings in several facilities in its network. These included:
 - Fortis La Femme, in collaboration with the Breat Milk Foundation launched the first pasteurized human milk bank “Amaara“ in Delhi – NCR.
 - Fortis Escorts Hospital, Amritsar opened a multi-super specialty OPD center in Srinagar.
 - Fortis Escorts Jaipur witnessed the launch of the state of the art neuro navigation and neuro intervention technologies, further strengthening its neurology offerings.
 - Fortis Anandapur Kolkata launched the Heart Failure Clinic & Advanced Therapy Program in association with Fortis Malar, Chennai.
 - Fortis Malar Chennai launched a comprehensive colorectal clinic.

Key Highlights Q1FY17 - Diagnostics Business

- The lab medicine i.e. the pathology business contributed 85% to total revenues and grew 10% over the previous corresponding quarter. The contribution of the imaging business to total revenues declined to 7% from 10% in the corresponding previous period, mainly due to network rationalization. Clinical Trials, Wellness and the International segment contributed 7.5% to the overall revenues of the Diagnostics business.
- SRL performed over 3.78 million accessions during the quarter, a 6% growth over previous quarter. Through these accessions it undertook 8.6 million tests as compared to 8 million tests in Q1FY16.
- The business opened 20 new laboratories and exited 6. It added over 247 collection points and exited 101 while launching 7 new tests in the quarter. As of June 30, 2016, SRL had a network of 325 labs and approx. 7300 collection points.

Fortis dedicates 'Wall of Tribute' to salute organ donors

In a first-of-its-kind effort, Fortis has decided to keep alive the memory of organ donors and honour their families. The 'Wall of Tribute' being placed across various hospitals is part of Fortis Healthcare's national organ donation drive, '#MoreToGive'. The initiative salutes the families who had the courage to rise above their intense moments of grief and display tremendous magnanimity by donating the organs of their loved ones, saving many critical patients.

Awards & Accolades – Q1FY17

- Fortis Healthcare was adjudged "Hospital of the Year in India" and "Digital Savvy Hospital of the Year" at the 2016 APAC Healthcare and Medical Tourism Awards.
- Fortis Hospital, Anandapur, Kolkata; Fortis Hospital, BG Road, Bengaluru and Fortis Hospital, Mohali, received the coveted NABH Nursing Excellence Certification.
- Fortis Escorts Heart Institute, New Delhi; Fortis Hospital, Noida, and Fortis Hospital, Shalimar Bagh, received the "Green OT" certificate.
- Fortis Escorts Hospital, Jaipur, was applauded for its 'Excellence in Patient Care in the State of Rajasthan' at the 6th MT India Healthcare Awards.
- Fortis Hiranandani Hospital, Vashi, won four prestigious Golden Globe Tiger awards for the Best Quality Initiative in Healthcare, the Best Patient Safety Initiative in Healthcare, the Best Hospital in Paediatrics and Gynaecology, and the Best Green Hospital award.
- The Journal of the American Medical Association (JAMA), a publication respected by medical practitioners all over the world, published an original research conducted by Prof Upendra Kaul, Dean & Executive Director, Cardiology and Academics & Research Department, Fortis Escorts Heart Institute and Fortis Ft. Lt. Rajan Dhall Hospital, and his team. The study established that

Insulin requiring Diabetics do worse after Percutaneous Coronary Intervention (PCI) as compared to those who did not receive Insulin.

Some Cases of Clinical Excellence at Fortis – Q1FY17

- The Fortis Centre for Heart Failure & Transplant at Fortis Malar, Chennai, under the leadership of Dr K. R. Balakrishnan, Director, Cardiac Sciences and Dr Suresh Rao K. G., Head Cardiac Anaesthesia and Critical Care, created history by conducting the 100th successful heart transplant. The centre is one of the fastest in the country to have achieved the landmark. Meanwhile, Fortis Hospital, Mulund, conducted its 23rd heart transplant and Fortis Escorts Heart Institute, New Delhi, conducted its fourth.
- Extra Corporeal Cardiopulmonary Resuscitation (ECPR) was used to revive a 38-year-old man nearly 45 minutes after his heart had stopped beating, at Fortis Malar Hospital, Chennai.
- A 27-year-old Iraqi woman was treated at Fortis Memorial Research Institute (FMRI), Gurgaon, for a rare genetic condition that caused the duplication of several internal organs.
- A Coronary Artery Bypass Graft (CABG) surgery using total arterial grafts was performed on a 10-year-old boy suffering from a rare genetic disorder, Homozygous Familial Hypercholesterolemia (HoFH) at the Fortis Escorts Heart Institute (FEHI), New Delhi.
- A 7-year-old girl from Aligarh whose left hand was severed by a fodder cutting machine underwent a challenging and complex hand surgery at Fortis Hospital, Noida.
- An extremely complicated heart valve replacement surgery was performed on a 33-year-old patient from Nigeria at Fortis Hospital, Anandapur, Kolkata. Apart from a leaking heart valve, the patient suffered from sickle cell disease, a congenital blood disorder that made 89% of her red blood cells abnormal.
- An unusual case of ‘simultaneous occlusions’ or heart attacks in two different arteries of a 47-year-old fitness enthusiast and marathoner was treated at Fortis Hospital, Mulund, Mumbai.

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 specialty facilities. Currently, the company operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 45 healthcare facilities (including projects under development), approximately 10,000 potential beds and 325 diagnostic centres.

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:

Ajey Maharaj
Fortis Healthcare Ltd
9871798573

Anurag Kalra / Gaurav Chugh
Fortis Healthcare Ltd
9810109253 / 9958588900