

PRESS RELEASE

**FORTIS FY15 CONSOLIDATED INDIA REVENUES AT RS 3928 CRS VS RS 3448 CRS (YOY)
OPERATING EBITDAC GROWS 42% (YOY)**

**Q4 FY15 CONSOLIDATED INDIA REVENUES AT RS 1016 CRS VS RS 885 CRS (QOQ)
OPERATING EBITDAC GROWS 91% (QOQ)**

**Q4 FY15 HOSPITAL BUSINESS EBITDAC GROWS 117% (QOQ)
NET DEBT TO EQUITY AT A HEALTHY 0.25x**

Gurgaon, May 28, 2015: Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery Company, today, announced its consolidated results for the quarter and year ended March 31, 2015 (Q4FY15 and FY15).

India Business - Key Financial Highlights for the year (FY15)

- Consolidated India Business Revenues at Rs 3,928 Cr, up 14%.
- Consolidated India Business Operating EBITDAC (EBITDA before net business trust costs) at Rs 606 Cr, +42% and representing a 15.4% margin versus 12.4% in the previous year.
- India hospital business revenues at Rs 3,207 Cr, up 15% from FY14. Operating EBITDAC at Rs 459 Cr, a healthy growth of 48%. Operating EBITDAC represents a margin of 14.3%, up from 11.1% in FY14.
- The healthy performance in the India hospital business was a result of the all-round improvement in most of the Company's hospitals. Hospitals in the stable state group continued to show good performance. Select facilities such as FMRI (Fortis Memorial Research Institute) and FEHI (Fortis Escorts Heart Institute) witnessed significant traction during the year. The quality of the Company's revenue stream led by an improved product and payor mix also contributed positively to its performance.
- Key operational parameters in the Company's hospital business continued to see a healthy improvement. The ARPOB (Average Revenue per Occupied Bed) stood at Rs 1.26 Cr as compared to Rs 1.12 Cr in FY14, a growth of 13%. ALOS (Average length of stay) was at 3.64 days versus 3.80 days while Occupancy stood at 70% versus 73% in FY 14 respectively.
- FMRI, the Company's flagship facility which was commissioned in H1 FY14 continues to perform well. FMRI recorded revenues of Rs 350 Cr in FY15, a robust growth of 52% over the previous year. The flagship facility has become the highest ARPOB generating hospital in the Company's multi-specialty hospital network within a short span of time

with its ARPOB at Rs 2.14 Cr in FY15 (FY14: Rs 1.84 Cr). The facility has witnessed a consistent improvement in operating performance and reached EBITDAC breakeven within a record time of 5 months from the date of launch.

- The India diagnostics business recorded revenues (net of inter company elimination) of Rs 722 Cr, up 11%. The operating EBITDA was at Rs 147 Cr, up 26% and representing an EBITDA margin of 20.4% against 17.9% in FY14.

*EBITDAC refers to EBITDA before net business trust costs

India Business - Key Financial Highlights for the quarter (Q4FY15)

- Consolidated India Business Revenues at Rs 1,016 Cr, up 15%.
- Consolidated India Business Operating EBITDAC (EBITDA before net business trust costs) was at Rs 168 Cr, +91% and representing a 16.5% margin versus 9.9% in the corresponding previous quarter and 15.6% in the trailing quarter.
- India hospital business revenues at Rs 831 Cr, showed a growth of 15% over Q4FY14. Operating EBITDAC in the quarter stood at Rs 128 Cr, up significantly by 117% and representing a margin of 15.4% versus 8.2% in the corresponding previous quarter and 15.0% in the trailing quarter.
- Q4FY15 is the 4th successive quarter of margin improvement in the hospital business. Operating margins have expanded 720 bps from 8.2% in Q4FY14 to 15.4% in Q4FY15.
- ARPOB (Average Revenue per Occupied Bed) in the quarter stood at Rs 1.31 Cr as compared to Rs 1.17 Cr in Q4FY14, a growth of 12%. ALOS (Average length of stay) was at 3.66 days versus 3.79 days while Occupancy stood at 72% versus 69% in Q4 FY14 respectively.
- The India diagnostics business recorded net revenues at Rs 185 Cr, +13%. The operating EBITDA was at Rs 40 Cr, representing an EBITDA margin of 21.6% compared to 17.7% in Q4FY14.

Reported Group Financial Highlights for FY15 and Q4FY15

The reported results for FY15 are not comparable with the corresponding previous period due to progressive divestments of the Company's international businesses.

- Consolidated Group Revenues for FY15 were at Rs 4,140 Cr versus Rs 4,759 Cr for the previous year. Consolidated Group Revenues for Q4FY15 were at Rs 1,064 Cr versus Rs 941 Cr for the corresponding previous quarter.
- Consolidated PAT after Minority Interest and share in associates (PATMI) for FY15 was at Rs (144) Cr versus Rs 123 Cr in FY14. The gain recorded in FY 14 was primarily due to a one time exceptional gain arising as a result of the divestments of the Company's international assets .i.e. Quality Healthcare, Hong Kong and Hoan My, Vietnam.

Consolidated PAT after Minority Interest and share in associates (PATMI) for Q4FY15 was at Rs (18) Cr against Rs (77) Cr in Q4FY14 signifying an improvement in the Company's performance.

Commenting on the results, Mr Shivinder M Singh, Executive Vice Chairman, Fortis Healthcare Ltd, said, "With the improvement in margins for the fourth successive quarter and the overall enhancement in the operating and financial indices of our business, I believe we have set in motion a number of sustainable programs towards becoming PAT positive in the near future."

The Company divested the last of its international assets .i.e. The Fortis Surgical Hospital, Singapore and RadLink Asia, Singapore for a consideration of SGD 55 Mn and SGD 111 Mn respectively. Both these divestitures were consummated in April and May, 2015 respectively. With this the Company has successfully completed a series of divestments and used the proceeds to pare debt and further intensify its focus on the India market.

The net debt of the Company as on 31 March 2015 was at Rs 1,183 Crs, representing a net debt to equity of 0.25x times as compared to 0.17x times as on 31 March 2014. This is consistent with the Company's plans to continue to maintain a healthy balance sheet. The Company has also recently (May 21, 2015) redeemed USD 100 Mn bonds which it had issued in the year 2010. The redemption of the bonds was made from cash proceeds from the sale of the Singapore assets. This would further reduce the debt on the Company's balance sheet.

Strategic Direction

With the international divestments successfully completed, the Company strategy is firmly to enhance its focus on the India market. To this effect, the Company's emphasis would largely be on strengthening existing operations while utilizing its asset light growth strategy to expand organically and primarily through brownfield expansions. With its substantial scale and leadership position in the country, the Company expects that India, a high growth market will continue to perform well and will be the mainstay of the Company's operations for the foreseeable future.

Growth & Expansion Plans

The Company's plans for future growth are primarily based on bolt on and existing bed expansions. It has formulated an "Earn the Right to Grow Strategy" which encapsulates defined metrics for future bolt on expansion with a focus on expanding margins, adding high end medical programs and ensuring additional operational beds are margin accretive at the earliest. Such calibrated expansion would entail investment primarily by the Religare Health Trust in line with the Company's stated asset light growth strategy. The Company does not envisage any M&A in the near future and would steadfastly focus on growth and expansion by adding beds in its existing facilities across locations such as Mumbai, Amritsar, NCR, Kolkata, Jaipur, Bengaluru and Ludhiana.

Within H1FY16, two Greenfield hospitals are slated to be commissioned .i.e. Arcot Road, Chennai, a 200 bed multispecialty hospital and Sacred Heart, Bengaluru a 70 bed boutique Mother & Child facility. Both these facilities will consolidate and further strengthen the Company's presence in these key markets

Key Highlights - Hospital Business

- In FY15, the top 10 facilities contributed approx. 76% of the hospital business revenue. Most facilities, including the larger ones at Mohali, BG Road, Mulund, FMRI, Noida, Shalimar Bagh, Anandpur and Vashi, continued to show good growth momentum both in revenues and operating margins.
- A number of new medical programs and dedicated super specialty centers were commissioned in the Company's various facilities during FY 15.
 - Fortis Mohali witnessed the launch of the Fortis Cancer Institute, a 55 bed facility providing the latest available modalities in medical, surgical and radiation oncology.
 - FMRI commissioned an advanced GI physiology laboratory, becoming the only centre in North India to offer multiple new panel tests for the advanced diagnosis and treatment in Gastroenterology and Hepatobiliary sciences.
 - Fortis Malar launched India's first comprehensive centre for the management of end stage heart failure called the Fortis Centre for Heart Failure Management and Heart Transplant. It offers comprehensive heart disease management programmes that include preventive measures to avoid Heart Failure and is the largest in India.
 - The cardiac Transplant team at Fortis Malar has so far performed 45-ECMO, 41 heart-transplants, 10-VAD's and is credited with India's first successful implantation of Heartmate II LVAD and HVAD, a mechanical artificial heart pump and Inter-state heart transplant. The centre has also performed India's 1st inter-state heart transplant and the 1st pediatric heart transplant on an international patient.
 - FEHI launched a high-end, fully integrated Orthopaedics and Spine super-speciality centre, Fortis Escorts Bone & Spine Institute (FEBSI). FEBSI offers the entire spectrum of orthopaedic services, from diagnosis to treatment and rehabilitation.

Key Highlights - Diagnostics Business

- The business undertook a total of over 13.7 million accessions for Pathology and Radiology during the year, a 7% growth over FY14. SRL performed approximately 30.4 million tests in FY15 as compared to 28.7 million tests in FY14.
- Following a process of rationalization wherein it exited non-accretive laboratory practices, SRL opened 29 new laboratories while exiting 44 laboratories. It also expanded its reach by adding approximately 460 collection points and released a total of 35 new tests in FY15.
- As of 31 March 2015, SRL had 12 reference laboratories, over 250 network laboratories, over 6,400 collection points and a service portfolio of over 3,500 tests.

Board Appointments

The Board of the Company during the quarter also approved the appointment of Mr. Ravi Umesh Mehrotra as a Non-Independent Non-Executive Director and Ms. Shradha Suri Marwah as an Independent Director. Both these appointments will add considerable width and depth to the Board of Fortis Healthcare Limited, while bringing about greater gender diversity.

Mr Ravi Umesh Mehrotra has over 25 years of experience in Financial Services, globally. He is currently associated with the Religare Group and is a Director in Religare Enterprises Ltd, Religare Health Insurance Co Ltd and, Religare Capital Markets Ltd. Prior to this, Ravi was associated with PineBridge Investments (erstwhile AIG) where he was the Global Head of Retail & Intermediary Channels.

Ms Shradha Suri Marwah is part of the Suri Group. She has over 14 years of experience and is well known for her role in taking Subros Limited, a leading auto air-conditioning systems manufacturing company, to new heights. She is recognised for her abilities in Change management, Research & Development, Human Resources, Quality and IT systems that enable decision support in organisations.

Awards and Recognitions

- Fortis Healthcare Ltd was awarded the prestigious Golden Globe Tigers Award in the 'Best Patient Safety Initiative' category for successfully adopting and implementing the World Health Organization's Surgical Safety Checklist for patient safety and risk minimisation in the operating room.
- Fortis Hospital, Bannerghatta Road, was ranked 3rd amongst the Top 20 hospitals across the globe for medical tourists in the annual ranking published by the Medical Travel Quality Alliance (MTQUA). Fortis BG Road received this recognition for the fifth year in a row, reiterating its continued commitment to the Lakshya pillar of "Patient Care."
- The Critinext initiative of Fortis Escorts Heart Institute (FEHI) was awarded the prestigious Golden Globe Tigers Award in the 'Innovation in Quality of Service Delivery' category. Critinext was selected for its innovative e-ICU model that provides intensive care beyond boundaries.
- Fortis Hospital, Bannerghatta Road, Bengaluru, received the 'Award for Managing Health At Work' from The Employer Branding Institute, in association with the World HRD Congress. The hospital won the award for the innovative HR interventions aimed at holistically addressing issues related to the physical and emotional health of all employees.

Awards to our Senior Doctors for meritorious service

- Dr Ashok Seth, Chairman of the Fortis Escorts Heart Institute (FEHI), has been conferred with the Padma Bhushan, the prestigious National award and civilian honour for his contribution in the field of Cardiac Care by the Honourable President of India. Dr Ashok Seth's contribution to the growth of Cardiology especially Interventional Cardiology has been unparalleled. Dr Seth was honoured with the Padma Shri in 2003.
- Two Fortis luminaries — Dr K. R. Balakrishnan and Dr Suresh Rao K. G. — associated with the Fortis Centre for Heart Failure & Transplant, Fortis Malar Hospital, Chennai, were recognized by the Rotary International, Tamil Nadu, Chennai, for their contributions to the field of healthcare. While Dr K. R. Balakrishnan, Director - Cardiac Sciences, was honoured with the Lifetime Achievement award, Dr Suresh Rao K. G., HOD - Cardiac Critical Care and Cardiac Anaesthesia, received the Excellence Award.
- The Cardiological Society of India's Delhi Branch conferred the Lifetime Achievement Award on Prof (Dr) Upendra Kaul, Executive Director-Cardiology & Dean, Fortis Escorts Heart Institute, New Delhi, and Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj, New Delhi.
- Several Fortis clinicians were recognised at the Worldwide Achievers Healthcare Excellence Awards 2014. Dr Bishnu Panigrahi, Head-MSOG was named the Healthcare Personality of the Year (Delhi-NCR). Dr Sanjeev Gulati, Additional Director-Nephrology, Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj, New Delhi, was named the Healthcare Personality of the Year (Nephrology). Dr Praveen Gupta, Director and HOD-Neurology, Fortis Memorial Research Institute, Gurgaon, was honoured for delivering Outstanding Services For Neurology (North India). Dietician Seema Singh from Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj, New Delhi, was recognised as the Best Dietician of The Year (North India) and Dr Neeraj Sanduja, Senior Consultant - Ophthalmology, Fortis Memorial Research Institute, Gurgaon, was acknowledged as the Best Ophthalmologist in Delhi/NCR.
- Dr Atul N.C. Peters, Director – Bariatric & Metabolic Surgery, Fortis Hospital, Shalimar Bagh, New Delhi, received accreditation as a Surgeon of Excellence for Metabolic & Bariatric Surgery from the Surgical Review Corporation, USA. He was feted by the Limca Book of Records for setting a National Record of performing 16 bariatric surgeries in a single day.

Other significant awards

- Chief People Officer Mr Rajiv Kapoor was hailed as one of the '100 Most Talented Global HR Leaders' by CHRO Asia in association with the World HRD Congress. The New Delhi Institute of Management, too, conferred the coveted Business Excellence & Innovative Best Practices Award 2015 upon Mr Kapoor for his inspiring leadership.

- Mr Vikram Goel and Ms Rajwinder Kaur from the Biomedical Department of Fortis Hospital, Mohali, won the First Prize worth Rs 5 lakh at the prestigious Intel Embedded Challenge, 2014, for their invention, the “Catheter Reprocessing System (CRS).”

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, Dubai, Mauritius and Sri Lanka with 54 healthcare facilities (including projects under development), approximately 10,000 potential beds and 260 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:

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

Anurag Kalra / Gaurav Chugh
Fortis Healthcare Ltd
9810109253 / 9958588900