

PRESS RELEASE

CONSOLIDATED INDIA BUSINESS AT RS 971 CR VS RS 870 CR (QOQ)

OPERATING MARGIN AT 15.6% FROM 13.3% (QOQ)

Gurgaon, February 13, 2015: Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery Company, today, announced its consolidated results for the quarter ended December 31, 2014 (Q3FY15).

India Business - Key Financial Highlights for the Quarter (Q3FY15)

- Consolidated Revenue for India Business grew to Rs 971 Cr, up 12%.
- Operating EBITDAC (EBITDA before net business trust costs) for the Consolidated India Business was up substantially at Rs 152 Cr, +31%, over the corresponding quarter. This represents a healthy margin of 15.6% versus the 13.3% margin recorded in the corresponding quarter of the previous year and is similar to the margin in the trailing quarter.
- Revenue for the India hospital business was at Rs 792 Cr, a growth of 11% compared to the corresponding quarter in the previous year, Operating EBITDAC was at Rs 119 Cr, up significantly by 35 % from the corresponding quarter in the previous year.
- For the India hospital business, this represents an enhanced margin of 15.0% against the margin of 12.4% recorded in the corresponding quarter last year and the 14.4% margin recorded in the trailing quarter. The Q3FY15 results mark the third successive quarter of margin improvement for the hospital business which was at 8.2% in Q4 FY14.
- Excluding the start-up costs related to new facilities, Operating EBITDAC margins for the India hospital business were at a robust 15.5% versus 13.6% in the corresponding quarter, last year.
- The continuous improvement in the operating profit of the hospital business is substantively due to the marked improvement in performance of its key facilities such as the Fortis Memorial Research Institute (FMRI) and the Fortis Escorts Heart Institute (FEHI) both of which continue to show an upward momentum in operating profits.
- The ARPOB (Average Revenue per Occupied Bed) has increased substantially to touch an all-time high of Rs 1.32 Crs in Q3FY15, a robust 17% growth over the corresponding previous quarter; signifying an improved product mix in the Company's offerings at various facilities.
- The Average length of Stay (ALOS) has improved to 3.56 days in the current quarter compared to 3.81 days in the corresponding quarter. This is good for patients as treatment is faster and they are able to return home early.

- The India diagnostics business recorded a net revenue of Rs 179 Cr, growing 13% over the corresponding previous quarter. This business continued to witness a healthy operating performance with EBITDA margins at 18.2% versus the 17.5% in the corresponding previous quarter.
- EBITDAC refers to EBITDA before net business trust costs

Reported Group Financial Highlights for Q3FY15

The reported results for Q3FY15 are not comparable to the corresponding previous period due to the progressive divestment of the Company's international business namely Quality Healthcare, Hong Kong in the course of Q3FY2014.

- Consolidated Group Revenue for Q3FY15 was at Rs 1,025 Cr versus Rs 1,019 Cr in the previous corresponding quarter.
- Consolidated PAT after Minority Interest and share in associates (PATMI) was at Rs (22) Cr versus Rs 389 Cr in Q3FY14 and Rs (58) Cr in Q2FY15. The Profit of Rs 389 Cr during Q3FY14 was primarily due to gains arising from the divestment of Quality Healthcare, Hong Kong in the particular quarter.

Commenting on the results, Mr Shivinder Mohan Singh, Executive Vice Chairman, Fortis Healthcare Limited, said, "There has been a significant uptick in our operating margins both in the consolidated and hospital business. We have seen good performance in our stable state hospitals, greater contributions from our new facilities and good results in diagnostics. The quality of our revenue stream too has shown marked improvement with a steady increase in the numbers and complexity of clinical procedures handled across medical specialities, at our hospitals. I believe our efforts at generating sustainable, repeatable and predictable outcomes through medical excellence and patient centric care at affordable prices, underpin our performance."

The net debt of the Company as on 31 December 2014 was at Rs 1,301 Cr, compared to Rs 1,071 Cr as on 31 December 2013 representing a comfortable net debt to equity ratio of 0.27x (as compared to 0.21x on 31 December 2013).

During the quarter, Fortis received its first dividend of approx. Rs 38 Cr for H1FY15 from Religare Health Trust (RHT) for ~ 28% ownership in the trust as a sponsor.

Key Highlights - Hospital Business

- The Fortis Memorial Research Institute (FMRI), Gurgaon, the Company's flagship multispecialty facility, continues to witness an uptrend in its revenue and operating profit (EBITDAC). FMRI reported a revenue of Rs 91 Cr this quarter compared to Rs 67 Cr in the corresponding quarter, last year, a healthy growth of 36%. The facility also witnessed a 10% growth in its ARPOB* to Rs 2.17 Cr compared to Rs

1.98 Cr in the corresponding quarter. FMRI has undertaken further investments in order to introduce new specialties in the hospital which are expected to become operative in Q4FY15.

- The Fortis Escorts Heart Institute (FEHI), New Delhi witnessed a steady improvement in operating margins compared to FY 14. Margins at FEHI were better than the trailing quarter and the corresponding quarter in the previous year.
- For the quarter, ARPOB for the overall hospital business grew by 17% to Rs 1.32 Cr compared to the corresponding previous quarter. Occupancy stood at 70% versus the 72% in the corresponding previous quarter.
- There has been a significant improvement in ALOS** at 3.56 days for the quarter, down from 3.81 days in the corresponding previous quarter. (**Average Length of Stay).

Key Highlights - Diagnostics Business

- The lab medicine .i.e. the pathology business contributed 80% to total SRL revenues and grew 16% over the previous quarter. SRL's imaging business contributed 14% to total revenues with the balance coming from Clinical Trials, Wellness and International segments.
- SRL performed over 3.45 million accessions for Pathology and Radiology in the quarter compared to 3.17 million accessions in the corresponding previous quarter; a growth of 9%.
- It enhanced its reach across the country by adding 7 new labs and 219 collection points. As of December 31, 2014, SRL had a network of 276 labs and over 6,300 collection points.
- SRL further strengthened its repertoire by adding 11 new tests during the quarter across various chronic medical specialties.

Awards & Accolades

- Select Fortis' facilities continued to win accolades.
 - During the quarter, Fortis Hospital Mohali won the 'Amity CSR Award – We Care. 'The award was handed over at a ceremony organized by the Amity Global Business School at CII-Chandigarh.
 - Fortis hospital, Anandpur was conferred with the Energy Efficient Unit Award '2014 by CII at the National Awards for Excellence in Energy Management at HICC, Hyderabad on 30th October'14.

- Fortis Escorts Heart Institute, New Delhi was ranked #2 in the best multispecialty hospital, by specialty category, for Cardiology by the “The Week” magazine.
- Fortis Hospital, Jaipur, BG Road, Mohali were ranked #2 in the best multispecialty hospitals by city, in the “The Week” magazine.
- Fortis CritiNext e-ICU initiative received the Healthcare Achievers Award, 2014, in the “Innovation in Improving Care and Efficiency with Technology” category.

Awards to our Senior Doctors for meritorious service

- Dr TS Mahant (Executive Director –CTVS, Fortis Hospital Mohali) was honoured with the Lifetime Achievement Award for Medical Tourism by the Himachal Pradesh Chief Minister Mr. Virbhadra Singh.
- Dr RK Jaswal – Director Cardiology, Fortis Hospital Mohali was bestowed the award as the Best Cardiologist of Punjab by the Prime Time Research Media Private Limited.
- Eminent Cardiothoracic and Vascular Surgeon Dr Vivek Jawali, of Fortis Hospital, Bannerghatta Road, Bengaluru received the prestigious Dr P.S. Shankar Vaidhyashree Award 2015, instituted by the Dr P.S. Shankar Prathisthan. He was the recipient of the Dr B.C. Roy Award for Medical Excellence and the Karnataka Rajyotsava Award.. Dr Jawali is recognised as the pioneer in minimally invasive cardiac surgery in India. Dr Jawali has performed more than 16,000 surgeries and is also the first surgeon in India to perform the awake bypass surgery.
- Noteworthy Launches, Clinical Accomplishments and Community Information initiatives during the quarter
 - Fortis Hospital, Bannerghatta Road, Bengaluru launched a comprehensive Centre of Excellence for Endometriosis Care, a one-of-its-kind medical centre that will focus on helping women combat the pain, get accurate information about the disorder and receive effective treatment.
 - In a landmark cardiac surgery, doctors at Fortis Malar, Chennai performed India’s first paediatric heart transplant on a two-year, nine-month-old boy, from Russia. The heart was transported from Bengaluru to Chennai in 47 minutes using an Inter-State Green Corridor.
 - Fortis Escorts Hospital, Jaipur, successfully treated a patient with rectal cancer in the last stage through an innovative combination of surgery and chemotherapy, at high temperature.
 - A 9-year-old girl from Iraq suffering from a rare abnormality of the urinary bladder neck was cured after a reconstructive surgery was performed on her by a team of surgeons led by Dr Vikram Sharma, Director -Urology, Andrology, Robotics and Kidney Transplantation, at the Fortis Memorial Research Institute, Gurgaon.

- In a major breakthrough in the field of Cardiac Electrophysiology in India, a team of cardiologists at Fortis Escorts Heart Institute (FEHI) led by Dr T. S. Kler performed the country's first pacemaker implant via His Bundle pacing, a technique that saves more lives in the longer run as against the traditional implant procedure. Dr Kler, HOD Cardiology and Director, Electrophysiology at FEHI, performed the new procedure on two male patients, aged 75 and 63, who needed a pacemaker implant. It is for the first time that cardiologists in India and in the entire SAARC region have performed this procedure.

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, Singapore, Dubai, Mauritius and Sri Lanka with 55 healthcare facilities (including projects under development), approximately 10,000 potential beds and 276 diagnostic centres. In a global study of the 30 most technologically advanced hospitals in the world, its flagship, the Fortis Memorial Research Institute' (FMRI), was ranked No.2, by 'topmastersinhealthcare.com, and placed ahead of many other outstanding medical institutions in the world.

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.

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