

PRESS RELEASE

**FORTIS Q3 CONSOLIDATED PAT AT RS 389 CR
CONSOLIDATED REVENUES FOR THE QUARTER AT RS 1019 CR
INDIA REVENUES GROW 21% TO RS 870 CR
NET DEBT TO EQUITY RATIO DOWN TO ~0.2x**

Gurgaon, Haryana, February 11, 2014: Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery company today, announced its consolidated results for the quarter ended December 31, 2013 (Q3FY14).

India Business - Key Financial Highlights for the quarter (Q3FY14)

(All comparisons with Q3 FY13, unless stated otherwise)

- Consolidated India Business Revenues at Rs 870 Cr, up 21%.
- Consolidated India Business operating EBITDAC (EBITDA before net business trust costs) at Rs 116 Cr, a growth of 9%.
- Operating EBITDAC margin at 13.3%. Excluding start-up costs and one offs. Consolidated India business EBITDAC margins at 14.6% versus 14.3% in Q3FY13.
- India Hospital business revenues at Rs 711 Cr, up 22%.
- Operating EBITDAC margin for the hospital business at 12.4%. Excluding start-up costs, operating EBITDAC margins at 14.0%.
- Fortis Memorial Research Institute, the Company's state of the art quaternary care facility in Gurgaon continues its strong upward momentum, turns EBITDAC positive for the quarter.
- Commissions a new 250+ bed, state-of-the-art, oncology led, multi-specialty hospital in Ludhiana, in January 2014. Also announces plans to introduce the Fortis La Femme brand in Ludhiana with a 100 bed Greenfield facility to come up by 2016 focusing on Mother & Child Health.
- India Diagnostics business revenues grow to Rs 158 Cr, up 15%.
- Operating EBITDA Margin for the diagnostics business at 17.5%. Margins up from 10.3% in the corresponding quarter as a result of strong operational performance.

Reported Group Financial Highlights for the quarter (Q3FY14 vs Q3FY13)

The reported results for Q3FY14 are not comparable due to progressive divestments of its international businesses namely Dental Corporation, Australia, Fortis Hoan My, Vietnam and Quality Healthcare, Hong Kong.

- Consolidated Group Revenues at Rs 1,019 Cr versus Rs 1,539 Cr for the corresponding quarter.
- Operating Group EBITDAC at Rs 126 Cr, representing a margin of 12.4% as against 13.8% for Q3 FY13.
- Consolidated PAT at Rs 389 Cr including a one-time gain due to the divestment of Quality Healthcare primary care business in Hong Kong in October 2013,

Commenting on the results, Mr Aditya Vij, Chief Executive Officer, Fortis Healthcare Ltd, said, “Our India business continues to show positive momentum. Our focus on operational performance is reflected in the strong results at FMRI, our new flagship hospital, in Gurgaon. The diagnostics business at SRL is also expanding rapidly and remains robust. We will continue to build on our strong foundation and intensify our pace of growth in India.”

The Company during the quarter completed its strategic divestiture of Quality Healthcare, Hong Kong to BUPA. The international business now primarily includes RadLink and the Fortis Surgical Hospital in Singapore which now contribute approx. 5% to the overall revenues of the Company.

Utilising the proceeds from the recent divestitures and the fund raising initiatives undertaken, the Company has significantly strengthened its Balance Sheet. The net debt of the Company as on 31st December 2013 stood at Rs 1,071 Cr, down from Rs 5,351 Cr as on 31st December 2012, reflecting a reduction of Rs 4,280 Cr. The Net debt to equity ratio stood at 0.2x down from 1.0x as on 31st December 2012.

India Business Highlights

HOSPITALS

- The Fortis Memorial Research Institute (FMRI), launched in May 2013, continues to ramp up well and has recorded revenues of Rs 66 Cr in the quarter. FMRI currently is the third largest revenue contributor to the Fortis network.
- Deepening its presence in the Chennai market which currently comprises the 180 bed Fortis Malar facility, the Company will commission a 190 bed multi-specialty facility at Arcott Road in Chennai shortly.
- In Q3FY14, the top 10 hospitals of the Company contributed approx. 76% to the hospital business revenue. Most hospitals, including the larger ones at BG Road, Mulund, Mohali, Shalimar Bagh, Amritsar, FMRI, Anandpur, Vashi and Faridabad, among others, continued to show good growth momentum.

- Key operating metrics for the hospital business witnessed a steady upward momentum with the ARPOB for the quarter at Rs 1.13 Cr a growth of 5% over the corresponding quarter. Occupancy stood at 73% similar to the corresponding previous quarter, while ALOS was at 3.8 days for the quarter, similar to that in Q3 FY13.
- Cardiac, Orthopaedics, Neuro sciences, Renal sciences, Pulmonology, Gynaecology and Oncology grew by 13%, 16%, 60%, 48%, 33%, 30% and 62% respectively. The Company witnessed a healthy growth in the volume of procedures in the Neurology, Gynaecology, Oncology and Renal Sciences medical specialties.

DIAGNOSTICS (SRL)

- The Company's diagnostics business (SRL) witnessed a strong operating performance. The business recorded healthy operating margins at 17.5% for the quarter as compared to 10.3% in the corresponding previous quarter.
- SRL strengthened its reach and presence by adding 19 new laboratories, 39 collection centres, and 394 direct clients during the quarter. It expanded its service offerings by adding 7 new tests. The Company presently offers over 3,500 tests.
- For the quarter, the diagnostics business performed 3.12 million accessions, a growth of 6% over Q3FY13. The business undertakes approximately 29 Mn tests on an annualized basis currently.
- The Company also continued with a number of initiatives to accelerate its growth momentum involving marketing campaigns and channel support programs. Approx. 15 CME programs were held for new and high end tests in the areas of TB, Haematology, Diabetes, Oncology (cervical/ovarian) during the quarter.

International Business Highlights

- The Company's international operation revenues were at Rs 149 Cr contributing ~5% to the consolidated revenues (excluding Quality Healthcare). Operating margin stood at 7.1%. However, excluding start-up expenses of the Fortis Surgical Hospital, (previously the Fortis Colorectal Hospital) operating margins were at 13.7%.
- Quality Healthcare, Hong Kong which was divested in October 2013, recorded revenues of Rs 94 Cr for a period of approx. 1 month in the quarter as compared to Rs 244 Cr for the full quarter in Q3FY13.
- RadLink Asia, the Company's radiology and imaging business in Singapore recorded revenues of Rs 36 Cr, a robust growth of 20% over the corresponding quarter with a strong operating performance.
- Fortis Surgical Hospital, Singapore recorded revenues of Rs 9 Cr, a growth of 15% over the corresponding quarter. The hospital has been relicensed to offer a broader spectrum of surgical specialties in addition to Colorectal surgery.

The Company also announced changes in the composition of its Board, inducting Mr. Udai Dhawan, Managing Director, Standard Chartered Private Equity, India (SCPE), as a non-independent Director. SCPE is a key investor in Fortis and his nomination to the Board will help to further diversify the experience set, available to Fortis. To facilitate the entry of the SCPE Nominee, Mr. Balinder Dhillon, Executive Director, has voluntarily stepped down from the Board. The Board took on record the valuable contribution made by Mr. Dhillon, towards the growth and development of the Company. Mr. Dhillon will continue to lead the Governance function at Fortis as President.

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 66 healthcare facilities (including projects under development), over 10,000 potential beds and approx. 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