



## PRESS RELEASE

### **FORTIS HEALTHCARE TO ACQUIRE 51% ECONOMIC INTEREST IN FORTIS HOSPOTEL LIMITED (FHTL), an RHT SUBSIDIARY**

Gurgaon, February 4, 2016. Fortis Healthcare Limited today announced that its Board of Directors have approved the acquisition of a 51% economic interest in Fortis Hospotel Limited (FHTL), a subsidiary of the Religare Health Trust (RHT). The RHT is a business trust listed on the SGX of which Fortis is a sponsor with a 28% equity stake. It comprises a portfolio of 12 clinical establishments, four greenfield clinical establishments and two operating hospitals in India. Two of the twelve clinical establishments in the Trust i.e. Fortis Hospital, Shalimar Bagh, New Delhi and the Fortis Memorial Research Institute (FMRI), Gurgaon are under FHTL in which both Fortis and RHT (through its subsidiary Fortis Health Management Limited) are currently shareholders.

The net investment consideration for the transaction is estimated to be an amount of approximately Rs 970 Crs. The economic impact to Fortis would be lower as Fortis owns ~ 28% equity stake in RHT.

The transaction is the result of agreements entered into by the two shareholders in FHTL at the time of listing of RHT. Amongst other conditionality's in the agreement, certain approvals applied for at the time were expected to be received within a defined time period. It has been assessed that given the uncertainty in obtaining the requisite approvals Fortis and RHT have mutually decided to enter into the aforesaid transaction.

Commenting on this transaction **Mr. Malvinder Singh, Executive Chairman, Fortis Healthcare Limited** said "RHT will continue to be a strategic vehicle for our asset light growth in India and will play a larger role in our India centric expansion plans going forward. With a potential to double our existing bed capacity from the current approximately 4500 beds, RHT will undertake a majority of the investments for all our brownfield and bolt on expansion plans in all the Clinical establishments in its portfolio."

**Mr. Bhavdeep Singh, Chief Executive Officer, Fortis Healthcare Limited** added “After taking a well deliberated view we have decided to enter into this transaction. RHT will continue to support us in optimally expanding our bed capacity. Given our heightened focus on patient care and high end medical programs backed by robust processes and world class medical talent, we believe the company is best positioned to significantly improve the quality of healthcare in the country. As we move forward, we expect our operations to continue to show an upward trajectory. The current transaction, being EPS accretive from the first year itself would also incrementally accelerate our objective of becoming PAT positive at the earliest.”

The investment consideration payable will be funded largely through internal accruals. As a result of the majority acquisition of FHTL, it will become a subsidiary of Fortis and hence be consolidated with Fortis. The transaction would result in a lower service fees .i.e. net business trust fees that Fortis pays to the RHT thereby positively impacting its operating profitability (EBITDA). For FY16, the estimated net business trust fees that is expected to be paid for these two clinical establishments would be approximately Rs 196 Cr.

The transaction is on an arm’s length basis with an independent valuation done by valuers of international repute both by Fortis and RHT respectively. Fortis has been advised by independent Legal Counsels and other subject matter experts. This being a material transaction in nature; as per the listing regulations will be subject to the approval of shareholders and unit holders of Fortis and RHT respectively and other necessary regulatory approvals as required.



### **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 54 healthcare facilities (including projects under development), approximately 10,000 potential beds and 306 diagnostic centres.

#### **DISCLAIMER**

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