

PRESS RELEASE

**FORTIS Q2FY15 CONSOLIDATED INDIA BUSINESS REVENUE AT RS 978 CR, + 11%
OPERATING MARGINS AT 15.6%, UP FROM 14.6% (QoQ)**

RADLINK DIVESTITURE ANNOUNCED FOR SGD 137 MILLION.

Gurgaon, November 13, 2014: Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery Company, today, announced its consolidated results for the quarter ended September 30, 2014 (Q2FY15).

India Business - Key Financial Highlights for the Quarter (Q2FY15)

- Consolidated Revenue for India Business grew to Rs 978 Cr, up 11%
- Consolidated India Business Operating EBITDAC (EBITDA before net business trust costs) was up substantially at Rs 152 Cr, +19%, representing a healthy 15.6% margin versus the 14.6% margin in the previous corresponding quarter and 14% in the trailing quarter.
- Revenue for India hospital business was at Rs 797 Cr, a growth of 12% compared to the corresponding quarter. Operating EBITDAC at Rs 115 Cr, grew 21% over the corresponding quarter last year. This represents a margin of 14.4% against a margin of 13.3% in the corresponding quarter and 12.5% in the trailing quarter.
- Excluding the start-up costs related to new facilities and certain one-time costs incurred in exiting the non-core facilities, Operating EBITDAC margins for India hospital business were at a robust 15.9% versus 14.6% in the corresponding quarter and 13.3% in the trailing quarter.
- The consistent improvement in operating performance is reflective of the sharpened focus that the Company has brought towards achieving higher operating efficiencies across all its facilities.
- The India diagnostics business recorded net revenue of Rs 181 Cr, a growth of 6% over the corresponding previous quarter. The business continued to witness a robust operating performance with operating margins at 20.7% versus 20.9% in the corresponding previous quarter and 19.7% in the trailing quarter.

*EBITDAC refers to EBITDA before net business trust costs

Reported Group Financial Highlights for Q2FY15

The reported results for Q2FY15 are not comparable to the corresponding previous period due to progressive divestments of the Company's international businesses namely Fortis Hoan My, Vietnam and Quality Healthcare, Hong Kong during the course of FY 2014.

- Consolidated Group Revenue for Q2FY15 was at Rs 1,031 Cr versus Rs 1,281 Cr in the previous quarter.
- Consolidated PAT after Minority Interest and share in associates (PATMI) was at Rs (58) Cr versus Rs 32 Cr in Q2FY14 and Rs (46) Cr in Q1FY15.

Commenting on the results, Mr, Aditya Vij, CEO, Fortis healthcare Ltd., said, “Our operating margins have strengthened progressively over the last few quarters as we see an enhancement in the quality of our hospital business and continue to focus on raising the bar in clinical excellence and patient care. It is a matter of great pride for us that many of our hospitals have been feted and awarded for their superiority in delivering medical and operational excellence. Considerable work has been done to improve the performance of the business and I feel confident that the company is now ready to enter a new and interesting trajectory of growth.”

“We have continued to optimise our cost structures and have set up systems and processes for better control and coordination. We have also taken a number of patient centric measures that are directed at delivering consistent medical performance and outcomes. Our operating margins over the last three quarters have continued to strengthen. Considerable work has been done to stabilise the performance of the company and I believe we are now entering a new and interesting trajectory of growth which will take the business to the next level”.

During the quarter, the Company announced the divestiture of RadLink-Asia Pte Ltd, Singapore, to Medi-Rad Associates Ltd an indirect wholly-owned subsidiary of IHH Healthcare Berhad, for SGD 137 Million. This is in line with the Company's strategic decision to intensify its focus on its businesses in India. The significant value that has been created through the series of divestments of the various international businesses done in the past year is now being unlocked and will be ploughed back to strengthen the Company's growth in India.

The net debt of the Company as on 30 September 2014 was at Rs 1205 Cr, down from Rs 2,963 Cr as on 30 September 2013 representing a comfortable net debt to equity ratio of 0.24x (as compared to 0.63x as on 30 September 2013).

Key Highlights - Hospital Business

- The Fortis Memorial Research Institute (FMRI), Gurgaon, the Company's flagship multispecialty facility, continues to witness healthy revenue growth and improvement in its operating profit (EBITDAC) in comparison to the corresponding quarter. FMRI reported a revenue of Rs 84 Cr compared to Rs 60 Cr in the

corresponding quarter, a growth of 41%. The facility also witnessed a 20% growth in its ARPOB* to Rs 2.09 Cr compared to Rs 1.74 Cr in the corresponding quarter. FMRI has undertaken further investments in order to introduce new specialties in the hospital. *(Average Revenue Per Occupied Bed)

- The Company's 260 bed facility in Ludhiana launched in January 2014 witnessed EBITDA breakeven during the quarter. The hospital was named the 'Best Hospital in Ludhiana' at the Global Healthcare Excellence Awards 2014.
- ARPOB for the overall hospital business during the quarter stood at Rs 1.27 Cr, a healthy growth of 19%, when compared to the corresponding previous quarter. Occupancy for the hospital business stood at 71% while ALOS** was at 3.60 days. (**Average Length of Stay)

Key Highlights - Diagnostics Business

- The Company's diagnostics business continued to witness a strong operational performance with Operating EBITDA margins at 20.7% in the quarter against 20.9% in the corresponding previous quarter.
- The lab medicine .i.e. the pathology business contributed 80% to total revenues and grew 10% over the previous quarter. The imaging business contributed 14% to total revenues with the balance coming from Clinical Trials, Wellness and International segments.
- SRL performed over 3.47 million accessions for Pathology and Radiology combined in the quarter compared to 3.39 million in the corresponding previous quarter
- It enhanced its reach across the country by adding 5 new labs and 157 collection points. As of September 30, 2014, SRL had a network of 270 labs and over 6000 collection points.
- SRL further strengthened its repertoire by adding 9 new tests during the quarter across various chronic medical specialties.

AWARDS & ACCOLADES

- Select Fortis' facilities continued to win accolades at various healthcare awards.
 - During the quarter, Fortis Healthcare was awarded with the prestigious 2014 'Porter Prize, for Value Based Healthcare'. The prize was given in recognition of the company's outstanding performance in the industry and for redefining the idea of patient care and fundamentally challenging the economic models within the industry.
 - Fortis Mulund hospital was conferred the prestigious British Medical Journal (BMJ) Award for 'The Medical Team of the Year 2014.' The honour was bestowed on the hospital for its outstanding "Antibiotic Review Program – and Antibiotic Restriction Policy."

- Fortis Hospital Shalimar Bagh won the FICCI HEAL 2014 award for excellence in the category of Branding, Marketing & Image Building. The hospital also received a three-star rating for energy efficiency from the Bureau of Energy.
- Fortis Escorts Heart Institute was named as the “Comprehensive Cardiac Service Provider Company of the Year” at the Frost & Sullivan India Healthcare Excellence awards 2014
- Frost & Sullivan's global community of Growth, Innovation and Leadership (GIL) has selected CritiNext, Fortis Healthcare's eICU project, as the recipient of the '2014 Frost & Sullivan India Technology Innovation Leadership for E-Intensive Care Service Delivery' award.

Awards to our Senior Doctors for meritorious service

- Our Doctors of eminence, Dr Ashok Seth, Dr T.S. Kler and Dr. Narottam Puri received the prestigious Centenary Awards from the Delhi Medical Association which also feted Dr Upendra Kaul and Dr Anoop Mishra with the prestigious Vishisht Chikitsa Rattan award for their contributions to the profession and to society.
- Dr. Sunil Aggarwal from Fortis Mohali and Dr Atul N.C. Peters (Fortis Shalimar Bagh) were included in the Limca Book of Records for their respective contributions in delivering the lightest baby at birth and for handling the most number of Bariatric surgeries in a day.
- Noteworthy Launches and Clinical Accomplishments and Community Information initiatives during the quarter

We successfully launched the state of the art Fortis Cancer Institute at Fortis Mohali. Given the high incidence of cancer in Punjab and the hinterland, the institute is equipped with the regions most advanced Image Guided Radiation Therapy (IGRT) unit that will help to provide succour to thousands of patients suffering form cancer.

In a landmark cardiac surgery, doctors at the Fortis flagship FMRI, in Gurgaon, successfully implanted a mechanical heart (LVAD) in a 29 year old Iraqi patient , giving him a new lease of life.

- Skilled Orthopaedic surgeons at Fortis Noida demonstrated the latest 'Triathlon' knee implant technology for the first time in India. The operation was seen live by many Orthopaedics and media in the country.
- Fortis in association with the NDTV bouquet of TV channels launched the widely viewed Health4U campaign to promote healthy living and timely treatment of major non communicable and lifestyle diseases focussing on Cardiac care and specifically creating community awareness on self help by training citizens on CPR.
- In Bengaluru, Fortis launched a successful Save a Heart campaign on World Heart Day to inform people about the importance of timely care to help reduce fatalities in the event of a heart attack.

- Fortis SEWA initiative a rapid response community disaster initiative was pressed into service to provide relief to the thousands of people impacted by the recent floods in Jammu and Kashmir. Multiple teams consisting of over 50 Fortis doctors and more than 300 employees volunteered their services. Free medicines and over 5 tonnes of relief material along with other donations from Fortis Hospitals around the country were rushed to the State for distribution.

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 270 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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