



Fortis Healthcare Limited

Investor Presentation – Q4 & FY13



“ Saving and Enriching Lives ”



May 30, 2013

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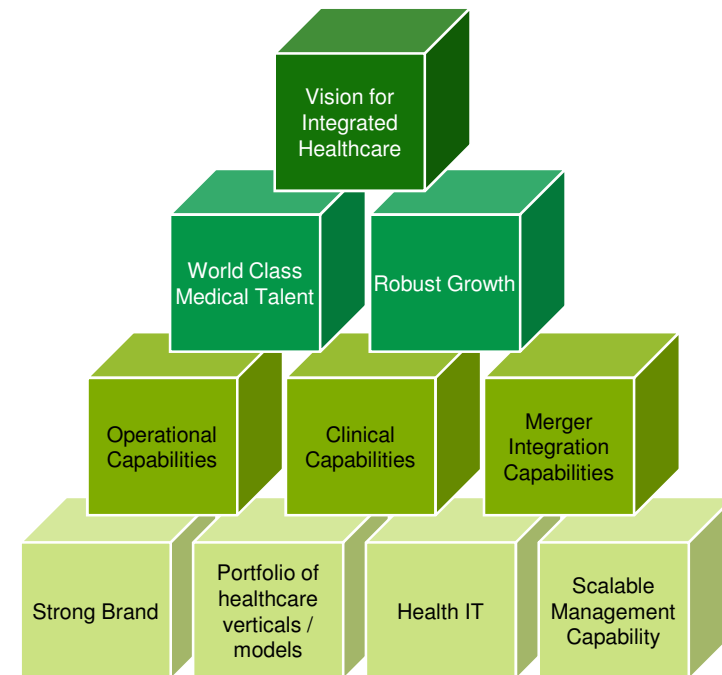
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Fortis : An Overview

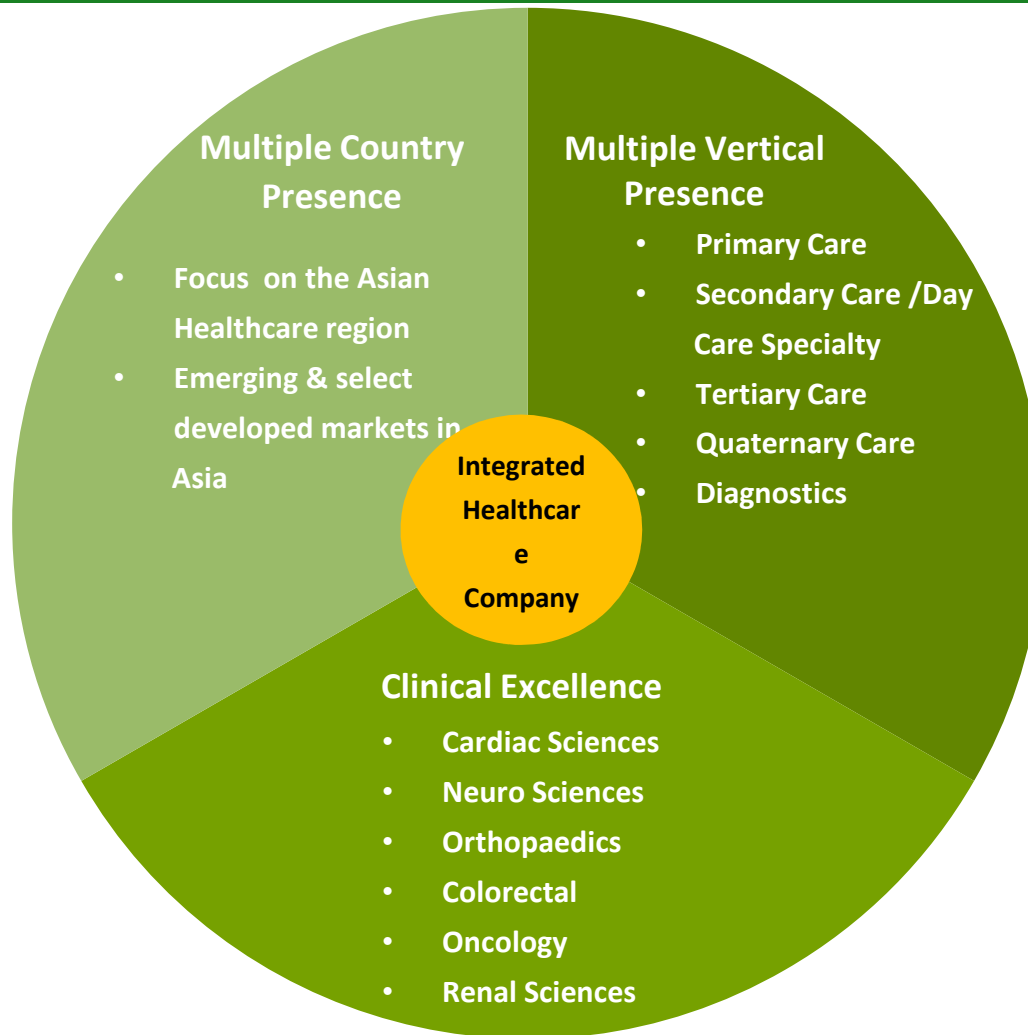
- A fast growing integrated healthcare delivery service provider in Asia
- Presence across 8⁽¹⁾ countries with a leadership position in key markets and healthcare verticals
- “Patients first” culture with world class clinical capabilities across various medical specialties
- Diversified business mix

Vision : “To become a leading integrated healthcare services player in Asia”



(1) Excludes 3 countries where Dental Corp. is present. Fortis has announced sale of its stake in Dental Corp.

Our Business Model



70 Healthcare Facilities⁽¹⁾

~ 5,100 Operational Beds⁽²⁾

~ 11,000 total potential bed capacity⁽³⁾

~ 600 Primary Care centers

>240 Diagnostics Laboratories

(1) Includes 62 operating healthcare facilities and day care specialty centers and 8 projects

(2) Includes owned, managed, leased and operated beds

(3) Includes existing capacity, potential expansion in existing facilities and projects

Discussion Points

➤ **Highlights for FY13 and Q4 FY13**

➤ **Financial Highlights – Q4 FY2013 & FY2013**

➤ **India Business Performance**

➤ **International Business Performance**

FY 13 – Year in retrospect

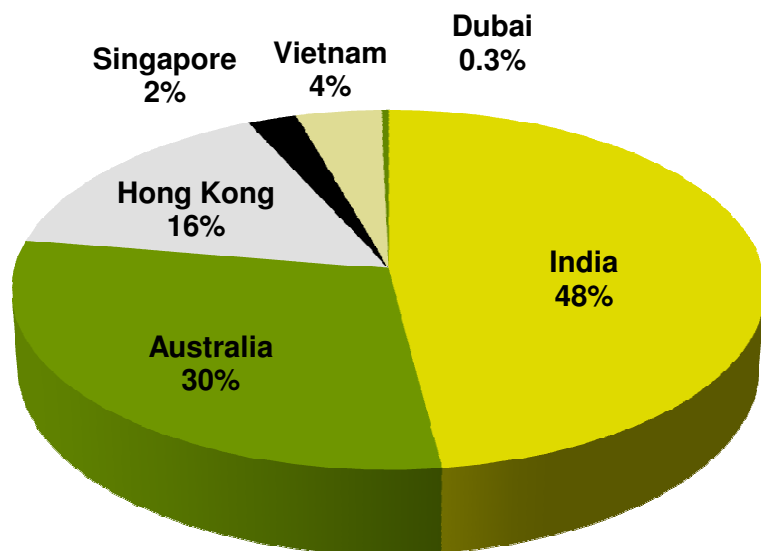
- A year of consolidation in both the India and overseas businesses
- Implementation of the asset light strategy through the listing of the Religare Health Trust, the largest IPO of a Business Trust sponsored by an Indian Company in Singapore.
- Consolidating international operations - Divestiture of Dental Corporation to BUPA
- Focus on strengthening the capital structure and de-leveraging
- Turnaround in the India diagnostics business with a strong operational performance. Capital infusion by International Finance Corporation (IFC) and NYLIM Jacob Ballas India Fund (NJBIF)
- Launch of Fortis Colorectal Hospital, the first greenfield facility by an Indian Healthcare organisation overseas– a super specialty hospital for colorectal diseases

Highlights for the quarter

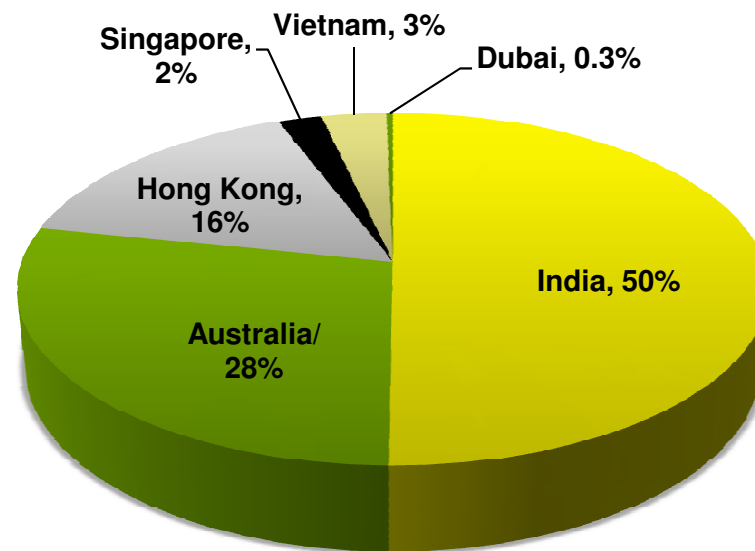
- Steady operating performance in the India Hospital and Diagnostics business
- Launch of FMRI, the Company's flagship multi-specialty quaternary care facility in Gurgaon.
- International operations - softer quarter for Dental Corporation, seasonality impact in due to the Chinese New Year and one of costs related to the Hong Kong hospital tenders
- Company raises Rs 322 Cr via an Institutional Placement Program in order to adhere to SEBI requirements of minimum public shareholding

Diversified Geographical Presence – FY13

FY13



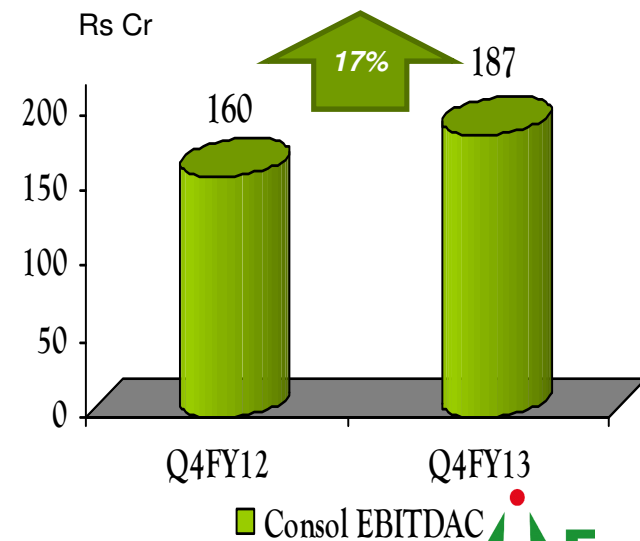
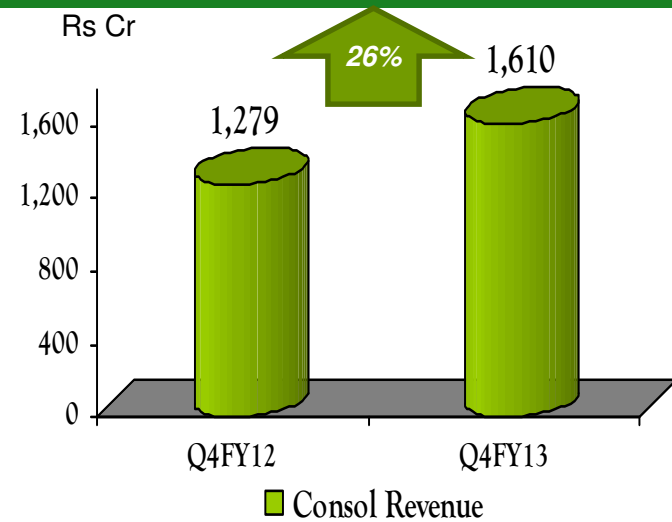
FY12



* FY 2012 split is based on proforma revenues.

Group Financial Highlights - Q4 FY13 vs Q4 FY12

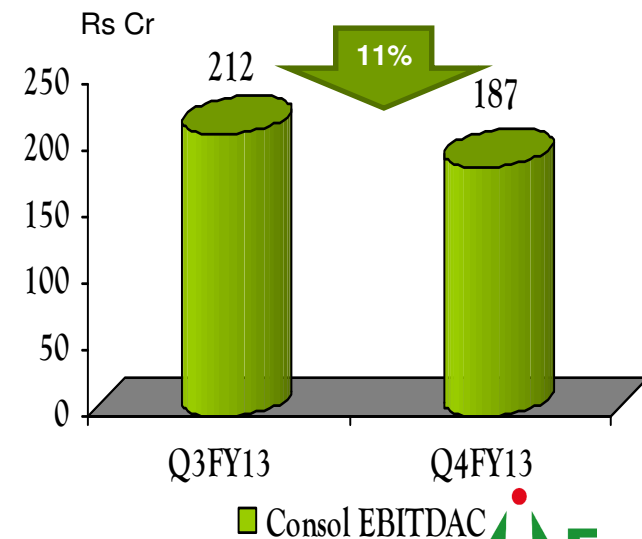
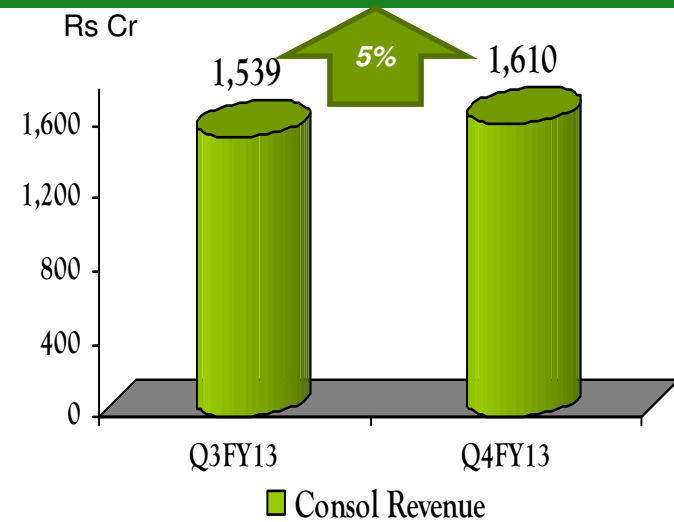
- Consolidated Revenues at Rs 1,610 Cr, +26 %
 - ❖ India Business – Rs 760 Cr, + 18%
 - ❖ International Business – Rs 850 Cr, +34%
- Consolidated Operating EBITDAC* at Rs 187 Cr, at 12% margin
 - ❖ India Business – Rs 102 Cr, + 26%
 - ❖ International Business – Rs 85 Cr, +9%
- Consolidated Operating EBITDAC margin excluding start up and one off costs at 13.5% margin



*EBITDAC refers to EBITDA before net business trust costs

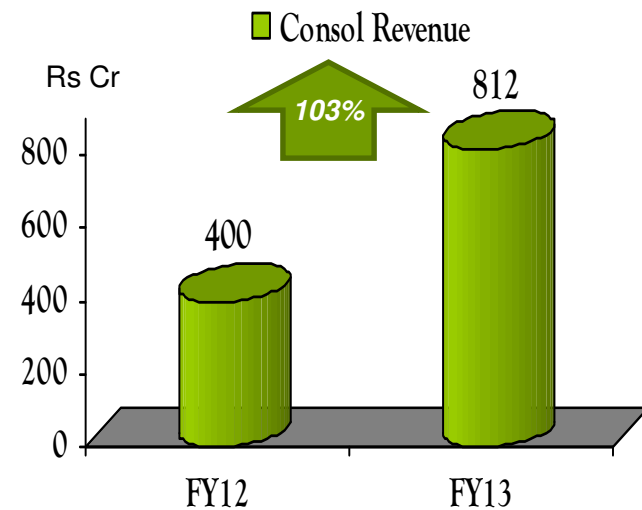
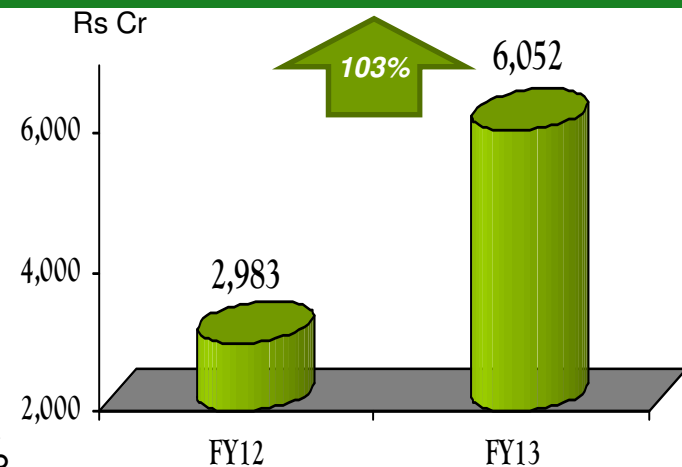
Group Financial Highlights - Q4 FY13 vs Q3 FY13

- Consolidated Revenues at Rs 1,610 Cr, +5 %
 - ❖ India Business – Rs 760 Cr, + 6%
 - ❖ International Business – Rs 850 Cr, +4%
- Consolidated Operating EBITDAC* at Rs 187 Cr
 - ❖ India Business – Rs 102 Cr
 - ❖ International Business – Rs 85 Cr
- Consolidated Operating EBITDAC margin excluding start up and one off costs at 13.5% margin



Group Financial Highlights - FY13 vs FY12

- Consolidated Revenues at Rs 6,052 Cr, + 103%.
 - ❖ India Business – Rs 2,872 Cr, + 22%
 - ❖ International Business – Rs 3,180 Cr
- Consolidated Operating EBITDAC* at Rs 812 Cr, + 103%
 - ❖ India Business – Rs 408 Cr, + 27%
 - ❖ International Business – Rs 404 Cr
- ❖ Consolidated Operating EBITDAC margin excluding start up and one off costs at 14.4%



FY12 numbers include the International financials for the period of consolidation i.e. Q4FY12 and SRL's financials from May 2011

*EBITDAC refers to EBITDA before net business trust costs

Group Consolidated P&L: Q4 FY13

	Q4FY13	Q4FY12		Q3FY13	
Particulars	Total Consol	Total Consol	QoQ Growth	Total Consol	QotQ Growth
	(Rs Cr.)	(Rs Cr.)	%	(Rs Cr.)	%
Operating Revenue	1,610.3	1,279.1	25.9%	1,538.6	4.7%
Operating Expense	1,422.9	1,119.4	27.1%	1,327.0	7.2%
Operating EBITDAC*	187.4	159.7	17.4%	211.6	-11.4%
Operating EBITDAC margin	11.6%	12.5%		13.8%	
Net BT Costs	74.5	-		59.0	26.2%
Operating EBITDA	113.0	159.7	-29.3%	152.6	-26.0%
Other Income* **	36.9	109.5		46.6	
EBITDA	149.9	269.2	-44.3%	199.2	-24.8%
Finance Costs	127.7	145.0		158.1	
Depreciation & Amortization	107.6	66.9		120.4	
Exceptional Item	(0.2)	-		973.8	
PAT after minority interest and share in associates	(116.2)	41.5		705	

*EBITDAC refers to EBITDA before net business trust costs

** Other income includes forex gains (if any) on foreign currency loans

Consolidated Operating EBITDAC margin during Q4FY13 excluding start up and one off costs stood at 13.5% versus 14.4% in Q3 FY13

Group Consolidated P&L: FY13

	FY13	FY12 [^]	
Particulars	Total Consol	Total Consol	Growth
	(Rs Cr.)	(Rs Cr.)	%
Operating Revenue	6,051.6	2,982.8	102.9%
Operating Expense	5,239.5	2,582.7	102.9%
Operating EBITDAC*	812.1	400.1	103.0%
Operating EBITDAC margin	13.4%	13.4%	
Net BT Costs	133.4	-	
Operating EBITDA	678.7	400.1	69.6%
Other Income* **	157.0	184.9	
EBITDA	835.7	585.0	42.9%
Finance Costs	634.0	294.6	
Depreciation & Amortization	370.6	182.3	
Exceptional Item	964.6	-	
PAT after minority interest and share in associates	499.9	72.2	

*EBITDAC refers to EBITDA before net business trust costs

** Other income includes forex gains (if any) on foreign currency loans

[^] FY12 numbers include the International financials for the period of consolidation i.e. Q4FY12 and SRL's financials from May 2011
Consolidated Operating EBITDAC margin during FY13 excluding start up and one off costs stood at 14.4%

Group Business: Q4FY13 vs Q4FY12

	Q4FY13			Q4FY12				
Particulars	India Business	International Business	Total Consol	India Business	International Business	Total Consol	Growth	India Business Growth
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	%	%
Operating Revenue	759.9	850.4	1,610.3	641.9	637.2	1,279.1	25.9%	18.4%
Operating EBITDAC*	102.3	85.1	187.4	81.4	78.2	159.6	17.4%	25.7%
Operating EBITDAC margin	13.5%	10.0%	11.6%	12.7%	12.3%	12.5%		
Net BT Costs	74.5	-	74.5	-	-	-		
Operating EBITDA	27.9	85.1	113.0	81.4	78.2	159.6	-29.2%	
Other Income* **	38.0	(1.1)	36.9	79.2	36.2	109.5		
EBITDA	65.9	84.0	149.9	160.6	114.4	269.1	-44.3%	

*EBITDAC refers to EBITDA before net business trust costs

** Other income includes forex gains (if any) on foreign currency loans

Operating EBITDAC margin for the India and International businesses excluding start up and one off costs stood at 15.6% and 11.7% respectively margin

Group Business: Q4FY13 vs Q3FY13

Particulars	Q4FY13			Q3FY13		Total Consol	Growth %
	India Business	International Business	Total Consol	India Business	International Business		
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	%
Operating Revenue	759.9	850.4	1,610.3	719.7	818.9	1,538.6	4.7%
Operating EBITDAC*	102.3	85.1	187.4	105.8	105.8	211.6	-11.4%
Operating EBITDAC margin	13.5%	10.0%	11.6%	14.7%	12.9%	13.8%	
Net BT Costs	74.5	-	74.5	59.0	-	59.0	
Operating EBITDA	27.9	85.1	113.0	46.9	105.8	152.7	
Other Income* *	38.0	(1.1)	36.9	41.2	5.4	46.6	
EBITDA	65.9	84.0	149.9	88.1	111.2	199.3	

*EBITDAC refers to EBITDA before net business trust costs

** Other income includes forex gains (if any) on foreign currency loans

Operating EBITDAC margin for the India business in Q4FY13 excluding start up and one off costs stood at 15.6% compared to 14.4 % in Q3FY13

Operating EBITDAC margin for the International business in Q4FY13 excluding start up and one off costs stood at 11.7% compared to 14.4 % in Q3FY13

Group Business: FY13 vs FY12

Particulars	FY13			FY12			Growth	India Business Growth
	India Business	International Business	Total Consol	India Business	International Business	Total Consol		
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)		
Operating Revenue	2,871.8	3,179.8	6,051.6	2,345.6	637.2	2,982.8	102.9%	22.4%
Operating EBITDAC*	407.6	404.5	812.1	321.8	78.2	400.0	103.0%	26.7%
Operating EBITDAC margin	14.2%	12.7%	13.4%	13.7%	12.3%	13.4%		
Net BT Costs	133.4	-	133.4	-	-	-		
Operating EBITDA	274.2	404.5	678.7	321.8	78.2	400.0	69.7%	
Other Income* **	148.2	8.7	157.0	154.6	36.2	184.9		
EBITDA	422.4	413.3	835.7	476.4	114.4	584.9	42.9%	

*EBITDAC refers to EBITDA before net business trust costs

** Other income includes forex gains (if any) on foreign currency loans

Operating EBITDAC margin for the India and International businesses excluding start up and one off costs stood at 14.7% and 14.1% respectively margin

Group Consolidated Balance Sheet – 31st March 2013

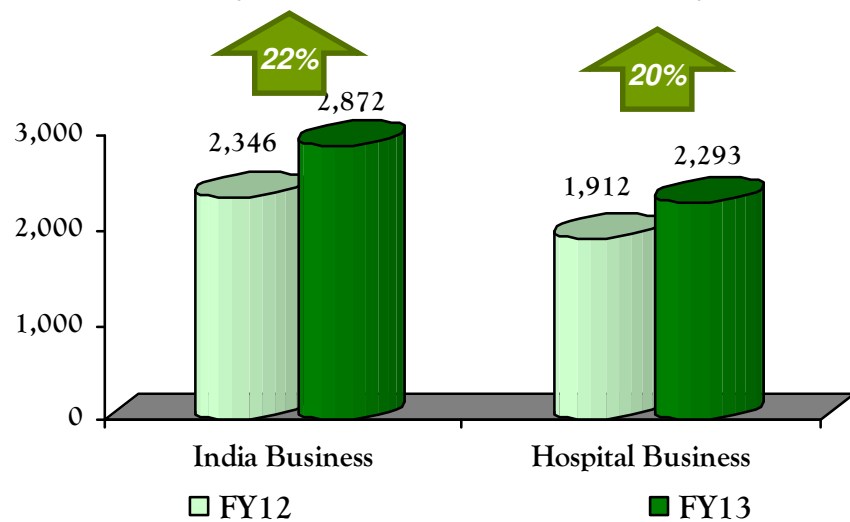
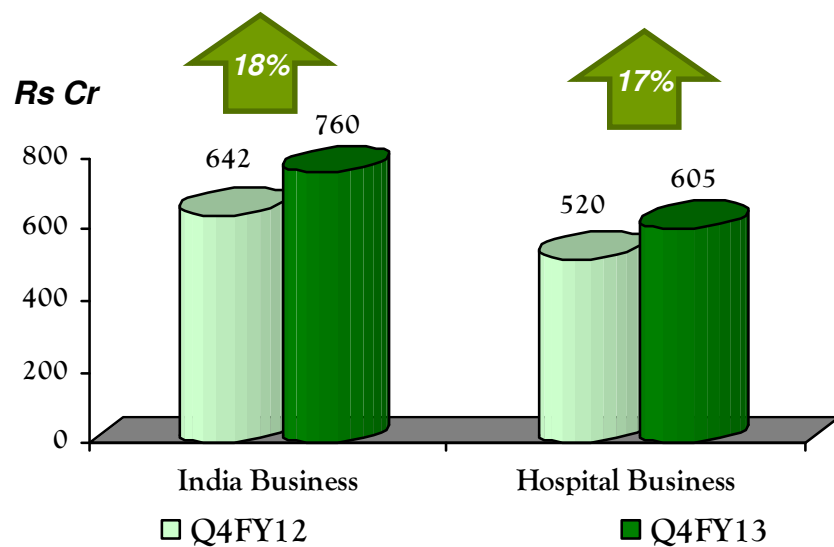
Balance Sheet	31 March 2013
Shareholder's Equity*	5,402
Foreign Currency Convertible Bonds (FCCB's)	543
Debt (including pref cap)	5,922
Total Capital Employed	11,867
Net Fixed Assets (including CWIP of Rs 237 Crore)	2,139
Goodwill	7,378
Investments	1,006
Cash and Cash Equivalents	694
Net Current Assets	650
Total Assets	11,867

- As on 31st March 2013, Net Debt to equity ratio stood at 1.1 x
- Post the proposed divestment of Dental Corporation, proceeds received are expected to be utilized for de-leveraging and would further reduce the net debt to equity ratio

*Shareholder's Equity is inclusive of Revaluation Reserve and Minority Interest

India Business Performance – Q4FY13 & FY13

India Business - Financial Snapshot



Q4 FY13 – Consolidated

- Operating Revenue - Rs. 760 Cr ↑ 18%
- Hospital business -Rs. 605 Cr ↑ 17%
- Diagnostics business -Rs. 155 Cr ↑ 26%

Statutory	FY12	FY13
Occupancy	72%	74%
ARPOB (Annualized - Rs. Lacs)	93	104
ALOS (Days)	4.0	3.8

FY13 –Consolidated

- Operating Revenue - Rs. 2,872Cr ↑ 22%
- Hospital business -Rs. 2,293 Cr ↑ 20%
- Diagnostics business -Rs. 579 Cr ↑ 33%

India Hospital Business

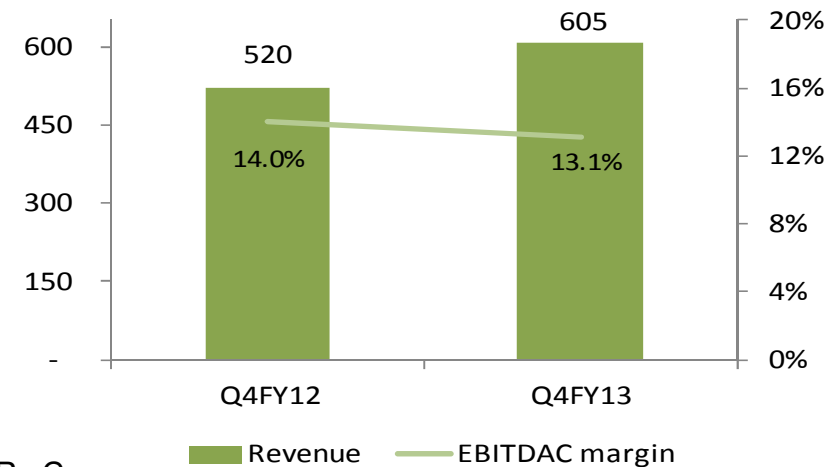
Q4 Highlights

- Operating revenue at Rs 605 Cr, +17%
- Operating EBITDAC* margin at 13.1%.
- International patient revenues at Rs 43 Cr, +11%
- Formal launch of FMRI, the Company's flagship facility in Gurgaon. Operationalized 300+ beds in Phase 1
- Excluding start up and one off costs operating EBITDAC margin increase to 15.8%

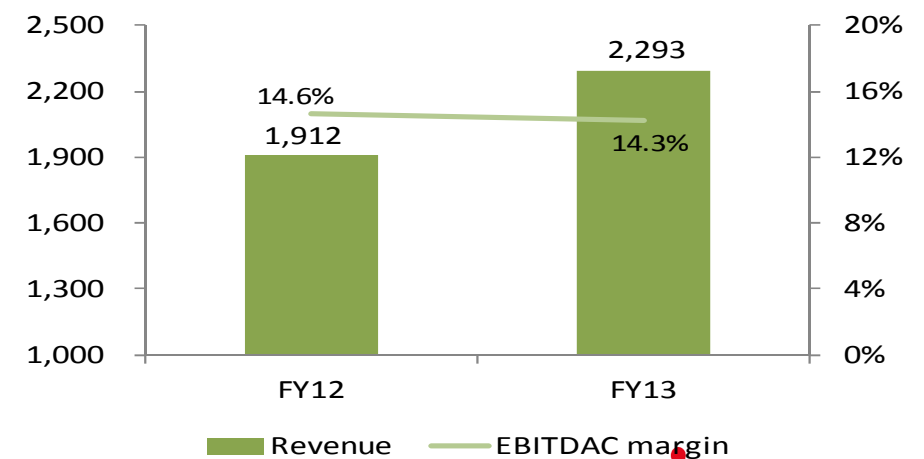
	Q3FY13	Q4 FY13	FY13
Operating EBITDAC	15.4%	15.8%	14.9%

*EBITDAC refers to EBITDA before net business trust costs

Rs Cr

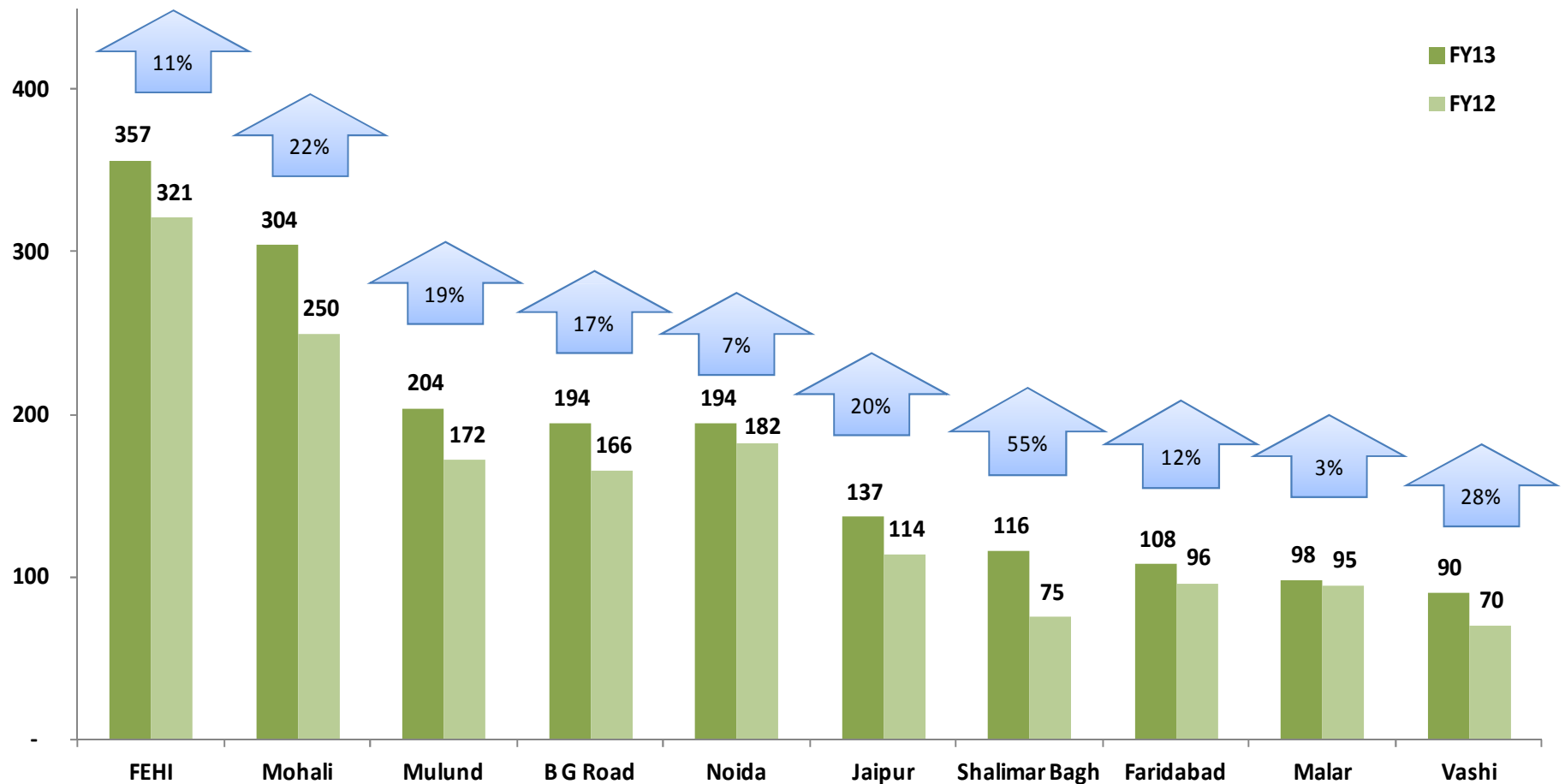


Rs Cr



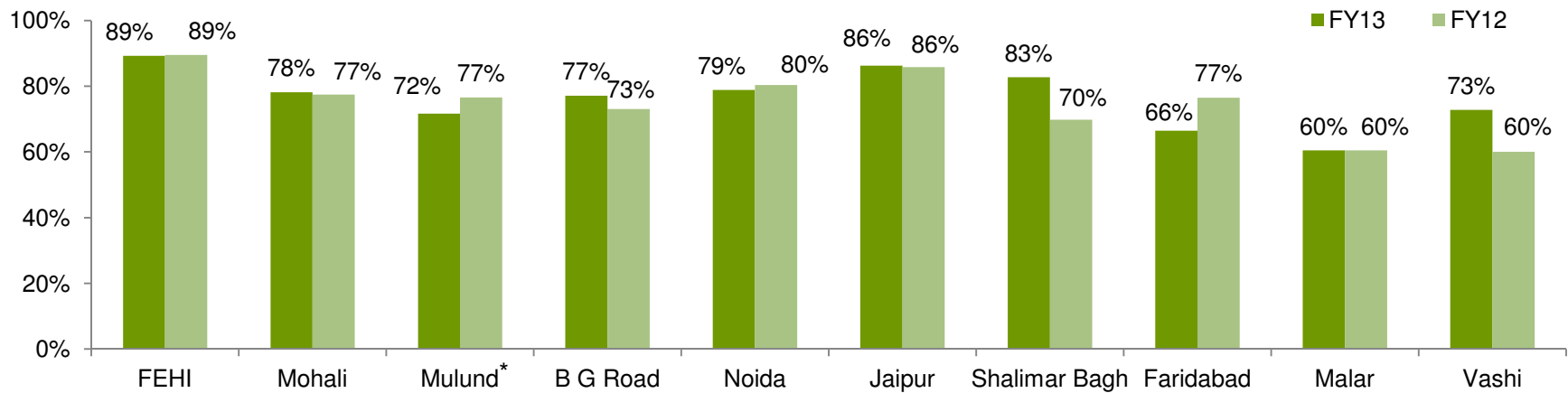
Hospital-wise Revenue – Top 10 Hospitals

Rs Crore

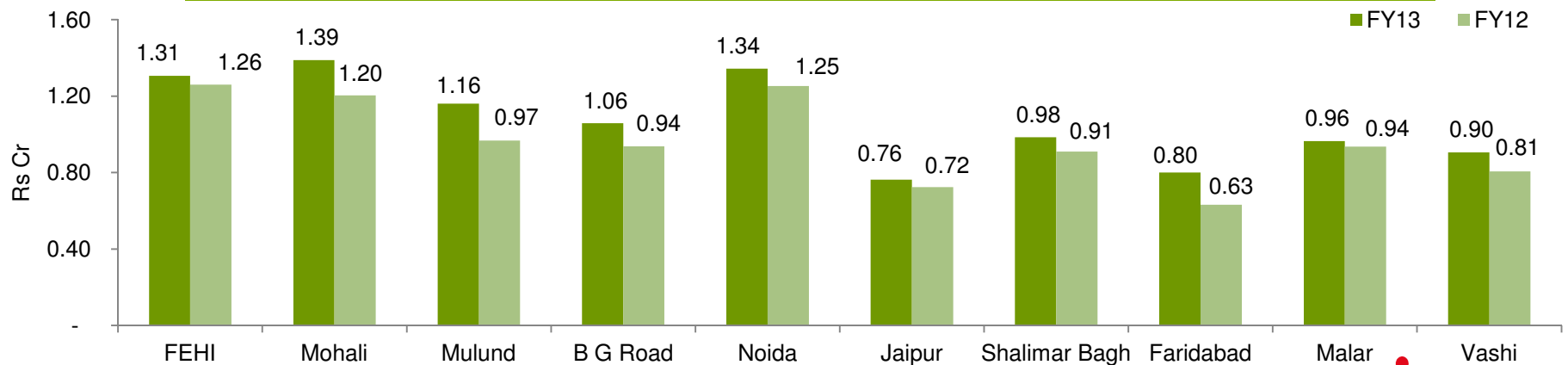


Occupancy & ARPOB - Top 10 Hospitals

Consolidated Occupancy for India hospital business improved to 74% in FY13 from 72% in FY12



Consolidated ARPOB for hospital business improved to Rs 1.04 Cr in FY13 from Rs 0.93 Cr in FY12



* Lower occupancy due to operational capacity expansion / bed additions

India Hospital Potential Bed Capacity ~ 9,800



Focus on brownfield bed additions

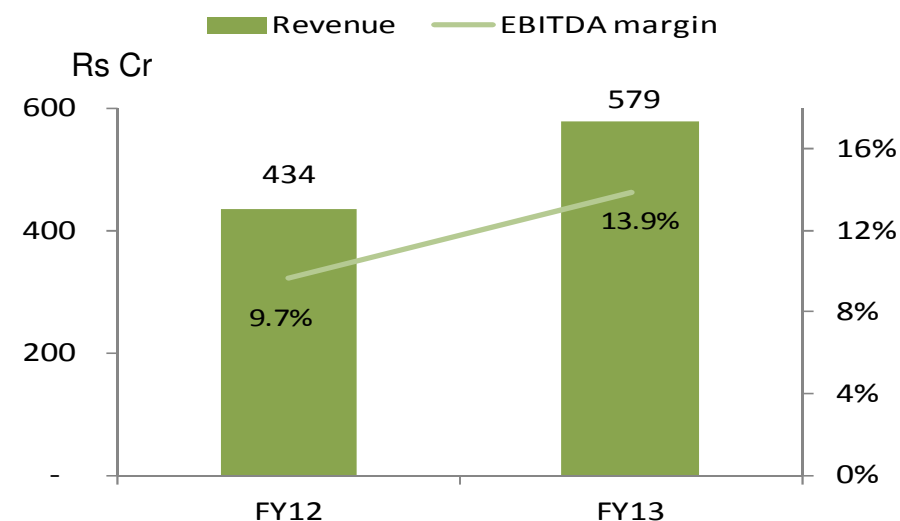
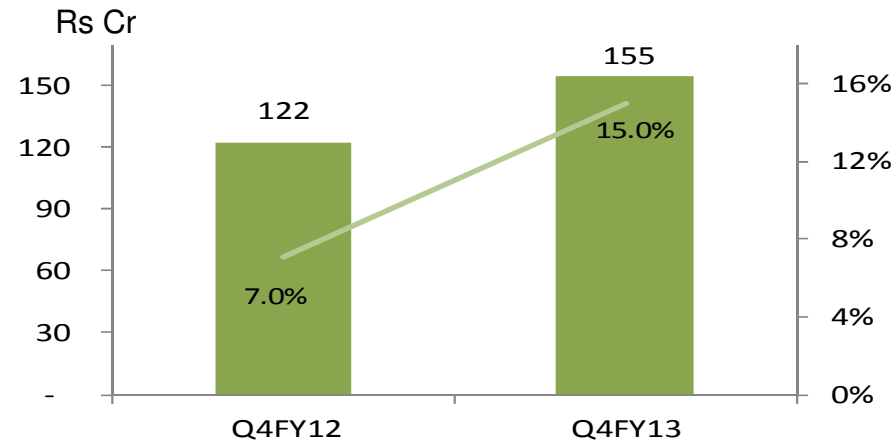
- 80% of total potential bed additions .i.e. 4,600 beds pertaining to installed capacity and brownfield expansion
- Majority capital expenditure based on an asset light model
- Fortis capex primarily towards medical equipment
- Low investment and faster turnaround time to improve return metrics / profitability

** Excludes FMRI, Gurgaon launched in May 2013, includes Ludhiana facility planned for launch in FY 14 (215 beds), ^ Includes Chennai Arcot Road facility (205 beds) planned for launch in FY14*

India Diagnostics Business

Q4 Highlights

- Operating revenue at Rs 155 Cr, +26%
- Operating EBITDA margin at 15.0%
- Expanded network strength by adding 43 collection centers taking the total to over 1,290 collection centers in FY13
- No of accession at 2.35 million, + 10% Q-o-Q; ~10 mn accession in FY13, +16%
- Added 6 new tests to increase service offerings; 46 new tests added during the year.



India Business – FY13 Consolidated Profit and Loss

Particulars	FY13			FY12			Growth
	Hospital Business	Diagnostics Business***	Total Consol	Hospital Business	Diagnostics Business***	Total Consol	
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	
Operating Revenue	2,292.9	578.9	2,871.8	1911.6	434.0	2,345.6	22.4%
Operating EBITDAC*	327.2	80.4	407.6	279.8	42.0	321.8	26.7%
Operating EBITDAC margin	14.3%	13.9%	14.2%	14.6%	9.7%	13.7%	
Net BT Costs	133.4	-	133.4	-	-	-	
Operating EBITDA	193.8	80.4	274.2	279.8	42.0	321.8	
Other Income**	145.6	2.64	148.2	151.4	3.2	154.6	
EBITDA	339.4	83.0	422.4	431.2	45.2	476.4	

*EBITDAC refers to EBITDA before net business trust costs

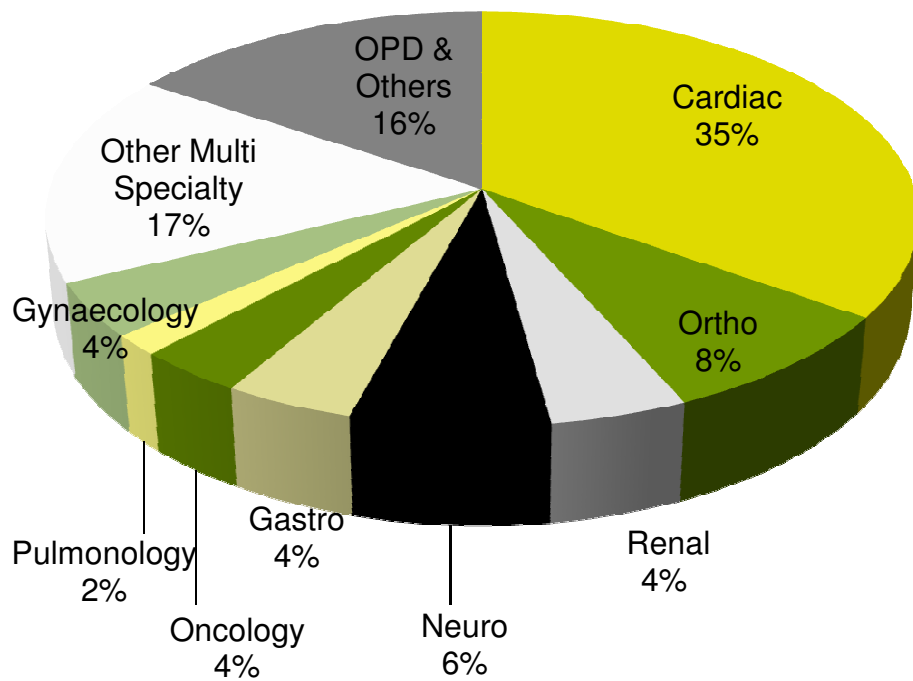
** Other income includes forex gains (if any) on foreign currency loans

***Diagnostic revenues have been netted for inter-company sales

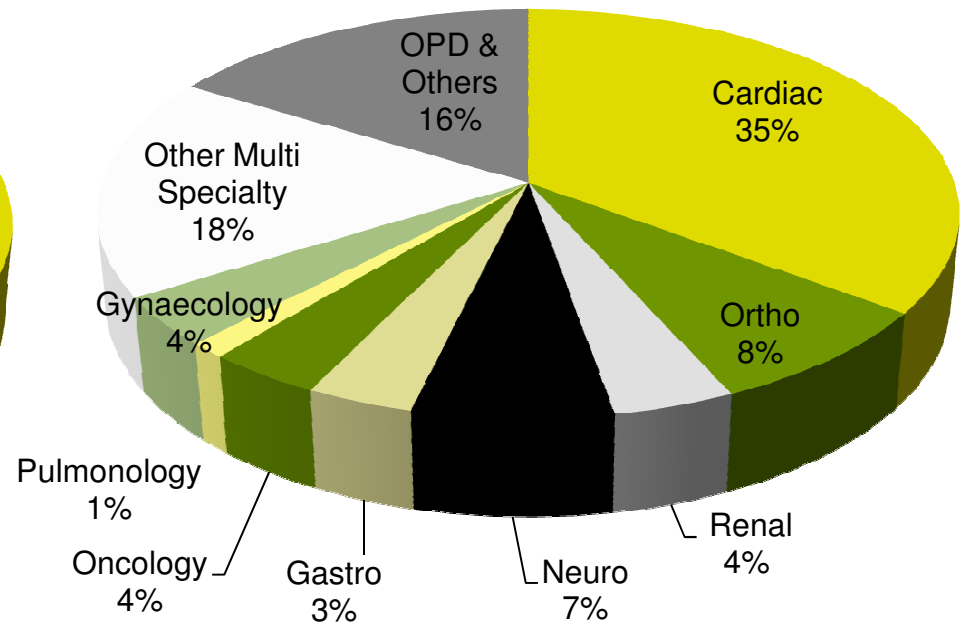
Operating EBITDAC for hospital business during FY13 excluding start up and one off costs stood at 14.9%

Specialty Revenue Split – India Hospital Business

FY13



FY12

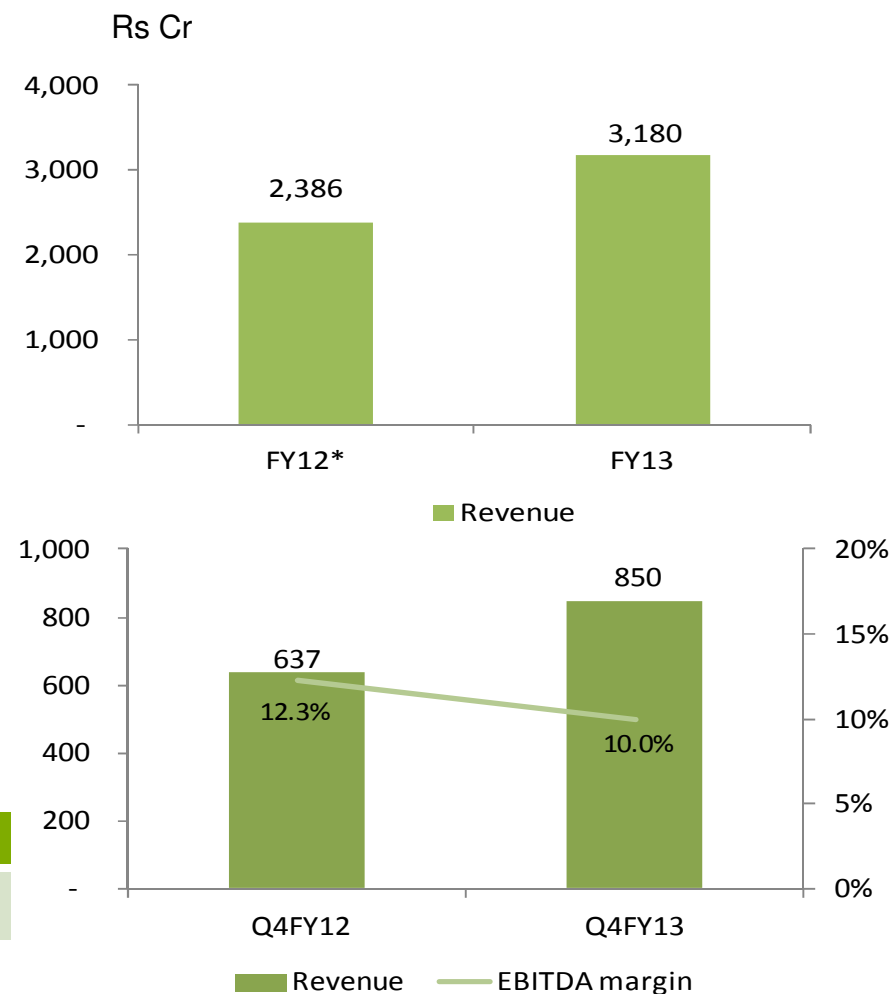


International Business Performance

International Business Performance - Q4 FY13

- International revenues contributed ~53 % to overall revenues.
- Soft quarter for the international business as a result of
 - ➡ Muted performance of the DC business
 - ➡ One off costs related to the HK Hospital tender
 - ➡ Seasonality impact due to Chinese New Year
- Operating EBITDA margin at 10%. Excluding start up and one off costs operating EBITDA margins as follows

	Q3FY13	Q4 FY13	FY13
Operating EBITDA	14.4%	11.7%	14.1%

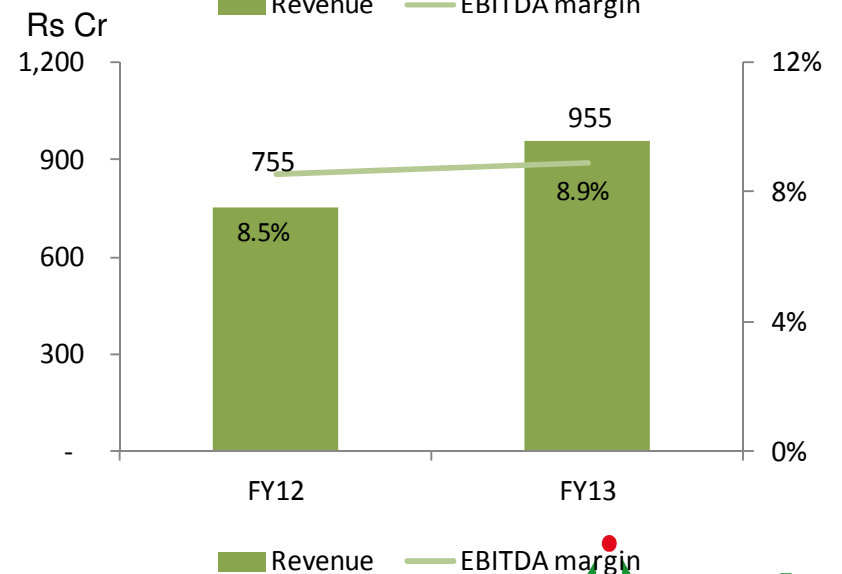
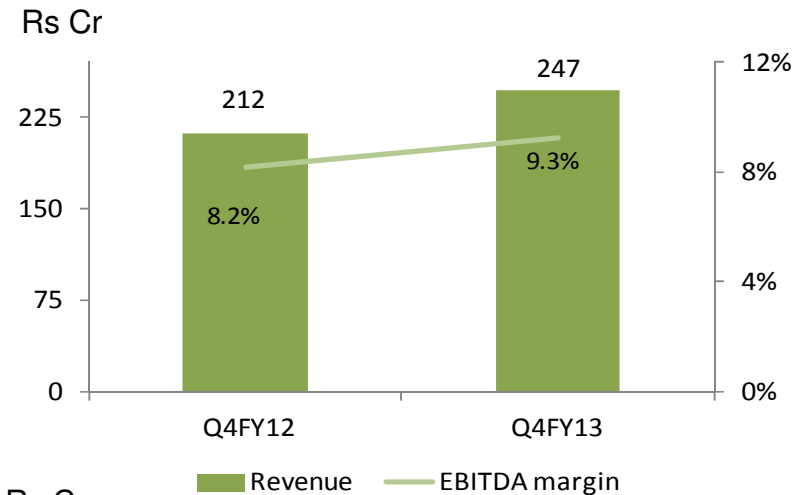


*FY 12 based revenues on proforma basis and are MIS numbers

Quality Healthcare, Hong Kong

Q4 Highlights

- Q4 revenues at Rs 247 Cr with 9.3% EBITDA margin
- Key vertical of western medicine division (~ 85% of revenues) continues to perform well. Selective price increases taken in strategic customer accounts.
- Effective ongoing implementation of the centre consolidation and network management plan
- Stronger focus on adding new medical specialities and further strengthening the diagnostic and imaging business



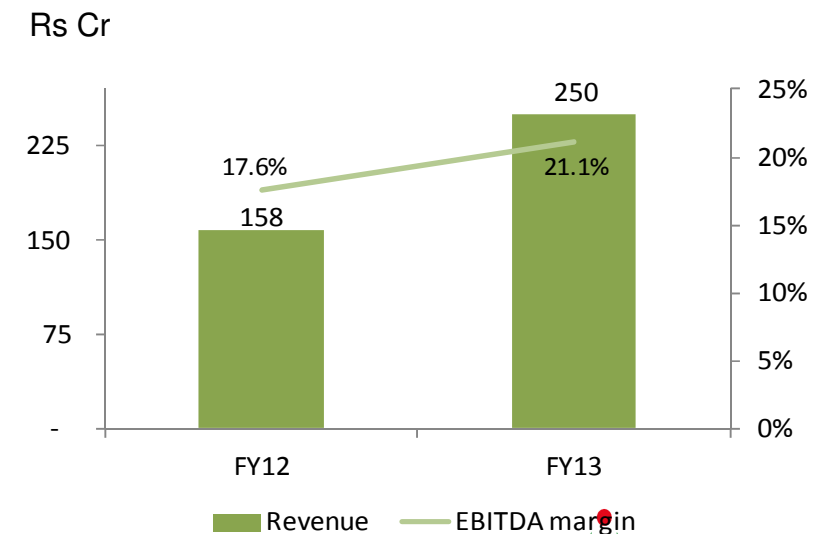
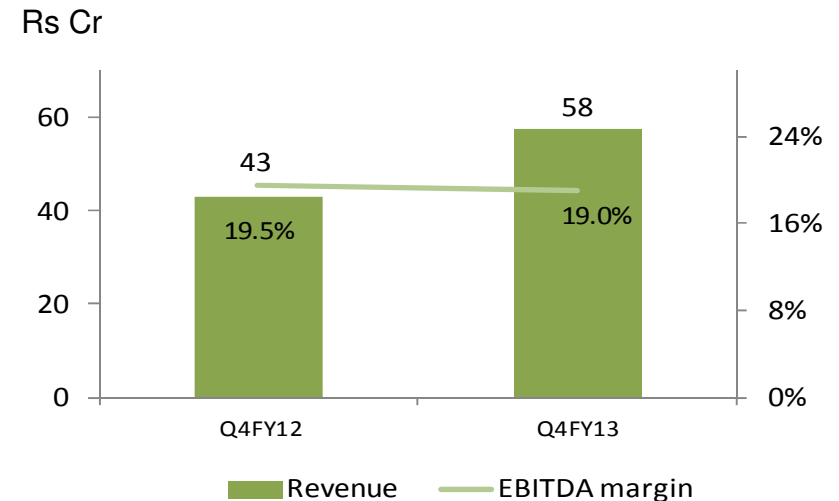
FY 12 financials are proforma MIS numbers since the international business was consolidated in Q4 FY12

Fortis Hoan My, Vietnam

Q4 Highlights

- Q4 revenues at Rs 58 Cr with 19% EBITDA margins
- Steady operating performance across all Fortis Hoan My facilities
- Enhancing focus on high end medical care by adding new medical programmes
- Successful implementation of Fortis Operating System (FOS) in the Fortis Hoan My Saigon facility
- Commissioned 200 beds at the existing Fortis Hoan My Cuu Long facility.

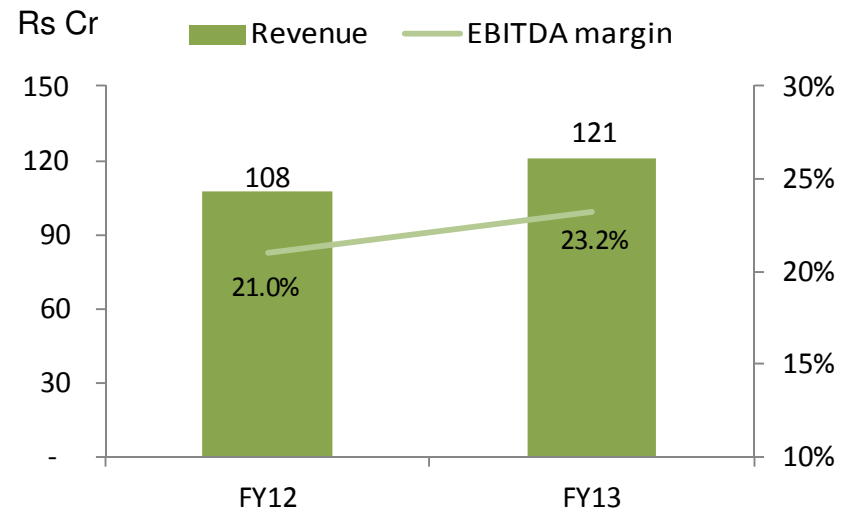
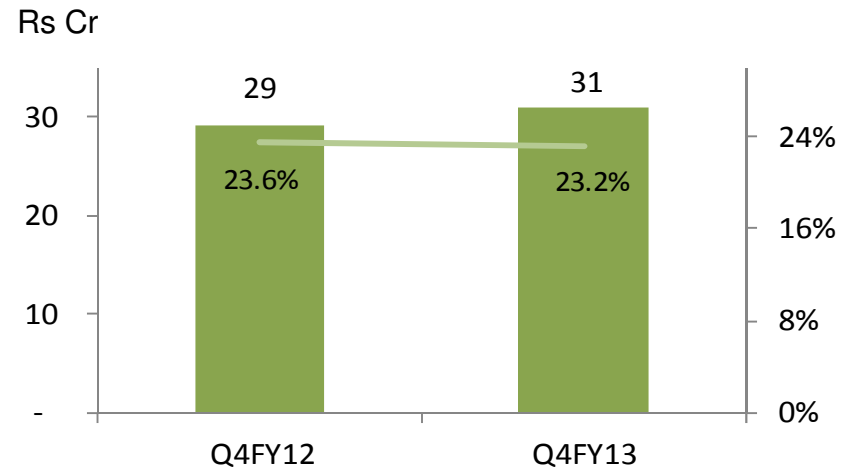
FY 12 financials are proforma MIS numbers since the international business was consolidated in Q4 FY12



RadLink, Singapore

Q4 Highlights

- Q4 FY13 revenues at Rs 31 Cr with 23.2% EBITDA margin
- Continuing to focus on increasing the outsourced imaging business from third parties
- Targeted marketing strategy for specialised tests in select medical specialities
- Stronger focus on enhancing revenues from the nuclear medicine and radiopharmaceuticals business segments



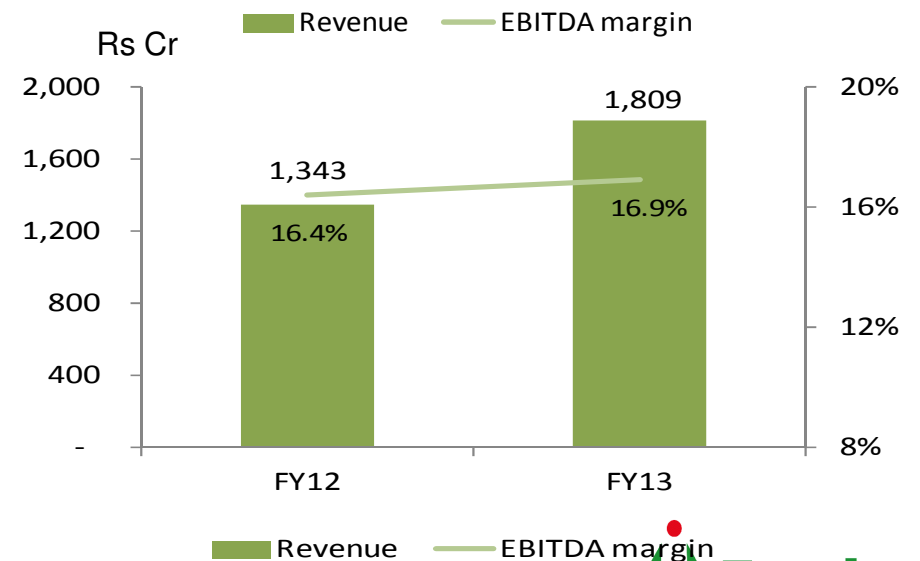
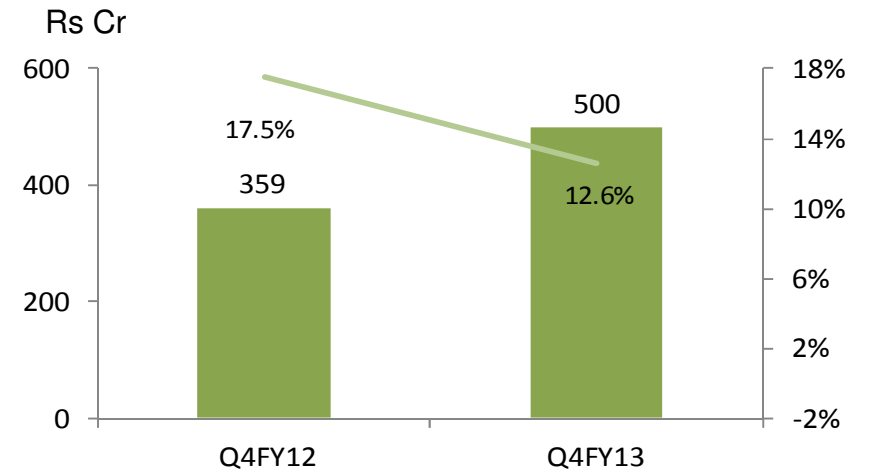
FY 12 financials are proforma MIS numbers since the international business was consolidated in Q4 FY12

Revenue EBITDA margin

Dental Corporation, Australia

Q4 Highlights

- Revenues of Rs 500 Cr with EBITDA margin at 12.6%
- As of 31 March 2013, DC had a total of ~186 practices with ~570 principal & associated dentists
- All regulatory clearances received for completion of the transaction .i.e. sale to BUPA.
- Proceeds of AUD 270 Mn to be received would be utilized to further de-lever the balance sheet



All revenues are on net basis



Way Forward

- Focus on consolidation and stabilization
- Emphasis on further strengthening the Balance Sheet – plans to achieve and maintain a net debt to equity ratio at no more than 0.5x (currently at 1.1x)
- Post DC divestiture, overall India business expected to contribute over 70% to consolidated revenues
- Enhancing efforts to improve operational performance across existing hospital facilities. Ensuring stabilization of new greenfield launches at the earliest
- Future investments in expansion and growth primarily in the India Hospital segment; capex planned based on the asset light strategy.
- International business – no major capex required
- Continue to evaluate portfolio of businesses to ensure the right strategic fit and adequate realization of synergistic benefits across verticals

Thank You...