



9th August 2010



Fortis Healthcare

Investor Presentation – Q1FY2011



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Agenda

➤ **Highlights of the quarter**

➤ **Snapshot – Financial and Operational Performance**

➤ **Hospital wise performance**

➤ **Update on projects**

Financial Highlights for the quarter

➤ Financial Update:

- Network Operating Revenues: – **Rs. 413.0 Cr. (+70%)**
- Consolidated Operating Revenue: – **Rs. 337.9 Cr. (+82%)**
- Operating EBITDA (from base operations) – **Rs. 48.5 Cr. (+73%)**
- PAT (excluding net interest costs related to Parkway acquisition) : – **Rs. 21.6 Cr. (+186%)**
- Fortis Hospitals (FHsL) Division (consisting of newly acquired hospitals) – **Rs. 94.4 Cr.**
- Fortis Escorts Delhi (+17%), Noida (+38%), Malar (+33%), Vasant Kunj (+17%), Jaipur (+37%) and La Femme (+23%) led the growth across the network
- Revenues from **Cardiac, Ortho, Neuro, Pulmonology, Oncology and Gastroenterology grew by 40%, 29%, 70%, 217%, 21% & 39%** respectively

➤ Capital Raising activities:

- Raised Rs1342 Cr. through conversion of Detachable Warrants issued at the time of Rights Issue
- Raised USD 100 million through 5% Foreign Currency Convertible Bonds (FCCB's)

Operational Highlights for the quarter

➤ Operational Highlights

- **15 hospitals** in the network recorded all time high revenues
- Newly acquired hospitals integrated into the Fortis brand
- 9th consecutive quarter of growth in revenues and operating profits

➤ New Medical Programmes:

- Heart transplant procedures started at Fortis Malar Hospital - Chennai
- Renal transplants commenced at Fortis – Mohali; Chennai and Amritsar programmes doing well
- Oncology Block at Fortis Hospital – Mulund commissioned; Oncology at Noida ramping up well
- MedSpa Centre and IVF centre inaugurated at Fortis Vashi

➤ Projects Update:

- 414 bedded project at Kolkata nearing completion; Expects commissioning in Q2-FY11
- 350 bed project at Shalimar Bagh awaiting statutory approvals to commence operations
- 344 beds expansion project at Mulund expects commissioning in Q2-FY11

Agenda

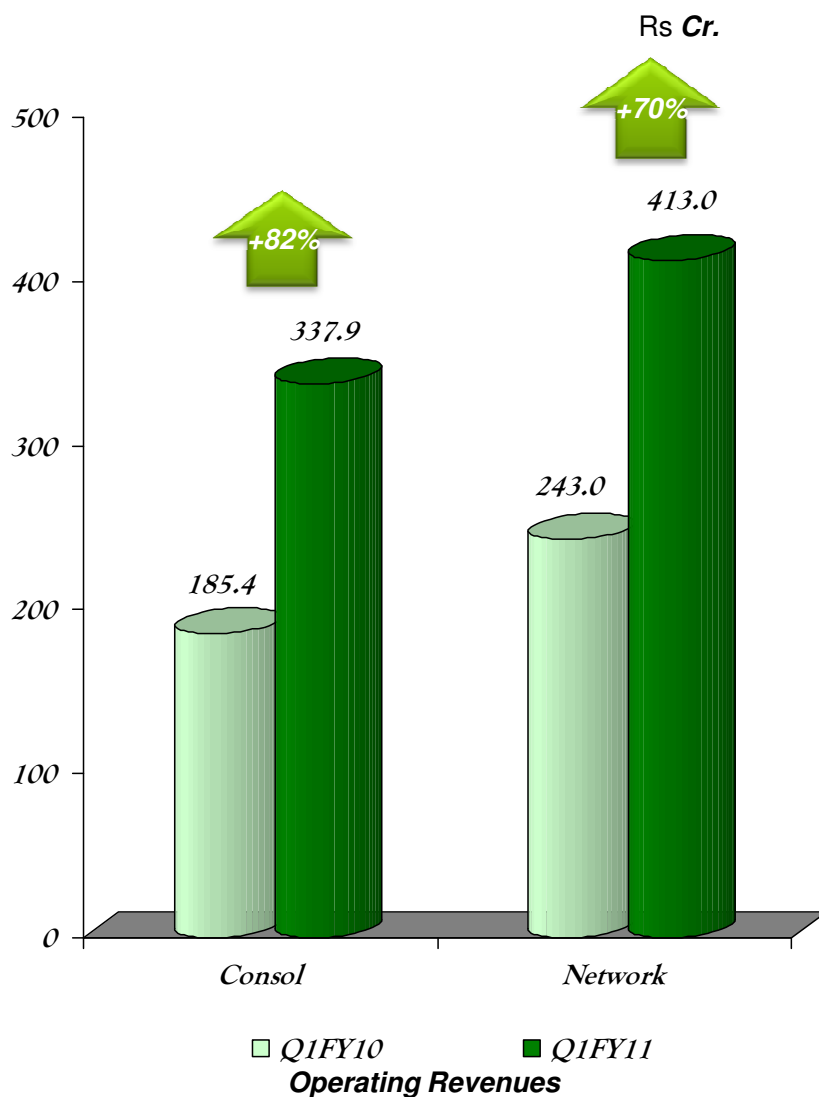
➤ Highlights of the quarter

➤ **Snapshot – Financial and Operational Performance**

➤ Hospital wise performance

➤ Update on projects

Snapshot – Financial Performance



➤ Q1FY 11 – Consolidated

- Operating Revenue - Rs 337.9 Cr ↑ 82%
- Operating EBITDA* - Rs 48.5 Cr ↑ 73%
- Net Operating Profit** - Rs 21.6 Cr ↑ 186%
- Net Profit - Rs (14.3) Cr

Consolidated	Q1FY10	Q1FY11
Occupancy	69%	76%
ARPOB (Annualized - ₹ Lacs)	80	83
ALOS (Days)	3.6	4.1

➤ Q1 FY11 – Network

- Operating Revenue - Rs 413.0 Cr. ↑ 70%
- Organic Growth - 25%
- Doubled the revenue from International Patients @ Rs 20.8 Cr. (5.0% of Network revenues)

*Operating EBITDA from base business

**PAT is arrived at after excluding costs relating to Parkway acquisition



Summary – Consolidated Profit and Loss – Q1FY11

Particulars	Q1FY11 (Rs. Cr.)	%	Q1FY10 (Rs. Cr.)	%	Growth (%)
Operating Revenue	337.9	90.9%	185.4	98.4%	82.2%
Other Income #	33.7	9.1%	3.1	1.6%	992.7%
Total Income	371.6	100.0%	188.5	100.0%	97.1%
Direct Costs	93.5	25.2%	54.3	28.8%	72.3%
Employee Costs	62.7	16.9%	42.5	22.5%	47.6%
Other Costs	134.1	36.1%	60.6	32.1%	121.5%
EBITDA	81.2	21.9%	31.2	16.5%	160.5%
Finance Costs	70.9	19.1%	10.4	5.5%	581.3%
Depreciation & Amortization	21.5	5.8%	11.4	6.0%	89.6%
PAT	(14.3)	-3.9%	7.6	4.0%	-289.5%
EPS for the quarter (Rs.)	(0.44)		0.33		

#Other income includes mainly interest income, excess provisions written back & miscellaneous income

Comparative Financials – Base Operations

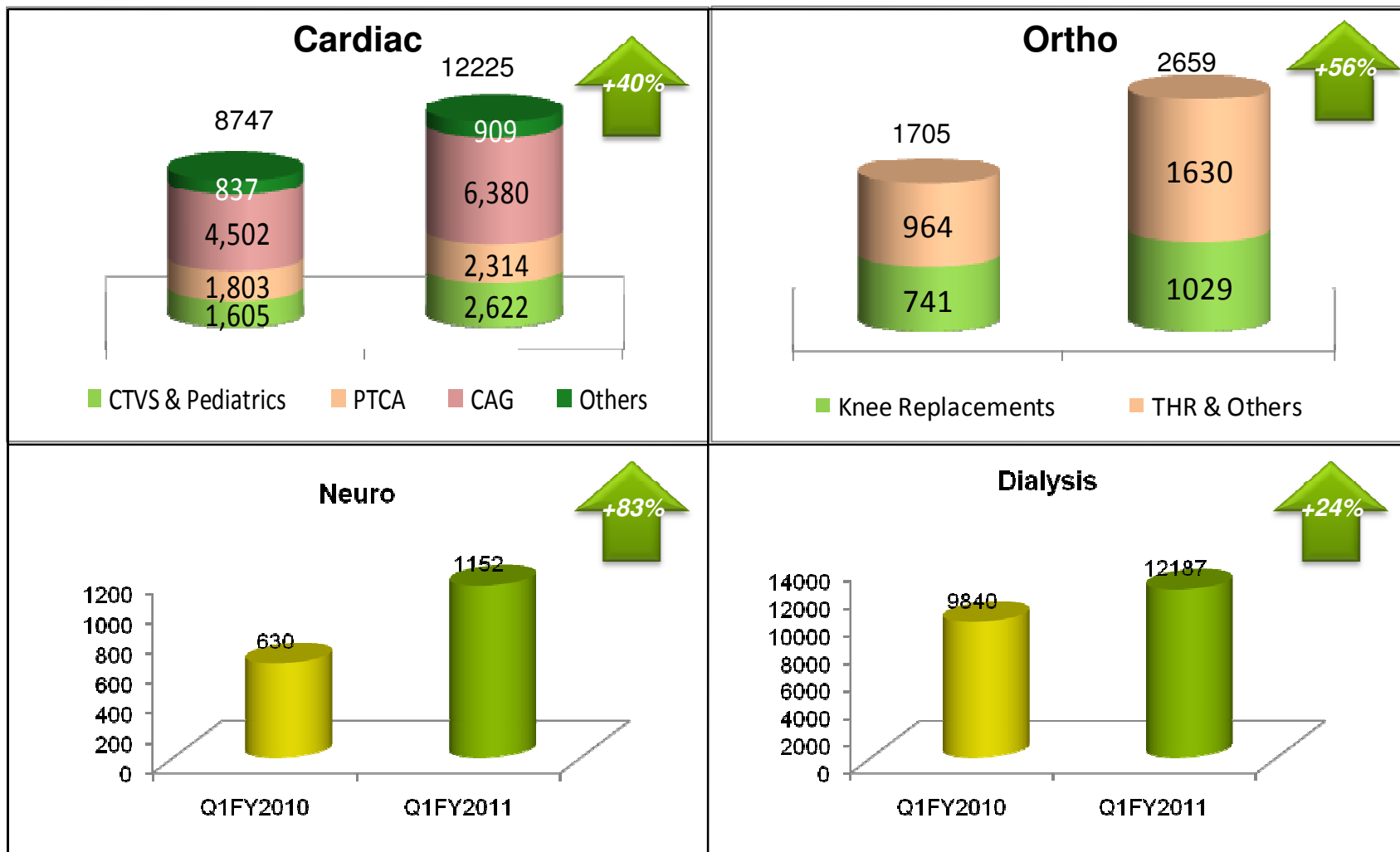
Particulars	Q1FY11			Q1FY10		Growth vis-à-vis Base Operations (%)
	Base Operations (Rs. Cr.)	%	Parkway (Rs. Cr.)	Base Operations (Rs. Cr.)	%	
Operating Revenue	337.9	96.9%	0.0	185.4	98.4%	82%
Other Income #	10.7	3.1%	22.9	3.1	1.6%	248%
Total Income	348.6	100.0%	22.9	188.5	100.0%	85%
EBITDA	59.3	17.0%	21.9	31.2	16.5%	90 %
Finance Costs	13.1	3.7%	57.9	10.4	5.5%	25%
PAT	21.6	6.2%	-35.9	7.6	4.0%	186%

#Other income includes mainly interest income and miscellaneous income

Funding for Parkway as on 30 Jun 2010	S\$ Million
Long Term Funds raised	325
Short Term Funds raised	~ 340
Equity (including FCCB)	~ 335
Total	~1,000
Total shares acquired (Million)	~284.2

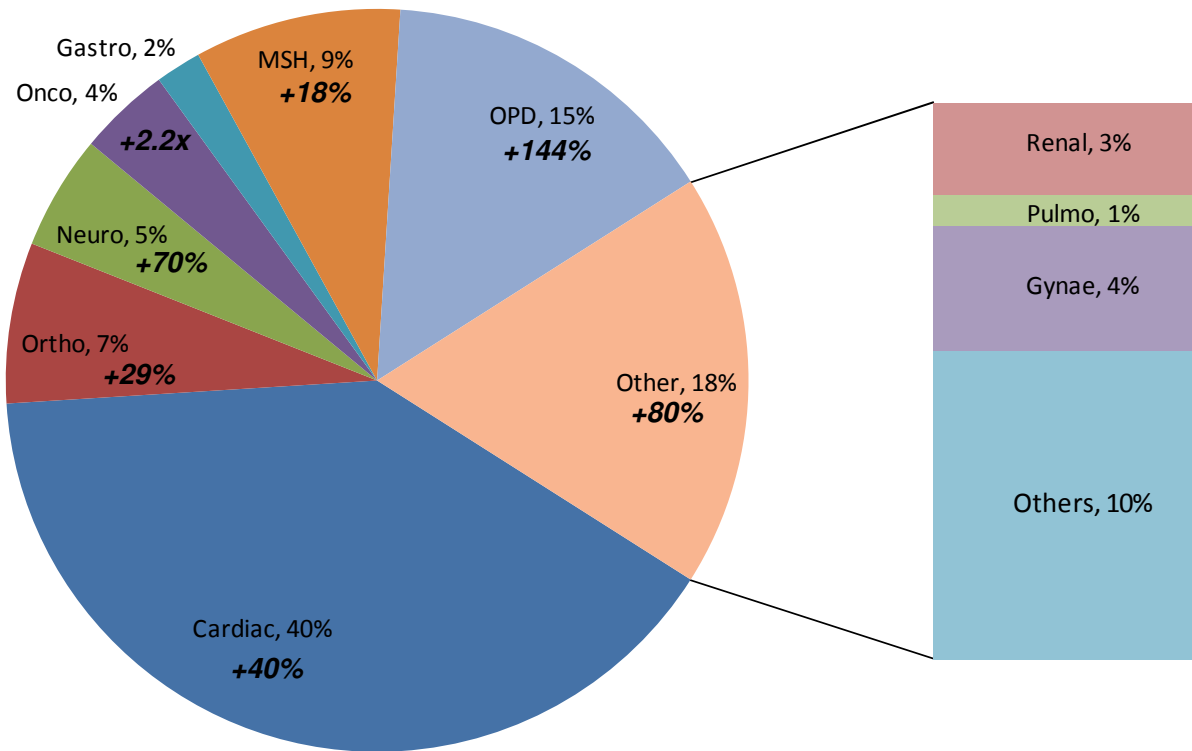
Associate accounting for our share of profit in Parkway Holdings Limited not considered as the investment is considered under Current Investments

No. of Procedures – Q1FY2011



*The data shown above is on Network Hospitals excluding the numbers of Clinique Darne - Mauritius

Specialty Mix – Q1FY11



Focus on key specialties Cardiac, Neuro, Ortho, Renal & Onco to continue...

**The data shown above is on Network Hospitals excluding the numbers of Clinique Darne – Mauritius and S L Raheja Hospital*

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➤ Highlights of the quarter

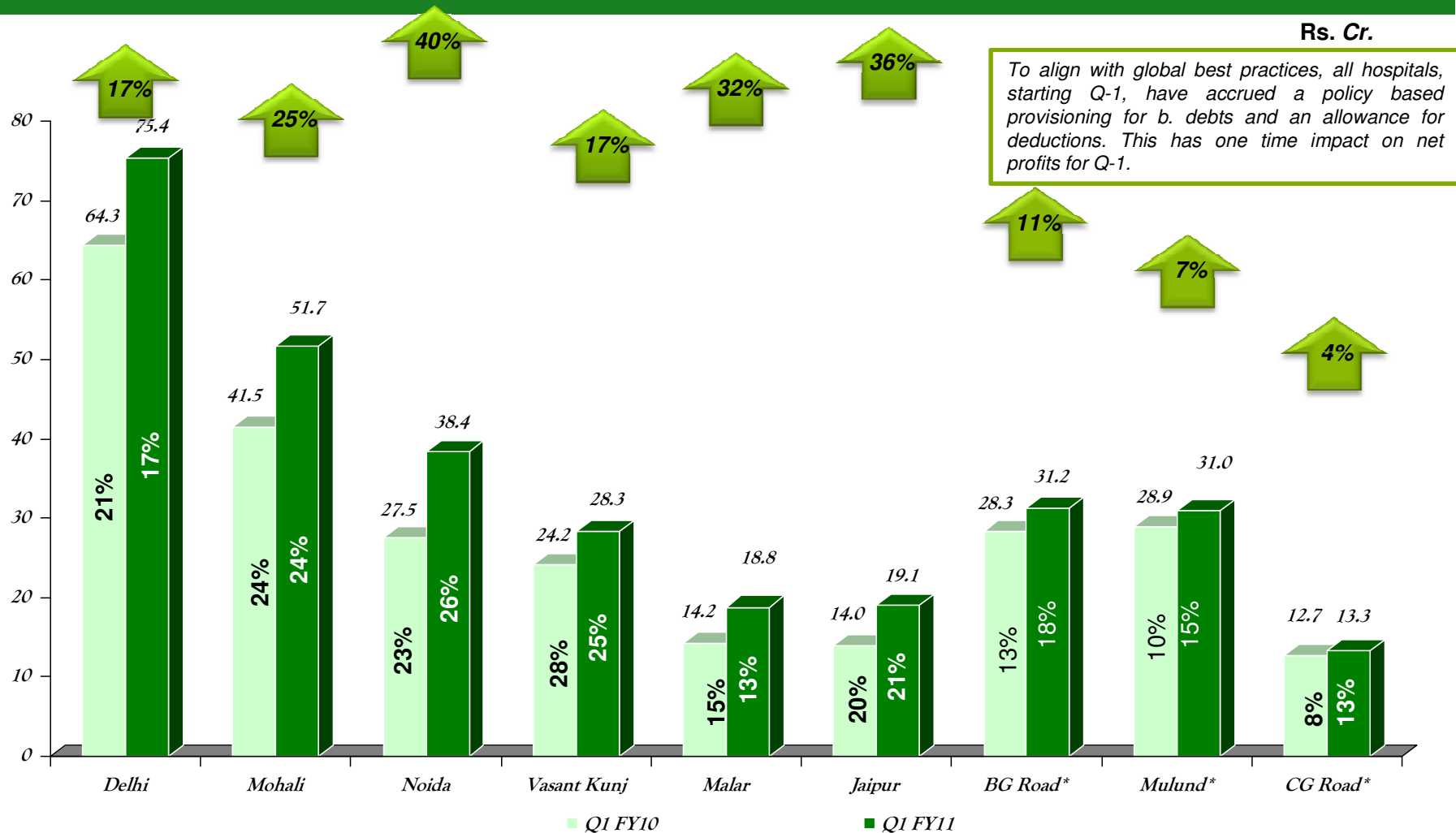
➤ Snapshot – Financial and Operational Performance

➤ Hospital wise performance

➤ Update on projects

Hospital wise Revenue & EBITDA – Q1FY2011

Rs. Cr.



To align with global best practices, all hospitals, starting Q-1, have accrued a policy based provisioning for b. debts and an allowance for deductions. This has one time impact on net profits for Q-1.

The above chart depicts revenue of hospitals managed by Fortis Healthcare and its subsidiaries.
 * FY10 revenues are based on unaudited information available with the company

Balance Sheet

	Rs. Crore
Shareholder's Equity*	3,153
5% Foreign Currency Convertible Bonds (FCCB's)	464
Net Debt	2,459
Total Capital Employed	6,076
Investments (including Parkway)	3,372
Goodwill	863
Net Fixed Assets (including CWIP of Rs. 473 Crore)	1,722
Net Current Assets	118
Total Fixed Assets	6,076

	Ratio
Net Debt : Equity*	0.68

* FCCB's outstanding are considered as part of Equity for the purpose of calculation of Net Worth / Equity

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Upcoming Greenfield Hospitals in India

No.	Location	Beds	Area & Land Ownership	Date of Commencement	Status
1.	Shalimar Bagh	350*	7 Acres. Owned	Q2 FY 11	•Building Completion from MCD & Nursing Home Registration approval in process
2.	Gurgaon	450**	11 Acres, Owned	Q4 FY11	•Civil & Engineering - 75% completed •Interior work for Ground Floor and First Floor almost completed
3.	Ludhiana – 2	100	60,000 sq ft. B. Lease	Q4 FY 12	•Concept Design under progress • Application from govt. authorities underway
4.	Kangra	100	37,000 sq. ft., B. Lease	Q1 FY12	• Civil work completed • 50% Interiors work completed
5.	Ludhiana – 1	200	1,55,000 sq. ft., B. Lease	Q2 FY12	•Design Completed •Pre-Construction approvals in hand •Contract negotiations in progress
6.	Ahemdabad	200	1,55,000 sq. ft., B. Lease	Q4 FY12	•Approvals from govt. authorities awaited • Design concept completed •Construction documents (GFCs & Tenders) in progress
7.	Gwalior	150	2.5 Acres, L. Lease	Q2 FY13	•Approvals from govt. authorities awaited to commence construction
8.	Kolkata	414	294931 Sq ft; Owned	Q2 FY11	•Hospital construction complete; Employees and doctors on board.
9.	Peenya	120	~70000 Sq ft; B. Lease	Q3 FY12	•Construction work underway
10.	Mulund***	344	8 Acres, Owned	Q2 FY 11	•Oncology Block started. Commissioned 150 Beds
Total		2,428			

*Only for Phase – 1, total size of the project is 550 beds

** Only for Phase – 1, total size of the project is 1000 beds

*** Expansion and establishment of Phase – II at Fortis Hospital - Mulund

Thank You...