



November 2012



Fortis Healthcare

Investor Presentation – Q2 FY 2013



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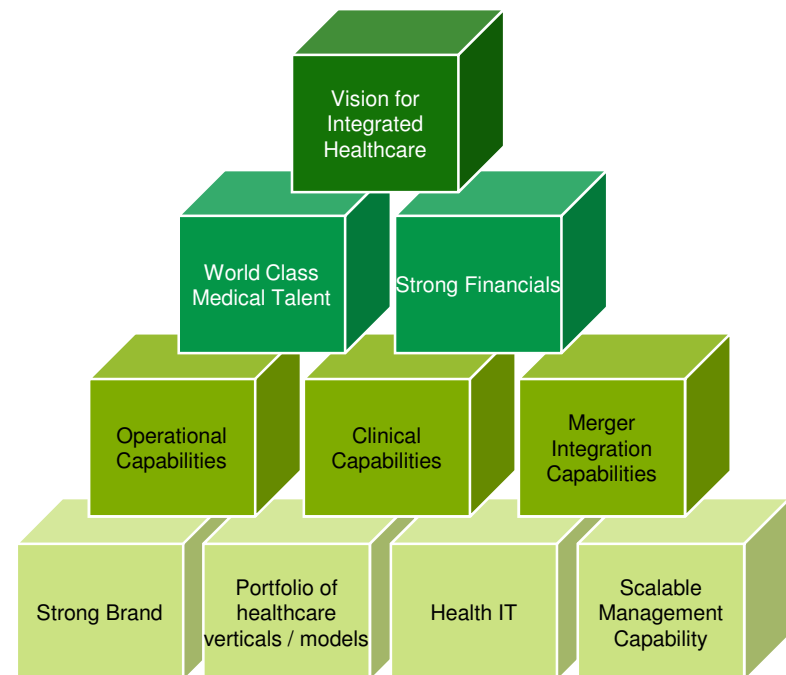
* For the section “ An Asset Light Strategy – The Religare Health Trust (RHT) “ (slides 31-35), the slides in the presentation are not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). The slides mentioned in the presentation do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The prospectus of the RHT mentioned herein has not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”).

The units of the aforesaid RHT may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States .

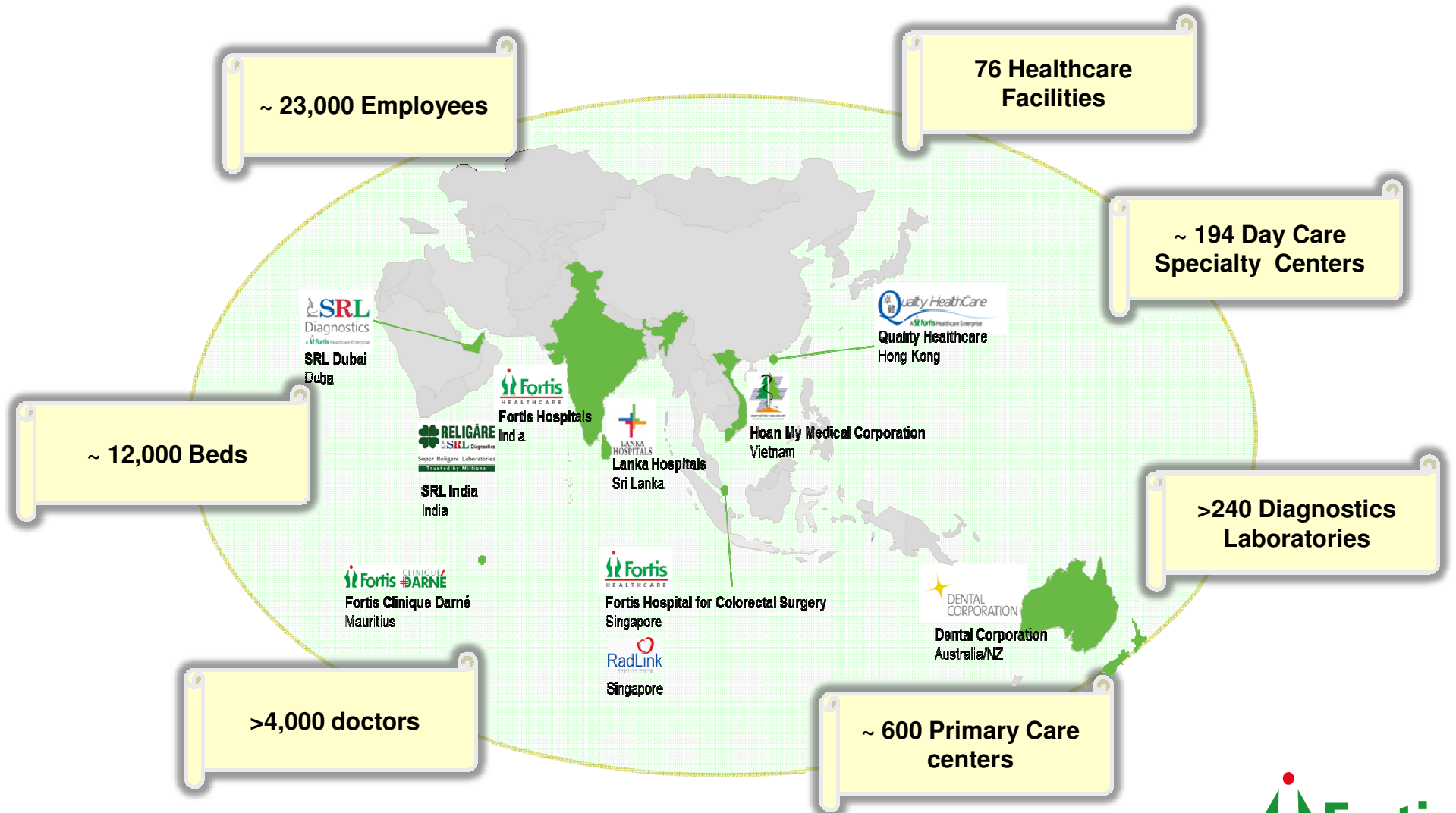
Fortis : An Overview

- Amongst the fastest growing integrated healthcare delivery service provider in Asia
- Presence across 10 countries with a population base of over 1.5 billion
- “Patients first” culture with world class clinical capabilities across various medical specialties
- Leadership in key markets and healthcare verticals
- Well balanced business mix between India and overseas

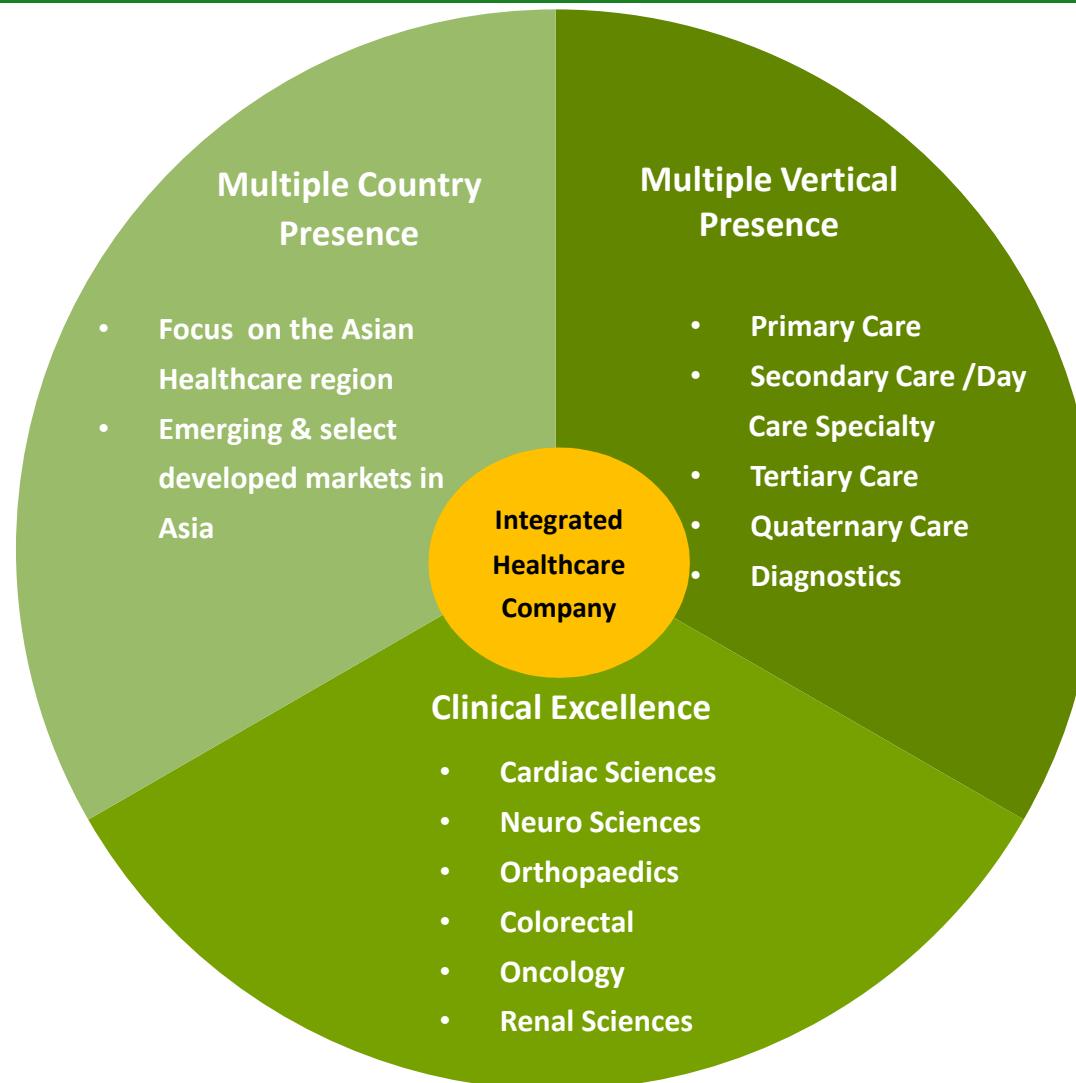
Vision : “To become a leading integrated healthcare services player in Asia”



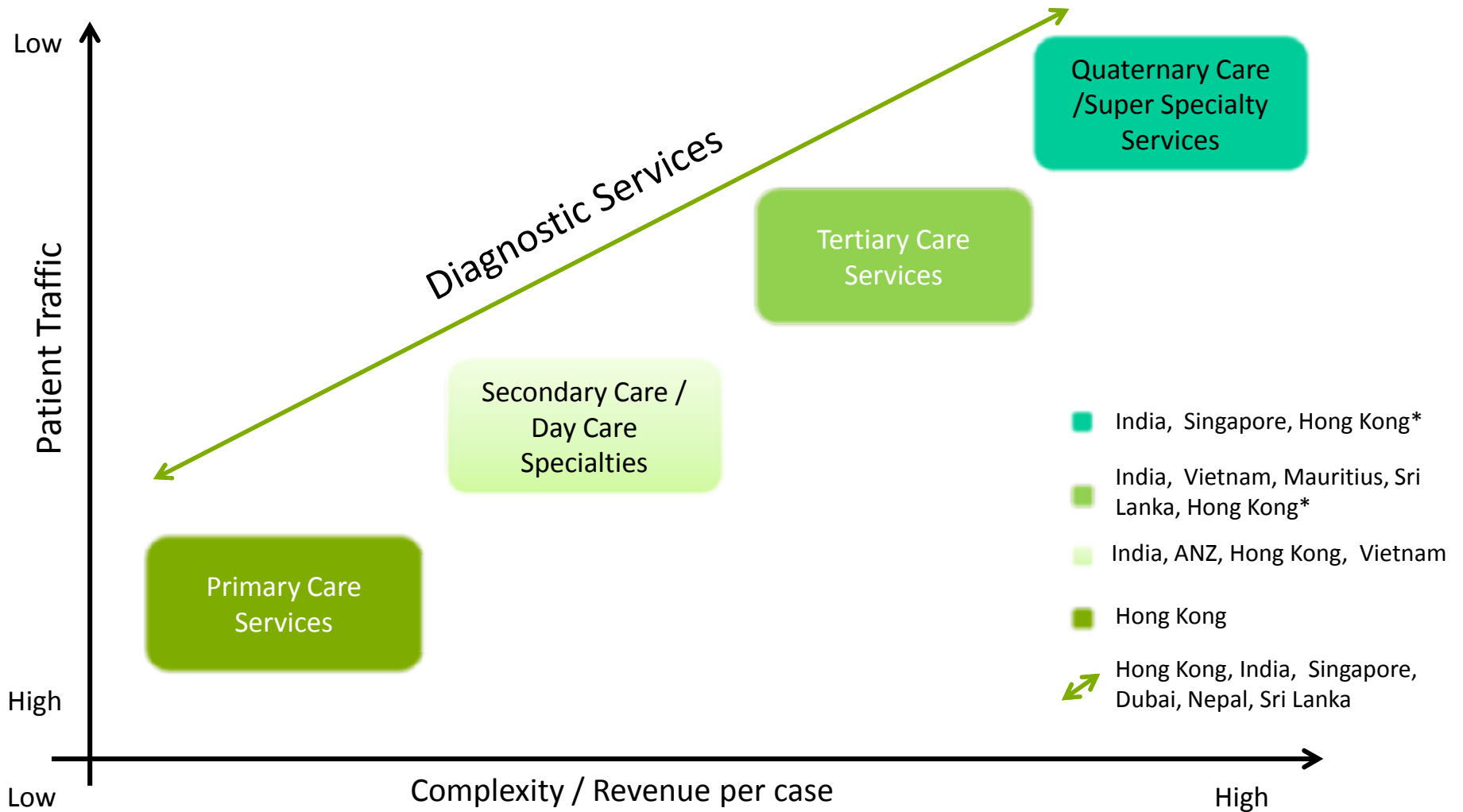
Our Healthcare Businesses across Asia



Our Business Model



Presence across the Value Chain



Discussion Points

➤ **Highlights for the Quarter**

➤ **Financial Highlights – Q2 FY2013**

➤ **India Business Performance**

➤ **International Business Performance**

➤ **An Asset Light Strategy – The Religare Health Trust***

Highlights for the quarter

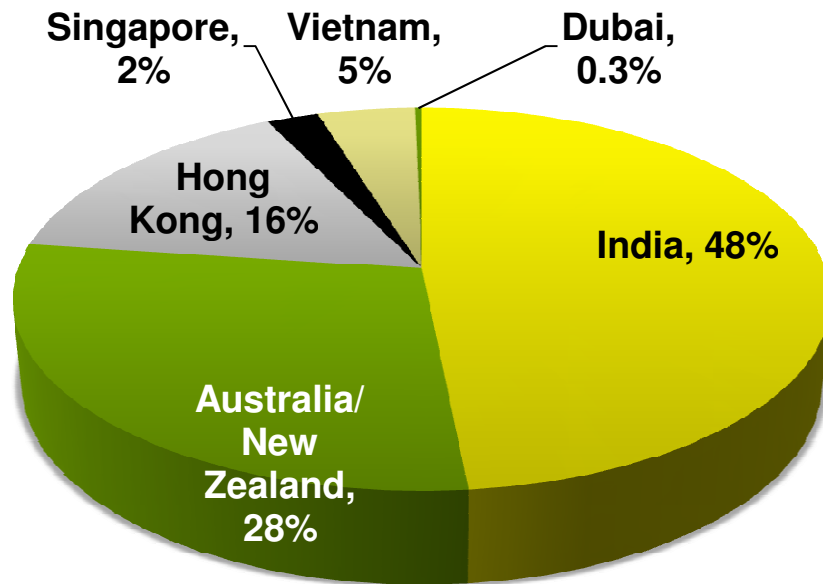
- Third consecutive quarter of improved operating performance on a consolidated basis.
- Continuing healthy operating performance in both the India & International businesses.
 - International business shows healthy growth momentum.
 - India hospital business sees steady performance, India diagnostics business operating margins witness sequential growth post recovery in Q1 FY13.
- An asset light strategy - Listing of the Fortis sponsored Religare Health Trust (RHT) in October
 - Largest IPO of a Business Trust in Singapore sponsored by an Indian Company
 - Raised ~Rs 2,200 Cr. Proceeds received to be utilised for de-leveraging
- Raised approx. Rs 2,570 Cr in H1 FY 13 (RHT listing and SRL PE capital infusion)

Highlights for the quarter

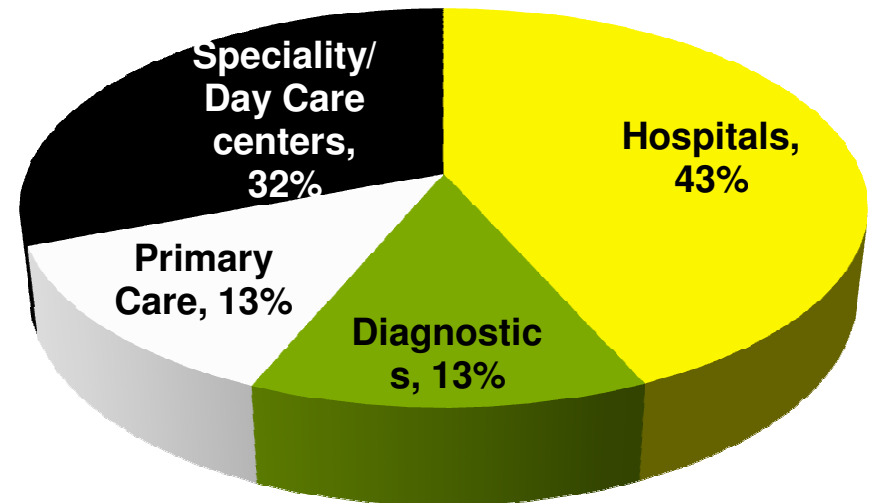
- Concept launch of Fortis Memorial Research Institute (FMRI), Gurgaon in October- a state of the art multi specialty quaternary care facility with approx. 450 beds in Phase 1.
- Collaboration with an industry leader in the area of global shared services to target a higher level of cost optimization and operational efficiency in various business segments.
- MOU with Medtronic, the World's largest independent medical technology Company, to collaborate on a framework for partnership in the areas of clinical education, training and innovation and credentialing of healthcare professionals in the use of new technologies.

Diversified Geographic & Vertical Presence

Geography wise Revenue Mix



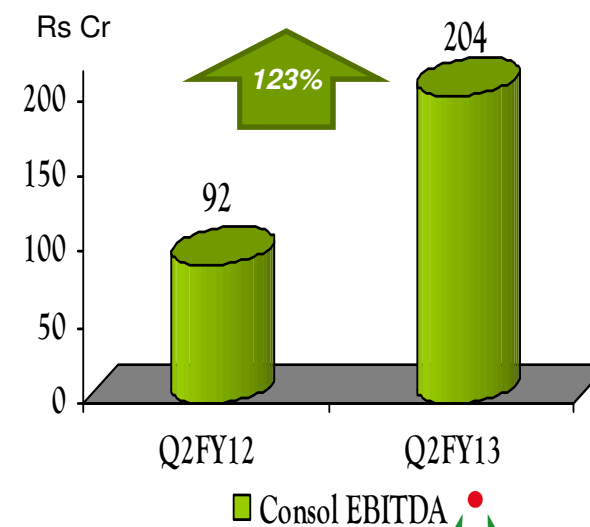
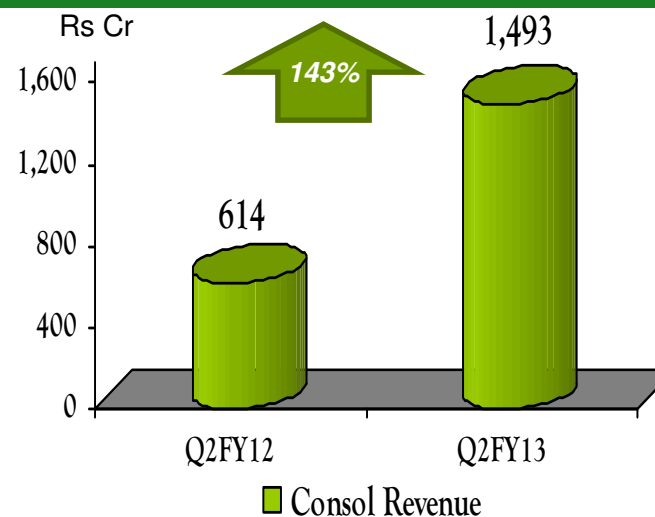
Segment wise Revenue Mix



Q2FY 13 Revenues of Rs 1,493 Cr

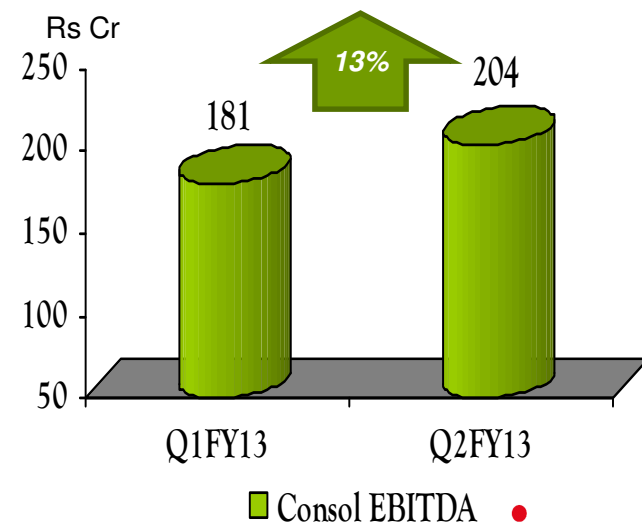
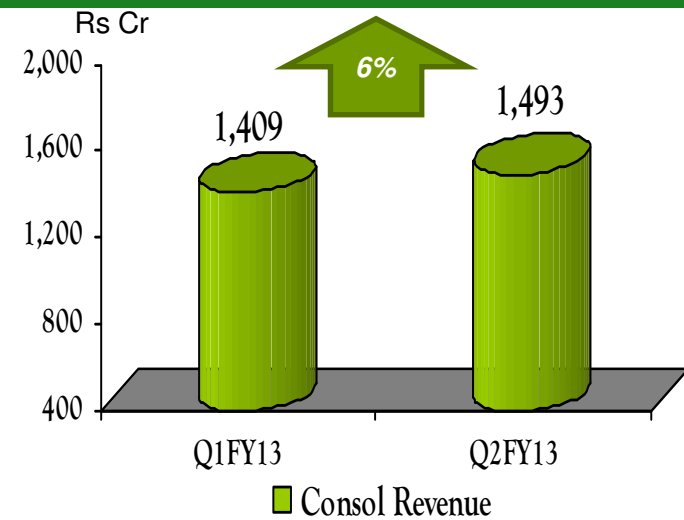
Group Financial Highlights - Q2 FY13 vs Q2 FY12

- Consolidated Revenues at Rs 1,493 Cr, + 143%.
 - ❖ India Business – Rs 724 Cr, + 18%
 - ❖ International Business – Rs 770 Cr
- Consolidated Operating EBITDA at Rs 204 Cr, +123%.
 - ❖ India Business – Rs 100 Cr, + 9%
 - ❖ International Business – Rs 104 Cr
- Consolidated EBITDA margin at 13.7%



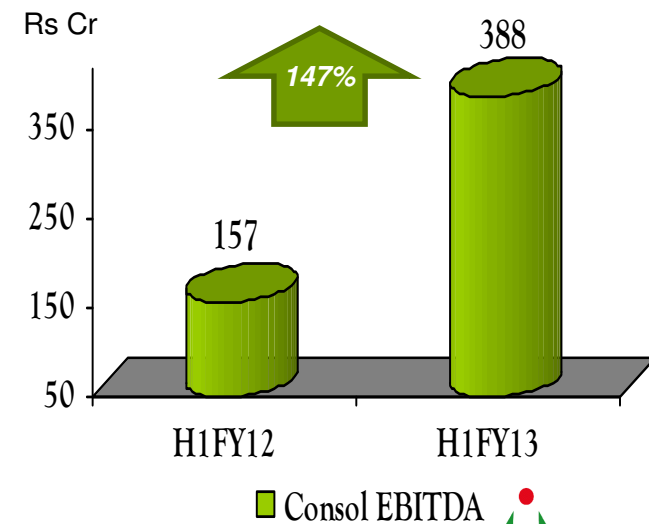
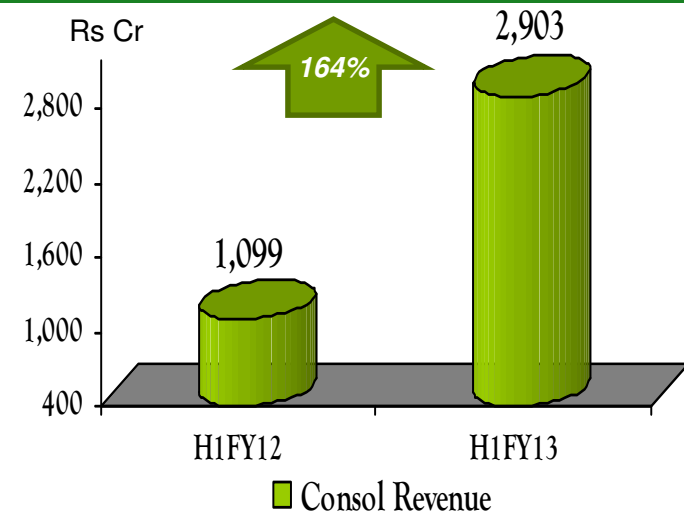
Group Financial Highlights - Q2 FY13 vs Q1 FY13

- Consolidated Revenues at Rs 1,493 Cr, + 6%.
 - ❖ India Business – Rs 724 Cr, + 8%
 - ❖ International Business – Rs 770 Cr, +4%
- Consolidated Operating EBITDA at Rs 204 Cr, +13%.
 - ❖ India Business – Rs 100 Cr, + 13%
 - ❖ International Business – Rs 104 Cr, +9%
- Consolidated EBITDA margins at 13.7% vs 12.9%



Group Financial Highlights - H1 FY13 vs H1 FY12

- Consolidated Revenues at Rs 2,903 Cr, + 164%.
 - ❖ India Business – Rs 1,392 Cr, + 27%
 - ❖ International Business – Rs 1,511 Cr
- Consolidated Operating EBITDA at Rs 388 Cr, +147%
 - ❖ India Business – Rs 188 Cr, + 20%
 - ❖ International Business – Rs 200 Cr
- Consolidated EBITDA margins at 13.4%



Consolidated P&L: Q2 FY13

	Q2FY13	Q2FY12 [^]		Q1FY13	
Particulars	Total Consol	Total Consol	QoQ Growth	Total Consol	QotQ Growth
	(Rs Cr.)	(Rs Cr.)	%	(Rs Cr.)	%
Operating Revenue	1,493	614	143%	1,409	6%
Direct Costs	262	158	66%	256	2%
Employee Costs	481	114	320%	473	2%
Other Costs	546	250	119%	499	9%
Operating EBITDA	204	92	123%	181	13%
Operating EBITDA margin	13.7%	14.9%	-	12.9%	-
Other Income*	55	6	859%	36	53%
EBITDA	260	97	167%	218	19%
Finance Costs	169	60	181%	180	-6%
Depreciation & Amortization	76	39	97%	67	14%
PAT after minority interest and share in associates	(28)	(12)	-	(60)	-

* Other income includes forex gains on foreign currency loans

[^] Quarter numbers pertain only to the India hospital and diagnostics business

Group Business: Q2FY13 vs Q2 FY12

Particulars	Q2FY13			Q2FY12		Growth	India Business Growth
	India Business	International Business	Total Consol	India Business	Total Consol		
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	%	%
Operating Revenue	724	770	1,493	614	614	143%	18%
Operating EBITDA	100	104	204	92	92	123%	9%
Operating EBITDA margin	13.8%	13.6%	13.7%	14.9%	14.9%	-	-
Other Income*	35	20	55	6	6	859%	513%
EBITDA	135	124	260	97	97	167%	39%

*Other income includes forex gains on foreign currency loans

Group Business: Q2FY13 vs Q1 FY13

Particulars	Q2FY13			Q1FY13			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	724	770	1,493	669	741	1,409	6%
Operating EBITDA	100	104	204	88	93	181	13%
Operating EBITDA margin	13.8%	13.6%	13.7%	13.2%	12.5%	12.9%	
Other Income*	35	20	55	36	1	36	53%
EBITDA	135	124	260	124	94	218	19%

*Other income includes forex gains on foreign currency loans

Group Consolidated Balance Sheet – 30th September 2012

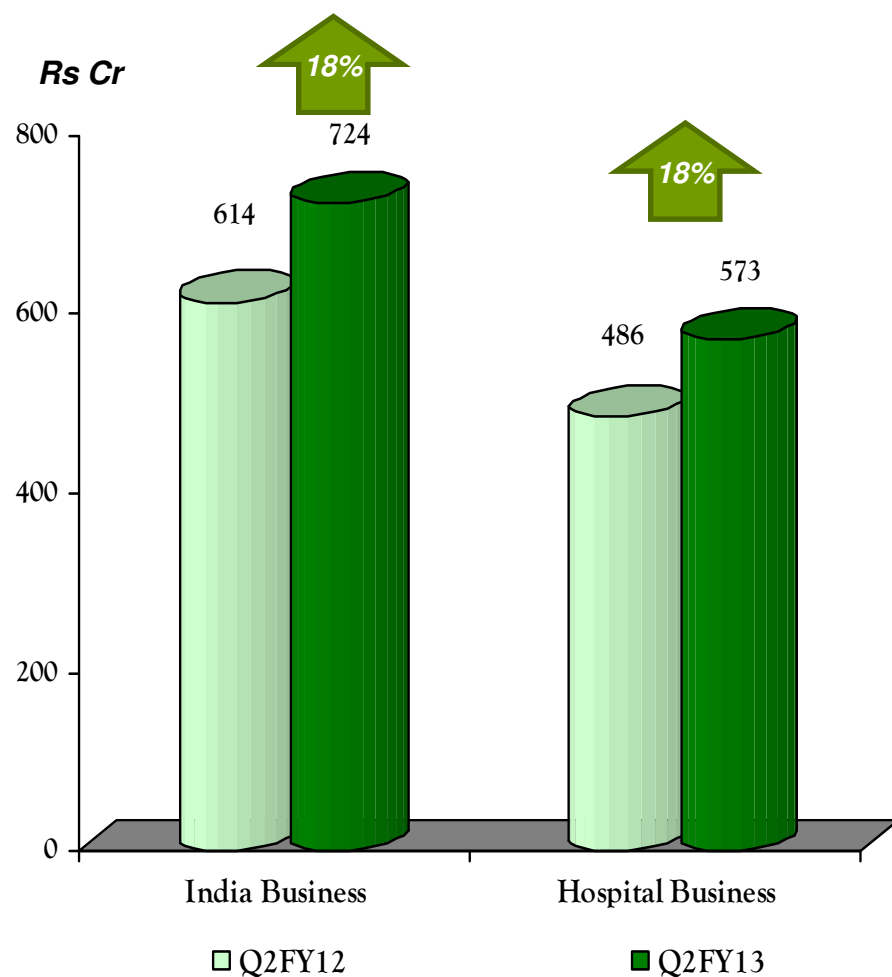
Balance Sheet	Rs Crore
Shareholder's Equity*	4,260
Foreign Currency Convertible Bonds (FCCB's)	528
Preference Capital	1,385
Debt	5,536
Total Capital Employed	11,709
Net Fixed Assets (including CWIP of Rs 614 Crore)	3,367
Goodwill	6,793
Investments	352
Cash and Bank Balances	410
Net Current Assets	787
Total Assets	11,709

- As on 30th September 2012, Net Debt to equity ratio stood at 1.6 x
- Post RHT listing in October, proceeds received expected to bring net debt to equity ratio to ~ 1.0 x

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

India Business Performance – Q2 FY13

India Business - Financial Snapshot



Q2FY 13 – Consolidated

- **Operating Revenue** - Rs. 724 Cr ↑ 18%
- **Hospital business** -Rs. 573 Cr ↑ 18%
- **Diagnostics business** -Rs. 150 Cr (Net)

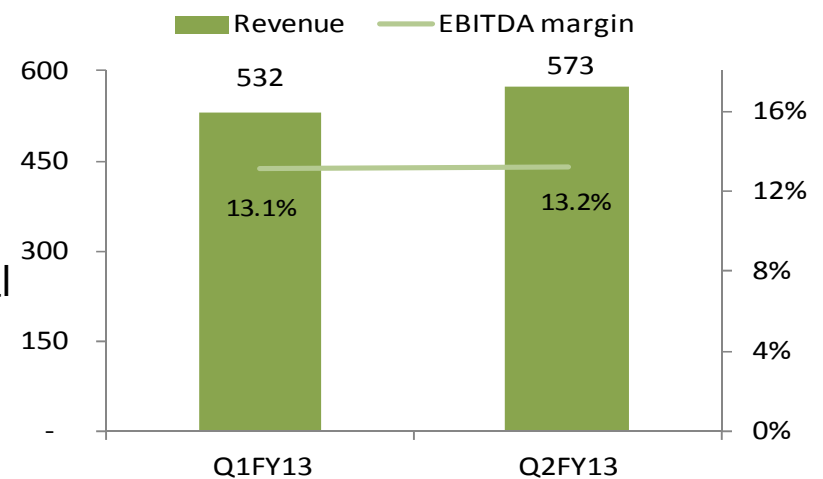
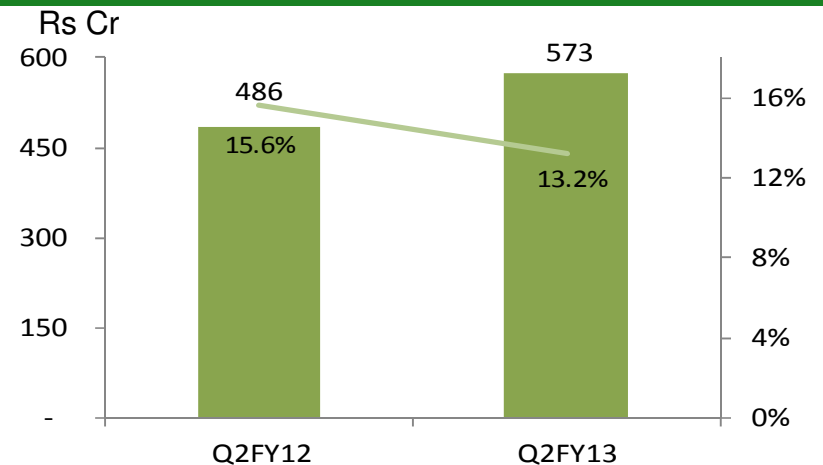
Statutory	Q2FY12	Q2FY13
Occupancy	76%	78%
ARPOB (Annualized - Rs. Lacs)	89	100
ALOS (Days)	3.9	3.9

Q2FY13 –Hospital Business

- **Operating revenue** -Rs. 573 Cr ↑ 18%
- **Operating EBITDA** -Rs. 76 Cr (13.2% margin)
- **EBITDA** -Rs. 111 Cr ↑ 36%

India Hospital Business

- Operating revenue at Rs 573 Cr, +18%
- Operating EBITDA margins at 13.2%.
- Excluding initial start up costs operating EBITDA margins at 14.1%
- International patient revenues for the quarter stood at Rs 43.7 Cr, +37% (~ 7% of network revenues)
- Concept launch of FMRI, Gurgaon - 450 beds in Phase I. A multi specialty quaternary care hospital
- 50 bed Dehradun facility launched in the quarter

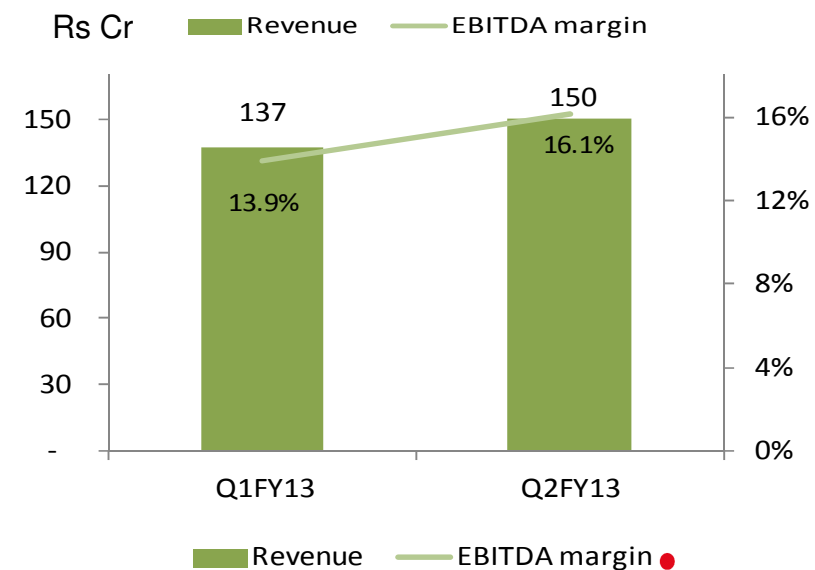
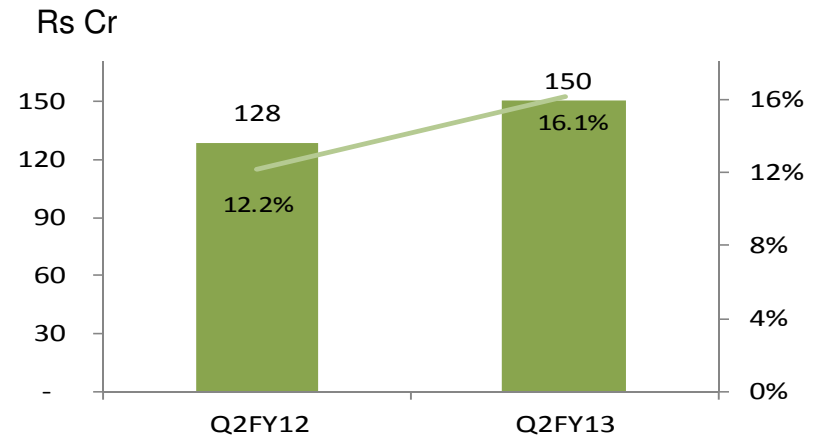


Revenue EBITDA margin



India Diagnostics Business

- Operating revenues at Rs 150 Cr
- Continuing uptrend in operating EBITDA margins to 16.1% (Q1 FY13 - 13.9%)
- Current network strength spans approx. 240 labs and >1200 collection centers.
- No of accession at 2.62 million, + 16% Q-o-Q
- Added 14 new tests to increase service offerings
- ~17 co-marketing tie ups with reputable pharmaceutical companies



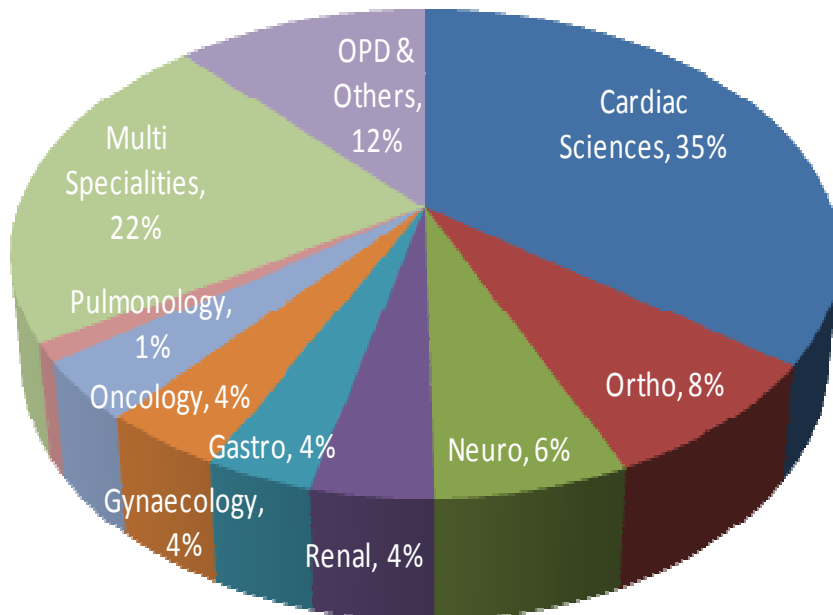
India Business – Q2FY13 Consolidated Profit and Loss

Particulars	Q2FY13			Q2FY12			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	573	150	724	486	128	614	18%
Operating EBITDA	76	24	100	76	16	92	9%
Operating EBITDA margin	13.2%	16.1%	13.8%	15.6%	12.2%	14.9%	
Other Income	35	0.6	35	6	0	6	512%
EBITDA	111	25	135	82	16	97	39%

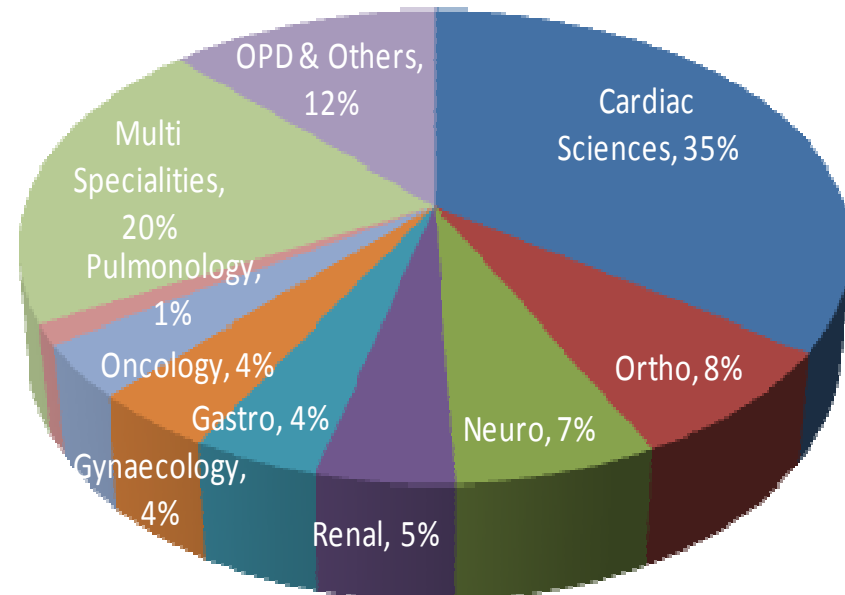
*Diagnostic revenues have been netted for inter-company sales

Specialty Revenue Split – India Hospital Business

Q2FY12



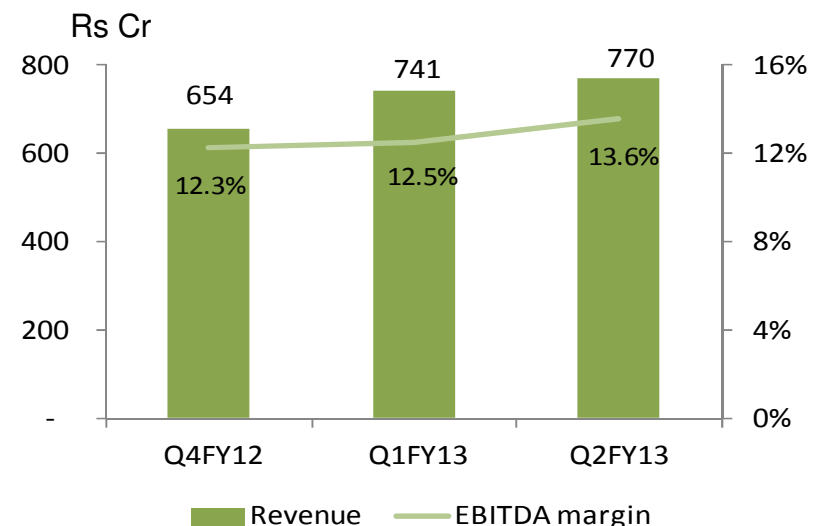
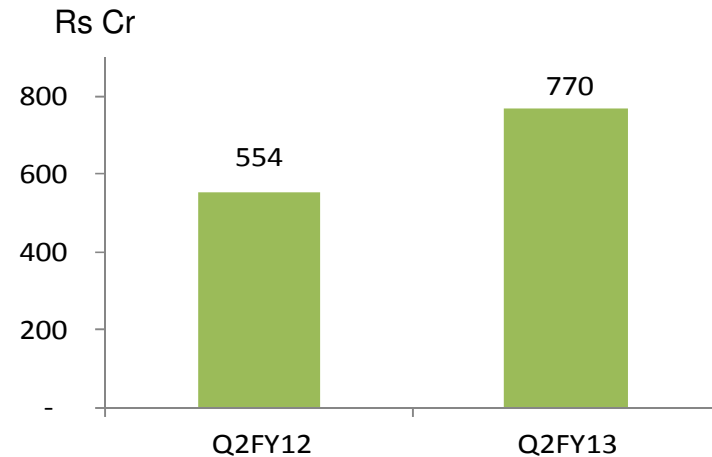
Q2FY13



International Business Performance

International Business Performance - Q2 FY13

- International revenues contributed ~58.5 % to overall revenues.
- Consistent uptrend in revenue and EBITDA margins for all businesses
- Operational performance .i.e. EBITDA margins at 13.6% (12.5% in Q1 FY13)
- Excluding start up costs of the Fortis Colorectal Hospital EBITDA margins at 14.8%

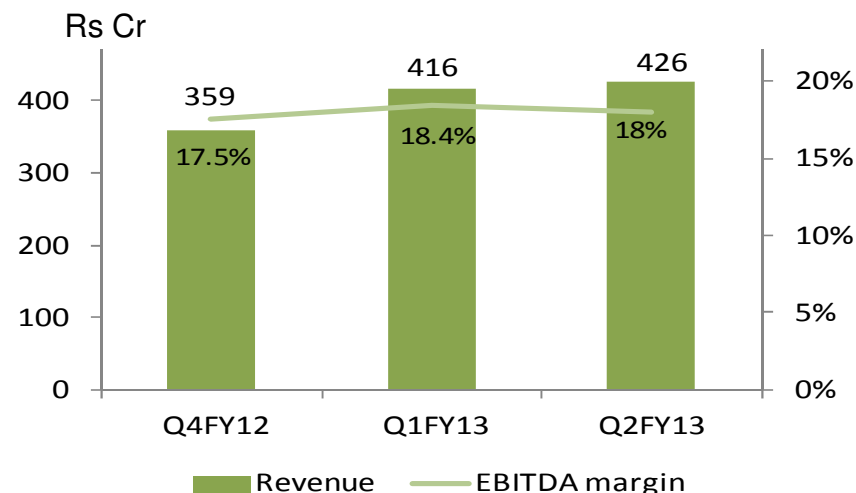
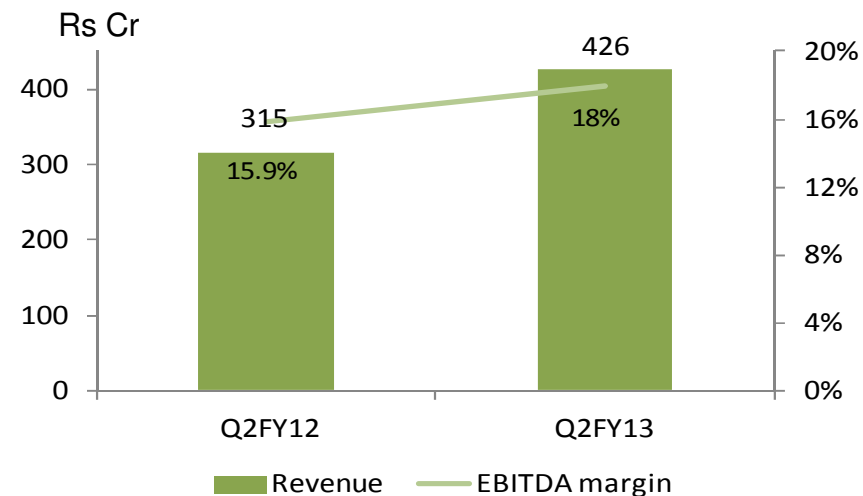


Q2 FY 12 consolidated and entity-wise financials are based on proforma numbers as the International Businesses were consolidated from Q4 FY12 onwards

Dental Corporation, Australia

- Revenues of Rs 426 Cr with EBITDA margin at 18%
- Added 4 practices during the quarter
 - Total ~182 practices currently
 - ~ 570 principal & associated dentists
- Emphasis on improving operational performance of practices through practice management seminars and various marketing initiatives.

(AUD Mn)	FY12	Q2 FY13
No of Sites	173	182
Average annualised Rev. per site	1.50	1.65

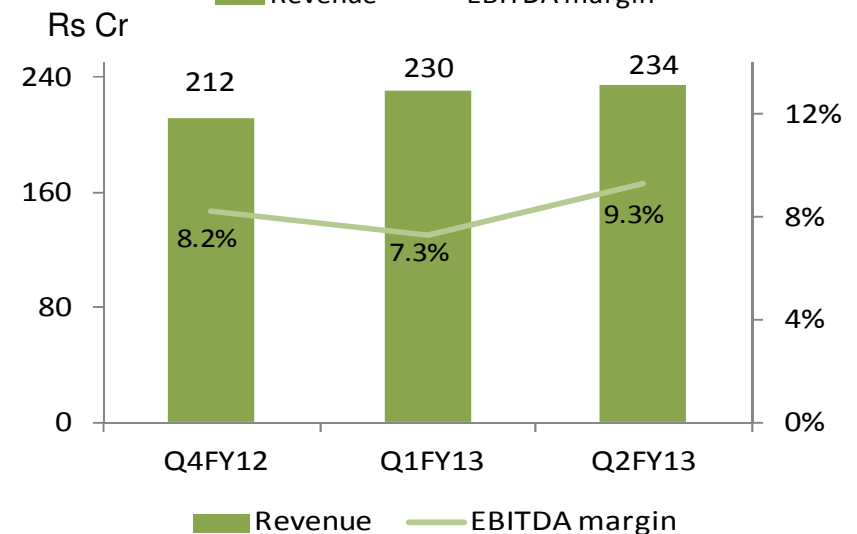
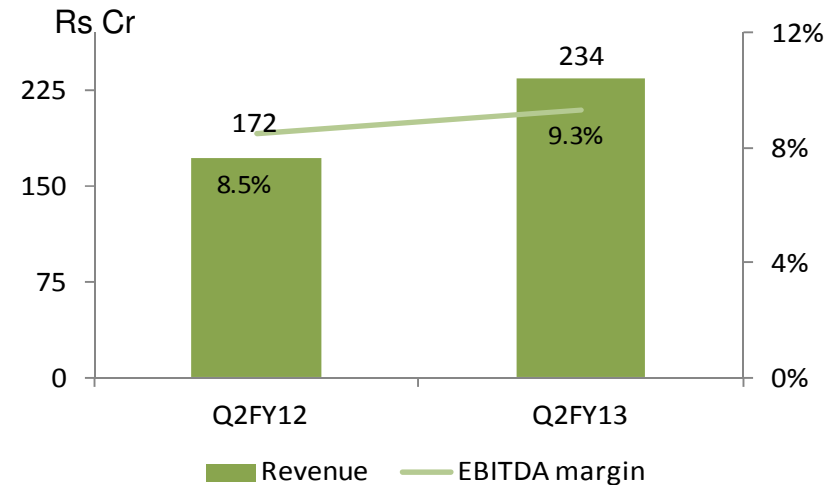


All revenues are on net basis



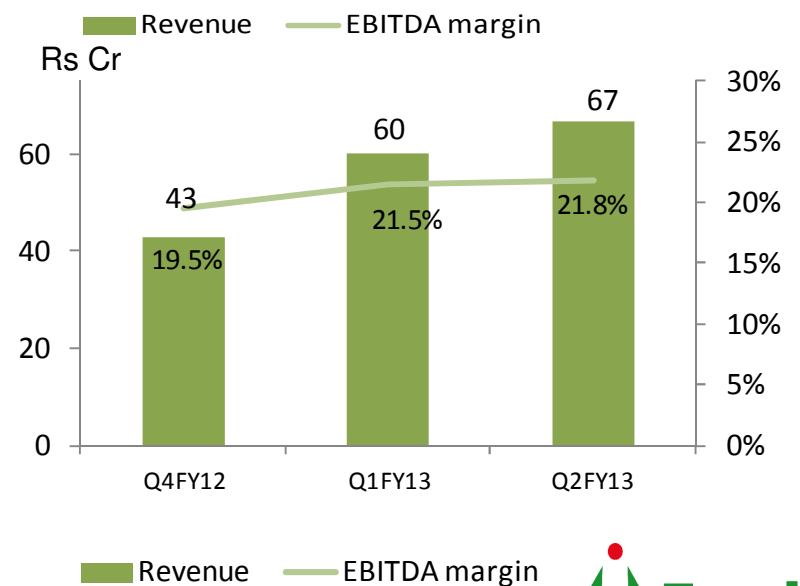
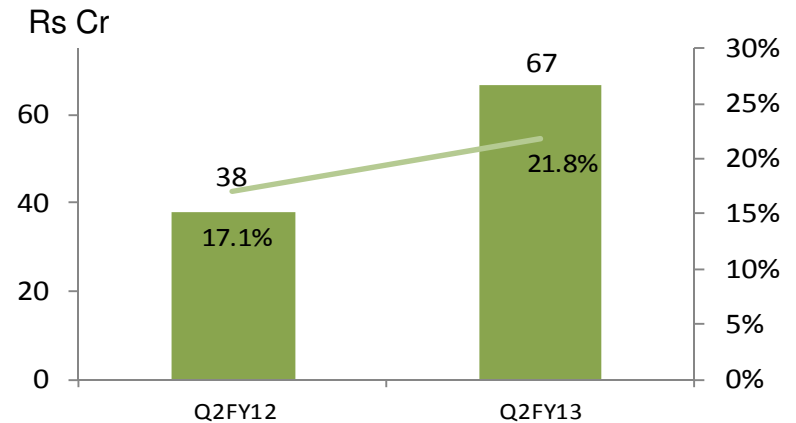
Quality Healthcare, Hong Kong

- Q2 revenues at Rs 234 Cr with 9.3% EBITDA margins
- Key verticals of western medicine (~ 85% of revenues) and diagnostics & imaging continue to exhibit buoyant growth
- Strengthening the specialty focus with the launch of a gastro intestinal centre with an endoscopy suite.
- Selective price increases undertaken in a few core centres in chosen areas.



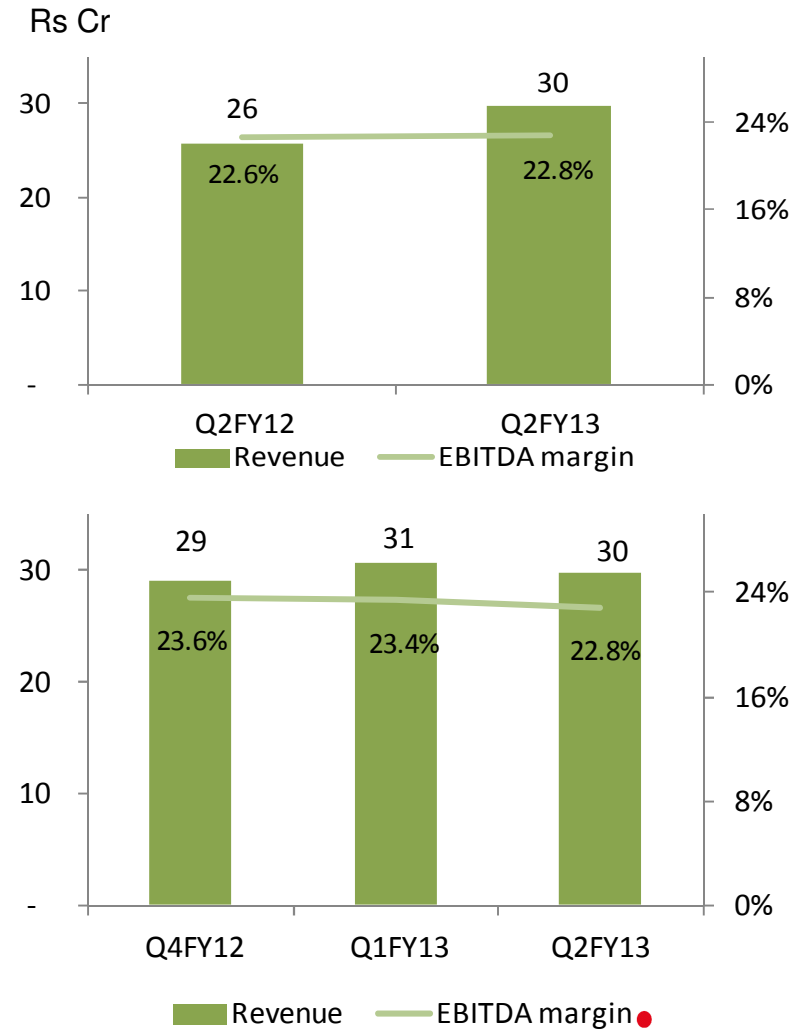
Hoan My, Vietnam

- Q2 revenues at Rs 67 Cr with 21.8% EBITDA margins
- Stable operating performance across majority of the facilities
- Building further on the cardiac specialty by leveraging Fortis's clinical capabilities through various knowledge sharing platforms
- Strengthening the management team with the appointment of a new Chief Medical Officer and a Chief Operating Officer.



RadLink, Singapore

- Q2 FY13 revenues at Rs 30 Cr with 22.8% EBITDA margin
- Outsourced imaging work begins contributing to revenues. More opportunities being explored with reputable large hospitals.
- Renewed focus on marketing efforts to consolidate top customer base and increase GP coverage
- Health Sciences Authority approval received to supply specific radiopharmaceuticals to hospitals and healthcare establishments



Fortis Colorectal Hospital (FCH), Singapore

- Formally launched on 31st July 2012, the super specialty hospital for colorectal disease is the first and only such hospital in SE Asia.
- FCH has witnessed an encouraging start since its commissioning.
- Introduced advanced robotic surgery for the treatment of colorectal diseases
- Initial start up activities underway for
 - ➡ Stabilization of clinical services
 - ➡ Streamlining support services



AN ASSET LIGHT STRATEGY THE RELIGARE HEALTH TRUST*

** Refer specific disclaimer on slide 2*

Strategic Rationale for the Business Trust

Rationale

Long Term Finance Vehicle

De-lever Balance Sheet

Adopting Internationally Emerging & Successfully Proven Trends

Key Highlights

Advantages

- Provides a perpetual source of long term capital
- Provides visible valuation and shareholding in a listed entity .i.e. creates a liquid instrument
- Proceeds from listing to be utilized to reduce overall debt of the Company and strengthen Balance Sheet
- Significant improvement in net debt to equity ratio
- Globally, healthcare delivery models are evolving towards innovative methods, such as transformation to asset light models.
- Healthcare sector being capital intensive requires a constant source of funds for expansion and thereby allows Fortis to pursue its strong and sustainable growth agenda.
- Allows Company to continue focus on its core activity of providing medical healthcare services

- **Largest IPO of a business trust sponsored by an Indian Company in Singapore**
- **Sponsor .i.e. Fortis's stake : 28%**
- **Total IPO proceeds: SG\$ 511 Million**
- **Initial Portfolio: 11 clinical establishments, 4 Greenfield clinical establishments , 2 operating hospitals**

Initial Portfolio

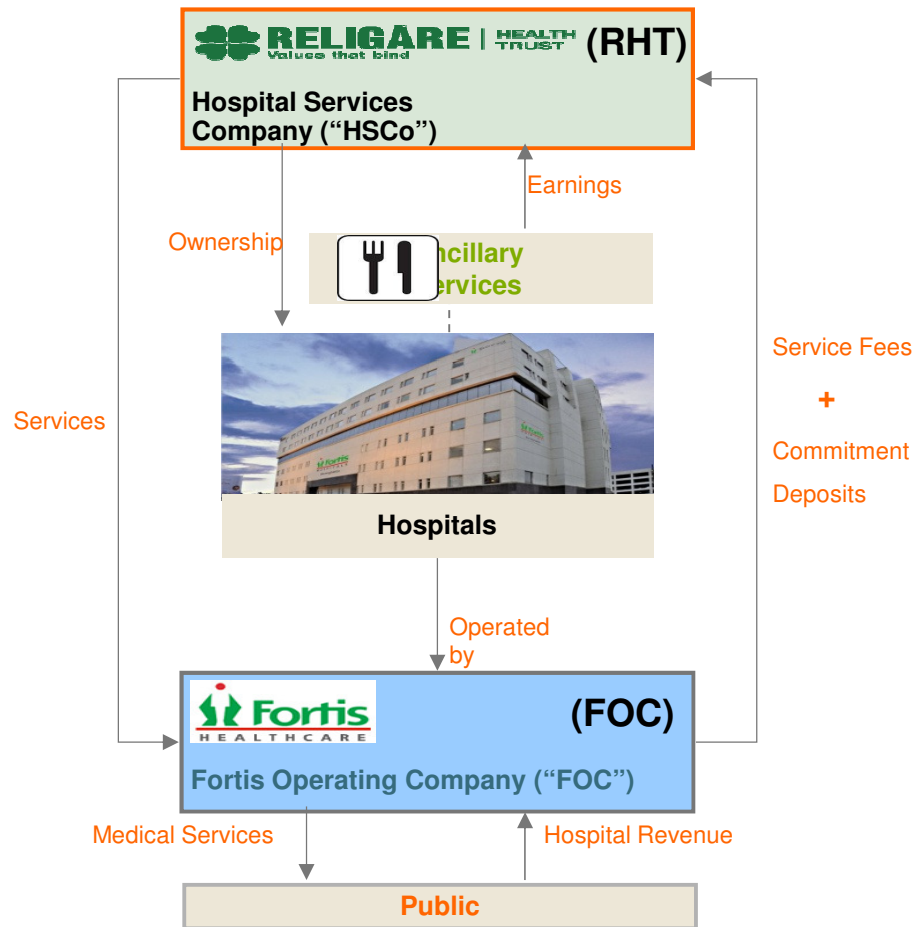
Initial portfolio comprises 11 Clinical establishments including specific out-patient and day care medical and healthcare services and radiology and imaging diagnostic services, 4 Greenfield clinical establishments and 2 operating hospitals.

Asset	Type of Medical Care	Operational Beds ⁽¹⁾
Clinical Establishments		
Amritsar	Secondary and Tertiary	153
Bengaluru, BG Road	Quaternary	239
Chennai, Malar	Secondary and Tertiary	170
Faridabad	Secondary	210
Gurgaon	Tertiary	-
Jaipur	Tertiary	207
Kolkata	Tertiary	126
Mumbai, Kalyan	Tertiary	44
Mumbai, Mulund	Quaternary	236
New Delhi, Shalimar Bagh	Tertiary	130
Noida	Quaternary	191
Greenfield Clinical Establishments		
Ludhiana	Quaternary	-
Chennai	Tertiary	-
Hyderabad	Tertiary	-
Greater Noida	Tertiary	-
Operating Hospitals		
Bengaluru, Nagarbhavi	Secondary	45
Bengaluru, Rajajinagar	Secondary	31
Total		1,782

(1) The number of beds available for use at each hospital as at 30 June 2012.

For further details / other terms and conditions please refer to the RHT prospectus

Key terms of Hospital and Medical Services Agreements (HMSA)



- ▶ The RHT .i.e. HSCo to maintain and operate the Clinical Establishments to allow Fortis .i.e. FOC to run a full fledged hospital for providing healthcare services
- ▶ Provision of OPD and radio diagnostic services for and on behalf of FOC
- ▶ Provision of ancillary services

- ▶ FOC to run the hospital and provide all additional healthcare services including inpatient and emergency services
- ▶ FOC to pay to the HSCo service fees (base + variable) and commitment deposit on capex for future expansion.

For further details / other terms and conditions please refer to the RHT prospectus

Key terms of Hospital and Medical Services Agreements (HMSA)

Term of Agreement	<ul style="list-style-type: none">▶ 15 years with option to extend by another 15 years by mutual consent
Service Fee	<ul style="list-style-type: none">▶ Base Service Fee<ul style="list-style-type: none">▶ Fixed quarterly payments increasing by 3% at the beginning of each financial year*▶ Variable Service Fee<ul style="list-style-type: none">▶ 7.50% of the operating income of the FOC during each quarter
Right of First Refusal (ROFR)	<ul style="list-style-type: none">▶ Sponsor .i.e. Fortis to grant a ROFR to the Trustee Manager of the RHT.▶ Trustee Manager to grant a reverse ROFR to the sponsor
Future Capex	<ul style="list-style-type: none">▶ Maintenance and expansion capex to be borne by HSCo (as per terms of HMSA)▶ Total estimated capex spend to be incurred by the HSCo ~ Rs 700 cr
OPD & Radiology Costs	<ul style="list-style-type: none">▶ OPD and Radiology costs to be borne by HSCo.

For further details / other terms and conditions please refer to the RHT prospectus

Summary

- Robust revenue growth with a sequentially improving operational performance in both India and International businesses
- Strengthened Balance Sheet with the capital raising from the listing of the Religare Health Trust. Proceeds to be utilized for de-leveraging
- Emphasis on further de-leveraging to continue with actions underway
- Enhancing operational performance through productivity improvement and portfolio alignment
- Focus on consolidation and integration

Thank You...