



Fortis Healthcare Limited

Investor Presentation – Q3 FY2013



“ Saving and Enriching Lives ”



February 2013

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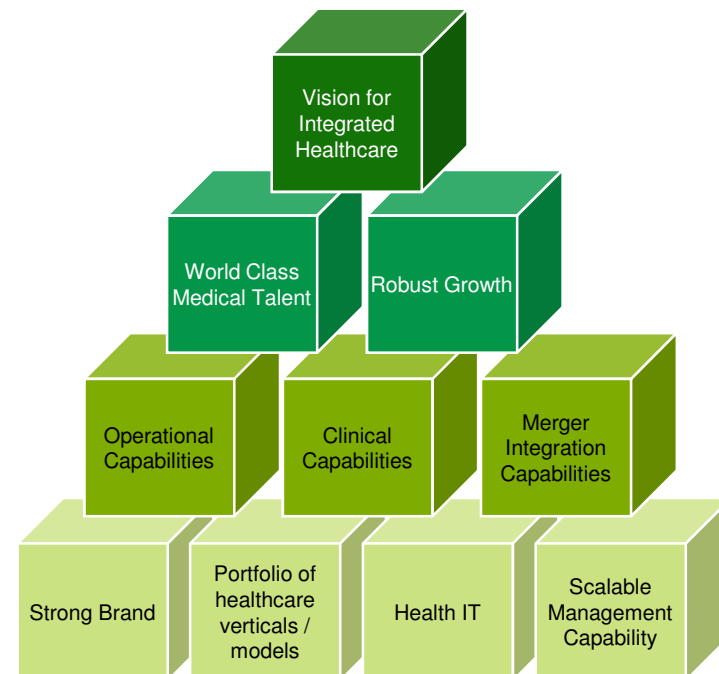
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Fortis : An Overview

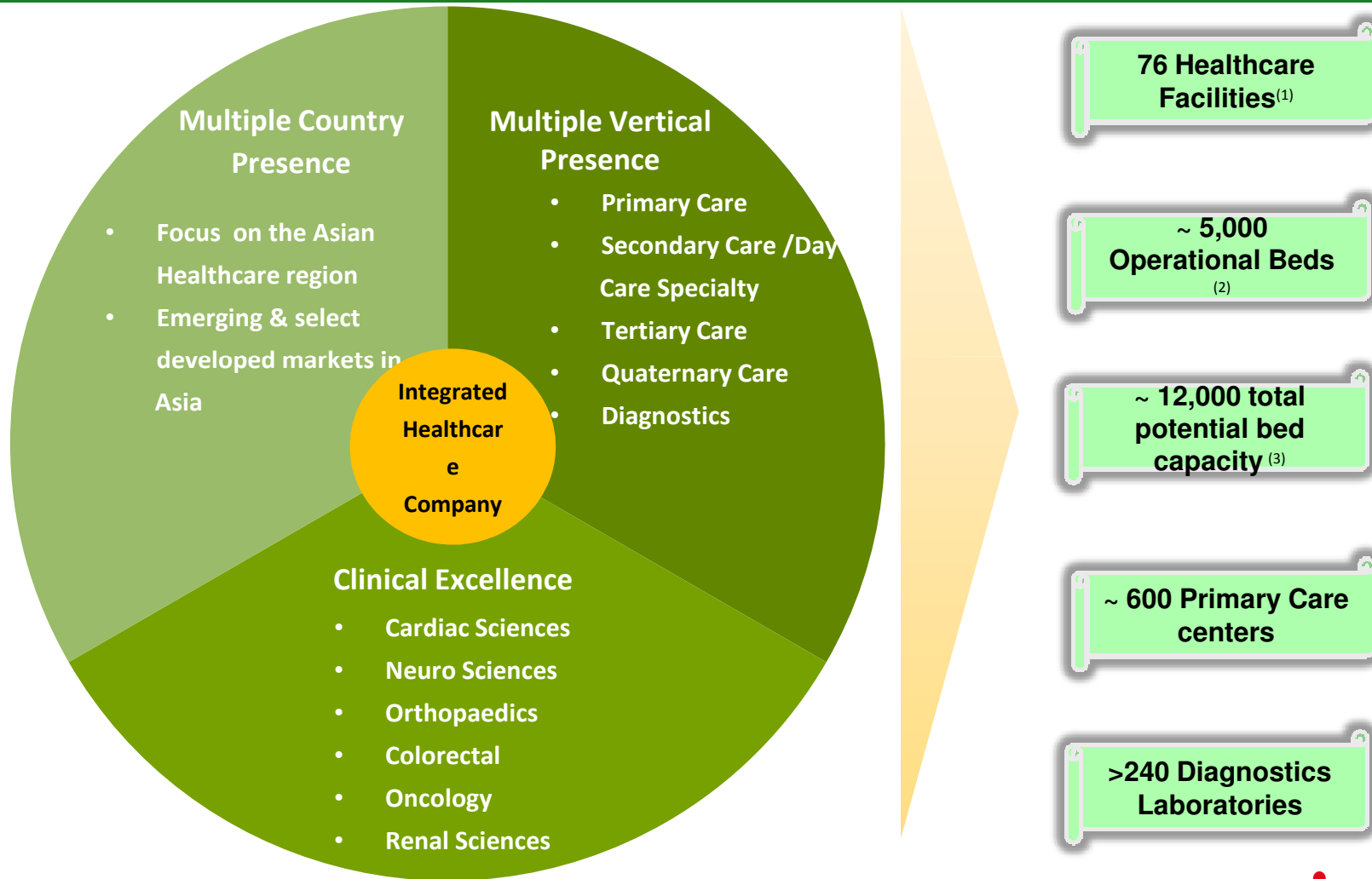
- A fast growing integrated healthcare delivery service provider in Asia
- Presence across 8⁽¹⁾ countries with a leadership position in key markets and healthcare verticals
- “Patients first” culture with world class clinical capabilities across various medical specialties
- Diversified business mix

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. The completion is subject to shareholder and regulatory approvals

Our Business Model

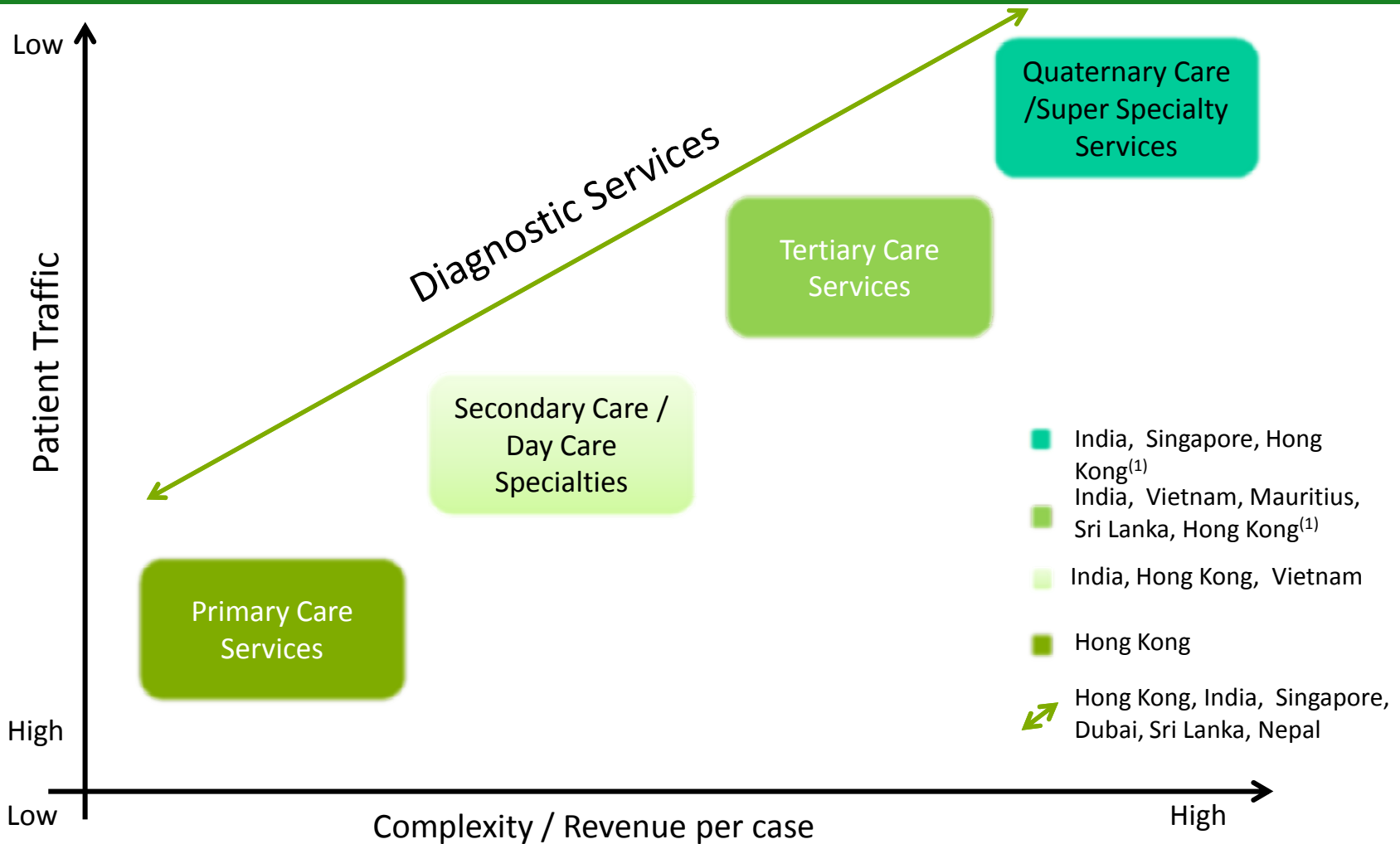


(1) Includes 63 operating facilities and day care specialty centers and 13 projects

(2) Includes owned and managed beds

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

Presence across the Value Chain



(1) Fortis has participated in the tender process by the Government of the Hong Kong Special Administrative Region for the development and operation of two hospitals

Discussion Points

➤ **Highlights for the Quarter**

➤ **Financial Highlights – Q3 FY2013**

➤ **India Business Performance**

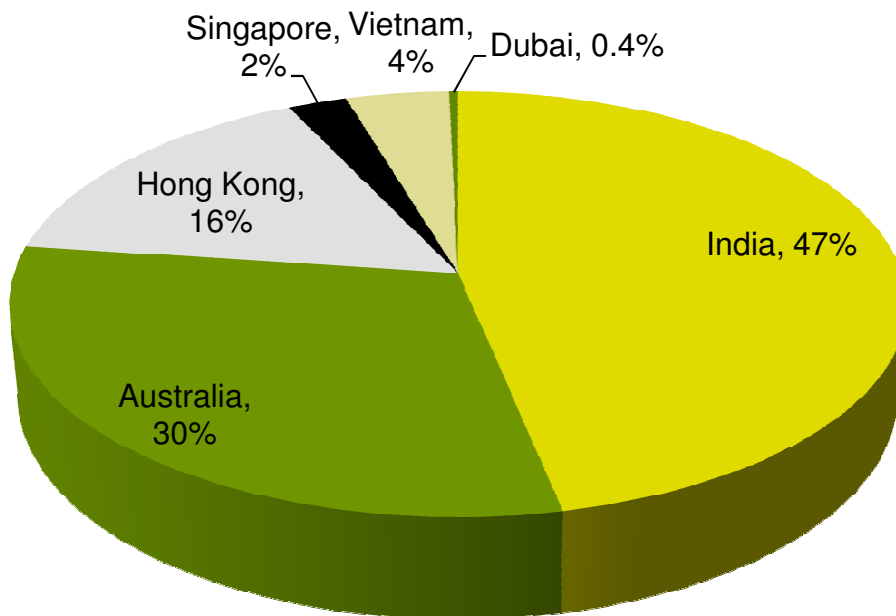
➤ **International Business Performance**

Highlights for the quarter

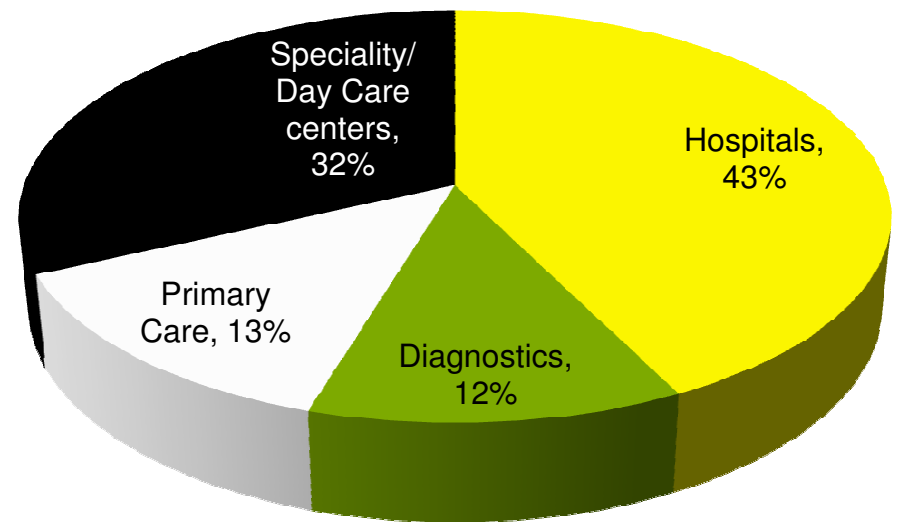
- Consistent healthy performance across India and International businesses
- The India Hospital business, company's largest vertical sees a strong operating performance
- All International businesses continue to witness good growth momentum.
- Strengthening Balance Sheet
 - ➡ Listing of the Fortis sponsored Religare Health Trust in Q3FY13. Majority proceeds are being utilized for deleveraging.
 - ➡ Proposed divestment of Dental Corporation for AUD 270 mn to further deleverage the balance sheet.
- Strengthening the O&M model – long term O&M agreement with the Majid Al Futtaim group of Dubai to manage their Healthcare assets in the GCC.

Diversified Geographic & Vertical Presence

Geography wise Revenue Mix

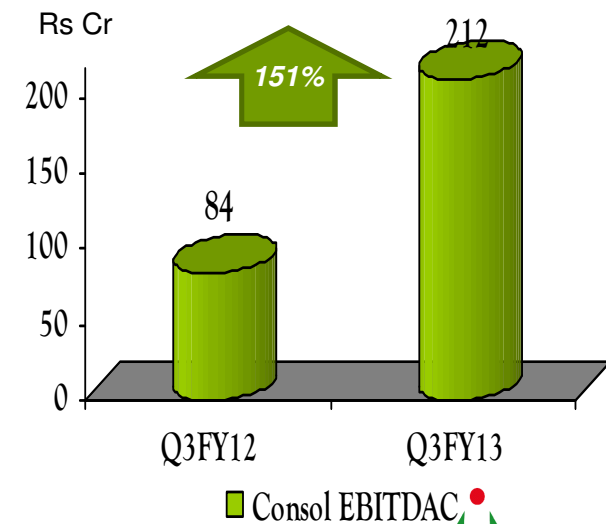
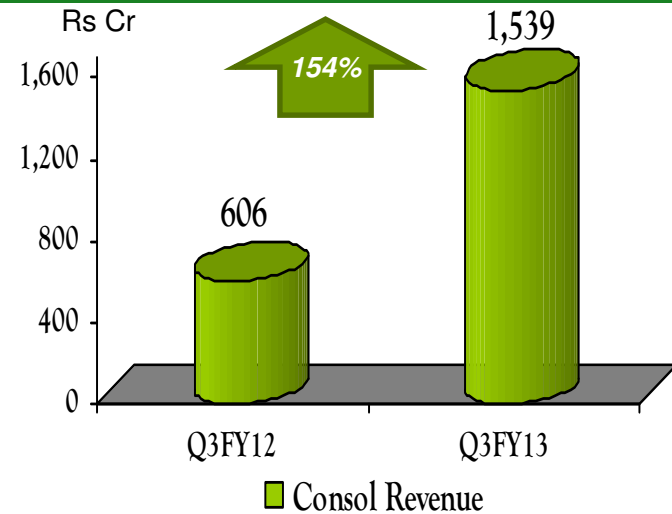


Segment wise Revenue Mix



Group Financial Highlights - Q3 FY13 vs Q3 FY12

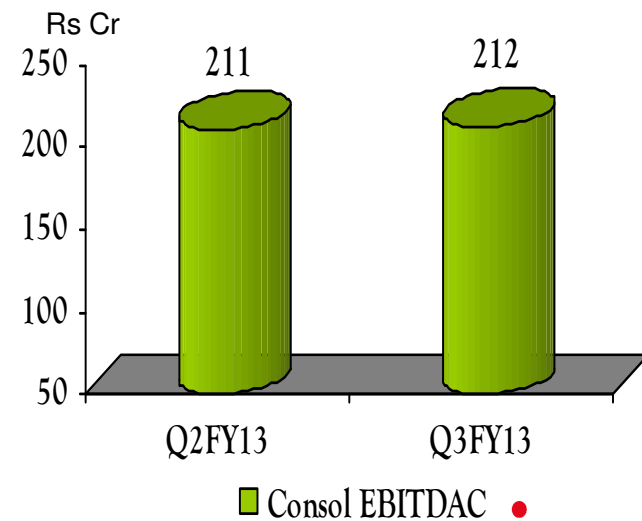
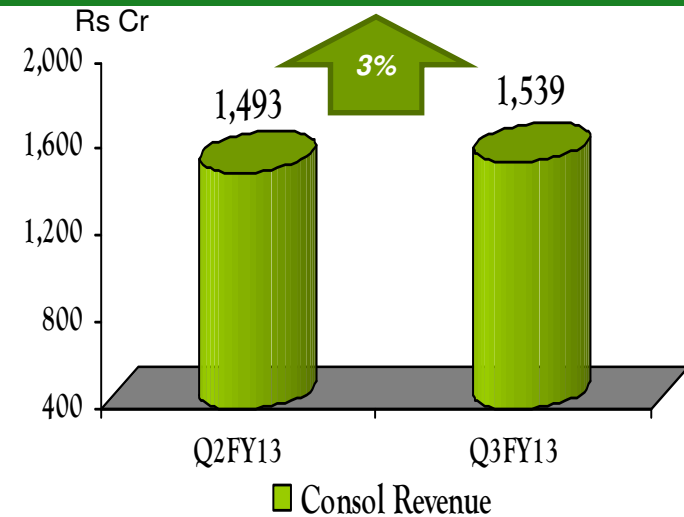
- Consolidated Revenues at Rs 1,539 Cr, + 154%.
 - ❖ India Business – Rs 720 Cr, + 19%
 - ❖ International Business – Rs 819 Cr
- Consolidated Operating EBITDAC* at Rs 212 Cr, +151%
 - ❖ India Business – Rs 106 Cr, + 26%
 - ❖ International Business – Rs 106 Cr
- Consolidated Operating EBITDA at Rs 153 Cr
 - ❖ India Business – Rs 47 Cr
 - ❖ International Business – Rs 106 Cr



*EBITDAC refers to EBITDA before net business trust costs

Group Financial Highlights - Q3 FY13 vs Q2 FY13

- Consolidated Revenues at Rs 1,539 Cr, + 3%.
 - ❖ India Business – Rs 720 Cr,
 - ❖ International Business – Rs 819 Cr, +6%
- Consolidated Operating EBITDAC* at Rs 212 Cr, similar to Q2FY13
 - ❖ India Business – Rs 106 Cr
 - ❖ International Business – Rs 106 Cr
- Consolidated Operating EBITDA at Rs 153 Cr
 - ❖ India Business – Rs 47 Cr
 - ❖ International Business – Rs 106 Cr



Group Consolidated P&L: Q3 FY13

	Q3FY13	Q3FY12 [^]		Q2FY13
Particulars	Total Consol	Total Consol	QoQ Growth	Total Consol
	(Rs Cr.)	(Rs Cr.)	%	(Rs Cr.)
Operating Revenue	1,538.6	605.8	154%	1,493.5
Operating Expense	1,327.0	522.0	154%	1,282.2
Operating EBITDAC*	211.6	83.8	151%	211.3
Operating EBITDAC margin	13.8%	13.8%		14.1%
Net BT Costs	59.0	-		-
Operating EBITDA	152.7	83.8	82.1%	211.3
Operating EBITDA margin	9.9%	13.8%		14.1%
Other Income* **	46.6	51.6	-10%	55.5
EBITDA	199.3	135.4	47%	266.8
Finance Costs	158.1	59.5	165%	168.6
Depreciation & Amortization	120.4	42.4	184%	76.0
Exceptional Item	973.8	-		(6.9)
PAT after minority interest and share in associates	705.0	28.7		(28.4)

*EBITDAC refers to EBITDA before net business trust costs

** Other income includes forex gains on foreign currency loans

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



Group Business: Q3FY13 vs Q3 FY12

Particulars	Q3FY13			Q3FY12		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	719.7	818.9	1,538.6	605.8	605.8	154%	19%
Operating EBITDAC*	105.8	105.8	211.6	83.8	83.8	152%	26%
Operating EBITDAC margin	14.7%	12.9%	13.8%	13.8%	13.8%		
Net BT Costs	59.0	-	59.0	-	-		
Operating EBITDA	46.9	105.8	152.7	83.8	83.8	82%	
Operating EBITDA margin	6.5%	12.9%		13.8%	13.8%		
Other Income* **	41.2	5.4	46.6	51.6	51.6	-10%	
EBITDA	88.1	111.2	199.3	135.4	135.4	47%	

*EBITDAC refers to EBITDA before net business trust costs

** Other income includes forex gains on foreign currency loans

Group Business: Q3FY13 vs Q2 FY13

Particulars	Q3FY13			Q2FY13		Total Consol
	India Business	International Business	Total Consol	India Business	International Business	
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)
Operating Revenue	719.7	818.9	1,538.6	724.0	770.0	1,494.0
Operating EBITDAC*	105.8	105.8	211.6	106.9	104.0	210.9
Operating EBITDAC margin	14.7%	12.9%	13.8%	14.8%	13.5%	14.1%
Net BT Costs	59.0	-	59.0	-	-	-
Operating EBITDA	46.9	105.8	152.7	106.9	104.0	210.9
Operating EBITDA margin	6.5%	12.9%	9.9%	13.8%	13.6%	13.7%
Other Income* **	41.2	5.4	46.6	35.5	20.0	55.5
EBITDA	88.1	111.2	199.3	142.3	124.0	266.3

*EBITDAC refers to EBITDA before net business trust costs

** Other income includes forex gains on foreign currency loans

Group Consolidated Balance Sheet – 31st December 2012

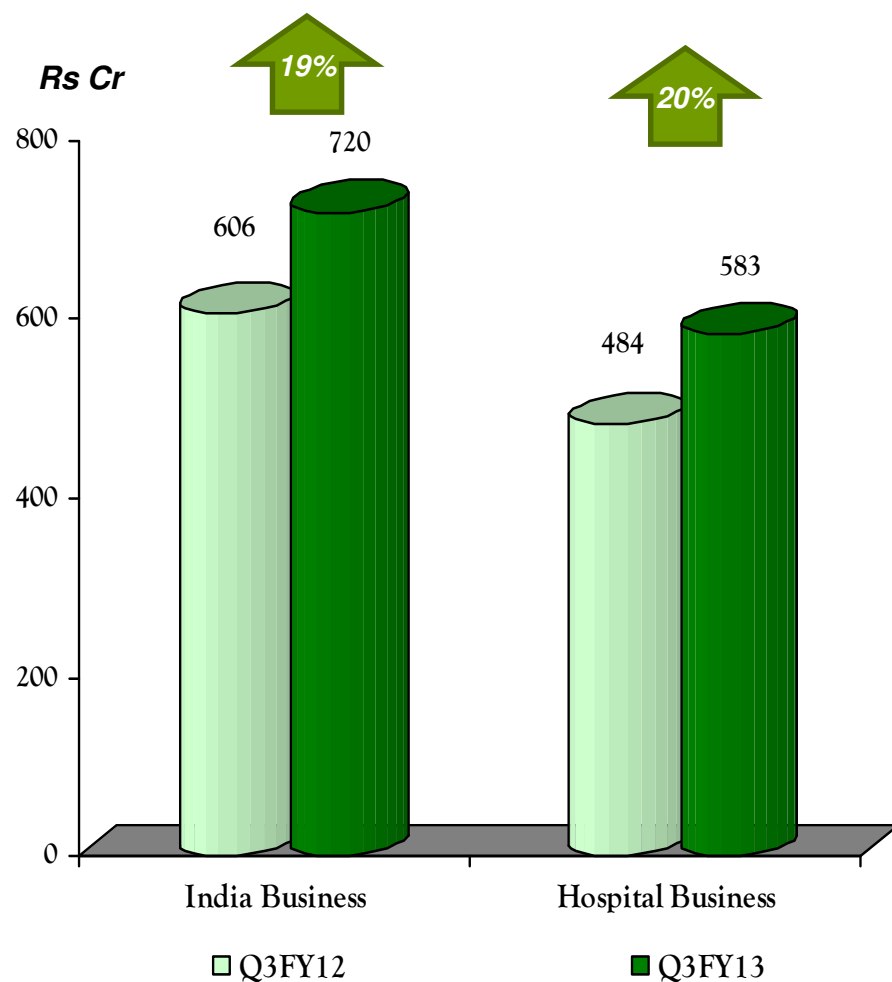
Balance Sheet	Rs Crore
Shareholder's Equity*	5,444
Foreign Currency Convertible Bonds (FCCB's)	549
Preference Capital	1,262
Debt	4,149
Total Capital Employed	11,403
Net Fixed Assets (including CWIP of Rs 262 Crore)	2,130
Goodwill	7,085
Investments	1,204
Cash and Bank Balances	432
Net Current Assets	552
Total Assets	11,403

- As on 31st December 2012, Net Debt to equity ratio stood at 1.0 x
- Post the proposed divestment of DC[^], 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
[^] DC divestment subject to shareholder and regulatory approvals

India Business Performance – Q3 FY13

India Business - Financial Snapshot



Q3 FY13 – Consolidated

- Operating Revenue - Rs. 720 Cr ↑ 19%
- Hospital business -Rs. 583 Cr ↑ 20%
- Diagnostics business -Rs. 137 Cr ↑ 12%

Statutory	Q3FY12	Q3FY13
Occupancy	72%	73%
ARPOB (Annualized - Rs. Lacs)	93	108
ALOS (Days)	4.0	3.9

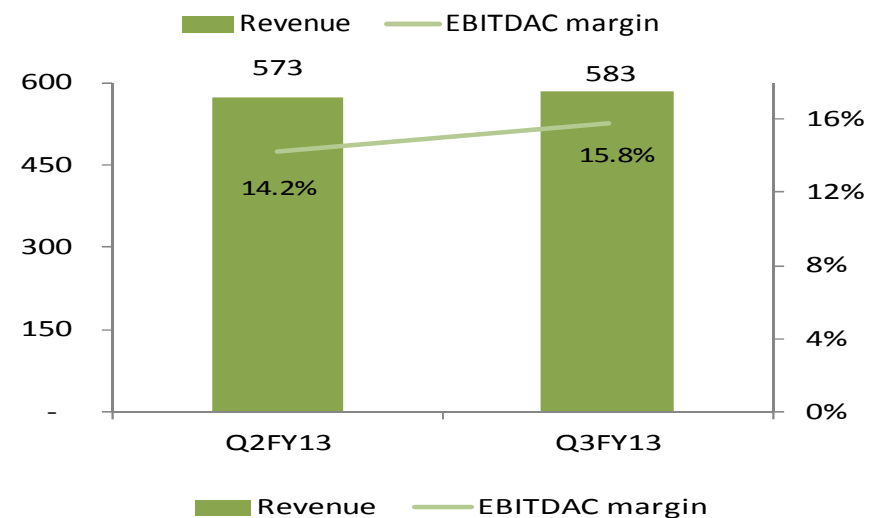
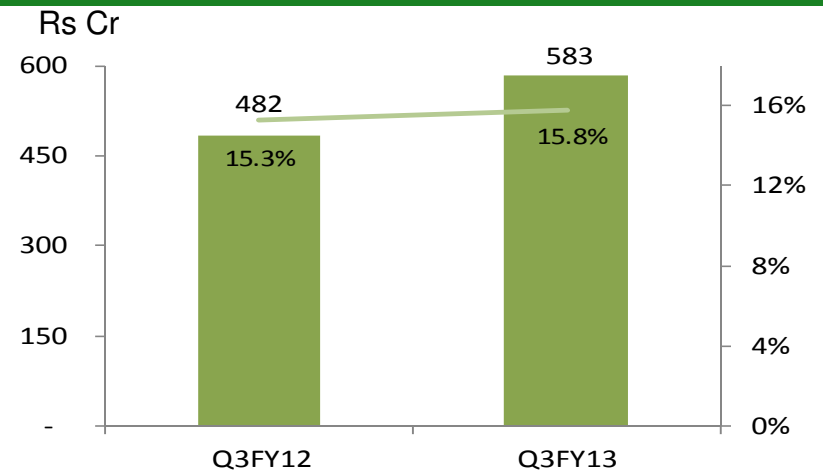
Q3 FY13 –Hospital Business

- Operating revenue -Rs. 583 Cr ↑ 20%
- Operating EBITDAC* - Rs. 92 Cr ↑ 23%
- Operating EBITDA -Rs. 33 Cr

*EBITDAC refers to EBITDA before net business trust costs

India Hospital Business

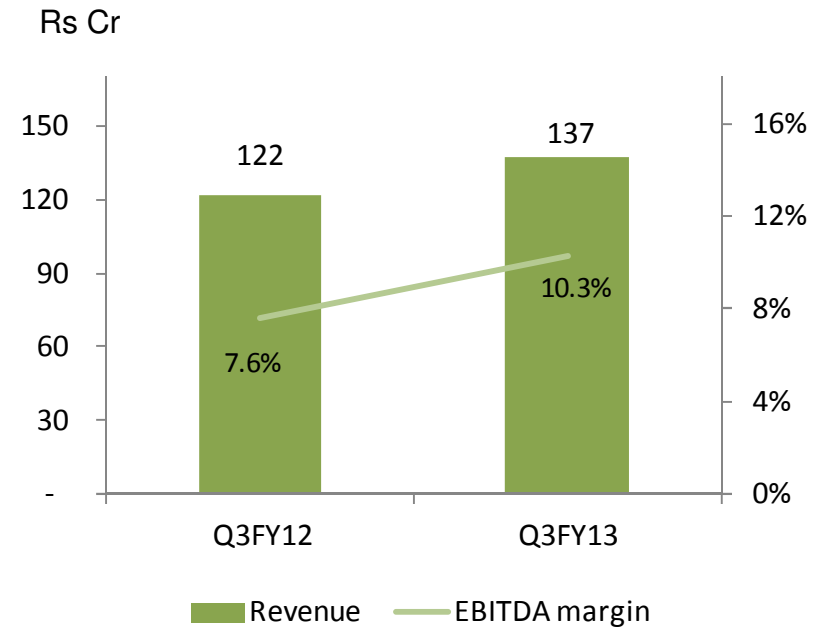
- Operating revenue at Rs 583 Cr, +19%
- Operating EBITDAC* margins at 15.8%.
- Excluding initial start up costs and one offs operating EBITDA margins at 15.1%
- International patient revenues for the quarter stood at Rs 41 Cr, +24% (~ 7% of network revenues)
- Services at FMRI, the specialty flagship quaternary care hospital in Gurgaon, being fine tuned and stablized.



*EBITDAC refers to EBITDA before net business trust costs

India Diagnostics Business

- Operating revenues at Rs 137 Cr
- Operating EBITDA margins at 10.3%
- Expanded network strength by adding 36 collection centers taking the total to over 1260 collection centers and approximately 240 labs.
- No of accession at 2.44 million, + 12% Q-o-Q
- Added 10 new tests to increase service offerings



India Business – Q2FY13 Consolidated Profit and Loss

Particulars	Q3FY13			Q3FY12			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	582.5	137.1	719.7	483.6	122.2	605.8	19%
Operating EBITDAC*	91.8	14.1	105.8	74.4	9.4	83.8	26%
Operating EBITDAC margin	15.8%	10.3%	14.7%	15.4%	7.7%	13.8%	
Net BT Costs	59.0	-	59.0	-	-	-	
Operating EBITDA	32.8	14.1	46.9	74.4	9.4	83.8	
Operating EBITDA margin	5.6%	10.3%	6.5%	15.4%	7.7%	13.8%	
Other Income**	39.9	1.3	41.2	51.5	0.1	51.6	
EBITDA	72.7	15.4	88.1	125.9	9.5	135.4	

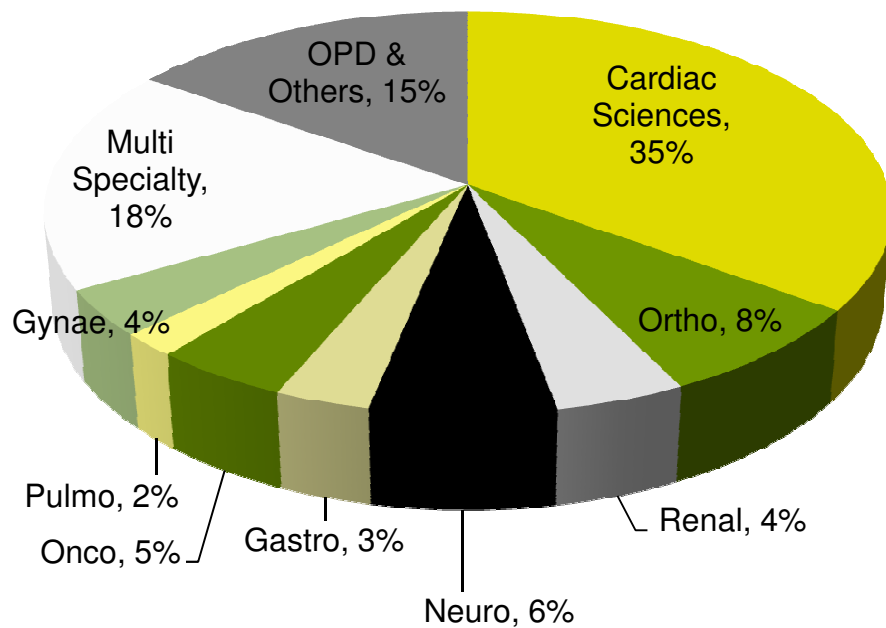
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** Other income includes forex gains on foreign currency loans

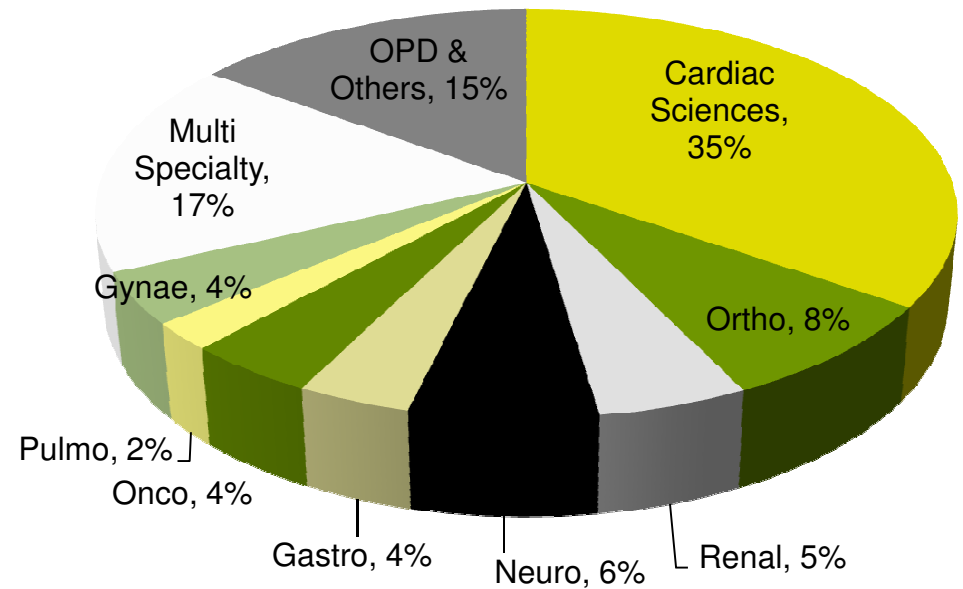
***Diagnostic revenues have been netted for inter-company sales

Specialty Revenue Split – India Hospital Business

Q3FY12



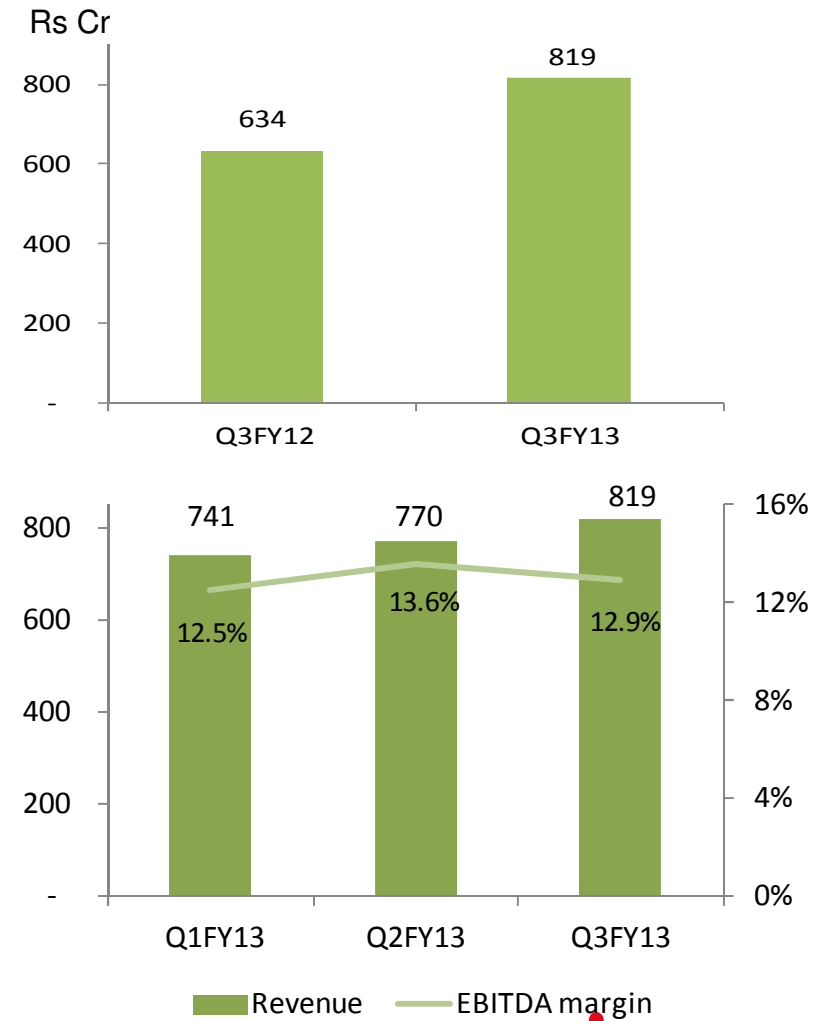
Q3FY13



International Business Performance

International Business Performance - Q3 FY13

- International revenues contributed ~53 % to overall revenues.
- Consistent uptrend in revenue and EBITDA for all businesses
- Operational performance .i.e. EBITDA margins at 12.9%



Q3 FY 12 consolidated and entity-wise financials are based on proforma numbers as the International Businesses were consolidated from Q4 FY12 onwards

International Business Performance – Q3FY13

Dental Corporation, Australia

- Proposed divestment of Dental Corporation to Bupa
- Total ~185 practices currently and ~ 600 principal & associated dentists

Fortis Hoan My, Vietnam

- Robust operational performance continues
- Further expansion of 200 beds at the existing Cuu Long facility is nearing completion

Quality Healthcare, Hong Kong

- Improved performance both in revenues and operating margins
- Focus on the “Centre Strategy” which entails consolidation of non performing centres and exploring new centres

RadLink, Singapore

- Stable operating performance
- Strengthening business momentum in drug discovery and new radiopharmaceuticals subsequent to HSA approval in the previous quarter.

Thank You...