FORTIS HEALTHCARE LIMITED

STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2014

Part I

(₹ In lacs)

Particulars	Consolidated						Standalone					
	Quarter ended			Nine months ended		Year ended	Quarter ended			Nine months ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from operations	101,181	101,796	100,251	303,917	377,375	470,183	14,373	15,276	8,424	44,433	26,392	35,407
2. Other operating income	1,272	1,324	1,621	3,723	4,483	5,747	395	476	348	1,199	1,050	1,483
3. Total income	**102,453**	**103,120**	**101,872**	**307,640**	**381,858**	**475,930**	**14,768**	**15,752**	**8,772**	**45,632**	**27,442**	**36,890**
4. Expenditure												
(a) Cost of material consumed	23,005	23,728	22,666	71,356	77,762	100,784	3,481	3,688	2,507	11,153	8,237	10,833
(b) Employees benefit expenses	21,545	21,021	22,727	64,038	103,851	123,073	4,737	4,625	3,176	13,905	9,832	13,604
(c) Other expenditure (refer note 2)	54,531	57,008	51,816	163,004	179,110	233,733	10,679	10,824	4,705	32,233	13,728	20,496
Total	**99,081**	**101,757**	**97,209**	**298,398**	**360,723**	**457,590**	**18,897**	**19,137**	**10,388**	**57,291**	**31,797**	**44,933**
5. Profit (+)/ Loss (-) from operations before other income, finance costs, depreciation and amortisation (3-4)	**3,372**	**1,363**	**4,663**	**9,242**	**21,135**	**18,340**	**(4,129)**	**(3,385)**	**(1,616)**	**(11,659)**	**(4,355)**	**(8,043)**
6. Other income	3,684	2,029	5,286	6,357	12,992	17,059	5,522	5,626	7,270	16,770	18,114	22,964
7. Exceptional gain/ (loss) (refer note 6)	-	(158)	42,416	33	35,334	35,334	-	-	-	265	-	-
8. Profit from operations before finance costs, depreciation and amortisation (5+6+7) (EBITDA)	**7,256**	**3,234**	**52,365**	**15,642**	**69,461**	**70,733**	**1,393**	**2,241**	**5,654**	**5,376**	**13,759**	**14,921**
9. Net depreciation/ impairment & amortisation expenses	7,462	6,328	6,059	20,182	19,441	24,786	532	662	452	2,091	1,334	1,700
10. Profit (+)/ Loss (-) from operations before finance costs (8-9)	**(206)**	**(3,094)**	**46,306**	**(4,540)**	**50,020**	**45,947**	**861**	**1,579**	**5,202**	**3,285**	**12,425**	**13,221**
11. Finance costs	3,866	3,838	5,346	11,604	28,869	31,633	2,073	2,068	2,118	6,200	7,021	9,078
12. Profit (+)/ Loss (-) from operations before tax (10-11) (including profit attributable to discontinuing operations, refer note 7)	**(4,072)**	**(6,932)**	**40,960**	**(16,144)**	**21,151**	**14,314**	**(1,212)**	**(489)**	**3,084**	**(2,915)**	**5,404**	**4,143**
13. Tax expense	(187)	(21)	2,064	228	1,510	2,650	(217)	20	1,218	(197)	1,834	1,744
14. Profit (+)/ Loss (-) from ordinary activities after tax (12-13)	**(3,885)**	**(6,911)**	**38,896**	**(16,372)**	**19,641**	**11,664**	**(995)**	**(509)**	**1,866**	**(2,718)**	**3,570**	**2,399**
15. Less : Minority interest in profit/ (loss)	(61)	407	348	833	502	496	-	-	-	-	-	-
16. Add : Share in profit of associate companies	1,596	1,506	361	4,588	846	1,086	-	-	-	-	-	-
17. Net profit (+)/ Loss (-) after taxes, minority interest and share of profit of associates (14-15+16)	**(2,228)**	**(5,812)**	**38,909**	**(12,617)**	**19,985**	**12,254**	**(995)**	**(509)**	**1,866**	**(2,718)**	**3,570**	**2,399**
18. Paid-up equity share capital (Face Value ₹10 per Share)	46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,279	46,279
19. Reserves excluding revaluation reserves						361,956						324,679
20.Earnings per share (excluding exceptional items) :- Basic	(0.48)	(1.22)	(0.78)	(2.73)	(3.41)	(5.09)	(0.21)	(0.11)	0.41	(0.64)	0.79	0.53
:- Diluted	(0.48)	(1.22)	(0.78)	(2.73)	(3.41)	(5.09)	(0.21)	(0.11)	0.41	(0.64)	0.79	0.53
Part II												
A. Particulars of Shareholding												
1. Public shareholding - No. of shares	132,634,966	132,634,166	132,632,366	132,634,966	132,632,366	132,632,366	132,634,966	132,634,166	132,632,366	132,634,966	132,632,366	132,632,366
- Percentage of shareholding	28.66%	28.66%	28.66%	28.66%	28.66%	28.66%	28.66%	28.66%	28.66%	28.66%	28.66%	28.66%

GURGAON

Fortis Healthcare Limited New Delhi

2. Promoters and promoter group shareholding												
a) Pledged/ encumbered - No of shares	272,532,750	245,750,150	235,274,500	272,532,750	235,274,500	229,777,900	272,532,750	245,750,150	235,274,500	272,532,750	235,274,500	229,777,900
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	82.55%	74.44%	71.26%	82.55%	71.26%	69.60%	82.55%	74.44%	71.26%	82.55%	71.26%	69.60%
- Percentage of shares (as a % of the total share capital of the company)	58.89%	53.10%	50.84%	58.89%	50.84%	49.65%	58.89%	53.10%	50.84%	58.89%	50.84%	49.65%
b) Non-encumbered - No of shares	57,621,198	84,403,798	94,879,448	57,621,198	94,879,448	100,376,048	57,621,198	84,403,798	94,879,448	57,621,198	94,879,448	100,376,048
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	17.45%	25.56%	28.74%	17.45%	28.74%	30.40%	17.45%	25.56%	28.74%	17.45%	28.74%	30.40%
- Percentage of shares (as a % of the total share capital of the company)	12.45%	18.24%	20.50%	12.45%	20.50%	21.69%	12.45%	18.24%	20.50%	12.45%	20.50%	21.69%

B. Investor complaints	
Pending at the beginning of the quarter	-
Received during the quarter	2
Disposed off during the quarter	2
Remaining unsolved at the end of the quarter	-

1. The above unaudited financial results for the quarter ended December 31, 2014 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on February 12, 2015 and February 13, 2015. These unaudited financial results for the quarter ended December 31, 2014 were subjected to a limited review by the auditors of the Company.

2. The Group had disposed of significant operations in various countries in the previous year held through various subsidiaries of its subsidiary in Singapore ("Fortis Healthcare International Pte. Limited"), resulting in the subsidiary's operations becoming primarily Singapore based. In order to reflect the currency of the primary economic environment in which the subsidiary operates, in view of the change in the underlying transactions, events and conditions, the management has reassessed the functional currency of this subsidiary and changed it from United States dollars ('USD') to Singapore dollars ('SGD') with effect from April 1, 2014. This change in functional currency of the subsidiary, effected in the current quarter, has resulted in loss for the current quarter and the nine months period ended December 31, 2014 being lower by ₹ 4,608 lacs, including reversal of foreign exchange loss of ₹ 1,061 lacs booked on consolidation in earlier quarters during the current year.

3. **Segment Reporting**

Business segments:

The Group is primarily engaged in the business of healthcare services, which in the opinion of management is considered to be the only reportable business segment as per Accounting Standard 17 on 'Segment Reporting' notified under the Companies (Accounting Standards) Rules, 2006 as amended. Healthcare services include various patient care services delivered through clinical establishment, medical services companies, pathology and radiology services etc.

Geographical segments:

The group operates in the business segment explained above in two principal geographical areas, geographical segments being classified as secondary segment. In India, its home country, the group focuses largely on healthcare services. Additionally, the group's operations 'Outside India' are now mostly focusing on South East Asia and Middle East. The group primarily operates in Singapore, Dubai and Mauritius.

S.R. BATLIBOI & CO. LLP * GURGAON *

Fortis Healthcare Limited * New Delhi *

Revenue from operations –by geographical markets

The following table shows the distribution of the Company's consolidated revenues by geographical market:

(₹ In lacs)

Region	Quarter ended			Nine months ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
India	97,062	97,760	86,949	291,243	256,231	344,764
Outside India*	5,391	5,360	14,923	16,397	125,627	131,166
Total	**102,453**	**103,120**	**101,872**	**307,640**	**381,858**	**475,930**

* Includes revenue relating to discontinuing operations (see note 7 below).

4. Other income includes interest income, foreign exchange fluctuation gain, profit on sale of assets, profit on sale of investments, forward cover premium amortization and miscellaneous income, whichever is relevant for the period.

5. A) In case of one of the subsidiary ("Escorts Heart Institute and Research Centre Limited"), that was formed after amalgamation of Escorts Heart Institute and Research Centre ('EHIRC'), Delhi Society with EHIRC, Chandigarh Society and thereafter registration of EHIRC, Chandigarh Society as a company:

a) Delhi Development Authority ('DDA') had terminated the lease deeds and allotment letters relating to land parcels on which hospital of one of the subsidiary company exists. Consequent to termination DDA issued show cause notice and initiated eviction proceedings against the subsidiary company. Both these matters are currently pending in various courts of law. Based on the experts' opinions, management is confident that subsidiary company will be able to suitably defend the termination order and eviction proceedings and accordingly considers that no adjustments are required to the financial result.

b) Further, the subsidiary company also has open tax demands of ₹ 8,008 lacs (after adjusting ₹ 4,004 lacs for which the Company has a legal right to claim from erstwhile promoters and ₹ 10,957 lacs of an escrow account which was maintained out of sale consideration payable by the Company to the erstwhile promoters) for relevant assessment years. Based on the experts' opinions, management considers these tax demands as not tenable against the subsidiary company and management is confident that the ultimate outcome of these matters will not have a material adverse impact on the subsidiary's financial position, results of operations or cash flows.

c) In relation to the order of honorable High Court of Delhi relating to provision of free treatment/ beds to poor, Directorate of Health Services, Government of NCT of Delhi, (DHS) appointed a firm to calculate "unwarranted profits" arising to it due to non-compliance. The special committee of DHS stated that before giving a formal hearing to the hospital, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed firm, which as per their method of calculations amounts to ₹ 73,266 lacs, seeking hospital's comments and inputs if any. The company has responded to such intimation explaining errors and objections to the calculations and is awaiting a formal hearing in the matter with the DHS. Based on its internal assessment and advice from its counsels on the basis of the documents available, management of the group believes that it is in compliance of conditions of free treatment and free beds to the poor and does not anticipate any liability after proper hearing with DHS. No notice of hearing has since been received till date.

B) One of the subsidiary, ("Hiranandani Healthcare Private Limited"), had received an Order from Navi Mumbai Municipal Corporation (NMMC) under Bombay Nursing Home Registration Act, 1949, for certain alleged contravention of the provisions of the Act and to cancel the registration of the Hospital and immediately cease its operations. The subsidiary filed writ petition with Bombay High Court (HC) that it is ultra vires and contrary to principles of Natural Justice HC stayed the order and restrained NMMC from taking any steps to interfere or obstruct the functioning. Despite above order, NMMC again issued another Order to submit original certificate of registration of the subsidiary. The subsidiary has filed civil application in the Writ Petition seeking leave of HC to amend

S.R. BATLIBOI & CO. LLP * GURGAON *

Fortis Healthcare Limited * New Delhi

the Writ Petition to include grounds of challenging the new Order as well which are pending before the HC. As per advice obtained from external legal counsel, the subsidiary has very good case to contend and the Orders are out to be set aside.

6. Exceptional items included in the above consolidated financial results includes:

(₹ In lacs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
a) Loss on dilution of stake in Religare Health Trust ("RHT")	-	-	-	-	(513)	(513)
b) Gain on dilution of stake in Dental Corporation Holdings Limited ("DC") [Refer note 7 (a)]	-	-	-	-	961	961
c) Realized foreign exchange fluctuation loss on settlement of loans within the group from sale proceeds of DC [Refer note 7 (a)]	-	-	-	-	(8,907)	(8,907)
d) Gain on dilution of stake in Fortis Hoan My Medical Corporation ("Hoan my") [Refer note 7 (b)]	-	-	-	-	1,377	1,377
e) Gain on dilution of stake in Quality Healthcare, Hong Kong [Refer note 7 (c)]	-	-	42,416	-	42,416	42,416
f) Gain on sale of net assets related to Mohali clinical establishment to Escorts Heart and Super Speciality Hospital Limited, one of the subsidiary of RHT	-	-	-	191	-	-
g) Loss on dissolution of partnership firm Fortis Cauvery	-	(158)	-	(158)	-	-
Net exceptional items	-	**(158)**	**42,416**	**33**	**35,334**	**35,334**

Loss on dilution of stake in RHT

During year ended March 31, 2012, the Company initiated internal corporate restructuring within the Group with a view to streamline and focus Group companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light models. Subsequent to it RHT, a business trust established in Singapore, was listed on the Singapore Exchange Securities Trading Limited on October 19, 2012.

RHT made an offering of 567,455,000 common units at S$ 0.90 per common unit. Post the listing of RHT on Singapore Stock Exchange on October 19, 2012, the stake of Group in RHT has been diluted from 100% to 28%. Accordingly, assets and liabilities of Clinical Establishment Division held by RHT Group do not form part of the consolidated assets and liabilities of the Company w.e.f. October 19, 2012. Such deconsolidation had resulted in a net gain of ₹ 99,591 lacs (net of expenses directly incurred on the transaction) and was included as an exceptional item for the year ended March 31, 2013 and for other quarters and year ended March 31, 2014 the exceptional item is related to expenses directly incurred on the transaction.

S.R. BATLIBOI & CO. LLP * GURGAON *

Fortis Healthcare Ltd. New Delhi

In continuance of Group's Asset light model, during the quarter ended June 30, 2014, the Company has entered in to an agreement with Escorts Heart and Super Specialty Hospital Limited ("EHSSHL"), a subsidiary of Religare Health Trust, for transfer of net assets relating to the Mohali Clinical Establishment (in Punjab) to EHSSHL. Such transaction has resulted in net gain of ₹ 191 lacs (net of unrealised gain of ₹ 74 lacs pertaining to the Company's share in RHT) and ₹ 265 lacs in the consolidated and standalone results respectively and has been included as an exceptional item during the previous quarter.

During the previous quarter, one of the subsidiary of the Company ("Fortis Health Management (South) Limited") entered into a Memorandum of Understanding (MOU) to dissolve the partnership firm, of which subsidiary Company was a partner. Accordingly, the subsidiary company's share of loss arising due to this has been shown as an exceptional item.

7. a) Discontinuing of operations relating to Dental Corporation Holdings Limited ("DC"), Australia

During the year ended March 31, 2013, Fortis Healthcare Australia Pty Limited (FHA), a wholly owned subsidiary of the Company entered into a Non-Binding Indicative offer to divest its 63.51% holding in DC to BUPA, Australia for a consideration of AUD 276 million. The deal was completed during the previous year on May 31, 2013 post approvals by the shareholders of DC, other regulatory authorities and the Supreme Court of Victoria (Australia). Accordingly, assets and liabilities of DC do not form part of the consolidated assets and liabilities of the Company w.e.f. May 31, 2013. Such deconsolidation resulted in a net gain of ₹ 961 lacs and was included as an exceptional item in the nine months period ended December 31, 2013. Further, exceptional item during nine months period ended December 31, 2013 also included ₹ 8,907 lacs of realized foreign exchange fluctuation loss on settlement of loans within the group from sale proceeds of DC.

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial results are as follows:

(₹ In lacs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
Total Income	-	-	-	-	33,044	33,044
Total expenditure	-	-	-	-	34,294	34,294
Profit before tax	-	-	-	-	**(1,250)**	**(1,250)**
Tax expenses	-	-	-	-	(70)	(70)
Profit after tax	-	-	-	-	**(1,180)**	**(1,180)**

b) Discontinuing of operations relating to Fortis Hoan My Medical Corporation, Vietnam

During the quarter ended June 30, 2013, Fortis Healthcare International Pte Ltd., a subsidiary of the Company had entered into an agreement with Viva Holdings Vietnam (Pte.) Ltd, a Chandler Corporation company, to divest entire stake in Fortis Hoan My Medical Corporation (Vietnam), for a consideration of USD 80 million. The deal was completed on August 20, 2013 post receipt of all approvals. Accordingly, assets and liabilities of Hoan My do not form part of the consolidated assets and liabilities of the Company w.e.f. August 20, 2013. Such deconsolidation had resulted in a net gain of ₹ 1,377 lacs and was included as an exceptional item in the nine months period ended December 31, 2013.

S.R. BATLIBOI & CO. LLP * GURGAON *

Fortis Healthcare Limited * New Delhi *

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial results are as follows:

(₹ In lacs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
Total Income	-	-	-	-	13,246	13,246
Total expenditure	-	-	-	-	12,036	12,036
Profit before tax	-	-	-	-	**1,210**	**1,210**
Tax expenses	-	-	-	-	338	338
Profit after tax	-	-	-	-	**872**	**872**

c) Discontinuing of operations relating to Quality Healthcare, Hong Kong

During the previous year, Fortis Healthcare International Pte Ltd. ('FHIPL'), a subsidiary of the Company entered into an agreement with BUPA International Limited to divest entire stake in Altai Investments Limited, the holding Company of Quality Healthcare, Hongkong for USD 321 million, further USD 44 million was received on account of inter group receivables net of payables. Group has received USD 365 million towards this transaction.

The deal was completed on October 24, 2013 post receipt of all approvals. Accordingly, assets and liabilities of Quality Healthcare do not form part of the consolidated assets and liabilities of the Company w.e.f. October 24, 2013. Such deconsolidation has resulted in a net gain of ₹ 42,416 lacs and has been included as an exceptional item for the quarter ended December 31, 2013. Net gain of ₹ 42,416 lacs is net of goodwill of ₹ 31,580 lacs arising on consolidation of FHIPL. In view of management, considering disposal of all significant subsidiaries of FHIPL, no goodwill is allocable to any other remaining entities.

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial results are as follows:

(₹ In lacs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
Total Income	-	-	9,480	-	63,162	63,162
Total expenditure	-	-	8,341	-	59,212	59,212
Profit before tax	-	-	**1,139**	-	**3,950**	**3,950**
Tax expenses	-	-	2	-	718	718
Profit after tax	-	-	**1,137**	-	**3,232**	**3,232**

d) Discontinuing of operations relating to Radlink-Asia Pte Ltd., Singapore (Radlink)

During the previous quarter, Fortis Healthcare Singapore Pte Ltd. (FHS), a wholly owned subsidiary of the Company entered into a Share Sale Agreement to divest its 100% holding in Radlink to Medi-Rad Associates Ltd, a wholly-owned subsidiary of IHH Healthcare Berhad, for SGD 137 million.

The deal is subject necessary statutory, regulatory approvals as per local requirements and certain conditions precedent and will be completed in due course. Therefore no effect of the same has been given in the above unaudited financial results.

S.R. BATLIBOI & CO. LLP * GURGAON *

For Fortis Healthcare Limited New Delhi

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial results are as follows:

(₹ In lacs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
Total Income	3,368	3,528	3,627	10,573	10,721	14,358
Total expenditure	2,949	2,952	3,137	8,750	9,212	11,674
Profit before tax	**419**	**576**	**490**	**1,823**	**1,509**	**2,684**
Tax expenses	-	-	-	-	(91)	597
Profit after tax	**419**	**576**	**490**	**1,823**	**1,600**	**2,087**

8. Effective from April 1, 2014, the Company has charged depreciation based on the revised remaining useful life of the assets as per requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the quarter ended December 31, 2014 and September 30, 2014 is higher by ₹ 298 lacs and ₹ 588 lacs respectively. Further, based on transitional provision provided in Note 7(b) of Schedule II, an amount of ₹ 1,279 lacs (net of deferred tax) have been adjusted with retained earnings.

9. During the quarter ended September 30, 2013, Hon'ble High Court of Delhi approved the scheme of amalgamation ('the scheme') of Fortis Health Management (North) Limited ('FHMNL') with Fortis Hospitals Limited ('FHsL'), both wholly owned subsidiaries of the Company. The scheme became effective from September 1, 2013 with appointed date as April 1, 2012. The amalgamation was done with an objective of reducing administrative cost, general overhead, managerial & other expenditure and to bring the expertise, technology & facilities under one roof. Due to this amalgamation, during the quarter ended September 30, 2013, the Company had accrued income of ₹ 4,236 lacs on account of reversal of tax expenses (₹ 2,499 lacs on account of reversal of tax expense, which is related to previous year ending March 31, 2013 and ₹ 1,737 lacs on account of deferred tax credit recognized, which is related to quarter ended June 30, 2013).

10. As permitted, the Group has elected to present earnings before interest, tax, depreciation/ impairment and amortisation (EBITDA) as a separate line item in its financial statements and as required by clause 41 to the listing agreement to use the classifications as per financial statement, the Group has shown the EBITDA as a separate line item in the above financial results. In its measurement, the Group does not include depreciation/impairment and amortisation expenses, finance costs and tax expenses.

11. The previous periods'/ year figures have been regrouped and recasted, wherever considered necessary.

Date: February 13, 2015
Place: Gurgaon

For and on behalf of the Board of Directors

S.R. BATLIBOI & CO. LLP * GURGAON *

Malvinder Mohan Singh
Executive Chairman

Fortis Healthcare Limited New Delhi