



Fortis Healthcare

Investor Presentation

Mumbai

February 2012



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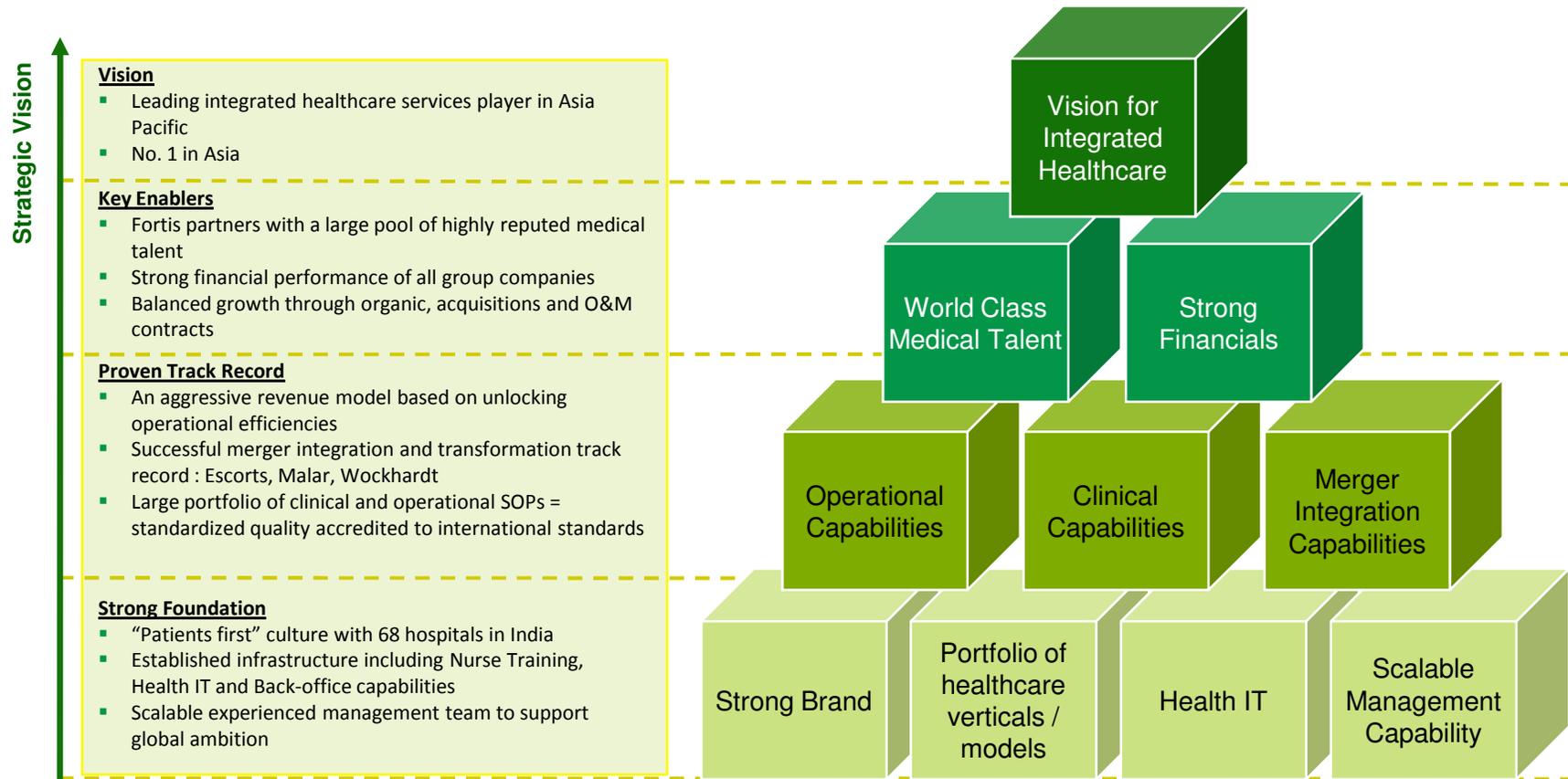
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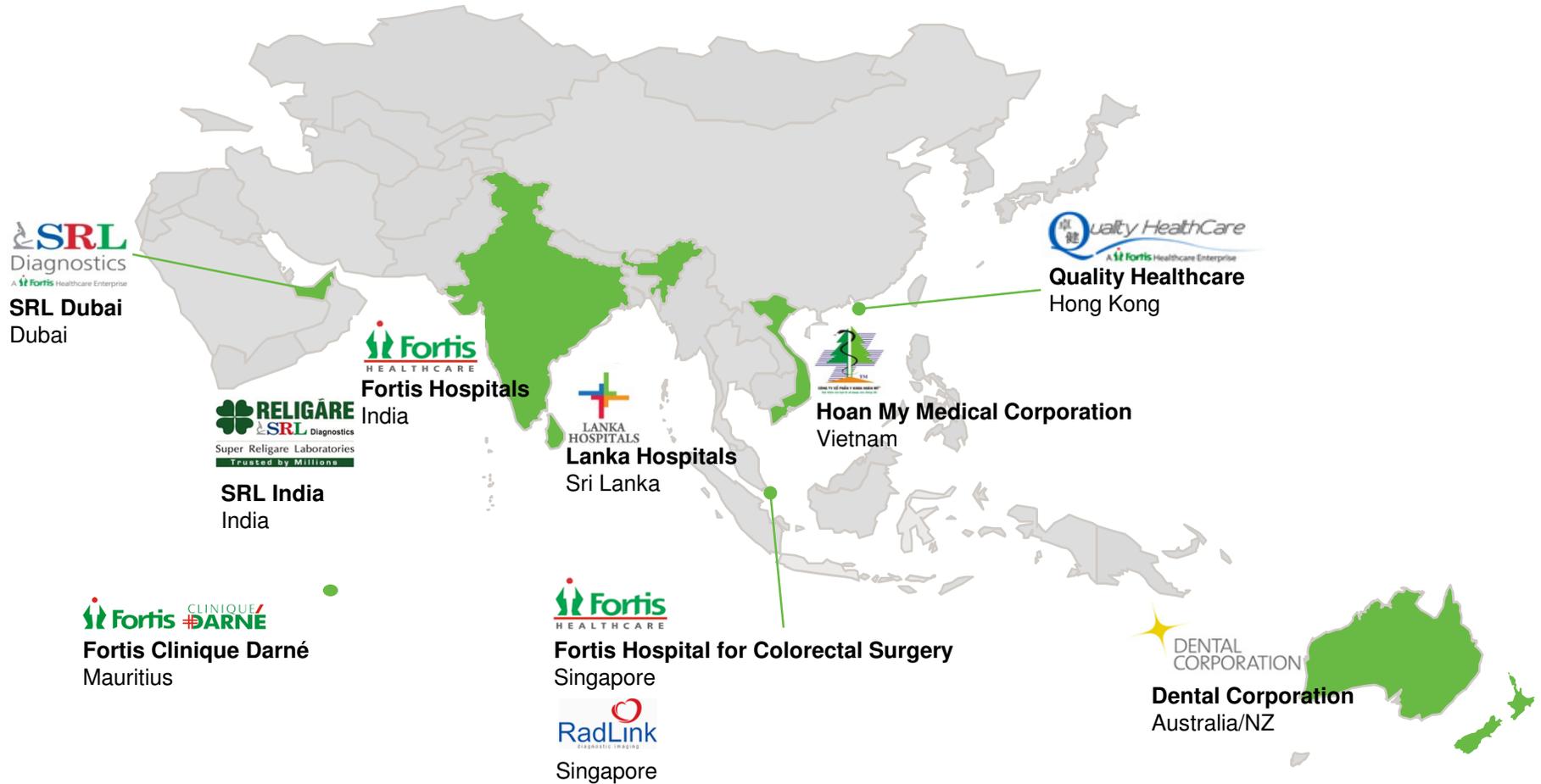
IV. Conclusion

Vision For Integrated Healthcare

Integrated Capabilities and Vision for Global Growth



Our Geographical Footprint



Leading Healthcare Provider in Asia – Pacific



- Amongst the leading hospital operators in India > 10,000* beds under management.
- Leadership across key specialties in tertiary care like cardiac sciences, neurology and orthopedics.
- Leader in the organized diagnostics segment



- Australia's largest operator of Dental practices with 170 sites
- Operates in top 30% of the Australian dental market



- Largest integrated primary healthcare service provider in Hong Kong with ~590 primary care centers . Market leader in the corporate client segment.
- Operates one of the largest radiology networks in Hong Kong
- Potential base for expansion into China



- One of the leading private healthcare providers in Vietnam
- 5 full service hospitals and 3 clinics across Central & Southern Vietnam
- Significant expansion plan including a brand new 204 bed hospital at the centre of Ho Chi Minh city, one of the fastest growing cities in Asia

Leading Healthcare Provider in Asia – Pacific (cont..)



- The largest private diagnostic and imaging Company in Singapore
- 7 state of the art diagnostics and molecular imaging centers and 5 GP clinics
- Robust business model with a strong referral network across 2000 specialist and physicians.

Fortis
Hospital, Singapore
(Adam Road)



- Greenfield specialty hospital for colorectal treatment, South East Asia's first.
- Expected completion in mid- 2012.

 SRL
A Fortis Healthcare Enterprise

- Operates on a Hub-Spoke-Spike Model with 1 Reference Lab in UAE and 7 collection agents in GCC
- First CAP accredited private pathology Lab



- One of the largest hospitals in Sri Lanka with an excellent brand image as a quality healthcare service provider
- Attractive growth opportunity on the back of rising income levels, higher insurance penetration and stronger emphasis on the quality of healthcare in Sri Lanka



Our Healthcare Assets

	 India	 International	   India + International
Hospitals ¹	68	7	75
Total Beds ¹	c.10,800	c.1,200	>12,000
Primary Care ²	-	~600	~600 centres
Diagnostic Labs	>200	9	>210
Day Care Specialty	1	~190	~191
Geographic Coverage	1 India	9 Australia, New Zealand, Hong Kong, Vietnam, Dubai, Mauritius, Singapore, Sri Lanka and Canada	10 Countries India, Australia, New Zealand, Hong Kong, Vietnam, Dubai, Mauritius, Singapore ,Sri Lanka and Canada
Doctor Network ³	>1,800	>2100	>3,900
Total Employees	>17,000	>7,000	>23,000

1) Includes project hospitals and beds.

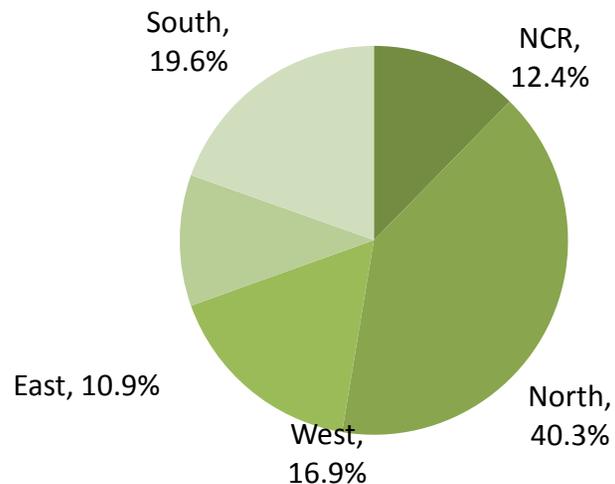
2) Includes affiliate centers and physiotherapy centers

3) Doctor Network includes Hygienists in Australia

Hospitals : Pan India Presence

- Presence across 20 states and 43 cities
- Coverage across all key Metro's, cities and upcoming urban conglomerations / township clusters
- Total capacity of ~ 10,800 beds (including new projects) with ~ 80% owned (existing operational vs. new projects proportion of ~ 55:45) and 20% through O&M contracts.

Region-wise split



Region	Region-wise Hospitals	Proportion of beds in the respective region (approx.)
NORTH	Fortis Hospital, Mohali	19%
	Fortis Escorts Heart- Delhi	18%
	Fortis Escorts Hospital, Jaipur	18%
	Fortis Escorts Hospital, Amritsar	13%
	Fortis La Femme, New Delhi	2%
	Fortis Shalimar Bagh, New Delhi	30%
NCR	Fortis Hospital, Noida	63%
	Fortis Escorts Hospital, Faridabad	38%
WEST	Hiranandani Hospital, Vashi	19%
	Kalyan, Mumbai	7%
	Mulund, Mumbai	74%
EAST	Escorts Hospital, Raipur	10%
	Rashbehari Road, Kolkata	14%
	Sarat Bose Road, Kolkata	0%
	Anandpur, Kolkata	76%
SOUTH	Fortis Malar Hospital, Chennai	20%
	Fortis Hospital, Seshadripuram, Bengaluru	6%
	BG Road, Bengaluru	51%
	Cunningham Road, Bengaluru	14%
	Rajajinagar, Bengaluru	3%
	Nagarbhavi, Bengaluru	5%

The above pie chart & table represents owned & currently operational hospitals based on total bed capacity. Owned hospitals also include those on long term / perpetual lease. Excludes new hospital projects which would potentially add ~ 4,000 beds and comprise both owned and leased facilities across cities such as Gurgaon, Hyderabad, Bengaluru, Indore, Pune, Cochin, Chennai, etc. Key new projects include select large hospital projects in Gurgaon, Hyderabad & Bengaluru with a total bed capacity of approx. 1,000, 400 & 375 beds respectively. NCR considered as a separate region / urban cluster.

Verticals and Geographies Matrix

Emerging
Developed

										
	India	Vietnam	Sri Lanka	Mauritius	Middle East	Singapore	Hong Kong	Australia	New Zealand	Canada
Primary Care		✓					✓			
Diagnostics	✓				✓	✓	✓			
Specialty Day Care Centres	✓					✓	✓	✓	✓	✓
Secondary Care Hospitals	✓	✓								
Tertiary Care Hospitals	✓	✓	✓	✓		✓				

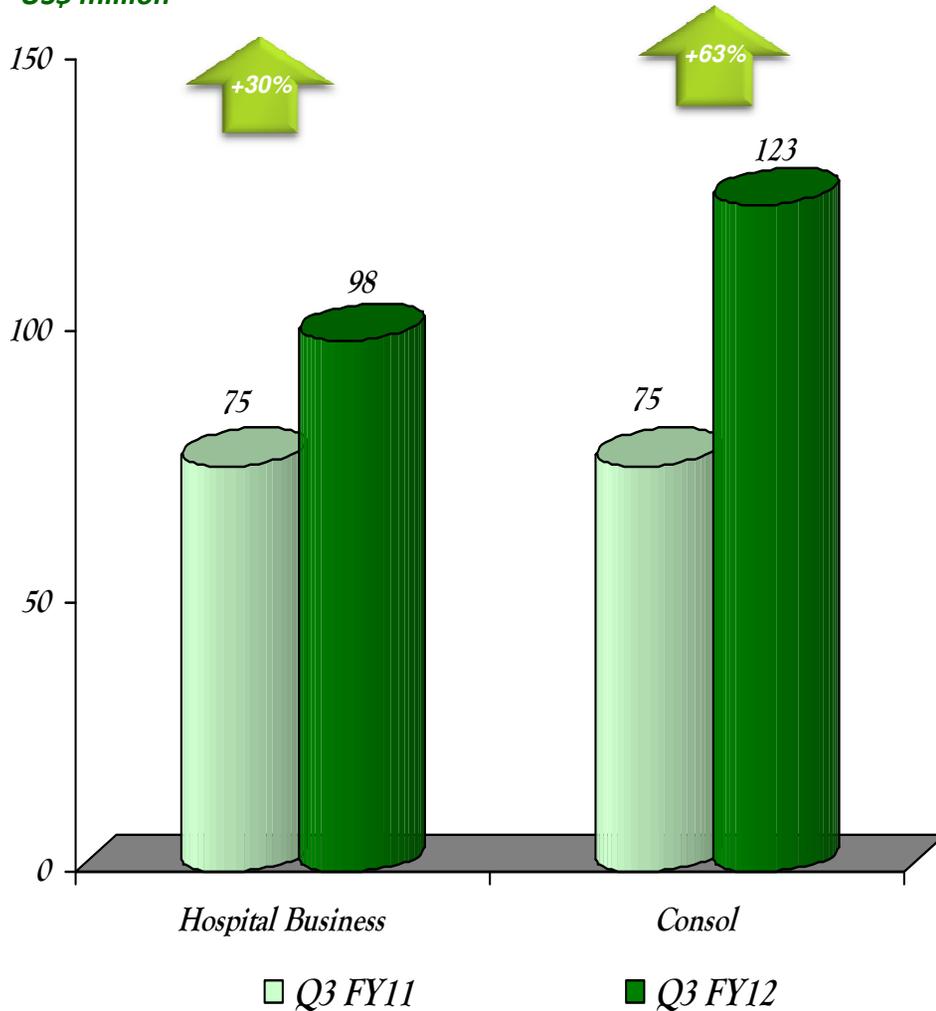
II. Update on Q3 FY 12 Results – India Operations

Highlights for Q3 FY 12 India Operations

- **Key Highlights :**
 - ▶ **15th consecutive quarter of revenue growth.** 11 hospitals achieved highest ever revenue
 - ▶ The Company maintained its growth momentum and registered a robust performance with 63% revenue growth over the corresponding quarter
 - ▶ The hospital business witnessed a 30% growth over the corresponding quarter
 - ▶ Diagnostics business witnessed 25% growth in Gross revenue over the corresponding quarter
- The company signed agreements with **two hospitals adding 225 beds** to the total capacity during the quarter.
 - ▶ 150 bed super-speciality hospital in Hyderabad
 - ▶ 75 bed Cardiac Care Centre in Agra, Uttar Pradesh
- **New Medical Programmes and Growth Initiatives** - Liver Transplant Program & new technology initiatives in the Neuro sciences field at Fortis Noida. Launch of RENKARE in New Delhi, a chain of standalone dialysis centres. High Intensity Focused Ultrasound (HIFU) based Interventional Radiology program launched at Fortis BG road.
- **Diagnostic Business:** SRL started two new labs and formally inaugurated two of its large facilities – a state-of-the-art imaging centre in Vasant Vihar, New Delhi and a full service Reference Lab in Bangalore.

Snapshot Financial Performance

US\$ million



↑ Q3FY12 – Consolidated

↑ Operating Revenue	- US\$ 123 mn	↑ 63%
↑ Operating EBITDA	- US\$ 17 mn	↑ 54%
Net Profit*	- US\$ 6 mn	
Net Profit (excl. SRL)	- US\$ 7.5 mn	↑ 7%

Statutory	Q3FY11	Q3FY12
Occupancy	76%	72%
ARPOB (Annualized – US\$ mn)	0.16	0.19
ARPOB (Annualized - Rs. Lacs)	81	93
ALOS (Days)	3.8	4.0

*The Company reported a Net profit of US\$ 6 mn in Q3FY12 against a loss of US\$ 2.5 mn in Q2FY12

1 USD = 49.35 INR

Business Highlights

▶ Hospital Business

- ▶ Hospital business revenue at US\$ 98 million (+30% q-o-q). The growth was led by Fortis Escorts Jaipur, Fortis Escorts Faridabad, Fortis Mulund, Fortis BG Road, Fortis Shalimar Bagh and Fortis Anandpur.
- ▶ Revenue from International Patients stood at US\$ 6.7 million a growth of 19% on q-o-q basis
- ▶ Newly started hospitals performed well and clocked revenue of ~US\$ 7.4 million which includes Fortis Shalimar Bagh, New Delhi, Fortis Anandpur, Kolkata, Moradabad and Alwar
- ▶ Revenues from key specialty segments comprising Cardiac sciences, Orthopaedics, Neuro sciences and Oncology contributed 52% to overall revenues and witnessed a growth of 14.5% q-o-q.

▶ Diagnostic Business (SRL)

- ▶ Net Operating revenue stood at US\$ 25 million. Contribution from Pathology and Radiology business stood at 75% and 20% respectively.
- ▶ Operating EBITDA for the period stood at US\$ 2 million, a margin of 7.6%. The decline in margins compared to the trailing quarter was due to start-up expenses incurred for two state-of-the-art labs launched in New Delhi and Bangalore and a Wellness Centre in Kolkata.

1 USD = 49.35 INR

Summary – Consolidated P&L India Operations

Particulars (US\$ mn)	Q3FY11		Q3FY12		
	Hospital	Total business	Hospital	Diagnostics*	Total business
Operating Revenue	75.3	75.3	97.8	24.7	122.5
Operating EBITDA	10.9	10.9	15.0	1.9	16.8
PAT after MI and share in associates	7.0	7.0	7.5	(1.6)	5.9

*Diagnostic revenues have been netted for inter-company sales

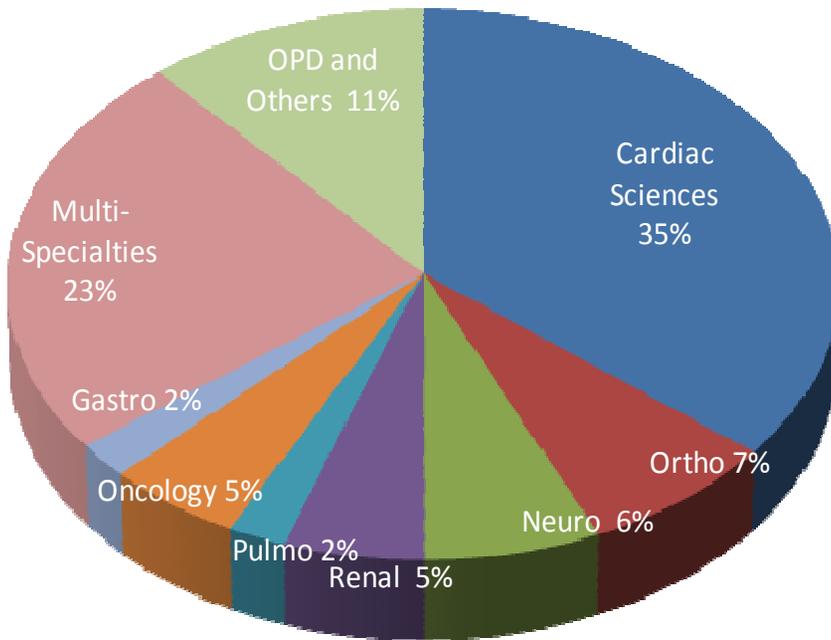
Hospital Business: Q3FY12 Base Operations

Particulars (US\$ mn)	Q3FY11	%	Q3FY12	%	Growth (%)
Operating Revenue	75.3	100.0%	97.8	100.0%	29.9%
Operating EBITDA*	10.9	14.5%	15.0	15.3%	36.9%
PAT after MI and share in associates	7.0	9.3%	7.5	7.7%	7.2%

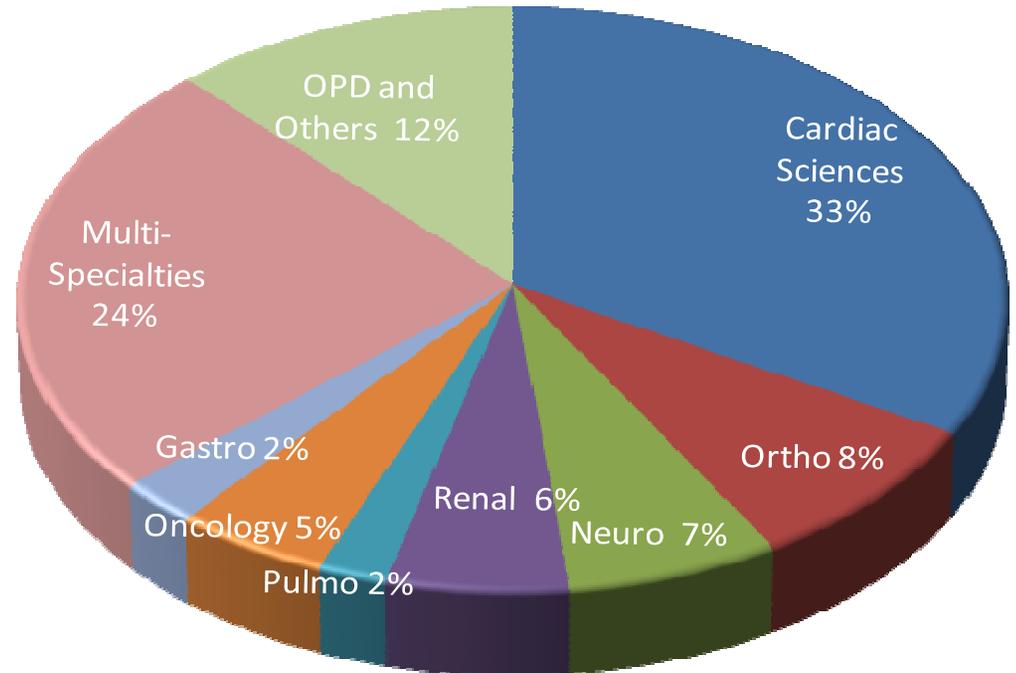
*EBITDA margin excluding start-up losses of new hospitals/ventures is US\$ 15.5 mn (16.5% margin). Net Profit on comparable basis stood at US\$ 8.2 mn.

1 USD = 49.35 INR

Specialty Revenue Split



Q 3 FY 11



Q 3 FY 12

- Cardiac Speciality Share value increase in value by ~US\$ 3.2 mn inspite of 2% shift to other specialities
- Orthopedics Share grew by 1% mainly due to TKRs in Jaipur, Mohali, Anandpur, Mulund, and Vasant Kunj
- Renal Sciences revenue grew faster in wake of new Kidney Transplant programs and dialysis procedures

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Balance Sheet as on 31st Dec 2011

Balance Sheet	US\$ mn
Shareholder's Equity*	678
Foreign Currency Convertible Bonds (FCCB's)	108
Debt	350
Total Capital Employed	1,136
Goodwill	369
Net Fixed Assets (including CWIP of US\$ 84 mn)	482
Investments	
- in Associates and subsidiaries	2
- Deposits (including Inter-Corporate Deposits)	235
- Liquid and Mutual Funds	0
Cash and Bank Balances	11
Net Current Assets	37
Total Fixed Assets	1,136
Net Debt (0.13 :1)	104

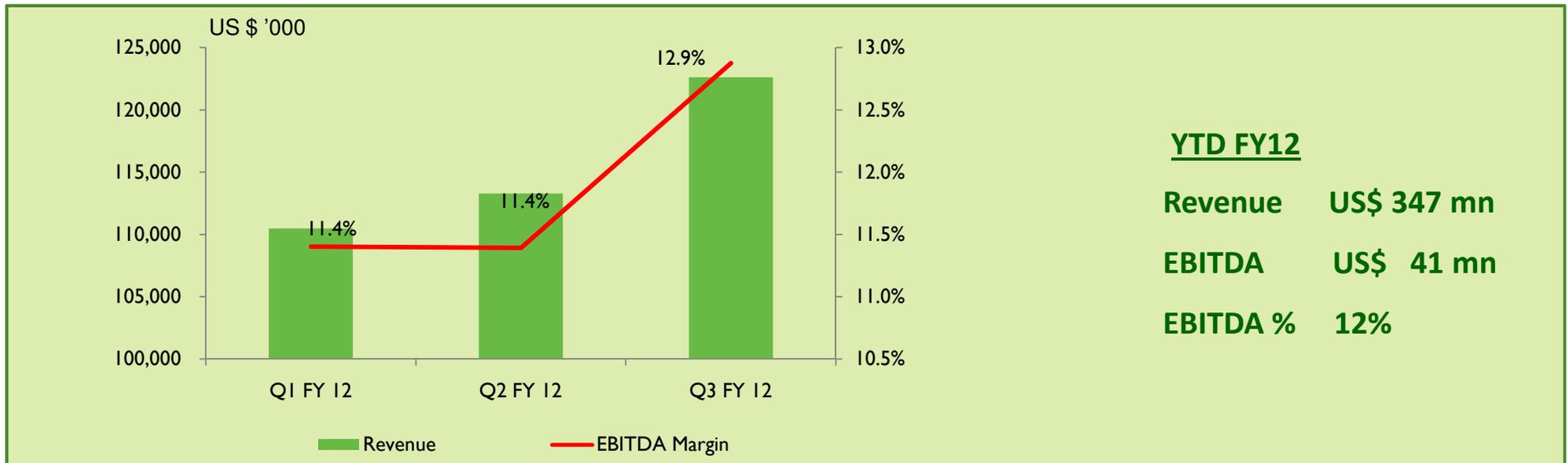
*Shareholder's Equity is inclusive of Revaluation Reserve and Minority Interest

1 USD = 49.35 INR

III. Fortis Healthcare International

International Business - Proforma Q3FY12 Financials

- Proforma international revenues at US\$ 124 mn
- EBITDA at US\$ 16 mn, (13% margin)
- Key entities of Dental Corporation & Quality Healthcare record a stable performance in the quarter
- Hoan My & RadLink– both will be part of International business in Q4
- Singapore Specialty Hospital scheduled to be launched in mid-2012



• The above are proforma financials of businesses in Australia, Hong Kong and Dubai. Full period of consolidation is taken for a like to like comparison, if applicable. The actual reported financials may vary depending on the foreign exchange rates used, 1USD = 1.258 SGD



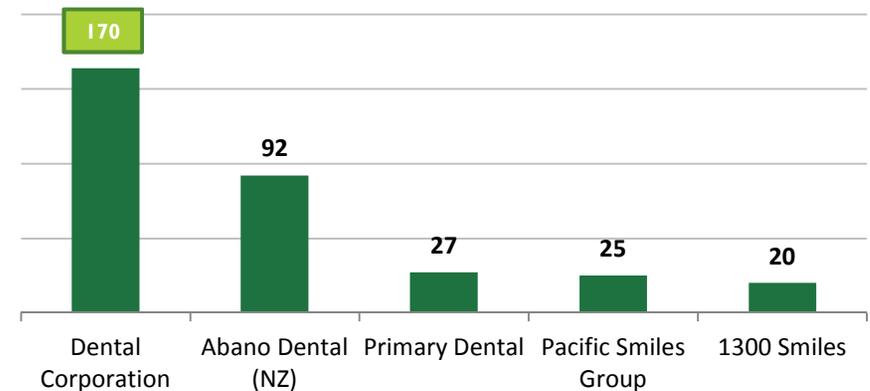
Dental Corporation – Australia’s largest operator of Dental Practices



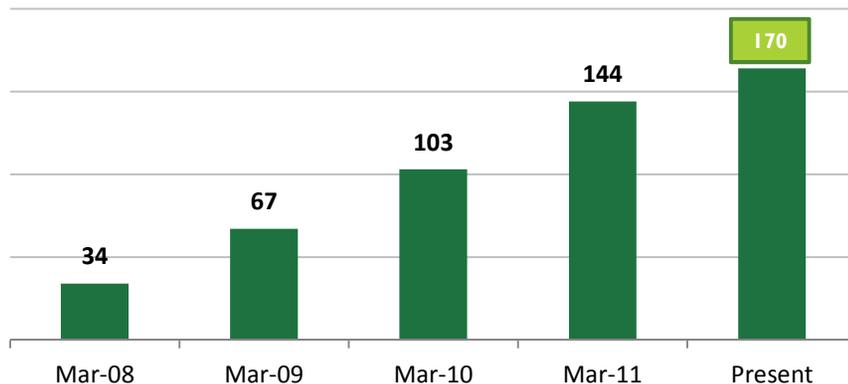
Company Overview

- Commenced operations in October 2007
- As at November 2011, DC operates 141 practices across 170 sites.
- Premium market position by targeting top 30% of the dental market, a segment that enjoys higher margins, contains the best clinicians and excess patient demand

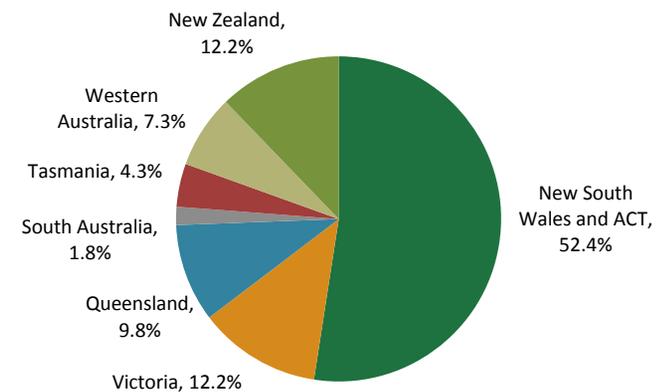
Competitive Landscape



Rapid Growth in Number of Dental Sites



Geographic Split of Dental Sites

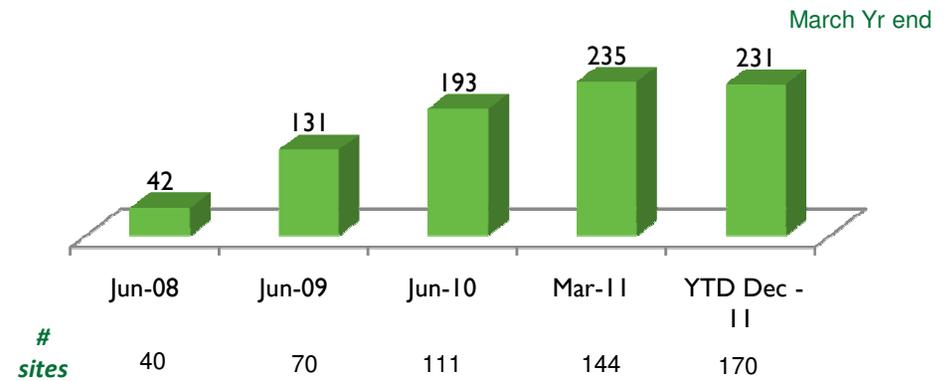


Dental Corporation - Financial Performance

Key Commentary

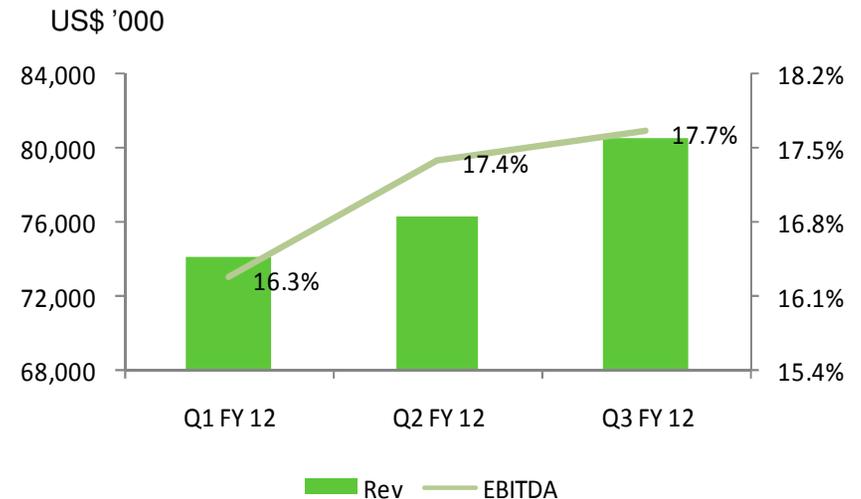
- Significant revenue growth - having increased more than five times from US\$42 mn to US\$235 mn
- Robust historical organic growth of its existing portfolio with increasing focus on organic growth going forward

Historical Revenue (US\$ mn)



Quarter - wise financial performance

Particulars	Q1FY12	Q2FY12	Q3FY12	YTD FY 12
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Operating Revenue	74,109	76,333	80,592	231,034
Operating EBITDA	12,058	13,265	14,230	39,553
EBITDA Margin	16.3%	17.4%	17.7%	17.1%



Quality Healthcare – the largest primary care service provider in HK

Market leader

- Quality is the largest private integrated healthcare service provider in Hong Kong
- Extensive network, strong reputation, experienced doctors and personnel
- Highly rated by customers along key selection criteria: Service, Quality, Network and Price
- Key business segments of primary care, eye and dental care, physiotherapy, and nursing services

Quality corporate client base

- The company has quality client base, comprising leading corporate / insurance clients in Hong Kong (e.g. Cathay Pacific and PCCW) – over 1500 client database
- Highest penetration of corporate customers amongst competitors

Strong client retention

- Total corporate clients comprise more than 70% of Quality's client base, with over 95% client retention rate
- Strong contract client base provides Quality with a solid income source with high earnings visibility

Strong physician recruiting and retention record

- Annual turnover rate for physicians is less than ~5%
- Quality is reputed to attract high quality professionals and as a matter of policy only employs General Practitioners (GPs) and Specialty Practitioners (SPs) with at least 5 – 10 years

Experienced management and operational team

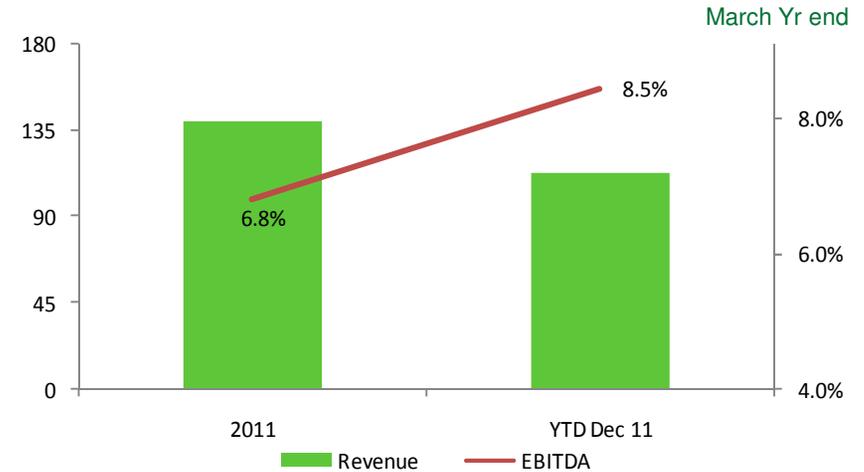
- Majority of Quality's senior executives have over 10 -15 years of experience, and have served at the company between 5 to 10 years

Quality Healthcare - Financial Performance

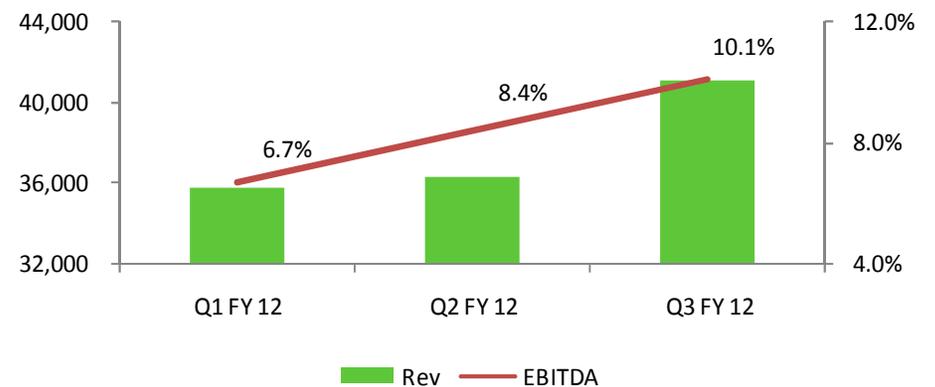
Key Commentary

- Margins improved Q1 – Q3
 - Ramp up of new centers opened in CY10.
 - Strong client retention and steady growth in income from customers due to increase in patient and average fee collected
- Future growth will be driven by
 - Planned opening of 2 new centers every year in QHMS and 1 new center in QHS every alternate year
 - Planned opening of 1 new MRI centre in 2012, 2014 , 2017
 - Capitalizing on the diagnostics business opportunity through CMDG (medical diagnostics, imaging and lab services)
 - Makes Quality the largest diagnostics provider outside hospitals with 5 centers across HK Island
 - Volume growth as well as marginal increase in realization

Revenue (US\$ mn)



Operational EBITDA (US\$ '000)



Hoan My – Amongst the largest private hospital group's in Vietnam

Market leader

- Hoan My has over 800 beds, making it one of the top private health care providers in Vietnam
- Hospitals located in main cities in Central / Southern Vietnam; significant market share in Ho Chi Minh city
- Operates 5 full general service hospitals and 3 clinics; > 450 resident & empanelled doctors

Experienced management team

- Dr Tung (promoter) is one of the leading physicians in Vietnam and has worked both in the public and private hospitals prior to founding Hoan My in 1997
- Each hospital managed by a competent team

Favorable Industry Trends

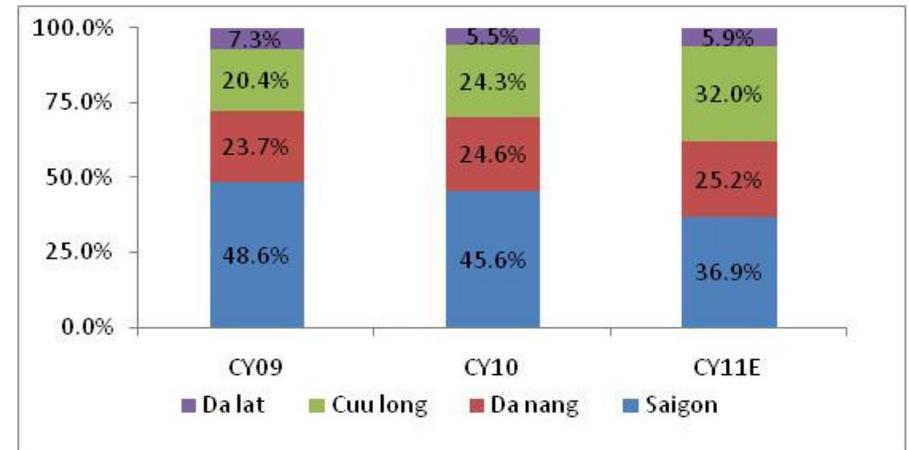
- Vietnam's GDP has grown at a CAGR of ~13% from 2000 to 2010 (2000:US\$ 31.2 bn, 2010E US\$ 103.6 bn). Expected to grow at a CAGR of ~14% from 2010 to 2016.
- Total Healthcare expenditure estimated at US\$ 7.7 bn in 2010 (7.6% of GDP). Healthcare expenditure projected to grow at a CAGR of 13.6% to US\$ 12.9 bn (8.3% of GDP).

Hoan My - Financial Performance

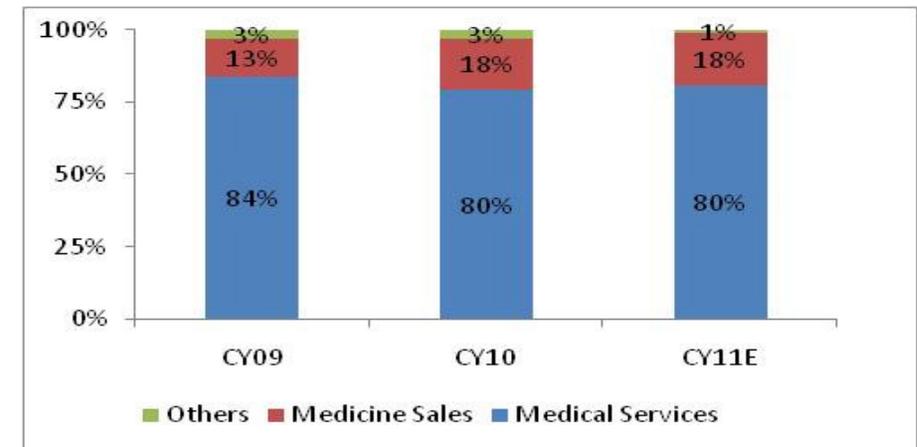
Historical Revenue (US\$ mn)



Centre-wise Revenue Mix



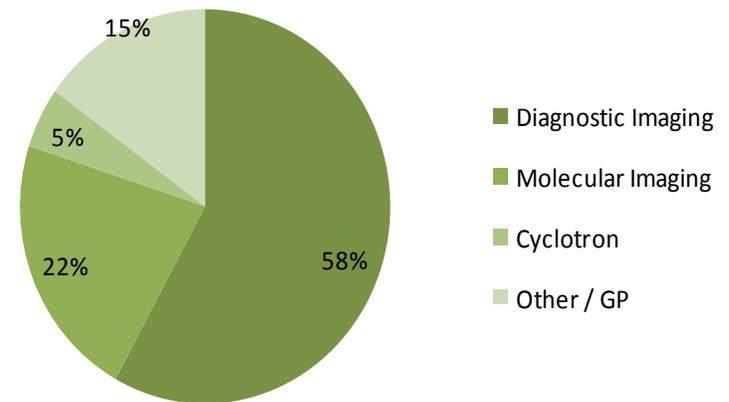
Segment-wise contribution



RadLink – Singapore’s largest private outpatient diagnostic Company

- The largest private diagnostic and imaging Company In Singapore
- Expands Fortis footprint in Singapore in Diagnostics
- 7 state of the art diagnostics and molecular imaging centers and 5 GP clinics across Singapore.
- Only one of the two cyclotron facilities in Singapore; license to market radiotracers to third parties.
- A strong pool of radiologists, nuclear scientists and managerial personnel with deep operational and regulatory expertise.
- A robust business model with a strong doctor referral network spanning 2000 specialist and physicians.

Sales Segment-wise – CY 2011



Dec Yr end	US\$ mn	
	2010 (A)	2011 (unaudited)
Revenues	20.0	21.5
Operating EBIDTA	2.3	4.5
EBITDA Margin	11.5%	20.9%

Fortis Hospital Singapore – a Super Specialty Hospital in Singapore



- Fortis International acquired Adam Road Hospital in Singapore, in February 2011
- The 30 bed boutique hospital will be the first specialty hospital dedicated to colorectal disorders in the South East Asia
- Expected completion in mid-2012
- Key investment merits include:
 - The Singapore private tertiary healthcare is expected to grow at a c.7% CAGR until 2020E.
 - The key drivers of growth are emerging shifts towards private healthcare, growing demand for specialist services and growth of foreign patient volumes.

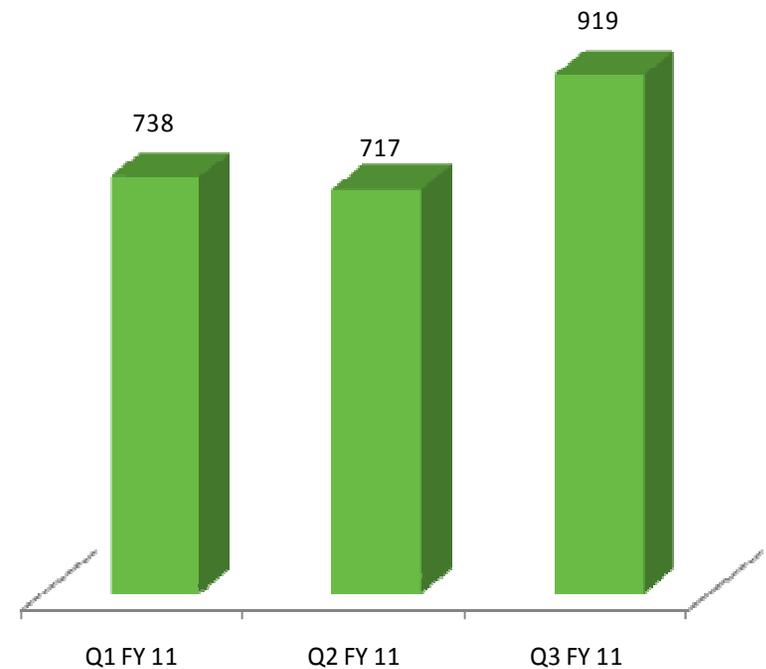
Lanka Hospitals – a leading tertiary care hospital in Sri Lanka

- Fortis International acquired 28.6% stake in Lanka Hospitals in March 2011 - a leading tertiary care, multispecialty hospital with an emphasis on cardiac care, urology, neuro-sciences, general surgery, ophthalmology, ear-nose-throat (ENT), infertility and emergency care services
- Lanka Hospitals has a premium market position and is currently one of the largest hospital groups with an excellent brand image. It is majority owned by Sri Lanka Insurance Corporation Ltd, a Government of Sri Lanka Company
- ~ 1,000 employees, including 400 doctors, occupancy at around 60% to 70%
- Sufficient bed capacity and patient volumes to build additional surgical specialities including: cardiology / CTVS, orthopedics, gastroenterology, paediatric surgery and oncology
- Strategic investment in one of Asia's fastest growing countries with future potential for growth in other healthcare delivery verticals in Sri Lanka

SRL Labs – the largest private pathology laboratory in Emirates

- SRL Dubai caters to the outsourced pathology market in UAE, GCC region and Africa
- Fully equipped, state-of-the-art reference lab in Dubai with seven collection centers across the GCC region
- Capability & partnerships to perform / process over 4,000 tests across 95 technologies
 - College of American Pathologists Accredited
 - Seven eminent faculty inclusive of Laboratory Physicians, Pathologists & Scientists in various subspecialties of Laboratory Medicine on-board
 - US FDA 21 CFR Part 11 compliant

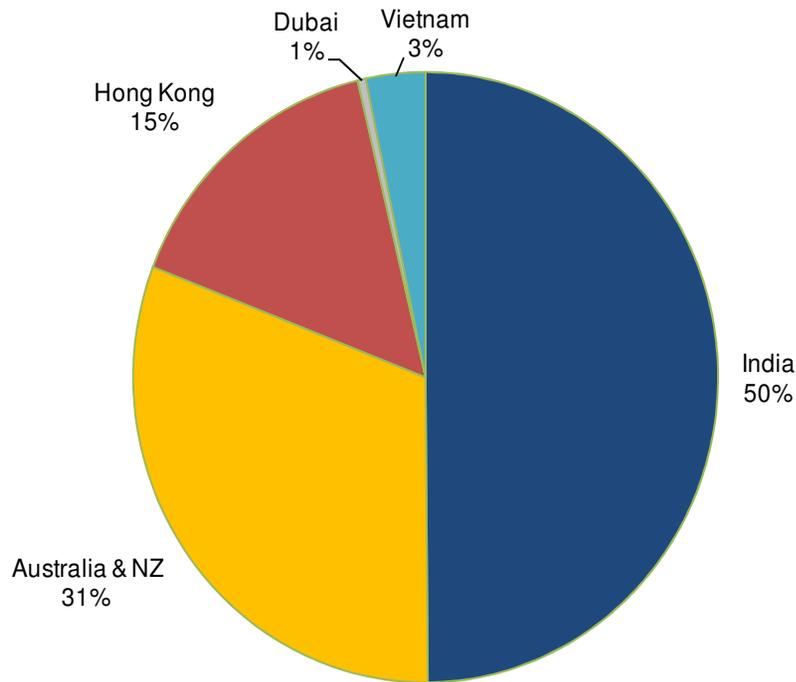
Quarter-wise Revenue (US\$ '000)



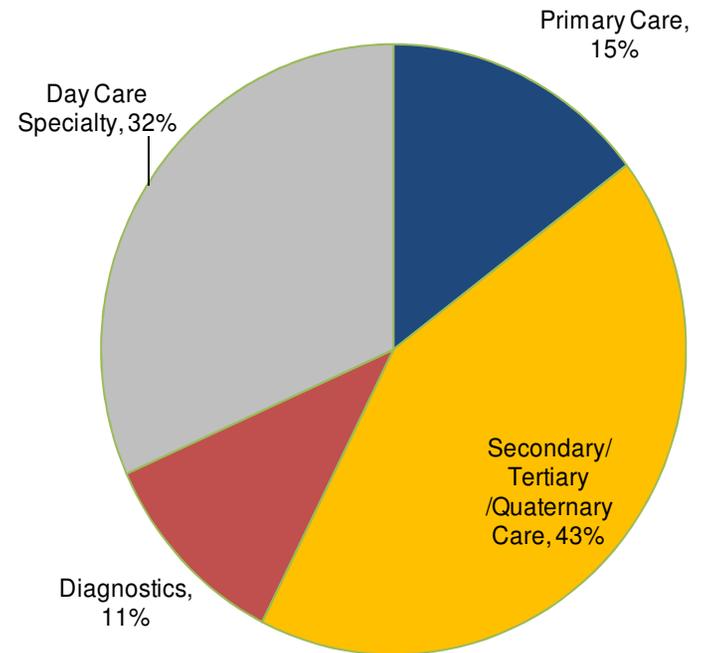
VI. Conclusion

Diversified Revenue Mix 2011-12E

Geographical Mix



Product Mix



Dental Care: Includes revenues of Dental Corp and dental practice of Quality Healthcare
 Primary Care: Includes revenues of physiotherapy and nursing services of Quality Healthcare
 Secondary/Tertiary/Quaternary Care: Includes revenues of Fortis India & Hoan My
 Diagnostics: Includes revenues of SRL India & SRL Dubai
 Based on Estimates for FY2012 using exchange rates as on October 27, 2011
 Fortis International financials and projections based on reporting standards of respective countries on a proforma basis

Combined Entity Will Have a Well-diversified Business Mix

Leveraging Synergies across Geographies and Verticals

- ▶ Expand capability and scope of current operations by leveraging existing market presence and brands
- ▶ Gain efficiencies from a combined network across Geographies
- ▶ Realize strong operational synergies through cost savings
 - ▶ Streamlining, driving economies of scale from back-office functions, centralized purchasing, etc
- ▶ Platform for further enhancing operational capabilities via incorporating the “best in class” medical know how, business models and management experience.
- ▶ Integrated platform to further participate in growth opportunities & consolidation

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Thank You...