

FORTIS

Fortis Health Care was incorporated in 1996 and started the first 300-bed hospital in Mohali in 2001 and over the years expanded to the current capacity of 3,000 owned and 1,100 managed beds. Fortis' key areas of specialization are cardiology, neurosciences, oncology and orthopedics. Since beginning company has made series of acquisition of hospitals and the first was Escorts chain of hospitals in 2005 followed by Malar Hospital Chennai and then Wockhardt Hospitals. Further in year 2010-11 company acquired Super Religare Laboratories (SRL) and thus mark its presence in diagnostic business. The most recent acquisition by company is of Fortis Healthcare International Pte limited a promoter entity in Jan 2012.

As on quarter ended on December the company earns 53% of total income from its international business while India hospital business contributes 38 % and rest 9 % comes from Super Religare labs.

The sales for 3QFY13 came at Rs 1539 Cr however the sales figures are comparable on YoY basis as company has consolidated its International Business in 4QFY12.

The India business revenue grew 19% to touch Rs 720 crore in Q3 December 2012 over Q3 December 2011. Operating EBITDA before net business trust cost for the India business stood at Rs 106 crore, a margin of 14.7% in Q3 December 2012 against 13.8% in Q3 December 2011.

The India hospital business posted a 20% robust revenue growth to touch Rs 583 crore and recorded an EBITDA before net business trust cost of 15.8% in Q3 December 2012. This compares to a margin of 15.4% in the corresponding previous quarter and 14.2% in the trailing quarter.

The India diagnostics business SRL Diagnostics (SRL) posted a healthy operating performance with net revenues rising 12% to Rs 137 crore in Q3 December 2012 over Q3 December 2011. EBITDA margins in the quarter for the diagnostics business were at 10.3% in Q3 December 2012 versus 7.7% in Q3 December 2011.

The International business contributed approximately 53% to consolidated revenues and stood at Rs 819 crore in Q3 December 2012. This compares favourably with the Rs 770 crore reported in Q3 December 2011. Operating EBITDA for the International business stood at 12.9%.

Company's business trust Super Religare Lab (SRL) was listed in SGX and company has sold its stake from 100 % to 28% for net gain of Rs 1005 Cr. Since stake sale was done on 19 Oct 2012 though it did not form company's consolidated financials yet shown in company's P&L under exceptional items as Rs 974 Cr and hence showing very high PAT for 3QFY13.

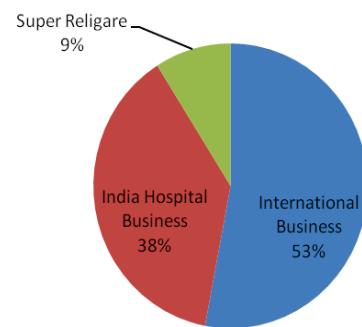
The adjusted PAT for the company came a loss of Rs 64 Cr against loss of Rs 28 Cr in 2QFY13.

Post results management said that results of this quarter reflect the focus of the company in improving its operating performance both in India and Internationally. Company will continue to improve the margins of India Hospital business and will retain this focus.

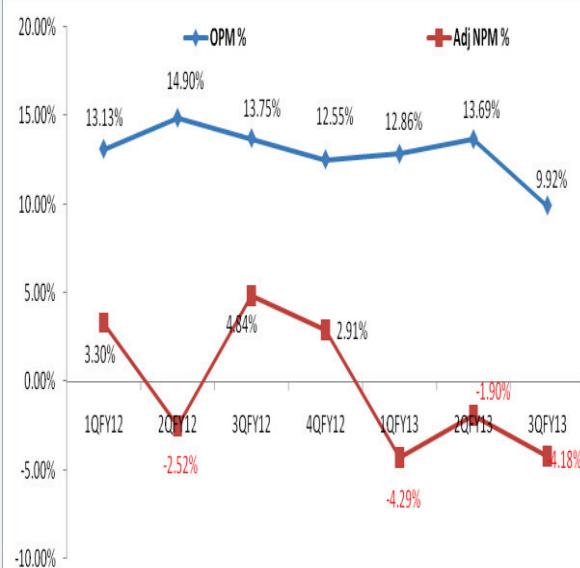
Promoters owned 81.48% stake in Fortis Healthcare as on 31 December 2012. As per the Sebi mandated minimum public shareholding rule, private-sector companies must boost public shareholding to atleast 25% by 13 June 2013.

The strong sales and stable EBITDA margin generates positive view which still high level of debt poses a risk. We therefore maintained neutral view for the stock for now

3QFY13 REVENUE BREAK UP

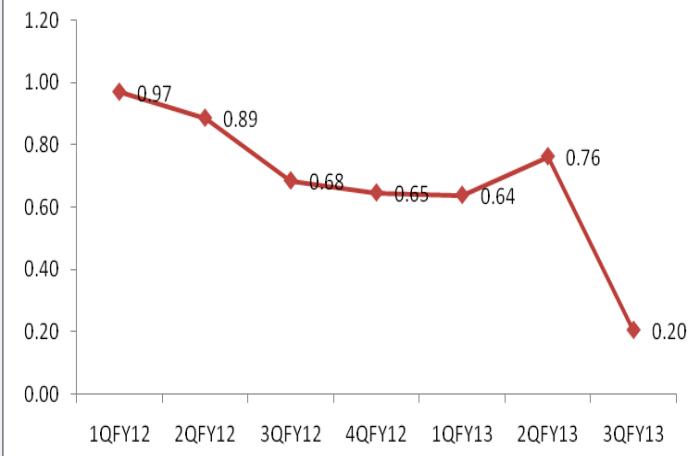


(Source: Company/Eastwind)



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INTEREST COVERAGE.RATIO



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