

FHL/SEC/STEX/RR/2017-18

November 14, 2017

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051
Scrip Symbol: FORTIS

BSE Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

Scrip Code:532843

Sub: Outcome of the Board Meeting

Dear Sir(s),

This is to inform you that the Board of Directors of the Company at its meeting held today, *inter-alia*, considered and approved execution by the Company of a term sheet ("Term Sheet") containing an exclusivity arrangement, in relation to the proposed acquisition by the Company and/or its subsidiaries of the equity and financial securities, in the relevant Indian entities under RHT Health Trust (RHT) in, International Hospital Limited and Fortis Health Management Limited (and consequentially Escorts Heart and Super Specialty Hospital Limited, Hospitalia Eastern Private Limited and Fortis Hospotel Limited) for a combined enterprise value of approx. Rs. 4650 Crores (including RHT Debt of approx. Rs. 1152 crore) from the wholly-owned subsidiaries of RHT ("Proposed Transaction"). The Proposed Transaction is subject to the satisfaction of conditions precedent including statutory approvals, shareholders, unitholders, lenders, noteholders and other approvals as may be required. The Term Sheet executed by both the Company and Trustee Manager of RHT, is intended to set out the basis for further discussion in respect of the Proposed Transaction, and is not intended to be legally binding between the parties, except for certain provisions including those relating to the consideration, confidentiality, exclusivity and governing law. Both the Company and RHT have entered into an exclusivity period for 60 days, commencing from the date of the term sheet with a view to executing definitive agreements for the Proposed Transaction.

It is hereby further informed that the Un-Audited Financial Results for the quarter and half year ended on September 30, 2017 which was planned to be tabled before the Board today, could not be tabled pending finalization, which was attributed due to engagement of the team in firming aforesaid transaction. The stock exchanges shall be intimated of a fresh date of Board Meeting in due course.

Further, in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), it is also informed that Ms. Shradha Suri Marwah (Non-




FORTIS HEALTHCARE LIMITED

Regd. Office: Fortis Hospital, Sector 62, Phase - VII, Mohali - 160062
Tel: 0172-5096001, Fax: 0172-5096002, CIN: L85110PB1996PLC045933

Executive Independent Director) (DIN-00176902), has tendered her resignation from Directorship of the Company with immediate effect, due to personal reasons, primarily attributed to extensive travel and imminent occupation in other companies.

The detailed disclosure as required under Regulation 30 of SEBI Regulations for the Proposed Transaction is attached herewith.

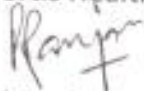
Further, please find enclosed the press release being issued in this regard.

This is for your information and records please.

Thanking you,

Yours faithfully,

For Fortis Healthcare Limited



Rahul Ranjan
Company Secretary

Membership No.: A17035



Disclosures as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No	Particulars	Description (Acquisition of Portfolio of Assets of RHT Health Trust)							
1	Name of the target entity, details in brief such as size, turnover etc.	Name of Entity	International Hospital Limited (IHL)	Fortis Management Limited (FHML)	Fortis Hospital Limited (FHTL)	Escorts Heart and Super Speciality Hospital Limited (EHSSHL)	Hospitalia Eastern Private Limited (HEPL)		
	Paid up share capital (Amount in Rs. Crore)	154.54	2.50	293.77	17.45	0.05			
	Turnover (Amount in Rs. Crore as on 31.03.2017)	362.09	103.60	316.58	118.51	0.01			
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"	Yes, the transaction is a related party transaction. FHML is a related party in terms of Accounting Standard 24 and FHTL is a subsidiary of Fortis Healthcare Limited (FHL). IHL, HEPL and EHSSHL are subsidiaries of RHT wherein FHL holds 29.76% shareholding (indirectly). Also, Mr. Malvinder Mohan Singh, promoter of FHL, directly holds 45,00,000 units in RHT and 11508 equity shares in FHL. The transaction will be carried out at arm's length basis.							



3	Industry to which the entity being acquired belongs	Healthcare
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The proposed transaction contemplates FHL and or its subsidiaries acquiring the equity and financial securities in the relevant Indian entities under RHT in International Hospital Limited (IHL) and Fortis Health Management Limited (FMHL) (and consequentially Escorts Heart and Super Specialty Hospital Limited- EHSSHL, Hospitalia Eastern Private Limited - HEPL and Fortis Hospotel Limited - FHTL). These entities are held by RHT's Singapore incorporated wholly owned subsidiaries Fortis Global Healthcare Infrastructure Pte Limited (FGHIPL) and RHT Healthtrust Services Pte Limited (RHSPL) and house the assets / clinical establishments of RHT. The proposed transaction is expected to enhance value for all of FHL's stakeholders. It would also make it easier for investors and other stakeholders to better understand the Company's business and financial performance. Upon completion of the securities acquisition, the service fees that FHL was paying will be completely eliminated thereby significantly improving its operating profitability i.e. EBITDA and cash flows. The elimination of service fees will also optimize the Company's cost base. Approvals including those of Singapore Exchange Securities Trading Limited and Competition Commission of India
5	Brief details of any governmental or regulatory approvals required for the acquisition	
6	Indicative time period for completion of the acquisition	6-9 months from signing of Term Sheet subject to satisfaction of conditions precedent including receipt of all applicable statutory and regulatory approvals and approvals from shareholders, unitholders, lenders, noteholders and other approvals as may be required.
7	Nature of consideration - whether cash or share swap and details of the same	Cash
8	Cost of acquisition or the price at which the shares are acquired	The Total consideration of the transaction will approximately be Rs. 4650 Crores (including RHT Debt of approx. Rs. 1152 crore).
9	Percentage of shareholding /	Once consummated, IHL, HEPL, FHML, EHSSHL and FHTL will become wholly-owned subsidiaries of FHL and/or its subsidiaries.



control acquired and / or number of shares acquired	Particulars	International Hospital Limited (IHL)	Fortis Health Management Limited (FHML)	Fortis Hospotel Limited (FHTL)	Escorts Heart and Super Speciality Hospital Limited (EHSSHL)	Hospitalia Private Limited (HEPL)
10	Brief background about the entity acquired in terms of products/line of business acquired, Country in which the acquired entity has presence and any other significant information	IHL is an Indian company incorporated under Companies Act, 1956 on March 8, 1994. It is a subsidiary of RHT and owns clinical establishments at Anandpur (Kolkata), Noida, Faridabad, Amritsar, BG Road (Bangalore), Mulund and Kalyan (Mumbai) and also an operating hospital at Rajajinagar (Bangalore). Further, it also owns land parcels at Mohali and Greater Noida.	FHML is an Indian company incorporated under Companies Act, 1956 on April 7, 2008. It is a subsidiary of RHT and owns clinical establishment at Malar (Chennai) and an operating hospital at Nagarbhavi (Bangalore).	FHTL is an Indian company incorporated under Companies Act, 1956 on January 23, 1990 and owns clinical establishments at Shalimar Bagh (Delhi) and FMRI (Gurgaon).	EHSSHL is an Indian company incorporated under Companies Act, 1956 on April 24, 2003. It is a subsidiary of RHT and owns clinical establishments at Jaipur and Mohali.	HEPL is an Indian company incorporated under Companies Act, 1956 on September 21, 1988. It is a subsidiary of RHT and owns land parcels in Hyderabad and Chennai and also an under-construction hospital at Ludhiana.
History of last 3 years turnover						
2016-17		362.09	103.60	316.58	118.51	0.01
2015-16		387.12	6.63	300.64	115.83	0.00
2014-15		315.78	39.27	291.34	111.75	0.04



PRESS RELEASE

FORTIS TO ACQUIRE THE ENTIRE PORTFOLIO OF ASSETS OF RHT HEALTH TRUST (RHT), LISTED IN SINGAPORE, AT AN ENTERPRISE VALUE OF INR 4650 CRS, INCLUDING DEBT OF INR 1152 CRS

FORTIS AND THE TRUSTEE MANAGER OF RHT SIGN TERM SHEET AND ENTER INTO EXCLUSIVITY FOR 60 DAYS TO NEGOTIATE AND EXECUTE DEFINITIVE AGREEMENTS

Gurugram, November 14, 2017: Fortis Healthcare Limited ("Fortis") announced that its Board of Directors in its meeting held today has approved a major restructuring initiative aimed at consolidating the entire Indian asset portfolio (12 Clinical Establishments, 4 Greenfield Clinical establishments and 2 Operating Hospitals) of RHT Health Trust ("RHT") into Fortis.

Fortis and the trustee-manager of RHT have today signed a term sheet and entered into an exclusivity arrangement proposing the acquisition of all the securities of RHT's entities in India holding (directly or indirectly) clinical establishments and businesses via a purchase of securities for an enterprise value of approximately INR 4650 Crores. ("the proposed transaction"). This includes INR 1152 Crores of debt as on date which will be used to repay RHT's debt. RHT currently has 807.8 Million units outstanding.

It is expected that a substantial part of the net proceeds (after repaying debt) received by RHT would be distributed to its unit-holders including Fortis; thereby reducing the net investment consideration that Fortis would incur.

The term sheet signed by both Fortis and the trustee-manager of RHT is intended to set out the basis for further discussion in respect of the proposed transaction. Both Fortis and RHT have entered into an exclusivity period for 60 days commencing from the date of the term sheet with a view to execute definitive agreements for the proposed transaction.

RHT is a registered business trust listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Fortis is a controlling unit holder with an indirect interest of 29.76 % in RHT. The proceeds raised from the listing of RHT in October 2012 on the SGX-ST were used by Fortis to de-leverage its Balance Sheet. Fortis has also entered into Hospital and Medical Services Agreements with entities held by the Trust under which Fortis pays service fees to such entities for services rendered, including clinical establishments services used in Fortis providing its medical services. For FY18, the annualized net cumulative service fees (basis Q1FY18 net fees) to be paid by Fortis to RHT is estimated to be approximately INR 270 Crores.

Fortis believes that the proposed transaction will potentially enhance value for all its stakeholders. With the unwinding of the current structure, it would also make it easier for investors and other stakeholders to better understand the Company's business and financial performance. Upon completion of the securities acquisition, the service fees that Fortis was paying will be completely eliminated thereby improving significantly its operating profitability i.e. EBITDA and cash flows. With Fortis's completion of proposed current transaction; the cumulative expected incremental positive impact on EBITDA would be approx. INR

270 Crores. In addition, with the acquisition of 49% of Fortis Hospotel Limited (FHTL) which is part of this proposed transaction, there will be an interest saving of approximately of Rs 75 Cr.

Commenting on the proposed transaction, Bhavdeep Singh, CEO Fortis Healthcare Limited, said "We are constantly looking at ways to provide comprehensive healthcare solutions which translates into a meaningful value proposition for all stakeholders – health providers, consumers, partners, investors and others. This restructuring is a significant initiative and will integrate RHT's entire India based asset portfolio into Fortis while also improving the overall financial health of the business."

The proposed purchase of securities will be conducted on an arm's length basis. Both parties continue to be independently advised by their respective advisers with a view to executing definitive agreements for the transaction and in bringing the proposed transaction to a conclusion in a timely manner.

The proposed transaction would be funded by Fortis with a combination of equity, quasi-equity and/or debt. Fortis has an enabling resolution in place to raise capital for upto Rs 5000 Cr and has been in active dialogue with financial/ strategic investors to raise funds, supported by Standard Chartered Bank as its financial advisor for this purpose.

The proposed transaction will be subject to the satisfaction of conditions precedent including regulatory and shareholder approvals by Fortis, approvals by RHT unit holders and other approvals as may be required.

About Fortis Healthcare Limited

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 45 healthcare facilities (including projects under development), approximately 10,000 potential beds and over 372 diagnostic centres.

DISCLAIMER

This press release may contain forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events, or otherwise. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Company may alter, modify or otherwise change in any manner the content of this press release, without obligation to notify any person of such revision or changes.

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