



Apollo Hospitals announces Q1FY14 results

Standalone Revenues up 15% at Rs. 895 Crores

New units, in initial stages of operations, have reported operating losses of Rs. 6 Crores in Q1FY14.

**Standalone EBITDA up 12% at Rs. 146 Crores
PAT up 13% at Rs. 79 Crores**

Quarterly Consolidated Revenues cross the Rs. 1,000 crore mark

Implementing expansion plans for 1,000 new beds this fiscal

Apollo Hospitals Chennai has achieved HIMSS Analytics Asia Pacific Stage 6 of the EMR Adoption Model (EMRAM), a noteworthy recognition its IT capabilities

Apollo Hospitals, Bilaspur received NABH accreditation— total number of NABH accredited facilities for the Apollo Group becomes 12 in addition to the 8 JCI accreditations received by Hospitals across the network

India, August 8, 2013: Apollo Hospitals Enterprise Ltd (AHEL), (BSE: 508869, NSE: INE437A01024), the Healthcare Pioneer and leading provider of quality clinical care today reported its consolidated financial results according to Indian GAAP for the quarter ending June 30, 2013.

Standalone Revenues grew by 15.1% at Rs. 8,950 million in Q1FY14 compared to Rs. 7,774 million in Q1FY13. EBITDA was higher by 12% from Rs. 1,304 million in Q1FY13 to Rs. 1,459 million in Q1FY14. Profit after Tax (PAT) increased from Rs. 697 million in Q1FY13 to Rs. 789 million in Q1FY14, growing by 13.2%.

AHEL launched two new hospitals in the fourth quarter of fiscal 2013 – a 200 bed Multi-specialty hospital at Ayanambakkam, Chennai and a 140 bed Ortho and Spine Specialty Hospital at Jayanagar, Bangalore. ***Excluding the impact of the initial operating losses of these new facilities, AHEL reported a 16.6% rise in EBITDA from existing business to Rs. 1,522 million in Q1FY14 with an increase in the EBITDA margin by 27 basis points at 17.15%.***

Dr. Prathap C Reddy, Chairman said, “Our dream has always been to give the country additional capacity in international quality healthcare with the best clinical outcomes.



We would be adding 1000 beds this year duly supported by a clinical and technical ecosystem, I believe this is a key inflection point in our journey of excellence.”

While scaling up, our focus still continues to be on the Centers of Excellence leveraging technology and medical excellence to provide patients with high standards of cure and care.

He added, “We are confident that the fructification of these efforts will lead us to a higher trajectory of growth in revenues and profitability in the years to come.”

Financial Highlights

- Standalone Q1FY14 Performance (*subject to Limited Review*)
 - Revenues expanded 15% to Rs. 8,950 million compared to Rs. 7,774 million in Q1FY13.
 - EBITDA grew 12% to Rs. 1,459 million as against Rs. 1,304 million in Q1FY13.
 - PAT was Rs. 789 million compared to Rs. 697 million in Q1FY13, growth of 13%.
 - Diluted EPS of Rs. 5.67 per share in Q1FY14 (not annualised).

- Consolidated Q1FY14 Performance (*Unaudited Estimates*)
 - Revenues expanded 16% to Rs. 10,218 million compared to Rs. 8,813 million in Q1FY13.
 - EBITDA grew 9% to Rs. 1,608 million as against Rs. 1,480 million in Q1FY13.
 - PAT was Rs. 783 compared to Rs. 763 million in Q1FY13, a growth of 3%.
 - Diluted EPS of Rs. 5.63 per share in Q1FY14 (not annualised).

Segment-wise Performance Update

Hospitals

Revenues of the hospital division of Apollo Hospitals Enterprise Limited (Standalone) (consisting of hospital services, hospital-based pharmacies and consulting) increased by 12% to Rs. 5,909 million in Q1FY14 compared to Rs. 5,299 million in Q1FY13.

Performance at existing hospitals has strengthened further with the EBITDA margin of the Healthcare Services segment (adjusted for impact of new facilities) expanding by 88 basis points from 23.7% in Q1FY13 to 24.5% in Q1FY14.



Apollo's newer hospitals continued to display steady progress and improvement in operating parameters:

- Bhubaneswar occupancy at 202 beds (81% utilization on an increased capacity of 250 beds) as compared to 174 beds in Q1FY13.
- The Apollo REACH Hospitals at Karaikudi turned EBITDA positive in Q1FY14 compared with a loss at the EBITDA in Q1 last year.

Standalone Pharmacies

During the quarter, Apollo Pharmacies added 49 stores and closed 26 stores for a net addition of 23 stores – total store network as of June 30, 2013 stands at 1,526 operational stores.

Revenues from the Standalone Pharmacies segment grew 23% from Rs. 2,477 million in Q1FY13 to Rs. 3,042 million in Q1FY14. EBITDA expanded by 47% from Rs. 61 million in Q1FY13 to Rs. 90 million in Q1FY14 as the business continued to demonstrate operational improvements

Same-store sales were healthy with like-for-like growth in revenue per store for the batch of stores opened prior to March 2008 at 12.9% for Q1FY14. The EBITDA margin for mature stores (pre March 2008) expanded 52 basis points from 5.1% in Q1FY13 to 5.6% in Q1FY14.

Subsidiaries & JVs

Apollo Munich Health Insurance Company Limited

Total Income increased by 30% from Rs. 1,080 million in Q1FY13 to Rs. 1,401 million in Q1FY14. The Company disbursed Rs. 876 million towards claims & commissions during Q1FY14 compared to Rs. 658 million during Q1FY13. The incurred claim loss ratio was 59.1% in Q1FY14 compared to 58.4% in Q1FY13. The positive PAT of Rs 6 million in Q1FY14 as compared to a loss of Rs 21 million in Q1FY13. Assets under management amounted to Rs. 4,944 million as of June 30, 2013.



Operational and Clinical Highlights

Operational Highlights

- Apollo Hospitals is steadily expanding its Robotic surgery capabilities across its network. With a gradual increase in its track record and more and more success stories, patients are opening up to robotic surgery to avail of the benefits such as faster recovery times, less pain, lower blood loss and minimal tissue damage. For service providers robotics results in better clinical outcomes and faster turnaround times.
- Apollo Gleneagles Hospital, Kolkata conducted the first ever Reverse Shoulder Prosthesis Replacement in East India. The surgery was conducted on an elderly patient who suffered from multiple complications. The operation was successful and helped to restore pain-free movement of the shoulder and limbs.
- Apollo Gleneagles Hospital, Kolkata has joined the Preferred Provider Network of PSU Health Insurance companies while Apollo Bhubaneswar has signed an MOU with the Odisha State Government resulting in empanelment under the Odisha State Treatment Fund (OSTF).
- Apollo 'Blood Connections', an online social initiative was launched in Chennai, which was aimed at reinforcing the self-esteem of those who donate blood and inspire the rest to participate in donation. On this occasion more than 60 voluntary blood donors who have generously donated blood were honored

Clinical Highlights

- Apollo Hospitals continues to make progress in its strategy to develop additional clusters by elevating its offerings at major urban centres such as Bangalore and Kolkata. During the quarter, the Centre for Liver Disease and Transplantation (CLDT) was launched at Bangalore while Apollo Gleneagles, Kolkata saw the addition of Eastern India's first voice clinic and the installation of the country's most advanced 128 Slice Ingenuity PET CT machine. It also launched India's First Voice of Customer Online providing real time solutions for medical treatment
- Apollo Hospitals, Bilaspur received NABH accreditation on July 31, 2013 – this takes the total number of NABH accredited facilities for the Apollo Group to 12 in addition to the 8 JCI accreditations received by Hospitals across the network

- Apollo Hospitals Chennai successfully performed robotic surgeries on Domestic (kidney transplant) as well as International patient (robotic spine surgery on a 15 year old patient from Nigeria). These have been instrumental in establishing Apollo's commitment in Clinical excellence and reinforcing its position as a desired medical tourism destination
- Indraprastha Apollo Hospitals successfully treated a 64 years old woman, who was suffering from three kinds of cancer – Uterus, Breast and Food Pipe. Thrombolysis treatment administered to a 90 year old stroke patient and 68 Year Old Woman Undergoes Total Knees Replacement for both the knees using patient specific instrumentation.
- Apollo Health City, Hyderabad successfully treated a 46 year old male with liver cancer using a yttrium Isotope implant. This is innovative new procedure.
- Doctors at Apollo Ahmedabad saved the life of a nine year old boy who rammed a glass patio door that cut his stomach and left his intestines hanging out. A four hour surgery was conducted by a team of experts to save his life.
- Apollo Gleneagles Hospitals gives a new lease of life to a 55 year-old patient infected with Leiomyosarcoma. Treats the patient through a new type of surgery, a first of its kind in Eastern India to cure a cancerous tumour.
- Apollo Bangalore treats a patient who was experiencing difficulty walking due to her hip problem, through the Mini incision hip replacement. This innovative approach uses a cement less or cemented implant that grows into the bone
- Apollo Hospitals Ayanambakkam organized an international CTO (chronic total occlusion – 100% blocked arteries) workshop in the presence of world renowned Japanese cardiologist, Dr. Masahisa Yamane.

Giving back to society

- Apollo Hospitals has undertaken several efforts to assist in rehabilitation of victims of Uttarkhand floods. Apart from offering medicinal supplies, Apollo Hospitals across the network readied medical facilities and teams of doctors, nurses, paramedics and pharmacists to provide support to victims
- Apollo Health City, Hyderabad has announced the successful completion of its 700th Cochlear Implant. This marks a new milestone in aiding of the hearing



impaired in the state of Andhra Pradesh. A large percentage of patients availing this treatment have been from marginalized sections of society and have received support from SAHI (Society for the Hearing Impaired) or utilized the State Government Health Scheme of Arogyasree

- Apollo Hospital, Noida has set up an Outpatient Department (OPD) catering exclusively to Senior Citizens
- Apart from being at the forefront of the curative healthcare revolution in the country, Apollo Hospitals has been the most active proponent of Preventive Healthcare across the country. By forging a rich legacy of social initiatives, the Group has undertaken significant efforts to heighten awareness and drive timely detection of ailments through multiple health camps across the country including rural areas, cardiac outreach programs and public sanitation programs which focus on accessible and affordable healthcare
- Apollo Hospitals initiative Billion Hearts Beating, took a step forward by moving from Creating Awareness to Inducing Action by launching the campaign titled “Man vs. Cigarette”. The campaign was launched on World No Tobacco Day (31 May) and was the first ever campaign to chronicle a smoker’s journey to live smoke- free and was promoted through the digital media
- In an endeavor to raise awareness on cancer and bone & joint related problems and educate the masses about the best health facilities at Apollo Hospitals, Cancer and Orthopedic outreach programmes were undertaken through a series of Oncology camps in Punjab (Patiala, Jalandhar and Amritsar) and Orthopedic camps in Delhi, Faridabad and Panipat
- Apollo Hospitals, Ayanambakkam organized a road safety awareness workshop for auto and van drivers in the city to increase their awareness on important road safety measures and help save accident victims. The workshop conducted by emergency specialists offered participants training in providing first aid and basic life support in the event of an accident.
- Apollo Hospitals, Chennai in association with Datri, a non-profit organisation that works towards saving lives of those suffering from life threatening disorders, initiated the Stem Cell Donation awareness drive in the city.



Awards & Accolades

Apollo Hospitals has been bestowed the award for 'Contribution by HR to an Organisation' at the Asia HRD Awards 2013. The Apollo group was specifically recognised for the contribution to the HR community and the Health Industry. The award was given at the Asia HRD Congress in Jakarta. Apollo was the only organisation recognised from India in the entire Asia Pacific Region.

HIMSS Analytics Asia Pacific announced that Apollo Hospitals Chennai has achieved Stage 6 of the EMR Adoption Model (EMRAM). A noteworthy recognition that the hospital has attained significant advancement in its IT capabilities further enabling it to successfully address several challenges faced by it as a healthcare provider, including one like reduction of medication errors.

Dr. Prathap C. Reddy, Founder and Chairman of the Apollo Hospitals Group was honoured with the Lifetime Achievement Award by NDTV.

The Apollo Hospitals stock was included in the prestigious MSCI Index from the close of business of May 31, 2013. The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world.



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About Apollo Hospitals Enterprise Ltd. (AHEL)

It was in 1983, that Dr. Prathap Reddy made a pioneering endeavour by launching India's first corporate hospital - Apollo Hospital in Chennai. Now, as Asia largest and most trusted healthcare group, its presence includes over 8,420 beds across 51 Hospitals, 1,526 Pharmacies, 92 primary care and diagnostic Clinics, 100 Telemedicine units across 10 countries. Health Insurance services, Global Projects Consultancy, 15 colleges of Nursing and Hospital Management and a Research Foundation with a focus on global Clinical Trials, epidemiological studies, stem cell & genetic research and the first Proton Therapy Center across Asia, Africa and Australia.

In a rare honor, the Government of India issued a commemorative stamp in recognition of Apollo's contribution, the first for a healthcare organization. Apollo Hospitals Chairman, Dr. Prathap C Reddy, was conferred with the prestigious Padma Vibhushan in 2010. For more than 28 years, the Apollo Hospitals Group has continuously excelled and maintained leadership in medical innovation, world-class clinical services and cutting-edge technology. Our hospitals are consistently ranked amongst the best hospitals globally for advanced medical services and research.

Disclaimer

Some of the statements in this document that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

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