



Delivers superior results aided by sustained revenue growth Continue to set new standards in medical technology through introduction of Robotics

**Q2FY12 Consolidated Revenues up 20.4% at Rs. 7,848 million
Consolidated EBITDA up 18.6% at Rs. 1,311 million**

Q2FY12 Standalone Revenues up 19.3% at Rs.6,998 million

Standalone EBITDA up 20.2% at Rs.1,198 million

PAT up 12.5% to Rs. 558 million

PAT before Forex translation charge up 25% to Rs. 591 million

- Continued healthy growth in revenues driven by increasing focus on Centers of Excellence Cardiology, Oncology, Neurosciences, Orthopedics, Emergency and Transplants.
- Standalone Pharmacies delivers another quarter of stellar growth – higher same store sales results in a 25.4% increase in revenues. Calibrated expansion with a focus on sustained growth along with margin improvement has begun to yield results. H1 FY12 EBITDA of Rs 60.6 million from Rs -2.6 million loss in H1 FY11.
- Having pioneered state of the art technology investments to enhance clinical outcomes, Apollo has now introduced Robotics for High end surgeries in Cardiothoracic, Urology, Laparoscopy and Gynecology.
- Plans to introduce Robotics in seven key locations to provide cutting edge clinical care and augment the Centers of Excellence delivery.
- Plans to add two hospitals in Chennai and one in Patna totaling to 650 beds in addition to the ongoing projects of over 2200 beds Pan India.
- Raised Rs. 330 crore of equity funds, through QIP issue of 6.7 million equity shares at Rs. 495 per share, during the quarter to part fund Hospital expansion plans.
- Indraprastha Apollo Hospitals, New Delhi was re-accredited by JCI (Joint Commission International) - the Group Hospitals continue to enjoy the maximum number of accreditations for any healthcare group in Asia.

Increasing International presence in management of hospitals

- Evaluating a 250 bed hospital management agreement in Rwanda in Africa after announcing a JV with the Government of Tanzania to set up a 250-bed tertiary care hospital in Dar es Salaam.
- Engaged in a 250-bed hospital project management in Chittagong which will be the Group's second hospital in Bangladesh.
- Continue to attract Doctors from Overseas largely from UK as well as from USA.
- The Apollo Hospitals Brand was ranked among the top 10 business Super brands in India by Superbrands, the independent authority and arbiter of branding

Chennai, November 4, 2011: The Apollo Hospitals Group, Asia's most profitable and trusted healthcare services provider reported its consolidated results for the quarter and half year ended September 30, 2011 according to Indian GAAP.

Financial Highlights

- Standalone Q2FY12 Performance
 - Revenues grew 19.3% to Rs. 6,998 million compared to Rs. 5,864 million in Q2FY11.
 - EBITDA grew 20.2% to Rs. 1,198 million as against Rs. 996 million in Q2FY11.
 - PAT was Rs. 558 million vs. Rs. 496 million in Q2FY11, growth of 12.5%.
 - PAT before Forex translation charge was Rs.591 million vs. Rs. 473 million, growth of 25.0%
 - Diluted EPS of Rs. 4.05 per share in Q2FY12
- Standalone H1FY12 Performance
 - Revenues grew 20.8% to Rs. 13,408 million compared to Rs. 11,097 million in H1FY11.
 - EBITDA grew 20.1% to Rs. 2,257 million as against Rs. 1,879 million in H1FY11.
 - PAT was Rs. 1,070 million vs. Rs. 888 million in H1FY11, a growth of 20.5%.
 - PAT before Forex translation charge was Rs.1,106 million vs. Rs. 886 million, growth of 24.8%
 - Diluted EPS of Rs. 7.93 per share in H1FY12
- Consolidated Q2FY12 Performance*
 - Revenues grew 20.4% to Rs. 7,848 million compared to Rs. 6,518 million in Q2FY11.
 - EBITDA grew 18.6% to Rs.1,311 million as against Rs. 1,105 million in Q2FY11.
 - PAT was Rs. 550 million in Q1FY12 vs. Rs. 515 million in Q2FY11.
 - PAT before Forex translation charge was Rs.583 million vs. Rs. 492 million, growth of 18.5%
 - Diluted EPS of Rs. 4.00 per share in Q2FY12

- Consolidated H1FY12 Performance*
 - Revenues grew 21.4% to Rs. 15,082 million compared to Rs. 12,428 million in H1FY11.
 - EBITDA grew 19.9% to Rs. 2,508 million as against Rs. 2,091 million in H1FY11.
 - PAT was Rs. 1,096 million vs. Rs. 934 million in H1FY11, growth of 17.4%.
 - PAT before Forex translation charge was Rs.1,132 million vs. Rs. 932 million, growth of 21.5%
 - Diluted EPS of Rs. 8.12 per share in H1FY12

**(The Consolidated financials are unaudited estimates)*

Chairman's Message

Commenting on the group's performance **Dr. Prathap C Reddy, Chairman** said, *"We are heartened by the continued growth in revenues and earnings in our business. Apollo has always believed in creating new capacities pan India to bridge the huge gap that exists in the Healthcare Infrastructure in India. Our ability to sustain margins despite the addition of new beds and increasing costs due to inflation and high interest rate regime demonstrates the maturity and robustness of our business model.*

Healthcare services have exhibited sustained growth due to a focus on key treatment areas through our COE strategy. Introduction of Robotics planned across seven key locations will further heighten our clinical offerings and medical outcomes. The momentum in the Standalone Pharmacy business combined with improving metrics and profitability validates our belief in this business as a value provider and key component of our integrated healthcare model.

We have always believed in delivering best-in-class healthcare at affordable rates in India. The re-accreditation of our hospital in New Delhi by Joint Commission International highlights the quality of healthcare at Apollo Hospitals. It is our endeavor to reach as many patients as we can and we continue to make progress on our expansion plan to steadily increase our network in India as well as overseas."

Attached: Details to the announcement

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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 8,500 beds across 52 Hospitals, 1,200 Pharmacies, 100 primary care and diagnostic Clinics, 100 Telemedicine units across 9 countries, medical business process outsourcing services, 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 and genetic 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.

Further, this document may make references to reports and publications available in the public domain. Apollo Hospitals Enterprise Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.

Details to the announcement

Key Achievements – 4 Pillars

At Apollo, corporate success is anchored by 4 key pillars **Clinical Excellence, Technological Excellence, Patient Care Excellence and Value Excellence**. Apollo Hospitals' believes in delivery of best patient care, employing best-in-class procedures and technologies with an eye on sustainable growth performance.

- Clinical Excellence: Apollo strives to maintain consistently higher rates of case success rates.
- Technological Excellence: Apollo relies on world-class, state-of-the-art equipment, devices and procedures to consistently deliver superior clinical outcomes.
- Patient Care Excellence: Apollo is driven by patient well-being.
- Value Excellence: Apollo balances performance goals with top-notch healthcare service delivery which is affordable to the masses.

Operating Highlights

- Indraprastha Apollo Hospital, New Delhi was re-accredited by Joint Commission International (JCI) for another 3 years. The Apollo Group continues to enjoy the largest number of JCI ranked facilities in Asia with 7 accredited facilities.
- **Apollo Hospitals made further progress in enhancing its range of treatments and delivery formats. Notable achievements were:**
 - Launch of the first Day Surgery Centre in Chennai at Alwarpet in this quarter.
 - Eastern India's first dedicated comprehensive Level III Pediatric Care Facility - "Apollo Gleneagles Children's Centre" was launched at Apollo Gleneagles Hospitals, Kolkata
 - The Movement disorder clinic was launched at the Apollo Specialty Hospitals, Chennai for diagnosis and treatment of patients ailing with chronic disorders such as Parkinson's disease, essential tremor, secondary tremor and Tourette's syndrome.

- **Apollo Hospitals leads the adoption of path breaking healthcare technology in India as it introduces the latest treatment solutions within its network thereby enhancing the level of clinical excellence. During the quarter:**
 - Apollo has introduced Robotics for High end surgeries for Cardiothoracic, Urology, Laparoscopy and Gynecology. Plans to introduce Robotics in seven key locations to provide cutting edge clinical care and augment the Centers of Excellence delivery.
 - Apollo signed an MOU with International Bariatric Institution to promote methods of performing Bariatric surgery through endoscopy without incision
 - Apollo Hospitals has introduced the MRI-guided High Intensity Focused Ultrasound (HIFU) solution at Apollo Hospitals Hyderabad. It plans to introduce this revolutionary technology at six hospitals across the country in partnership with the healthcare division of Philips.
 - Apollo Hospitals has entered into an agreement with Cytori Therapeutics to offer the Celution R System in India. This provides best-in-class regenerative medicine technology that enables surgeons' access to the power of the patient's own regenerative cells as real-time therapy for cosmetic surgery as well as a variety of other isochemic conditions

- **Apollo continues to make progress on expanding its network of hospitals within India as well as overseas: During the quarter:**
 - Evaluating a 250 bed hospital management agreement in Rwanda in Africa after announcing a JV with the Government of Tanzania to set up a 250-bed tertiary care hospital in Dar es Salaam.
 - Engaged in a 250-bed hospital project management in Chittagong which will be the Group's second hospital in Bangladesh.
 - 20 critical care beds and 33 in-patient beds were commissioned and operationalized at IMCL, New Delhi

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 16.9% to Rs. 4,915 million in Q2FY12 compared to Rs. 4,204 million in Q2FY11.

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

- **Chennai** cluster displayed healthy volume and revenue growth in Q2 after a soft Q1 due to elections in Tamil Nadu and West Bengal.
- **Hyderabad** cluster continues to display strong growth. Average occupancy at 591 beds (64% utilization) as compared to 521 beds (68% utilization) in H1 FY11 and 560 beds (60% utilization) in Q1 FY11. Strong volume growth on focus COE's like Cardiology (25%), Neurosciences (36%) and Oncology (52%).
- **Bhubaneswar** occupancy at 152 beds (80% utilization) as compared to 102 beds in Q1, on the back of continuous increase in patient admissions. Q2 EBITDA margins at 10% from 3% in Q1.
- **Apollo REACH** Hospitals at Karimnagar and Karur also performed well with revenue growth of 23% and 57% respectively

Standalone Pharmacies

Apollo Pharmacies reported sustained growth in revenues at Rs. 2,085 million in Q2FY12, growing 25.4% from Rs. 1,663 million in Q2FY11. The SAP business also demonstrated operational improvement with expansion in EBITDA of 50% from Rs. 25.4 million in Q2FY11 to Rs. 38.1 million in Q2FY12. The business reported improved profitability with EBIT of Rs. 17.1 million in Q2FY12 compared to Rs. 5.7 million in Q2FY11.

The company continued to consolidate its pan-India presence as it added 37 stores on a net basis in Q2FY12, taking its network to 1,257 operational stores by September 30, 2011. During Q2, it added 92 stores and closed 55 underperforming stores.

The batch of mature stores (pre March 2007) continues to perform strongly with like-for-like growth in revenues / store at 11.7% in Q2FY12. The mature stores also reported an EBITDA margin of 5.9% in Q2FY12, increasing 61 basis points over Q2FY11.

Subsidiaries & JVs

Apollo Munich Health Insurance Company Limited

During H1FY12, the company achieved a Gross Written Premium of Rs. 1,550 million against a GWP of Rs. 875 million in H1FY11. The earned premium expanded over 121% at Rs. 1,319 million in H1FY12 compared to Rs. 597 million in H1FY11. The incurred claim ratio improved to 60% in H1FY12 from 67% in H1FY11 due to prudent underwriting and improved pricing.

Apollo Munich also reduced its losses at the EBITDA level to Rs. -261.4 million H1FY12 from Rs. -423.0 million in H1FY11. This combined ratio improved from 155% in Q2FY11 to 120% in Q2FY12. As of Sept 30, 2011 the company has 50 offices across India and Rs. 2,801 million of AUMs.

Apollo Health Street

For H1FY12, AHS reported revenues of Rs. 2440.6 million, an increase of 10.2% compared to revenues of Rs. 2,215.2 million in H1FY11. EBITDA was higher by 16.6% at Rs. 376.0 million in H1FY12 and the EBITDA margin improved by 85 basis points to 15.4%.

The growth in revenues was helped by augmentation of the sales team in recent quarters with the addition of four sales professionals to the company's provider and health plan solutions sales teams, which reflects the company's growing client list and increased customer retention.

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