

Apollo Clinical Excellence Leads to All Round Growth.

Consolidated Revenues up 21.8% at Rs. 8,813 million

Consolidated EBITDA up 24.0% at Rs.1,480 million

Consolidated PAT up 44.2% at Rs. 787 million

REACH Hospital Initiative recognized for “Inclusive Business Innovation” at the prestigious G20 summit in Mexico.

- Apollo Hospitals Group was the only Healthcare organization in the world to be declared the winner at the G20 challenge.

Apollo Hospital transplant program continues to be the busiest program of its kind in the world on the back of over 900 Solid Organ transplant surgeries conducted in the last calendar year

Chennai, August 10, 2012: Apollo Hospitals Enterprise Ltd (AHEL), (BSE: 508869, NSE: INE437A01024), the Healthcare Pioneer and leading provider of quality clinical care reported its consolidated financial results according to Indian GAAP for the quarter ended June 30, 2012.

Commenting on the performance, **Dr. Prathap C Reddy, Chairman** said, “Apollo Hospitals has commenced FY13 on a strong note with a robust set of results in Q1. We have had volume growth across all our ‘Centres of Excellence’ reaffirming our sharply focused competencies. Combined with our focus on technological excellence and emphasis on patient care the resulting clinical standards continue to be among the best in the world.

He added, “We are heartened by the reaccreditation of our Hospital in Hyderabad by the Joint Commission International as it endorses our adherence to the highest standards of quality. The recognition of our REACH hospitals initiative at the prestigious G20 Summit in Mexico is a matter of great pride and encouragement for us.

Financial Highlights

- Standalone Q1FY13 Performance (*Limited Review Audit*)
 - Revenues expanded 21.3% to Rs. 7,774 million compared to Rs. 6,410 million in Q1FY12.
 - EBITDA grew 23.2% to Rs. 1,304 million as against Rs. 1,059 million in Q1FY12.
 - PAT was Rs. 697 million vs. Rs. 513 million in Q1FY12, a growth of 36.0%.
 - Diluted EPS of Rs. 5.01 per share in Q1FY13

- Consolidated Q1FY13 Performance (*Unaudited Estimates*)
 - Revenues grew 21.8% to Rs. 8,813 million compared to Rs. 7,234 million in Q1FY12.
 - EBITDA grew 24.0% to Rs. 1,480 million as against Rs. 1,194 million in Q1FY12.
 - PAT was Rs. 787 million in Q1FY13 vs. Rs.545 million in Q1FY12, a growth of 44%
 - Diluted EPS of Rs. 5.65 per share in Q1FY13

Operating Highlights

- COE Initiative driving continued leadership in complex surgeries:
 - Apollo Gleneagles Hospital, Kolkata became the first hospital in Eastern India to perform Total Shoulder Replacement – this was conducted on a 70 year female patient
 - The first Type III Thyroplasty in East India was conducted on a 52 year old patient.
 - During the quarter, Apollo Hospitals, Ahmedabad performed 8 successful cadaver transplants including 3 liver transplants and 5 kidney transplants
 - SPS Apollo Hospitals, Ludhiana successfully performed its first kidney transplant surgery during the quarter. Total of 3 kidney transplants done.

- Continued thrust on robotic surgery:
 - Apollo brings Robotic Surgery Capabilities to its hospitals in Delhi and Kolkota during the quarter
 - Apollo extends Robotic capabilities to pediatrics – undertakes complex surgery to restore urinary bladder on 7 year old girl from Tanzania, Africa
 - Revenues from Standalone Pharmacies grow 30.5% to Rs. 2,477 million - driven by improving operating metrics, traction in same store sales and renewed momentum in store additions
- Apollo Hospitals has allotted 1,381,619 shares of Rs. 5 each at a conversion price of Rs. 302.5 per share to the International Finance Corporation (IFC), Washington on conversion of Tranche II (\$7.5 Mn) of FCCBs issued in June, 2009. There are no outstanding FCCBs post this issuance.
- Apollo Hospitals, Hyderabad was reaccredited by Joint Commission International (JCI) during the quarter.
- Dr. Prathap C Reddy, Chairman Apollo Hospitals Group was honoured with the "Life-time Achievement" Award at the Managing India Awards 2012, by the AIMA - All India Management Association.

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 8,000 beds across 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.

Other Operational and Clinical Achievements

- Surgeons at Apollo Hospital, Bengaluru successfully performed a bilateral knee replacement surgery on an American Patient. The patient was denied insurance eligibility in her home country and travelled to Bengaluru to avail the treatment at a fraction of the cost that she would have incurred in the US.
- Apollo Hospitals' specialists gave a new lease of life to a 52 year old woman in Chennai who suffered a severe throat injury. The patient suffered an open cut throat with sliced wind and food pipes in a chain snatching incident. Specialists performed a complicated surgery to save her life and revive her voice.
- An American Patient underwent a successful hip replacement surgery at Indraprastha Apollo Hospital, New Delhi. The patient was 6'7" tall and weighed over 130 kgs requiring surgeons to source special implants for the surgery.
- A rare heart surgery was performed at SPS Apollo Hospital, Ludhiana. A 75 year old patient was operated for a posterior post infarct ventricular septal defect (hole in heart) along with bypass surgery. The patient was discharged in 8 days after the operation.

Segment-wise Performance Update

Hospitals

Revenues of the healthcare services division (hospitals division) of Apollo hospitals Enterprise Limited (Standalone) increased by 17.4% to Rs. 5,299 million in Q1FY13 compared to Rs. 4,514 million in Q1FY12.

Apollo's newer hospitals continued to display steady progress and improvement in operating parameters, there was all round growth in revenue and profitability witnessed in other Tier II locations as well, like Madurai, Karur, Karaikudi, Mysore and Kakinada

- Apollo Bhubaneswar reported revenue of Rs. 169 million in Q1FY13 against Rs. 107 million in the same quarter last year, a growth of 58%
- Apollo Hospital, Madurai reported revenue of Rs. 168 million in Q1FY13 against Rs. 120 million in the same quarter last year.
- Apollo REACH Hospitals at Karimnagar and Karaikudi also performed well with revenue growth of 31.9% and 200.7% respectively
- The company's expansion plans are on track with a total bed capacity addition of 3,100 beds PAN India over the next three years. The total CAPEX estimated for these expansion are in the region of Rs. 1,815 crore. Of this, Rs 322 crores have already been invested and the balance will be funded through a mix of debt and internal accruals.

Standalone Pharmacies

Apollo Pharmacies renewed its network expansion as it added 26 stores and closed 33 stores in Q1FY13, taking its network to 1357 operational stores by June 30, 2012. The like-for-like growth in revenues / store for the batch of stores opened prior to March 2007 was 15.7% in Q1FY13 and 25.5% growth in revenues/ store for the batch of stores opened in FY2008.

The steady improvement in operating metrics was demonstrated by the batch of mature stores (pre March 2007) as it reported an EBITDA margin of 5.8% in Q1FY13. This represents an increase of 71 basis points over the EBITDA margin of 5.1% in Q1FY12.

Overall Revenue Growth for all standalone pharmacies was strong as it expanded by 30.5% from Rs. 1,898 million in Q1FY12 to Rs. 2,477 million in Q1FY13. Further, the business continued to report improved profitability with an EBITDA of Rs. 61 million in Q1FY13 compared to Rs. 23 million in Q1FY12.

Apollo Pharmacy is also considering the introduction of large format pharmacy outlets with a significantly higher area to cater to the wellness market. It would look at offering a full range of pharma products, with more space for fast moving consumer goods products, including skin care, cosmetics, beauty and other healthcare related products.

Subsidiaries & JVs

Apollo Munich Health Insurance Company Limited

During Q1FY13, the company achieved a Gross Written Premium of Rs. 1,017 Million against a GWP of Rs. 718 Million in Q1FY12. The earned premium expanded over 60% at Rs. 1,080 million in Q1FY13 compared to Rs. 676 million in Q1FY12.

Apollo Munich reported improved operating parameters with a loss of Rs. (0.2) million at the EBITDA level in Q1FY13, compared to (73) in Q1FY12. The claim loss ratio has been sustained at 58% in Q1FY13 As of June 30, 2012 the company has 50 offices across India and Rs. 4.3 billion of Assets under Management.

Apollo Health Street

For Q1FY13, AHS reported revenues of Rs. 1,344 million, an increase of 10.1% compared to revenues of Rs. 1,220 million in Q1FY12 with Q1FY13 EBITDA of Rs. 287 million as compared to Rs. 192 million in Q1FY12. AHS' strategies to enhance its sales and marketing initiatives and to increase visibility have resulting in increasing business traction. During the quarter, it has expanded its hospital revenue cycle management solutions by launching implementation services to help providers manage an accountable care organization.