



(a business trust constituted on 29 July 2011 and registered on 25 September 2012  
under the laws of the Republic of Singapore)

managed by

**RHT Health Trust Manager Pte. Ltd.**

## RHT Health Trust Declares Distribution per Unit of 3.60 cents for the 6 months ended 30 September 2016

- Total Revenue was up for the quarter ended 30 September 2016 (“2QFY17”) compared to the previous quarter ended 30 June 2016 (“1QFY17”), as Variable Fee increased as a result of growth in the occupancy and an increase in certain high end medical procedures at the Clinical Establishments.
- Distribution per unit grew in line with the growth in Total Revenue, recording a rise of 1.1% in 2QFY17 over 1QFY17.
- A distribution per unit of 3.60 Singapore cents has been declared for the 6 months ended 30 September 2016, representing a yield of 6.9%<sup>1</sup>.

### Summary of RHT Results

	<b>2Q FY17 S\$'000</b>	<b>1QFY17<sup>2</sup> S\$'000</b>	<b>2Q FY17 Vs 1Q FY17</b>	<b>2Q FY16<sup>2</sup> S\$'000</b>	<b>2Q FY17 vs 2Q FY16</b>
Total Revenue <sup>3</sup>	22,823	21,986	3.8%	22,929	(0.5%)
Net Service Fee and Hospital Income <sup>4</sup>	12,604	12,480	1.0%	13,133	(4.0%)
Income available for distribution	6,011	5,967	0.7%	5,234	14.8%
Add 100% cashflow from FHTL <sup>5</sup>	9,188	9,167		10,382	
Total Distributable Income	15,199	15,134	0.4%	15,616	(2.7%)
<b>Distribution</b>	<b>14,439</b>	<b>14,377</b>	<b>0.4%</b>	<b>15,616</b>	<b>(7.5%)</b>
Distribution per Unit (DPU) <sup>6</sup>	1.81 cts	1.79 cts	1.1%	1.96 cts	(7.6%)
INR/SGD exchange rate used for translating the financial results	49.23	49.44		46.57	

<sup>1</sup> Annualised based on a unit price of S\$1.045 as at 30 September 2016

<sup>2</sup> Figures for 1QFY17 and 2QFY16 have been restated to exclude share of Fortis Hospotel Limited (“FHTL”), which is being accounted for as a share of associate.

<sup>3</sup> Total Revenue figures excludes straight lining.

<sup>4</sup> Excludes straight lining, depreciation and ammortisation

<sup>5</sup> From 2HFY2017 onwards, share from FHTL will be 49% instead of 51% following the final completion of the Disposal and Related Arrangements on 14 October 2016.

<sup>6</sup> In FY2016, 100% of Distributable Income was paid out to unitholders of RHT. In FY2017, 95% of Distributable Income was paid out, with the remaining retained for capital expenditure.



**9 November 2016, Singapore** – RHT Health Trust Manager Pte. Ltd. (“RHT TM” or the “Trustee-Manager”), the Trustee-Manager of RHT Health Trust (“RHT” or the “Trust”), is pleased to announce the Trust’s second quarter results ended 30 September 2016 for the financial year ending 31 March 2017 (“2QFY2017” and “FY2017” respectively).

There was an increase in the Total Revenue generated by RHT in the 2QFY17, as compared to the immediate preceding quarter, due to an increase in variable fee. This is attributed to an increase in the revenue earned by Fortis Healthcare Limited, the operator of RHT’s Clinical Establishments, due to a rise in the number of higher end medical procedures performed, such as cardiac treatments, and to the seasonal rise in communicable diseases, such as Dengue. For the first 6 months of FY2017, Total Revenue was also up compared to the corresponding period in the previous year for the same reasons, as well as due to the contractual yearly 3% increase in Base Fee.

The growth in communicable disease infections in 2QFY17 led to a marked increase in bed occupancy during the period to 84%, compared to 76% in the preceding quarter. The average revenue per operating bed (“ARPOB”) was slightly lower at approximately INR14.16 million in 2QFY17 compared to the previous quarter due to the larger volume of virus cases, which are of lower margins. However, the rise in occupancy for the quarter coupled with the increase in cardiac cases amounted to an overall improvement in Total Revenue.

Net Service Fee and Hospital Income showed a slight increase in 2QFY17 over the preceding quarter. On a year to date basis, Net Service Fee and Hospital Income was also up by approximately 3.3% in Indian Rupee terms, although it was down slightly in Singapore dollar terms due to the weaker Rupee in the first 6 months of FY2017 compared to the corresponding period last year. The increase in Net Service Fee and Hospital Income in 2QFY17 was smaller than the increase in Total Revenue mainly due to increases in certain costs such as doctor charges, medical consumables and security services. Such expenses grew at a faster rate due to inflationary pressure and increased activity. There was also a one off expense relating to the upgrade of information technology systems at the India corporate office in the 2QFY17.

Distributable Income increased by 0.4% in the current quarter compared to 1QFY17. This is in line with the increase in Net Service Fee and Hospital Income. On a year to date basis, there was a slight decrease in Distributable Income against the corresponding period last year, primarily due to an increase in corporate tax payable by one of RHT’s Indian entities. At the same time, there was also an increase in finance expenses. The Trustee-Manager is distributing 95% of the Distributable Income generated by RHT. The remaining 5% will be utilized for capital expenditures such as the refurbishment of the Clinical Establishments.

Mr Gurpreet Dhillon, Chief Executive Officer of RHT TM said, “We are happy to report another set of stable results for RHT. Revenue has continued to increase steadily due to a quarterly rise in the Variable Fee on top of the contractual yearly Base Fee increase. Despite the uncertain global economic outlook we remain confident that demand for healthcare in India will remain robust, as demonstrated by the rise in bed occupancy we observed during 2Q17. Rising demand together with our strategy to increase sophisticated, higher-margin surgeries performed at our clinical establishments will continue to bear fruit and puts RHT Health Trust in a strong position to continue deliver an attractive distribution to our unitholders.”

### **Changes to Hedging policy**

The Trustee Manager will also be making a change to its hedging policy. At present the Trustee-Manager enters into a one year forward contract to hedge 100% of the Indian Rupee denominated cashflow which is receivable by RHT every 6 months from India. Commencing FY2018, the Trustee-



Manager will be hedging 50% of such Indian Rupee denominated cashflows. This change in policy was arrived at in consultation with our unitholders, and will serve to balance the interests of different unitholders, while managing risks and costs more efficiently.

### **Outlook for the coming year**

On the 14 October 2016, the disposal of RHT's 51% economic interest in Fortis Hospital Limited ("FHTL"), which owns the Gurgaon Clinical Establishment and Shalimar Bagh Clinical Establishment, was fully completed (the "Disposal"). With the Disposal, RHT's economic interest in all its Clinical Establishments are now aligned with that of its equity interests. A special distribution was declared and paid out of the net proceeds of this Disposal, which amounted to S\$0.248 per unit. The return to Unitholders from the Disposal was at an internal rate of return in Singapore dollars terms of approximately 14%<sup>7</sup>.

Mr Dhillon further commented, "With the completion of the Disposal, the risk relating to our 51% economic interest in FHTL has been reduced while we continue to enjoy a 49% share in FHTL. We continue to evaluate and pursue growth opportunities for the RHT portfolio. We have also focused on harvesting the potential growth from the existing portfolio with our various asset enhancement initiatives. By upgrading RHT's Clinical Establishments to enable the provision of more high-end medical programmes, we seek to enhance the revenues being generated by Fortis and accordingly our Service Fee."

There are currently six asset enhancement initiatives underway at the existing RHT Clinical Establishments which will serve to increase the number of medical specialities being offered by the operator. These include the provision of oncology services, mother and child medical programmes and addition of more operating theatres and catheterization laboratories. These asset enhancement works will be completing at various points in the financial years of 2017 and 2018.

As at 30 September 2016, RHT's gearing remained at a relatively low level of 19.1%.

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<sup>7</sup> Assuming that a unitholder had invested into RHT at the time of the initial public offering ("IPO"), and participated in the distributions accruing to FHTL between the time of the IPO and the Disposal.



### **About RHT Health Trust**

RHT is the first business trust with an initial portfolio comprising of healthcare assets in India to be listed on the Main Board of the Singapore Exchange Securities Trading Limited. Its focus is to invest into medical and healthcare assets and services in Asia, Australasia and emerging markets in the rest of the world. RHT may also from time to time be involved in the development of medical and healthcare assets.

RHT's current portfolio comprises 12 RHT Clinical Establishments, 5 Greenfield Clinical Establishments and 2 Operating Hospitals throughout India, which were valued at approximately S\$1.1 billion as at 31 March 2016.

### **About the Trustee-Manager - RHT Health Trust Manager Pte. Ltd.**

The Trustee-Manager is an indirect wholly-owned subsidiary of Stellant Capital Advisory Services Private Limited ("Stellant"). Stellant is a Category I Merchant Banker registered with Securities and Exchange Board of India (SEBI) and engaged in Management of Issues, Determination of Financial Structure, Underwriting of Issues, Investment Advisory Services and Corporate Advisory Services, specifically in Healthcare Arena. Stellant is a wholly owned step down subsidiary of Fortis Healthcare Limited, which is a key integrated healthcare delivery service provider in India with a leading presence in hospital business and diagnostics. Stellant, being engaged in the merchant banking activities primarily focus on imparting advisory services in the "healthcare sector" arena and providing consultancy services across the healthcare delivery services.

### **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 speciality facilities. Fortis Healthcare Limited operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 54 healthcare facilities (including projects under development), approximately 10,000 potential beds and 260 diagnostic centres.