

Religare Health Trust

Acquisition of the Mohali Clinical Establishment

10 April 2014

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Disclaimer

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of income and occupancy rate, changes in operating expenses (including employee wages, benefits and training), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements.

The Indian Rupee and Singapore Dollar are defined herein as “INR” and “S$” respectively. Any discrepancy between individual amounts and total shown in this presentation is due to rounding.

Unless otherwise stated, all Indian Rupee amounts in this set of slides have been translated into Singapore dollars based on the fixed exchange rate of ₹47.55 = S$1.00.

Investment Rationale

1. An internationally accredited hospital in a strategic location in North India

2. A hospital with a proven financial performance and strong operations

3. Enhanced Cashflow Stability

- 15 years agreement with a fixed base service fee component in addition to growth upside with variable fee participation

4. Yield Accretive acquisition

- Expected positive impact on distributable income



Proposed Acquisition of the Mohali Clinical Establishment



Asset Overview

Fortis Hospital, Mohali	
Address	Sector 62, Phase VIII, SAS Nagar, Mohali 160 062
Nature of Interest	Freehold
Ownership Interest	100.0%
Purchase Consideration of Clinical Establishment	₹2,700.0 million (S$56.8 million)
Clinical Establishment Valuation	C&W: ₹2,758.0 million (S$58.0 million)
Purchase Consideration of the Proposed Transactions	₹2,850.4 million (S$59.9 million)
Clinical Establishment Enterprise Valuation	DTZ: ₹2,902 million (S$61.0 million)
Commencement of Operations	June 2001

^Converted based on rate of S$ 1 = ₹47.55 as of 31 March 2014

Internationally & Globally Accredited Clinical Establishment



Award-winning “Tertiary” Clinical Establishment

- Best Design Award by the American Institute of Architecture (1999)
- NABL for lab services (2002)
- Accredited by Joint Commissions International (2007)
- National Accreditation Board for Hospitals and Healthcare Providers (2008)
- FICCI Healthcare Excellence Award for Excellence in Healthcare Delivery (2009)
- NABH for Blood Bank (2010)
- CII Healthcare Award for Commitment to Excellence (2011)
- Dr Pratap C Reddy’s Safe Care Award for Best Infection Prevention Initiative (2011)

Accomplishments in High-End Procedures

- Remodeling, Pediatric Arterial Switch Operation, Total Knee & Hip Replacement, Aortic Aneurysms, Tumor Surgery, Kidney Tumor Removal, Congenital Diaphragmatic Hemias and Dissection for Esophageal Cancer

Strategic Location in North India

Stronger presence in North India and Growth to unitholders of RHT

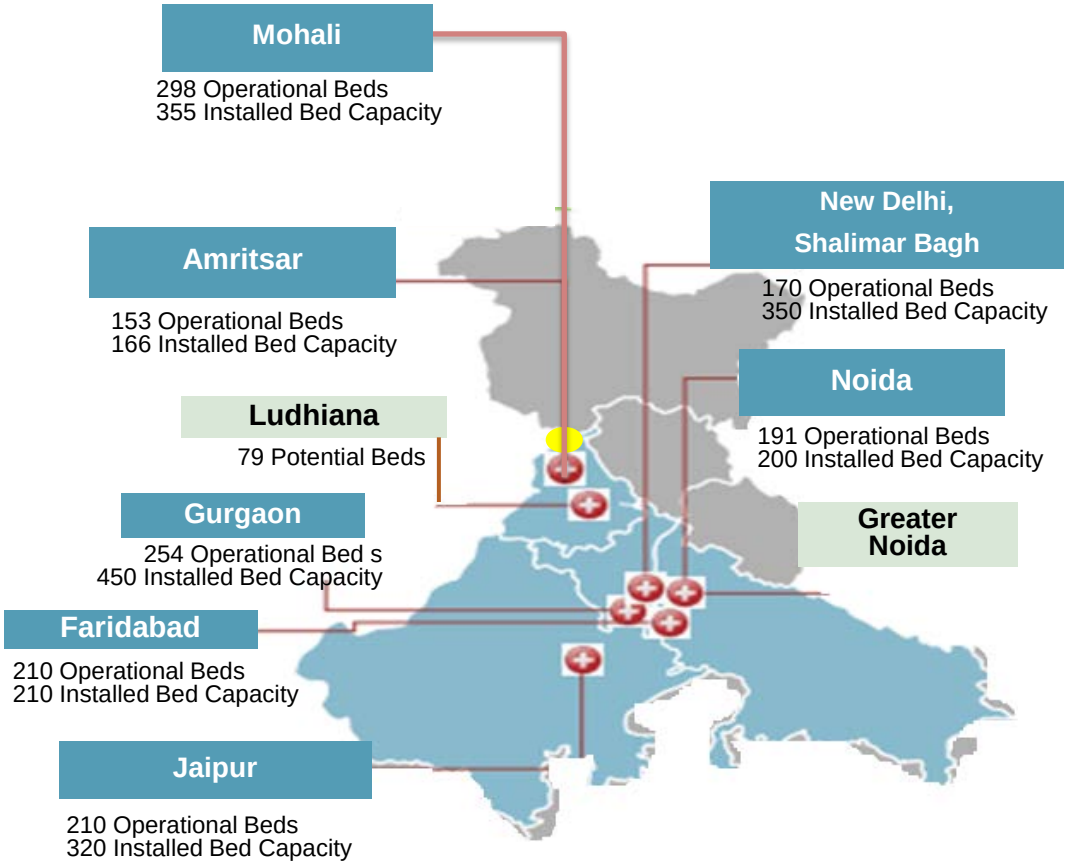
Strategic location in North India

- Current population: 698,317[1]
- Projected population by 2031: 1.3 million[2]

Located in well-connected and growing cities

- Approximately 5km from Mohali Railway Station
- Approximately 10km from Chandigarh Airport
- Chandigarh is the capital of Punjab and Haryana

Provides RHT with economies of scale with resource planning for North India Clinical Establishments



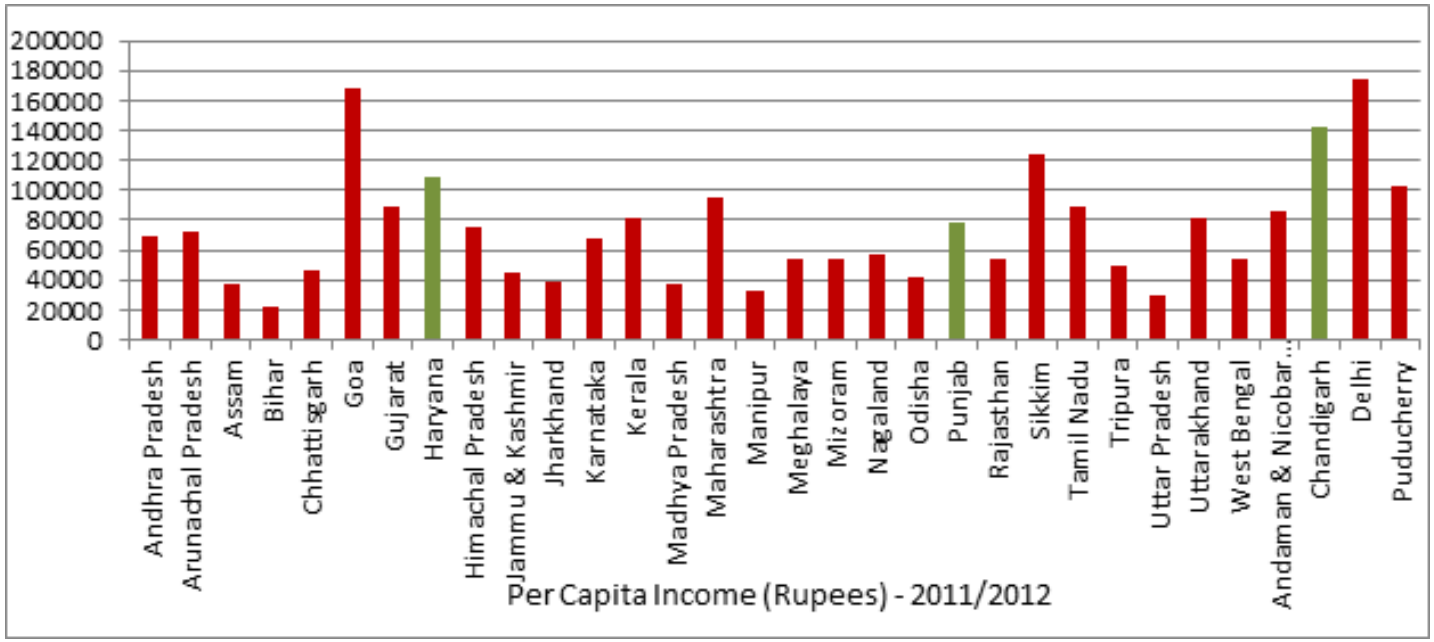
[1] *Source: Official Website of Mohali, Wikipedia: Chandigarh (2011)*

[2] *Source: SAS Nagar Local Planning Area- Master Plan Report (2006-2031)*

Chandigarh- The Hub of North India

- Capital of Punjab and Haryana
- Well-planned and known internationally for its architecture and urban design
- 3rd state with the highest per capita income in India
- Ranked by Reserve Bank of India as 12th largest deposit centre and 10th largest credit centre nationwide in June 2012

Source: Chandigarh Online

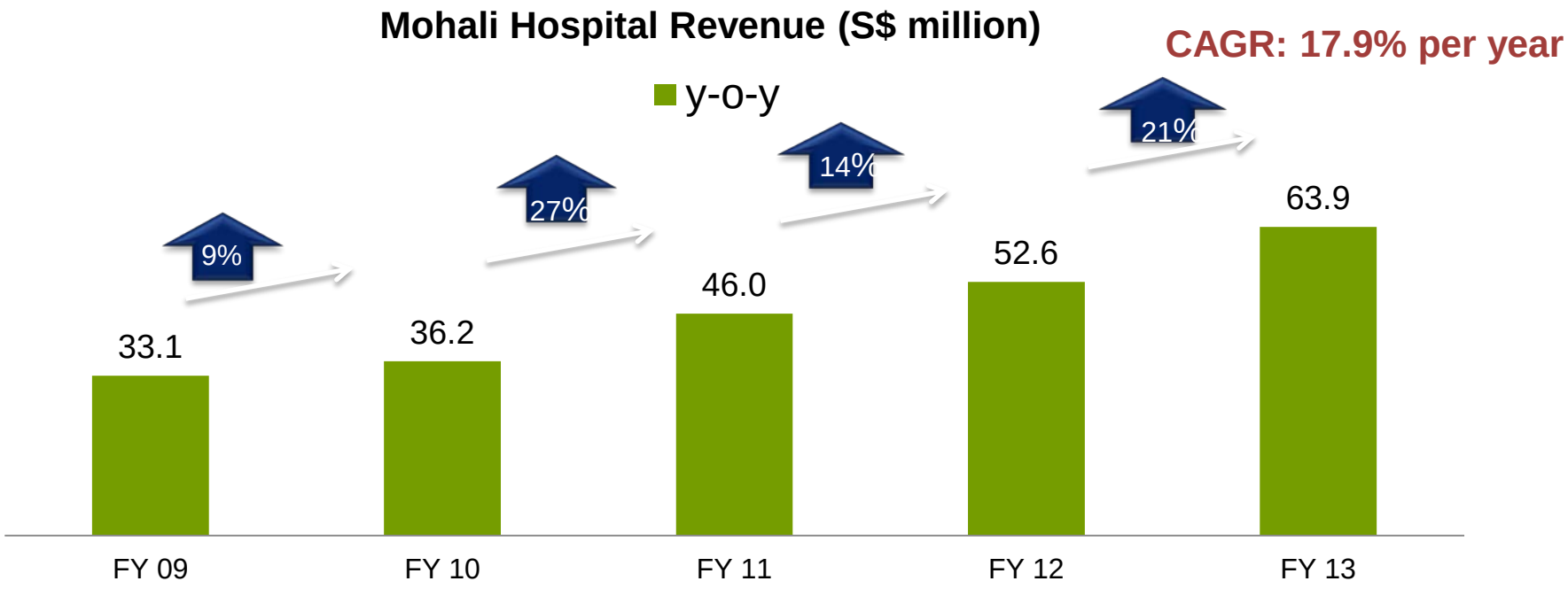


Source: Press Information Bureau, Government of India [Directorate of Economics & Statistics of respective State Governments, and for All-India – Central Statistics Office (2012 Report Annexure)]

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Long Operational History

- In operation for over 13 years, since 2001
- First hospital in the Fortis network
- Proven financial performance (Y-o-Y)

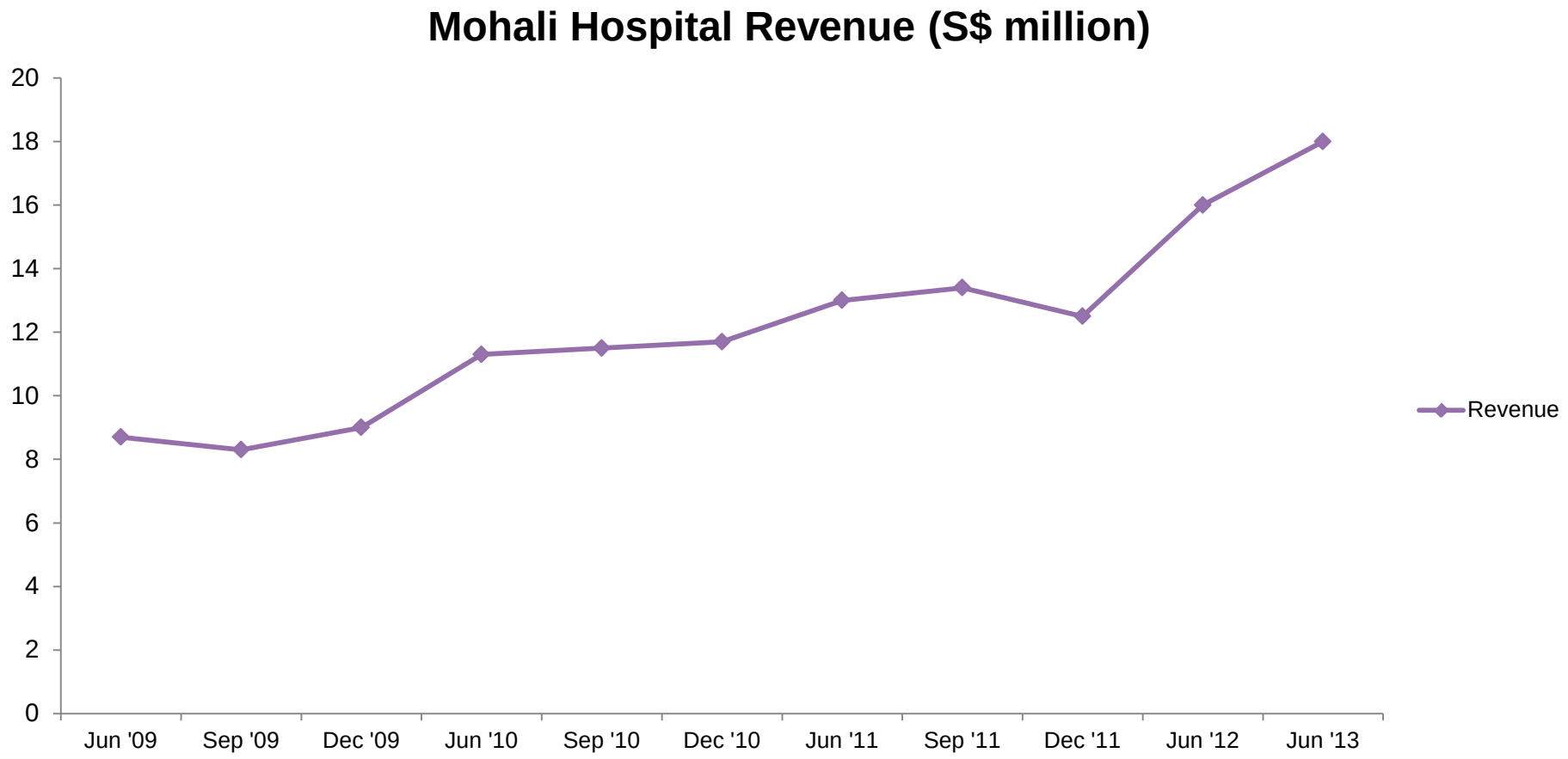


Operating Margin of 24% from FY09-11. Operating Margin figures not available for FY12 and FY 13

Revenue has been converted at S$1 = ₹47.55 as of 31 March 2014

Source: Fortis Healthcare website, results presentation slides

Historical Financial Performance (Q-o-Q)



Average operating margin for the quarters above ~ 23.2%

Note: Figures for quarters ending March are not available as Fortis releases full year figures in March.

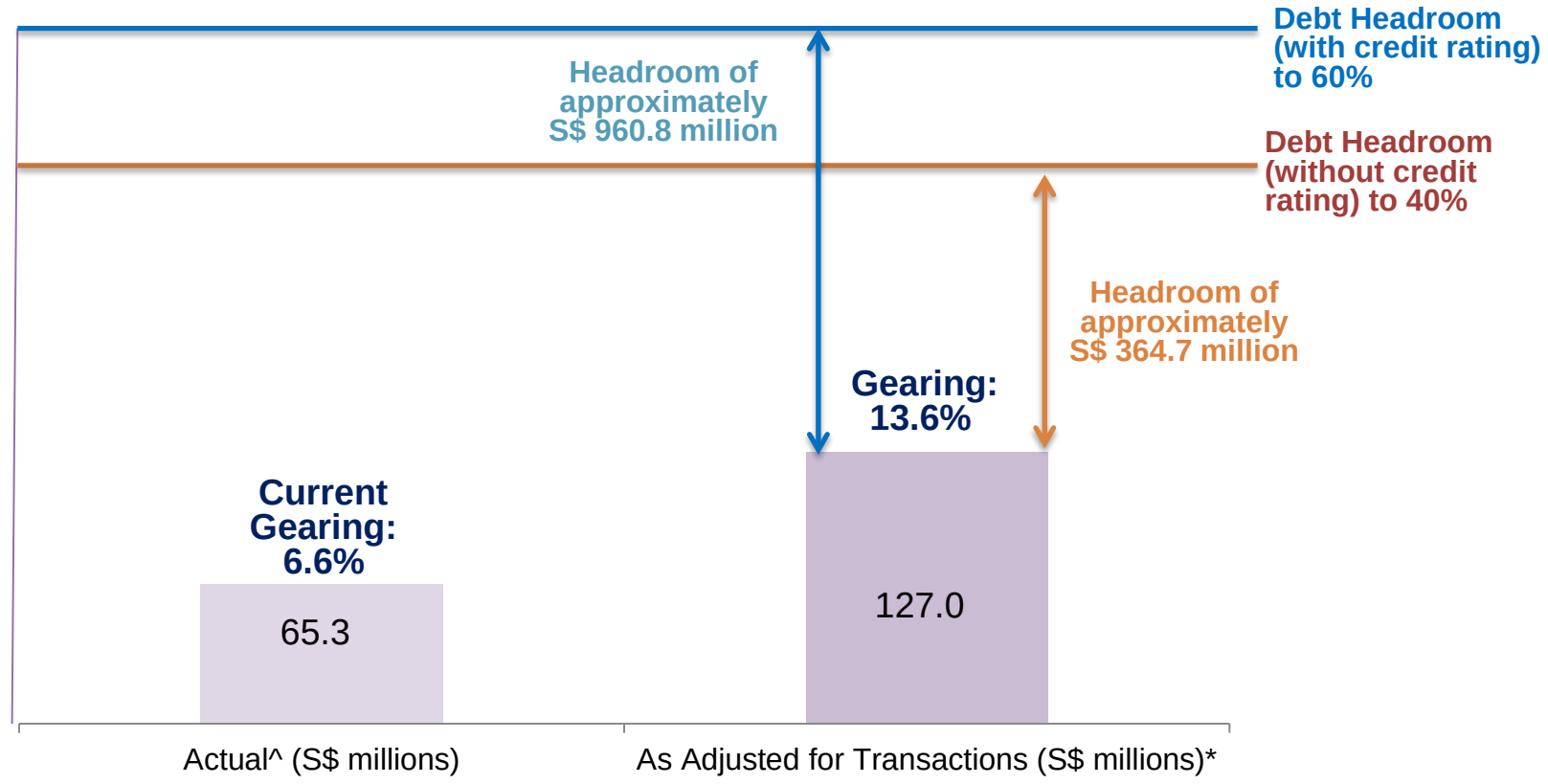
Figure for September 2012 and December 2012 were not publicly released by Fortis.

Revenue has been converted at S$1 = ₹47.55 as of 31 March 2014

Source: Results presentation slides from Fortis website

Ample Debt Headroom Post Acquisition

Gearing remains low with ample headroom for future growth opportunities

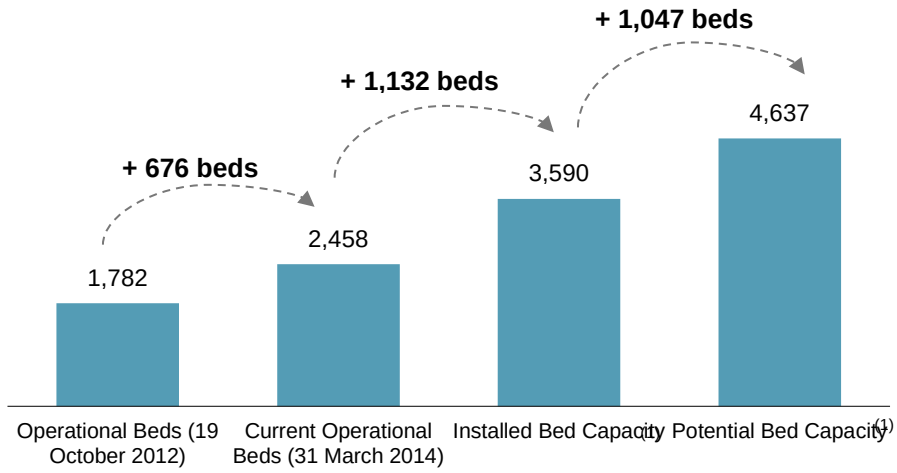


^Based on audited financial statements of RHT Group for FY2013

*Excludes unamortised finance expenses

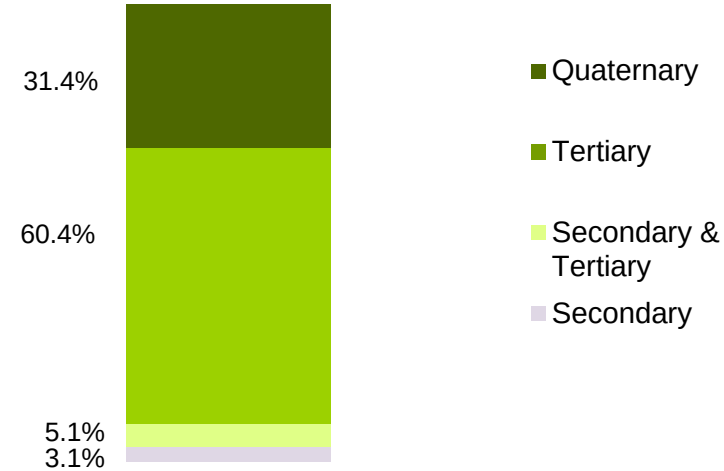
RHT portfolio post acquisition of Mohali Clinical Establishment

Organic Growth Potential
(Number of Beds as of 31 December 2013)

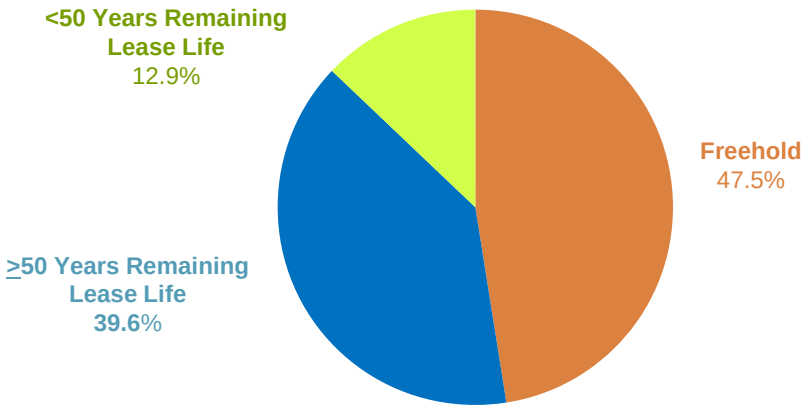


Figures are inclusive of Mohali CE

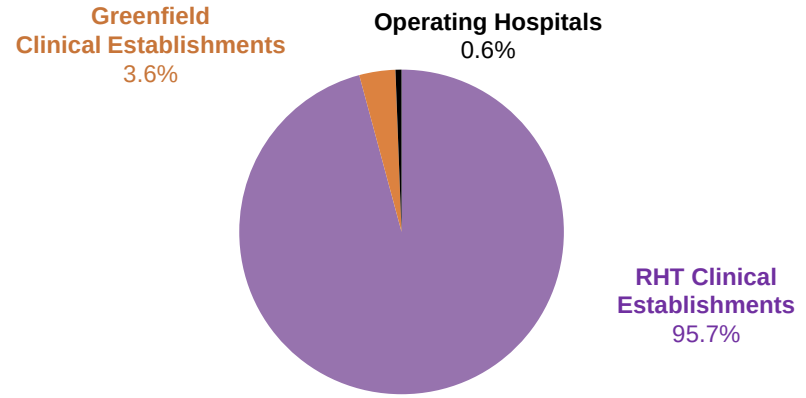
Focus on Provision of High End Healthcare Services
(% of Portfolio Valuation)



Substantial Portion of Initial Portfolio Comprise Long Term Lease / Freehold Land
(% of Portfolio Valuation)



High Proportion of Income Generating Clinical Establishments
(% of Portfolio Valuation (3))



Notes:
(1) Installed capacity refers to the maximum number of beds that can be operated at each hospital without further expansion. Potential capacity refers to the maximum number of beds that can operate at each hospital when all stages of development are completed.
(2) Weighted by asset valuation.

Agreements with Fortis

- Post acquisition, RHT will enter into a Hospital and Medical Services Agreement (HMSA) with Fortis whereby Fortis will provide healthcare services at Mohali Clinical Establishment
- RHT will provide maintenance and operations at Mohali Clinical Establishment to allow FHL to provide healthcare services
- HMSA would be for an initial term of 15 years, with an extension of another 15 years by mutual consent of the parties
- RHT will receive a recurring fixed Base Service Fee + Variable Fee (7.5% of Operating Income) from Fortis for provision of the services
- In addition, RHT will receive a non-recurring Base Service Fee of ₹36.3 million (S$ 0.8 million) for the first year and ₹24.5 million (S$ 0.5 million) for the second year* to cater for the stabilisation required(1) for the new oncology block

*with effect from the HMSA Effective Date . Converted based on rate of S$ 1 = ₹47.55 as at 31 March 2014

As per the Circular:
(1)The time frame for the oncology block to stabilise and contribute meaningfully to revenue of Fortis hospital, Mohali is expected to be three years. Accordingly, the Trustee-Manager has negotiated with Fortis for a fixed non-recurring stabilisation fee for the oncology block component to cater for the stabilisation required.

Proposed Method of Financing

RHT intends to finance the acquisition costs* from debt:

- Total Transaction Costs of S$70.7 million
- A bank facility of S$65.0 million will be provided to RHT (including upfront fees)
- Aggregate Leverage of RHT is circa 6.6% as at 31 March 2013.
- Following completion, RHT's aggregate leverage will be circa 13.6%
- The Trustee-Manager will use RHT's available cash balances to fund the remainder

*The Acquisition Fee will be paid through the issuance of RHT Units

Approval from Unitholders

Ordinary Resolutions

To seek Unitholders' approval for:

(1) The proposed acquisition of the clinical establishment business at the Mohali Clinical Establishment from an interested person;

(2) The proposed acquisition of the plant and machinery at the Mohali Clinical Establishment from an interested person; and

(3) The proposed hospital and medical services agreement with an interested person in respect of the provision of clinical establishment services at the Mohali Clinical Establishment

collectively the "Interested Person Transactions"

Deloitte and Touche Corporate Finance Pte Ltd, the Independent Financial Adviser to the Independent Directors of the Trustee-Manager are of the opinion that the Independent Person Transactions are on normal commercial terms and are not prejudicial to RHT and its minority Unitholders.

Pro Forma Effects of the Transactions for FY2013

	Before the Acquisition	After the Acquisition
Net Service Fee and Hospital Income (S$ million)	29.5	32.1*
Distributable Income (S$ million)	20.1	21.2
Common Units in issue (million)	567.5	568.3
Total Units in issue (million)	788.1	789.0
DPU based on Common Units (cents)	3.55	3.73
DPU based on Total Units (cents)	2.55	2.69

*Includes non-recurring Base Service Fee

Profit Forecast of EHSSHL for FY2015

	Forecast Period S'000
Revenue	
Service Fee	9,968
Other Income	519
Total Revenue	**10,487**
Service fee expenses	
Medical consumables	(2,787)
Employee benefits expense	(324)
Doctor charges	(385)
Depreciation charges	(899)
Other expenses (1)	(7,219)
Net service fee	**(1,127)**
Finance expense (2)	(9,187)
Loss before taxes	**(10,314)**
Taxes	**-**
Loss after taxes	**(10,314)**

(1) This includes one-off costs incurred in connection with the Proposed Transactions which the Trustee-Manager treats as capital in nature, funded by debt and accordingly is adjusted for distribution. See following slide -Transaction cost, capital in nature.

(2) This interest expense is an inter-company transaction eliminated at group level. Please see paragraph on 'Finance Expense' in the following slide where it is added back to arrive at cash balance..

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Cash generated from operations of Mohali CE before interest repayment

	Forecast Period S$'000
Loss after taxes	**(10,314)**
Adjustments:	
Transaction cost – capital nature [1]	5,848
Non-cash adjustments [2]	1,376
Finance expense [3]	9.187
Cash generated from operations at the Mohali Clinical Establishment before Interest repayment	**6,097**

(1) This relates to one-off costs incurred in connection with the Proposed Transactions which the Trustee-Manager treats as capital in nature, funded by debt and accordingly is adjusted for distribution.

(2) Non-cash adjustments include depreciation, technology renewal fees and straight-lining

(3) This interest expense is an inter-company transaction eliminated at group level. Please see paragraph on 'Finance Expense' in the Circular for more detail.

Reconciliation of RHT's income available for distribution

	Forecast Period (FY15) S$'000
Distributable income at EHSSHL	**6,097**
Adjustments:	
Finance expense on bank facilities	(3,952)
Trustee-Manager's fees paid in cash	(152)
Witholding tax expense	(459)
Distributable income at RHT	**1,534**

RHT Portfolio post acquisition of Mohali Clinical Establishment

	Existing Portfolio	Enlarged Portfolio	Increase
No. of Operational Beds	2,160	2,458	13.8%
No. of Installed Beds	3,235	3,590	11.0%
Valuation (S$ million)	772	833	7.9%

Appendix



Fortis – An Overview

- Amongst the largest healthcare service providers in India with ~4,100[(1)] operational beds across 62 healthcare facilities and total potential bed capacity of over 9,500[(2)] beds

- Leader in the organized diagnostics segment with 12 Reference Labs, over 245 network laboratories and a footprint spanning over 5000 Collection points across 450 cities in India.

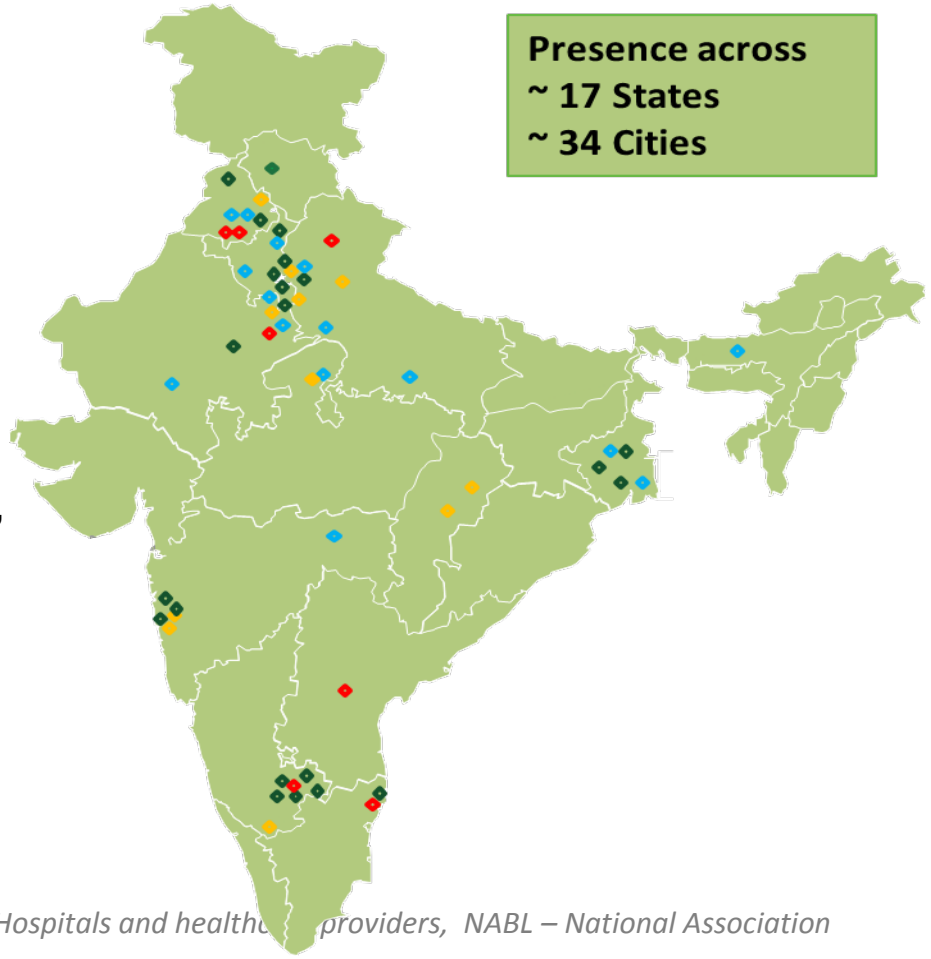
- Amongst the largest private diagnostic and imaging companies in Singapore

- A state of the art Greenfield specialty hospital for colorectal treatment in Singapore

International Business

Fortis - Leading Healthcare Service Provider

- A young organisation starting in 2001, gone on to become one of the largest healthcare delivery providers in the country
- 66 healthcare delivery facilities
- International and Nationally accredited facilities by JCI, NABH*, NABL*
- Presence across key specialties in tertiary care like Cardiac Sciences, Neuro Sciences, Ortho, Renal Sciences, Gastroenterology, Oncology and Pulmonology



**JCI – Joint Commissions International, NABH – National Association Board for Hospitals and healthcare providers, NABL – National Association Board for Testing and Calibration Laboratories,*

Thank You