



(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 sees growth in Total Revenue, records DPU of 1.79 cents for the first quarter ended 30 June 2016

- Total Revenue in the first quarter ended 30 June 2016 (“1QFY2017”) increased by 0.8% compared to the corresponding quarter in the previous financial year (“1QFY16”). The growth is driven by the contractual annual 3% increase in Base Fee, as well as growth in business which helped push up the Variable Fee.
- Distributable Income and accordingly Distribution per unit (“DPU”) was slightly lower this quarter compared to both 1QFY16 and the immediate preceding quarter (“4QFY16”) predominantly due to higher corporate tax payout.
- DPU of 1.79 cents recorded for the 1QFY17, representing a yield of 7.2%¹.

Summary of RHT Health Trust Results

	1Q FY17 S\$'000	1Q FY16 S\$'000	1Q FY17 vs 1Q FY16	4Q FY16 S\$'000	1Q FY17 Vs 4Q FY16
Total Revenue²	34,537	34,257	0.8%	33,817	2.1%
Net Service Fee and Hospital Income³	22,859	22,853	n.m	23,272	(1.8%)
Income available for distribution	15,134	15,443	(2.0%)	15,261	(0.8%)
Distribution⁴	14,377	15,443	(6.9%)	15,261	(5.8%)
Distribution per Unit (DPU)	1.79 cts	1.94 cts	(7.7%)	1.91 cts	6.3%

INR/SGD exchange rate used for translating the financial results	49.44	47.48	48.50
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¹ Based on a unit price of S\$1.00 as at 27 July 2016

² Total Revenue figures excludes straight lining.

³ Excludes straight lining, depreciation and amortisation

⁴ Distribution is the amount to be paid out to unitholders from the Income available for Distribution.

3 August 2016, Singapore – RHT Health Trust Manager Pte. Ltd. (“RHT TM”), the Trustee-Manager of RHT Health Trust (“RHT” or the “Trust”), is pleased to announce the Trust’s first quarter results ended 30 June 2016 for the financial year ending 31 March 2017 (“1QFY2017” and “FY2017” respectively).

For the first quarter of FY2017, RHT’s Total Revenue increased by approximately 2.1% over the last quarter. When compared to the previous corresponding quarter, the increase was approximately 0.8%. The increase in Total Revenue can be attributed to both an upward revision in the Base Fee commencing FY2017, as well as the Variable Fee. Variable Fee had increased due to the better showing in the revenue earned by Fortis Healthcare Limited (“FHL”), the operator of the Clinical Establishments owned by RHT.

The average revenue per operating bed (“ARPOB”) had increased in 1QFY17 compared to the last quarter (“4QFY16”) by approximately 2.2%, and by 5.6% when compared to the previous corresponding quarter (“1QFY16”). As a result of the increasing affluence in India, as well as the increased awareness of medical treatments available, the type of treatments being sought have continued to evolve. FHL has seen an increase in the demand for higher end medical treatments that have contributed greatly to the steady increase in ARPOB quarter on quarter. This increase in ARPOB coupled with an improvement in occupancy rate across the RHT portfolio helped drive an increase in the Variable Fee. Occupancy for the RHT portfolio of Clinical Establishments stood at 76% in 1QFY17, an increase of 3% over the last quarter.

Net Service Fee and Hospital Income did not show the same increase as Total Revenue. The increase in certain expenses relating to personnel, housekeeping and security grew at a slightly faster rate than that of Total Revenue. Distributable Income was maintained at approximately the same level in 1QFY17 as that generated in 4QFY16. There was an increase in Indian corporate taxes paid, which was offset by lower finance costs this quarter. As had been previously announced on 3 February 2016, the Trustee-Manager will be distributing 95% of the Distributable Income in FY2017. Accordingly, the Distribution per Unit for the quarter is 1.79 cents. This represents a yield of about 7.2% based on a unit price of S\$1.00⁵.

Mr Gurpreet Dhillon, Chief Executive Officer of RHT TM said, “We are pleased to see continued strong growth in the Indian healthcare industry. In particular, both our and FHL’s strategy of expanding in the segment of higher end medical programmes is starting to see results. ARPOB has been increasing steadily as the volume of more sophisticated surgeries being performed at our Clinical Establishments grow. With the improvement in revenue generated by FHL, RHT is also reaping the benefits through an uplift in our Variable Fee.”

Mr Dhillon added, “We have also obtained unitholders’ approval at an Extraordinary General Meeting held on the 29 July 2016, for the proposed disposal of 51% economic interest in Fortis Hospotel Limited (“FHTL” and the “Proposed Disposal” respectively). With the Proposed Disposal, we have now aligned the equity and economic interests of RHT in FHTL, and achieve an internal rate of return of approximately 14.5%⁶ for our unitholders. The net proceeds of the Proposed Disposal will be paid to unitholders as a special cash distribution. Going forward, RHT will continue to participate in the earnings from FHTL through its 49% equity interest.”

⁵ Price as at 27 July 2016

⁶ In Singapore dollar terms

Outlook for the coming year

The outlook for global markets has become increasingly volatile recently, due to significant political and economic events in a number of major economies, such as the United Kingdom's recent decision to leave the European Union. Several major economies have seen their growth rates slow and, coupled to rising volatility in interest and foreign exchange rates, this signals challenging times ahead for the global economy.

However, in India the outlook remains relatively positive, with consumer spending expected to be boosted by increases in public wages⁷ and declining inflation⁸. Furthermore, healthcare is one of the few sectors where demand is fairly consistent regardless of the economic situation. To further augment the stability in demand, RHT's Clinical Establishments specialize in the provision of specialty medical treatments where treatments are generally non-elective, and operate in a geographical location where demand for hospital beds currently exceeds demand. For these reasons we remain positive that demand for our hospital beds will remain strong despite global market headwinds.

Mr Dhillon further commented, "We are anticipating the completion of two major development projects in 2017. A new hospital at Ludhiana with a specialization in mother and child medical programmes is expected to be ready for operations sometime in the middle of 2017. Similarly a new block to be added at our existing BG Road Clinical Establishment will be ready in March 2017. This block will increase the capabilities at BG Road for the treatment of cancer patients. These two projects reinforces ours and FHL's position in the quaternary medical care segment. They will start contributing to the RHT portfolio in the coming calendar year."

As at 30 June 2016, RHT's gearing remained at a relatively low level of 18.6%.

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⁷ The Indian government approved a once in a decade increase to public sector wages and pensions on 29 June 2016.

⁸ OECD, India Economic Forecast summary (June 2016)



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 Clinical Establishments, 5 Greenfield Clinical Establishments and 2 Operating Hospitals throughout India, which were valued at approximately S\$1.1 million 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.