



(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 Announces Results for the Third Quarter ended 31 December 2016

- Total Revenue in Singapore dollars was marginally lower in the third quarter of the financial year ending 31 March 2017 (“3QFY17”) compared to the previous quarter (“2QFY17”), as hospital business slowed down due to the demonetisation policy introduced in India on 8 November 2016.
- Despite the lower Total Revenue, Net Service Fee and Hospital Income was higher for 3QFY17 against 2QFY17 stemming from the absence of one off expenses in this quarter and a stronger Indian Rupee.
- Following the disposal of 51% economic interests in Fortis Hospital Limited (“FHTL”) on 12 October 2016, a special distribution was paid which amounted to S\$0.248 per unit, representing a return to Unitholders of approximately 14%⁵ in SGD terms.
- Distribution per unit (DPU) for 3QFY17 of 1.25 Singapore cents was lower mostly due to the disposal of 51% economic interests in FHTL, and less favourable foreign exchange rates at the time the forward contracts were entered into.

Summary of RHT Results

	3Q FY17 S\$'000	2QFY17 S\$'000	3Q FY17 Vs 2Q FY17	YTD FY17	YTD FY16	YTDFY17 vs YTDFY16
Total Revenue ¹	22,544	22,823	(1.2)%	67,352	67,146	0.3%
Net Service Fee and Hospital Income ²	12,781	12,604	1.4%	37,865	39,665	(4.5)%
Cash flow from FHTL ³	5,152	9,188	(43.9)%	23,507	29,703	(20.9)%
RHT Income available for distribution	5,493	6,011	(8.6)%	17,471	16,619	5.1%
Total Distributable Income	10,645	15,199	(30.0)%	40,978	46,322	(11.5)%
Distribution ⁴	10,113	14,439	(30.0)%	38,929	46,322	(16.0)%
Distribution per Unit (DPU)	1.25 cts	1.81 cts	(30.9)%	4.85 cts	5.81 cts	(16.5)%
Distribution per Unit (DPU) if FHTL dilution occurred in the comparative period		1.38 ⁴ cts	(9.4)%		5.34 ⁴ cts	(9.2)%
INR/SGD exchange rate used for translating the financial results	47.57	49.23		48.75	46.98	

¹ Total Revenue figures excludes straight lining.

² From 2HFY2017 onwards, share from FHTL is 49% instead of 100% following the final completion of the Disposal and Related Arrangements on 12 October 2016.

³ RHT's share of cashflow from FHTL, where it owns 49% with effect from 12 October 2016.

⁴ 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.

⁵ 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.

6 February 2017, 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 third quarter results ended 31 December 2016 for the financial year ending 31 March 2017 (“3QFY2017” and “FY2017” respectively).

During 3QFY2017, management completed the disposal of 51% of Compulsorily Convertible Debentures in Fortis Hospotel Limited (“FHTL”) and 100% of the Compulsorily Convertible Preference Shares in Escorts Heart Institute and Research Centre Limited to, and the Related Arrangements with, Interested Persons (“Disposal and Related Arrangements”). This had the effect of reducing RHT’s economic interests in FHTL from 100% to 49% and reducing potential regulatory risks. The 3QFY2017 financial results incorporate the reduced holdings in FHTL.

A special distribution was declared and paid on 28 October 2016 out of the net proceeds of the 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%⁵.

For the first three quarters of FY2017 (“YTD FY2017”), Total Revenue continued to grow in both Singapore dollars (“SGD”) and Indian Rupee (“INR”) terms compared to the previous corresponding period (“YTD FY2016”) due to increases in all three components of revenue. Base Fee was up due to the contractual 3% increase per annum. At the same time Variable Fee and Income from the Operating Hospitals also grew as the hospital business increased.

On a trailing quarter basis (3QFY17 versus 2QFY17), there was a small negative impact on Total Revenue from the demonetization policy which was announced in India on 8 November 2016. The demonetization invalidated the use of commonly used denominated notes and, impacted the spending of much of the Indian population, which is still reliant on cash transactions.

As a result, occupancy in 3QFY17 was also slightly lower at 75% compared to the previous quarter ended 30 September 2016 (“2QFY17”). Average revenue per occupied bed (“ARPOB”) remained constant at INR 14.17 million.

Net Service Fee and Hospital Income was marginally down for YTD FY2017 against YTD FY2016 in both SGD and INR terms. This was mainly attributable to higher operating expenses, both fixed and variable expenses, as a result of inflationary pressures. As a result, margin decreased by 2% for the first three quarters of FY2017 compared to the previous corresponding period. On a trailing quarter basis (3QFY17 versus 2QFY17), in SGD terms, Net Service Fee and Hospital Income increased by 1.4% due mainly to a more favorable SGD/INR exchange rate in 3QFY17 against 2QFY17. In INR terms Net Service Fee and Hospital Income decreased slightly but less than total revenue due to some one-off expenses, such as IT costs, incurred in 2QFY17, which were not present in 3QFY17.

On an overall basis, Distributable Income was 12% lower for YTD FY2017 compared for YTD FY2016. This was due mainly to the reduced share in FHTL of 49% (compared to 100% previously), and also higher corporate taxes and loan interests costs.

Mr Gurpreet Dhillon, Chief Executive Officer of RHT TM said, “As with most other businesses in India, there has been a small impact on hospital business as a result of the demonetization, which has meant that the many people in India who rely heavily on cash have been unable to utilize their monies. Notwithstanding that, the Total Revenue of RHT remained fairly stable, as the Base Fee, which is subject to an annual 3% increase, makes up a substantial portion of our revenue model. The management is also reviewing a number of efficiencies that will help to reduce operational cost, such



as changes in vendors and increased use of cheaper natural energy and we will continue to identify opportunities to enhance the revenue of RHT for unitholders.”

As at 31 December 2016, RHT’s gearing was at the relatively low level of 19.9%.

Outlook for the coming year

In the coming year, a number of steps are being taken to expand and improve our portfolio of medical facilities. The next new project to be completed will be a 200 bed oncology block at BG Road Clinical Establishment. This will be followed by various other enhancements within the existing Clinical Establishments to upgrade the medical facilities and programs being offered.

Mr Dhillon further commented, “In the near-term we will continue to focus on organic growth through new greenfield developments and the expansion and upgrading of existing facilities. Competition in India to acquire new healthcare assets remains high which means organic growth offers the opportunity to obtain higher returns from our investments and to better customize our assets to meet the changing needs of our operators and patients.

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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, 4 Greenfield Clinical Establishments and 2 Operating Hospitals throughout India, which were valued at approximately S\$861.8 million as at 31 March 2016 (after adjusting for the disposal of 51% economic interests in Fortis Hostenel Limited).

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.