

## **PRESS RELEASE**

### **FORTIS TO ACQUIRE 10 HOSPITALS FROM WOCKHARDT LARGEST EVER ACQUISITION IN INDIAN HEALTHCARE SECTOR EXPANDS NETWORK FOOTPRINT IN WESTERN, SOUTHERN & EASTERN INDIA**

#### **Key Highlights:**

- Fortis to acquire 10 hospitals including 2 under construction, on a going-concern basis for a consideration of Rs. 909 crore. This includes Rs. 190 crore towards capital work in progress for projects under construction.
- Acquisition to result in an addition of 1902 beds including 534 beds in the 2 greenfield projects.
- The acquisition includes two JCI accredited hospitals situated at Mulund, Mumbai and Banerghatta Road, Bengaluru making Fortis one of the largest groups with national and international accreditations.
- The acquisition is expected to provide operating synergies and unleash new opportunities for growth, apart from delivering pan India presence to Fortis.

**Mumbai, August 24th, 2009:** Fortis Healthcare Ltd., one of India's leading chain of private hospitals with a network of 28 hospitals (including 12 satellite and heart command centers) and Wockhardt Hospitals Limited today announced execution of a definitive agreement providing for purchase of 8 operating hospitals and 2 hospital projects under construction. The business transfer is expected to be completed by end of December 2009 upon the fulfillment of agreed conditions precedent.

This makes it the largest deal in the healthcare sector till date. Prior to this deal, the largest healthcare acquisition was of Escorts Heart Institute, also acquired by Fortis Healthcare Ltd in the year 2005.

The acquisition will enhance Fortis' footprint in Southern, Western and Eastern India, thereby strengthening the **Fortis** brand as one of the leading healthcare service providers in the country.

Commenting on the occasion, **Mr. Malvinder Mohan Singh**, Group Chairman Fortis and Religare Enterprises said "This landmark deal is an important milestone in the history of Indian healthcare as it brings together two leading brands to create a national healthcare delivery network. This partnership will enable the vast pool of medical talent and quality healthcare infrastructure under the Fortis network to deliver a superior value proposition to the citizens of our country! "

The 10 hospitals are spread across metros in 3 states (2 in Mumbai, 5 in Bengaluru, and 3 in Kolkata) and will provide Fortis a pan India presence consistent with its stated strategy. This acquisition will augment the bed capacity by 1902 beds (including 534 beds in 2 Greenfield projects). With this acquisition, the aggregate bed capacity of the Fortis Network shall stand at ~ 5180 beds spread over 38 hospitals.

**Religare Capital Markets Limited** has been the advisors to Fortis Healthcare Limited in this deal.

Wockhardt Hospitals has very capable senior management team with a proven track record in setting up green field hospitals and delivering compassionate and quality healthcare in a cost effective manner. The teams of medical professionals are delivering tertiary care in the areas of cardiac sciences, neuro sciences, orthopedics, minimum invasive surgery, oncology, renal sciences, kidney and liver transplants; to both domestic and international patients.

Post consummation of this deal, Fortis will rank as the leading private healthcare provider in several key states in India, including Delhi, Maharashtra, Karnataka, Punjab, Haryana, Rajasthan and Uttar Pradesh. It will also have a unique distinction of getting under its umbrella some of the respected healthcare brands in the country viz. Fortis, Escorts and now Wockhardt Hospitals.

Post this acquisition, Fortis' will have a talent pool of ~ 9250 personnel including 1575+ Doctors and ~ 5000 nurses and para-medics. This acquisition would create a strong talent pool to aid in realizing its vision of "creating a globally respected healthcare delivery organization known for clinical excellence and distinctive patient care".

Fortis will now have 3 hospitals with the coveted international accreditation by the JCI (Joint Commission International). With this, Fortis shall have total no of 13 national and international accreditations (for hospitals, blood banks and labs) to its network. This will

enable Fortis to position itself as a destination of choice for Medical Value Travel, while enhancing the confidence of domestic patients.

Welcoming the entire Wockhardt team on board, **Mr. Shivinder M Singh**, MD, Fortis said “We are delighted with this acquisition as it marries a common value system, beliefs and competencies of delivering the best quality clinical and patient care to benefit people across India. The coming together of three leading brands; Fortis, Escorts and now Wockhardt, will provide the needed impetus of taking healthcare delivery in our country to the next level. We are very excited about the continuity of the current Wockhardt team to work along with us to take the combined entity to further heights. We welcome them all to the Fortis family.”

The combined network is expected to benefit from the economies of scale specifically in the areas of purchase and supply management, brand marketing, training & development and implementation of projects. This shall further enhance the clinical and service quality through cross learning between the two hospital groups. This shall also provide a wide canvas for medical talent to grow and enhance their skills and visibility.

#### **About Fortis Healthcare Limited**

Fortis Healthcare Limited was incorporated in the year 1996 with its first hospital commencing in 2001 at Mohali. It was founded on the vision of creating an integrated healthcare delivery system. Headquartered in New Delhi, Fortis which acquired Escorts Heart Institute and Research Centre Limited in September 2005, has operations in Amritsar, Bangalore, Chennai, Faridabad, Jaipur, Kota, Mauritius, Mohali, Noida, New Delhi, Raipur and Mumbai. With the recent additions of four hospitals in Mauritius, Bangalore, Kota and S.L. Raheja in Mumbai, Fortis is a network of 28 hospitals (including 12 satellite and heart command centers) with the capacity to increase inpatient beds to ~3300 beds. These hospitals include multi specialty hospitals, as well as super-specialty centres providing tertiary and quaternary healthcare to patients in areas such as cardiac care, orthopedics, neurosciences, oncology, renal care, gastroenterology and mother and child care. The hospitals that Fortis operates include a “boutique” hospital for women - Fortis La Femme, its first foray into women’s health and maternity care.

#### DISCLAIMER

*“Fortis Healthcare Limited is proposing, subject to market conditions and other considerations, a rights issue of its equity shares with warrants and has filed a Draft Letter of Offer with the SEBI. The Draft Letter of Offer is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and the website of the lead manager at [www.enam.com](http://www.enam.com).*

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