



# Religare Health Trust

Investor Slides (August 2013)

STRICTLY PRIVATE AND CONFIDENTIAL



- 
- **About Religare Health Trust**
  - **Our Ability to Provide Stable & Growing Distributions**
  - **Financial Highlights**

# Religare Health Trust

Listed on 19 October 2012

Issuer	Religare Health Trust (“RHT”)
Sponsor	Fortis Healthcare Ltd (“Fortis” or the “Sponsor”)
Trustee-Manager	Religare Health Trust Trustee Manager Pte Ltd (“TM”)
Sponsor Stake	<ul style="list-style-type: none"><li>• 28.0% Sponsor stake (220.7 m units)</li><li>• Lock-up of 6 months (100%) and further 6 months (50%) from 19 October 2012</li></ul>
Funds Raised at IPO	<ul style="list-style-type: none"><li>• S\$510 mil</li><li>• 567.5 m units (72.0% of total units)</li></ul>
Distribution Yield based on unit price of S\$0.85 <sup>(1)</sup>	<ul style="list-style-type: none"><li>• 9.6% (Projection Year 2014)</li></ul>
Listing Exchange	Mainboard of SGX-ST

Notes:

(1) Projected yields excludes distributions to Sponsor, which has committed to waiving rights to distribution until Mar 31, 2014 in favor of holders of Common Units. Based on unit price as at 7 August 2013 of S\$ 0.85

# Fortis and Religare Partnership



- One of the largest healthcare chains in India and Asia Pacific's fastest growing multi vertical healthcare delivery system
  - 73 healthcare delivery facilities
  - ~ 10,000 beds
  - Presence in 10 countries
  - Listed on the BSE and NSE

## Unique Healthcare Offering



*Investment mandate to acquire healthcare assets across Asia, Australasia and global emerging markets*



- Part of Religare Enterprises, a diversified financial services firm listed on the BSE and NSE
- Global multi-boutique asset management platform with over US\$13.0 billion in Assets Under Management

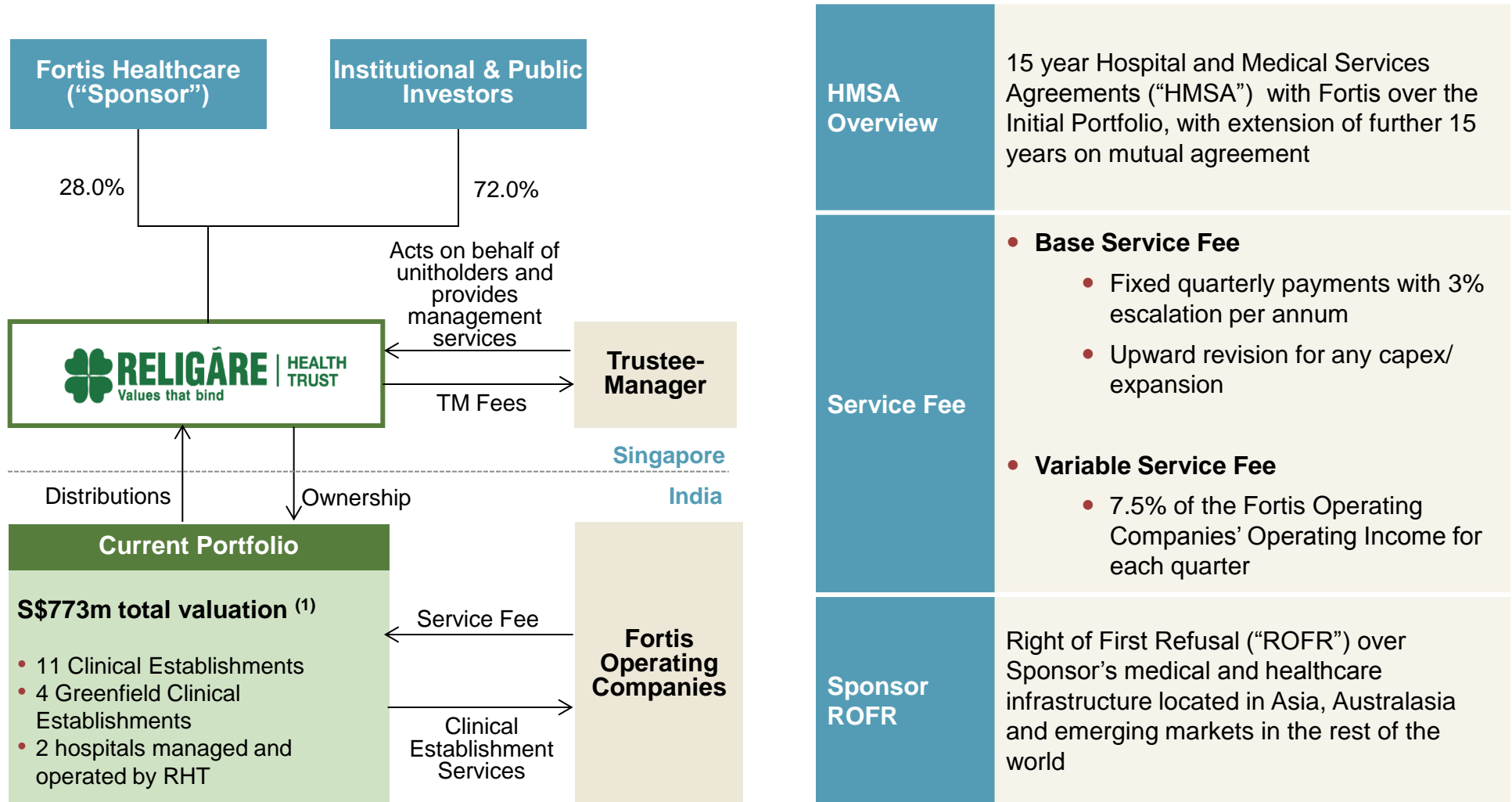
## RGAM Affiliates



***Leveraging the Complementary Strengths and Expertise of Fortis and Religare***

# Overview of Religare Health Trust

## RHT Structure



Notes:

(1) Independently valued by DTZ in INR as at March 31, 2013 based on S\$1 = INR 43.75. Valuation of operating assets based on DCF and Hospital and Medical Services Agreements ("HMSAs") as relevant; valuation of greenfield assets based on Market Value.

# Stabilized Distributions, With In-Built Organic Growth

## Service Fee <sup>(1)</sup>

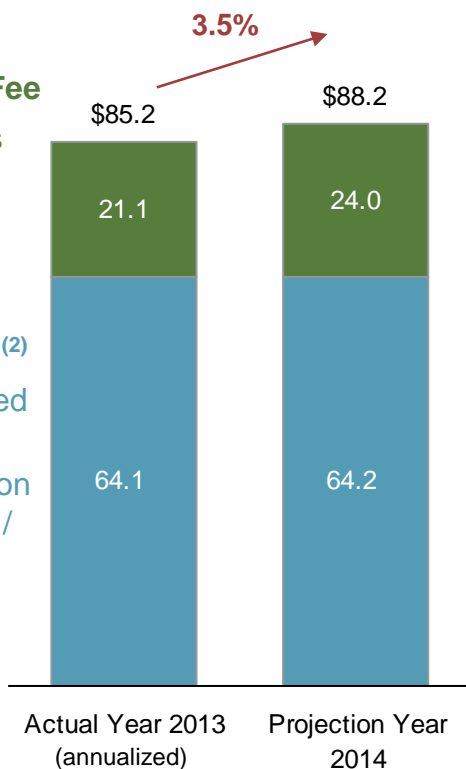
(\$m)

### Variable Service Fee

- 7.5% of Fortis Operating Companies' Operating Income

### Base Service Fee <sup>(2)</sup>

- 3.0% p.a. fixed escalation
- Upward revision for any capex / expansion



## 1 Long term Hospital & Medical Services Agreement

*HMSAs with Fortis for 15 years, with further 15 year extension by mutual consent*

## 2 Downside Protection, With In-Built Organic Growth

- **Base Fee** with fixed escalation of 3% p.a. (accounts for c.79.4% of total Service Fee for FY2013)
- **Variable Fee** of 7.5% of Fortis Operating Companies' Operating Income

## 3 Low Gearing

*9% Low in comparison to peers*

## 4 100% Distribution Payout

- **100% distribution payout** over Forecast Year and Projection Year
- **Sponsor distribution waiver** over Forecast Year and Projection Year

## 5 Fully Hedged Distributable Income

*Distributable income has been hedged for the next payouts –30 September 2013 & 31 March 2014*

#### Notes:

- (1) Excludes income from ancillary services; Financials converted at S\$1 = INR 44.04 for FY2013, S\$1 = INR46.70 for FY 2014, and exchange rate at the listing date of S\$1= INR43.55
- (2) Base Service fee excludes accounting straight lining and includes Technological Renewal Fee and are on a full year basis. Base Service Fee from the Gurgaon Clinical Establishment will increase by more than 3.0% per annum until March 31, 2014 when the asset is expected to stabilize.

# 17 Quality Assets Geographically Diversified Across India

- ✓ Initial portfolio valued at S\$773m <sup>(1)(2)</sup>
- ✓ 11 RHT Clinical Establishments (S\$737m)
- ✓ 4 Greenfield Clinical Establishments (\$31m)
- ✓ 2 hospitals managed and operated by RHT (\$5m)

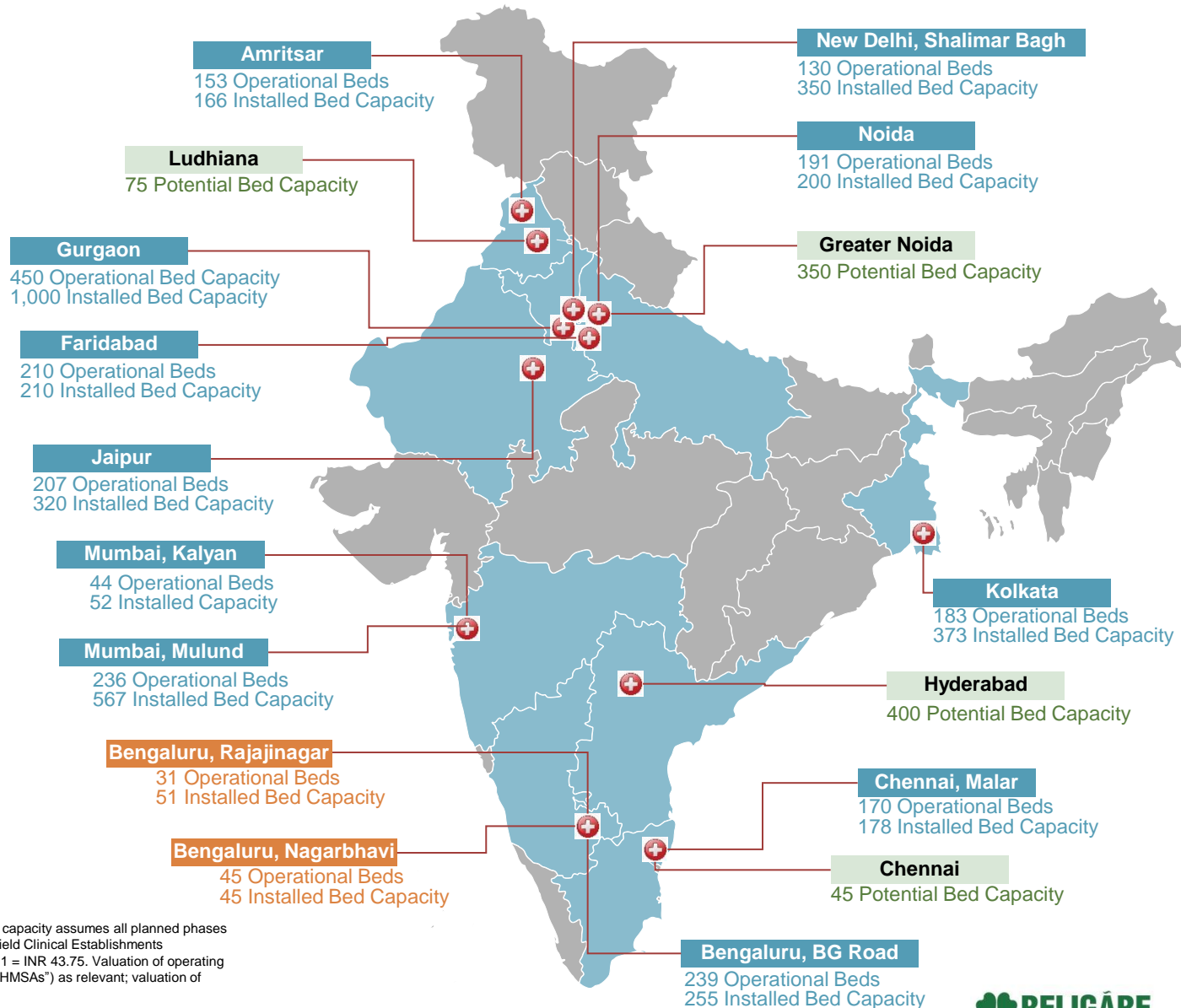
- ✓ Approximately 4.1 million sq ft of built-up area across 10 states
- ✓ Sizeable Population Catchment
- ✓ Located Close to Major Transportation Nodes

■ : RHT Clinical Establishments  
■ : Greenfield Clinical Establishments  
■ : Operating Hospitals

Notes:

(1) No. of beds and installed capacities as of March 31, 2013. Potential bed capacity assumes all planned phases of development and construction are completed in respect of the Greenfield Clinical Establishments

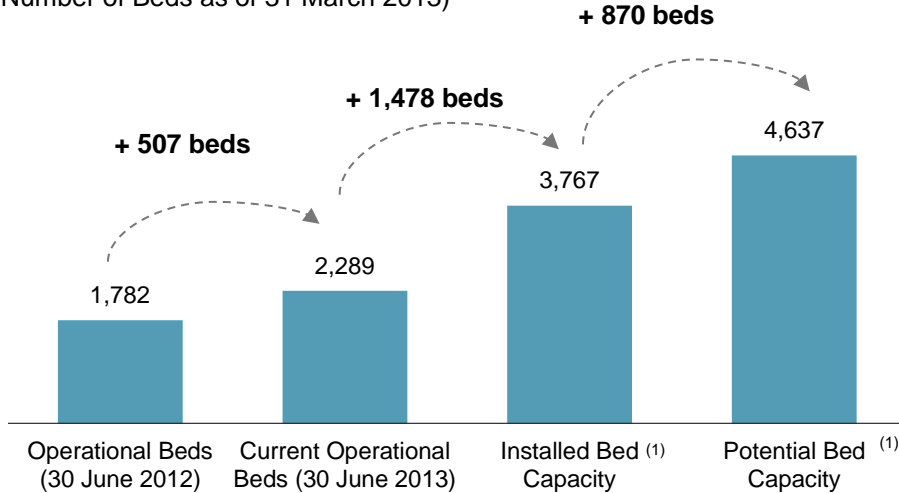
(2) Independently valued by DTZ in INR as at March 31, 2013 based on S\$1 = INR 43.75. Valuation of operating assets based on DCF and Hospital and Medical Services Agreements ("HMSAs") as relevant; valuation of greenfield assets based on Market Value.



# Diversified Healthcare Portfolio Positioned for Growth

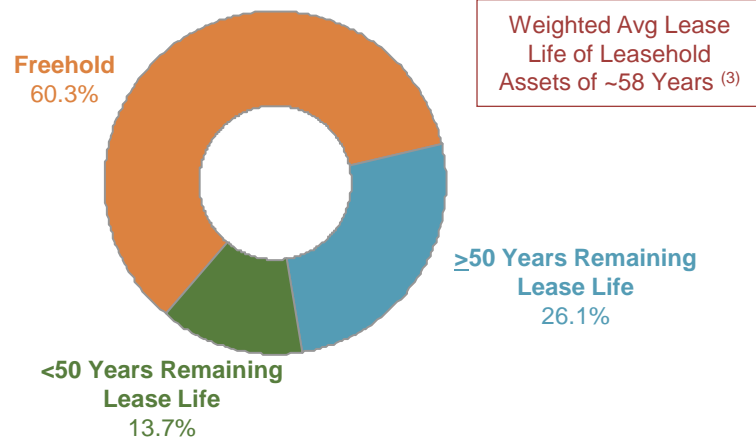
## Organic Growth Potential

(Number of Beds as of 31 March 2013)



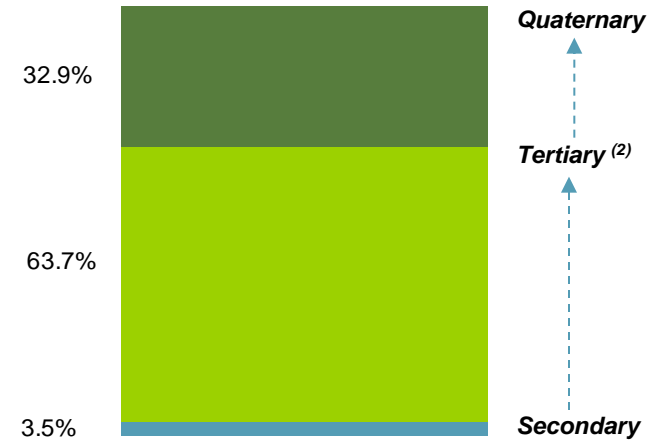
## Substantial Portion of Initial Portfolio Comprise Long Term Lease / Freehold Land

(% of Initial Portfolio Valuation)



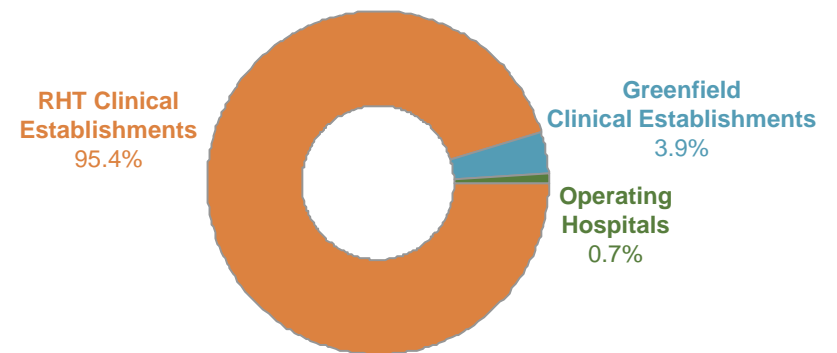
## Focus on Provision of High End Healthcare Services

(% of Initial Portfolio Valuation)



## High Proportion of Income Generating Clinical Establishments

(% of Initial 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) Includes Secondary/Tertiary Services.
- (3) Weighted by asset valuation.



# Portfolio Update

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- ❑ Gurgaon Clinical Establishment
  - 40% occupancy
  - ARPOB highest at S\$340,788
  
- ❑ Rajajinagar operating hospital
  - Expanding existing specialities
  - Added 16 beds and 1 operating theatre
  - New program such as dental and dental implants, cosmetology, endoscopy, physiotherapy.
  - Added new labour room
  - To expand comprehensively the radiology department, plan to add CT scan

# Stable & Growing Distributions





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**Our distributions are stable and growing stemming from the following:**

- **Service Fees structure**
- **Policy of fully hedged distributions for next 12 months, on rolling basis**
- **Potential for organic & inorganic growth (including ROFR)**
- **Working with a premium healthcare operator**

# Organic Growth – Capacity Expansion

RHT has four running projects for capacity expansion, below is the status as of 31 July 2013

Name of Project	Nature of Project	Additional Bed Capacity	Total Cost (S\$ m)	Project End Date	Project Handover Date	Completion %
<b>Anandpur, Kolkata</b>						
	Expansion work at 10 <sup>th</sup> & 9 <sup>th</sup> Floor, IVF & PHC. Addition of 80 Beds.	80	1.65	Completed	Completed	100%
<b>Rajajinagar, Bengaluru</b>						
	Leased – Brown Field expansion. Addition of 20Beds.	20	0.69	Completed	Completed	100%
<b>Jaipur</b>						
	Expansion work at 7 <sup>th</sup> Floor, IVF & PHC. Addition of 21Beds.	21	1.34	In progress	To be established	65%
<b>BG Road, Bengaluru</b>						
	Addition of 79 ICU Beds in two phases, as well as addition of a new tower	170	17.0	0%	To be established	-
<b>Total</b>	-	<b>291</b>	<b>20.68</b>	-	-	-

Note

(1) Converted to S\$ from INR at S\$1 = INR 43.75. (31 march 2013)

# Expansion at Rajajinagar



# Potential ROFR Asset – Delhi

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## India



### **Fortis Escorts Heart Institute**

Okhla Road, New Delhi, is a 310 bed, JCI certified and NABH accredited cardiology care hospital. This hospital commenced operations way back in 1988.

## Singapore

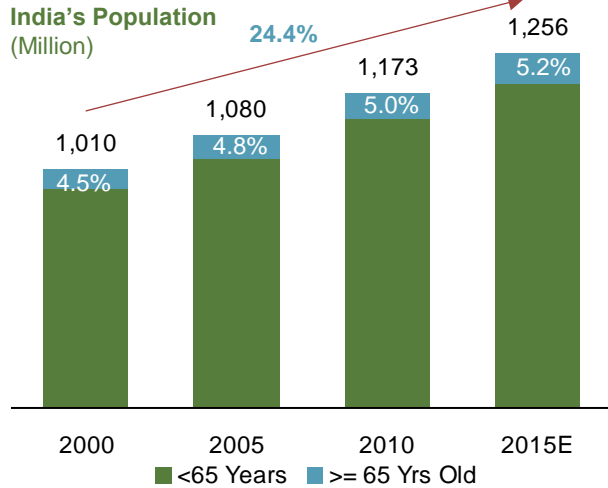


### **Fortis Colorectal Hospital**

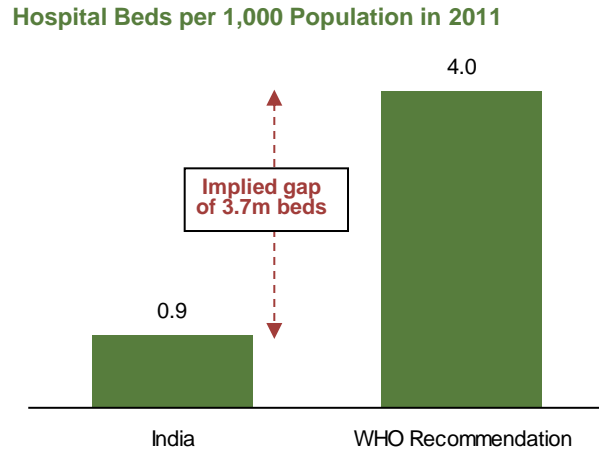
Singapore  
31 Licensed Beds

# Key Drivers of Growth in the Indian Healthcare Market

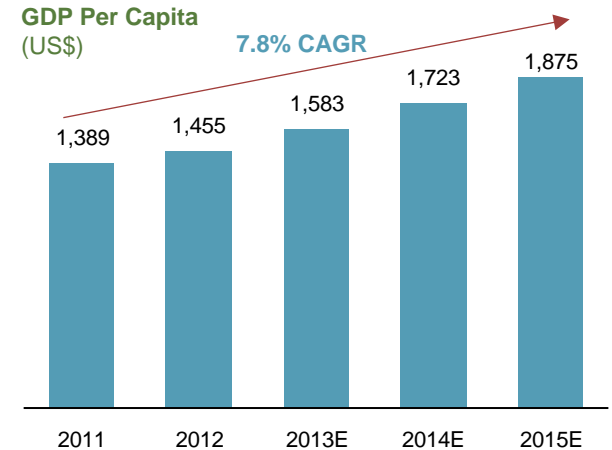
## A Growing & Aging Population



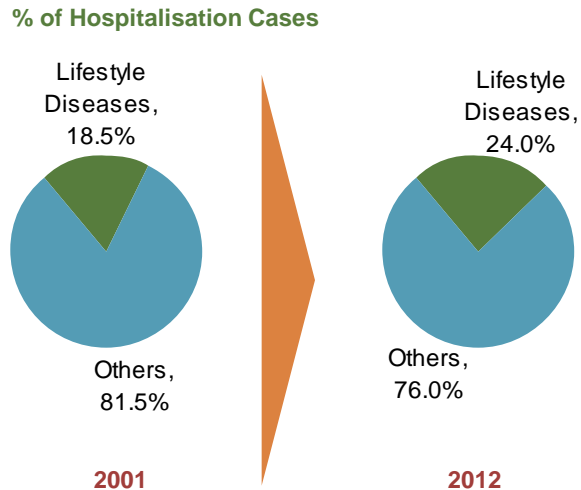
## B High Healthcare Demand / Supply Gap



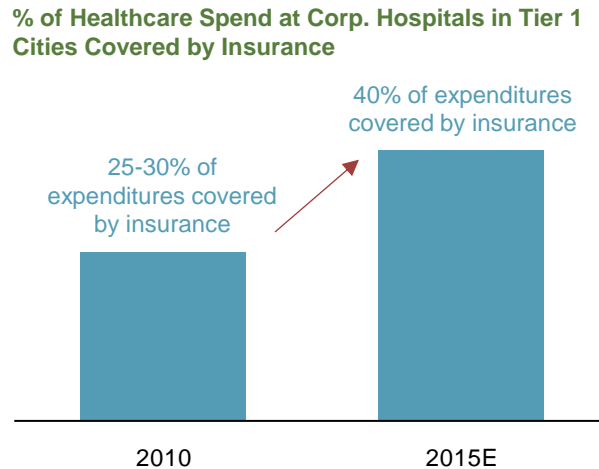
## C Growing Affluence



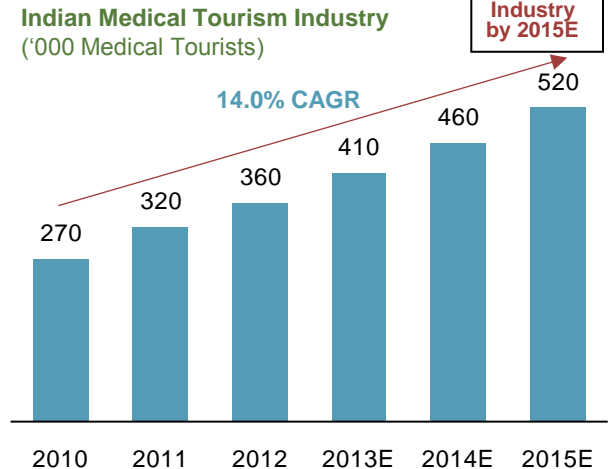
## D Changing Disease Profile



## E Increasing Health Insurance Coverage



## F Growing Medical Tourism



# Experienced Board and Management Team

Majority independent directors with proven track record in healthcare and funds management



**Ravi Mehrotra**  
Executive Chairman




**Dr. Yogendra Nath Mathur**  
Lead Independent Director  
33 years of relevant experience




**Peter Rowe**  
Chairman of Audit and Risk Management Committee and Independent Director





**Michael Hwang S.C**  
Independent Director





**Eng Meng Leong**  
Independent Director



## Executive Directors / Management



**Gurpreet Singh Dhillon**  
Executive Director & CEO




**Tan Suan Hui**  
Head of Compliance / IR





**Pawanpreet Singh**  
Executive Director & CFO




## Religare Health Trust



**Dr Virender Sobti**  
Chief Operating Officer  
India

**Naveen Bhatia**  
Head, Finance & Accounts  
India



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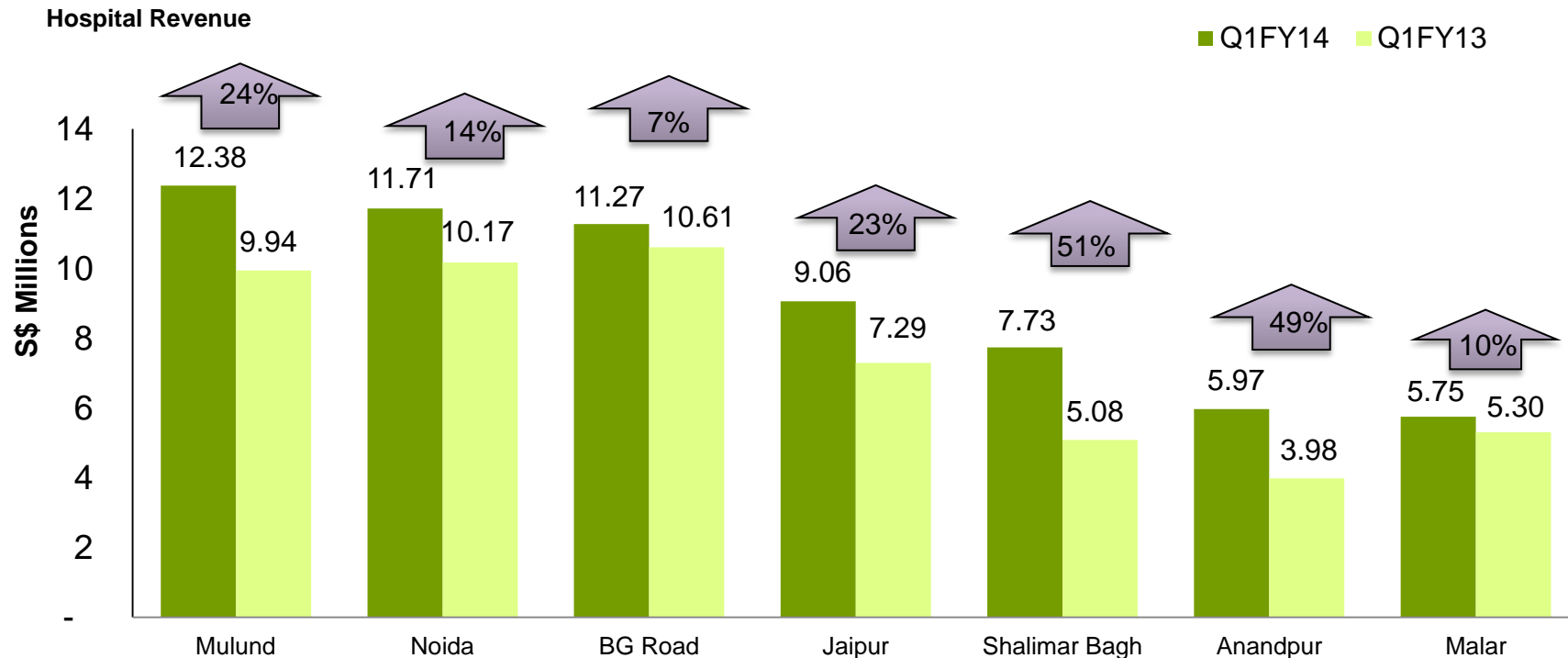
## Financial Highlights



# Clinical Establishment Performance for quarter ended 30 June 2013

Average <sup>^</sup>	FY13 Q3	FY 13 Q4	% increase	FY14 Q1	% increase
ARPOB (S\$'000)*	194	205	5.7%	225	9.7%
Occupancy	75%	73%		78%	

<sup>^</sup> excludes Gurgaon



Source: Fortis Healthcare Limited Financial Results Presentation (Quarter ended 30 June 2013)

\* Converted at an exchange rate of 1\$=INR45.25 as at 30 June 2013

## Variance from Forecast Statement

	Actual	Forecast	Variance
	S\$'000	S\$'000	S\$'000
Service Fee	25,734	25,569	165
Hospital Income	1,706	1,311	395
Other Income	532	483	49
<b>Total Revenue</b>	<b>27,972</b>	<b>27,363</b>	<b>609</b>
Operating Expenses	(11,717)	(10,833)	(884)
<b>Net Operating Income</b>	<b>16,255</b>	<b>16,530</b>	<b>(275)</b>
Finance Income	342	5	337
Finance Expenses	(692)	(566)	(126)
Trustee-Manager Fee	(1,230)	(1,217)	(13)
Other Trust Expenses	(243)	(368)	125
Foreign exchange loss	(1,143)	-	(1,143)
<b>Profit Before Deemed disposal of associates, change in fair value of financial derivatives</b>	<b>13,289</b>	<b>14,384</b>	<b>(1,095)</b>
Change in fair value of financial derivative	3,326	-	3,326
<b>Profit Before Taxes</b>	<b>16,615</b>	<b>14,384</b>	<b>2,231</b>
Taxes	(3,365)	(3,216)	(149)
<b>Net Loss</b>	<b>13,250</b>	<b>11,168</b>	<b>2,082</b>

## Reconciliation to Unit holders Distribution

	Actual	Forecast	Variance
	S\$'000	S\$'000	S\$'000
<b>Net Profit Attributable to Unit holders</b>	<b>13,250</b>	<b>11,168</b>	<b>2,082</b>
<b>Distribution Adjustments:</b>			
Impact of non-cash Straight Lining	(3,131)	(3,079)	(52)
Technology Renewal Fee	(166)	(166)	-
Depreciation and Amortization	3,726	2,794	932
Amortization of debt arrangement fee	130	158	(28)
Trustee-Manager Fees payable in Units	644	608	36
Foreign exchange loss	236	-	236
Unrealized gain on financial asset	(11)	-	(11)
Profit on change in fair value of financial derivative	(3,326)	-	(3,326)
Deferred Tax Expenses	-	167	(167)
<b>Total Distributable Income to the Unit holders</b>	<b>11,352</b>	<b>11,650</b>	<b>(298)</b>

## Hedging - Foreign currency exposure

RHT, its Investment company FGHIPL and its subsidiaries may have exposures on account of loans, Compulsory Convertible Debentures and short term borrowings in one or more foreign currencies.

As per the Hedging Policy following minimum amounts should be hedged for the booked exposures

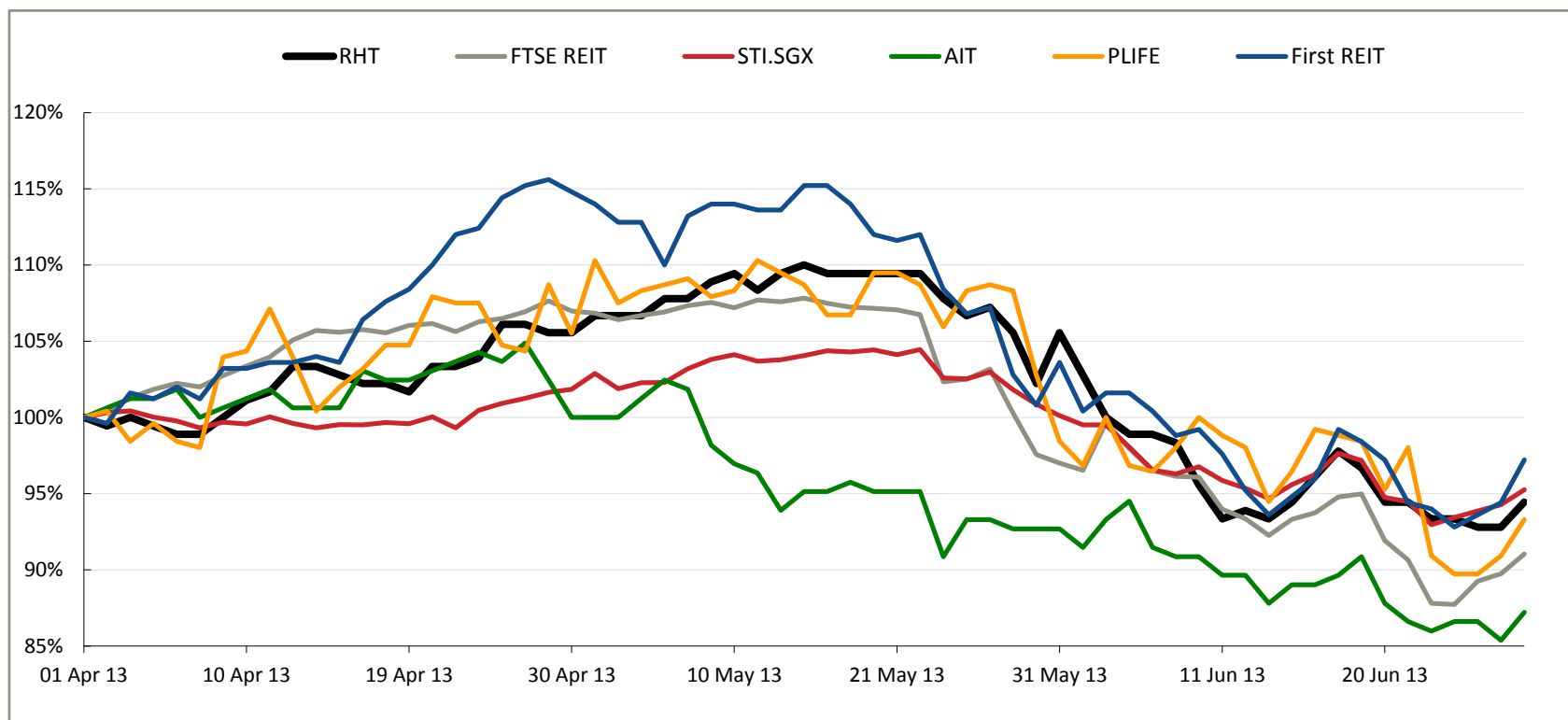
Particulars	Minimum Hedging (percentage to total exposure)
Up to first 18 months obligation	100% on 6 month rolling basis

Forward contracts already entered with DBS

INR to be paid by FGHIPL	Contracted rate	SGD to be delivered by bank	Settlement
1,169,250,000	46.77	25,000,000	15-Nov-13
1,194,750,000	47.79	25,000,000	15-May-14

The average contracted rate for FY 14 is 47.28.

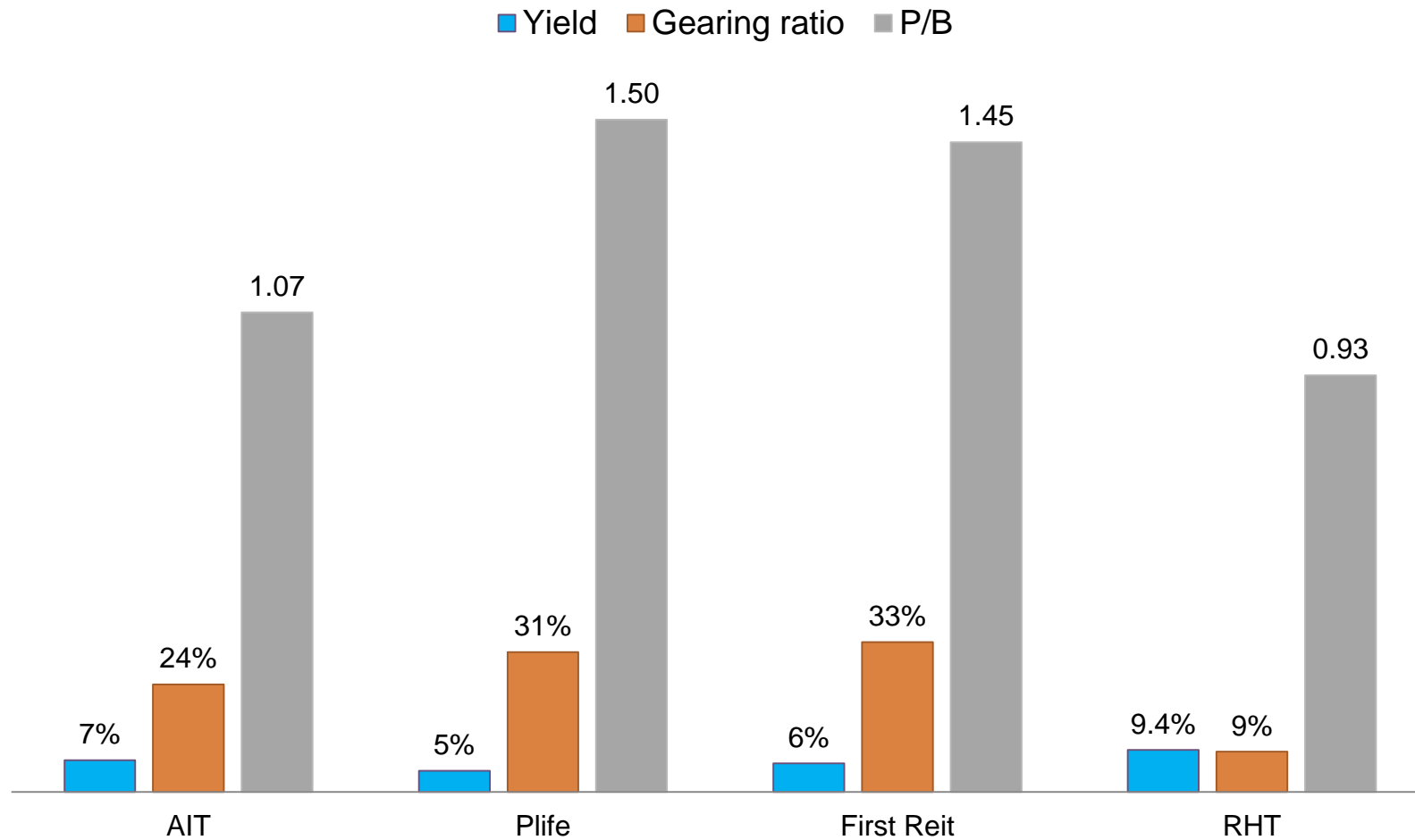
# Market Performance of RHT against comparable peers (rebased 1 April to 30 June 2013)



Name	Cur	Total Volume*	Daily Average Volume*
Religare Health Trust	SGD	155,661,000	2,470,810
First Real Estate Investment Trust	SGD	78,651,000	1,248,429
Ascendas India Trust	SGD	78,002,000	1,238,127
Parkway Life REIT	SGD	42,367,000	672,492

\* For the period 1 April to 30 June 2013. Source: Miraql

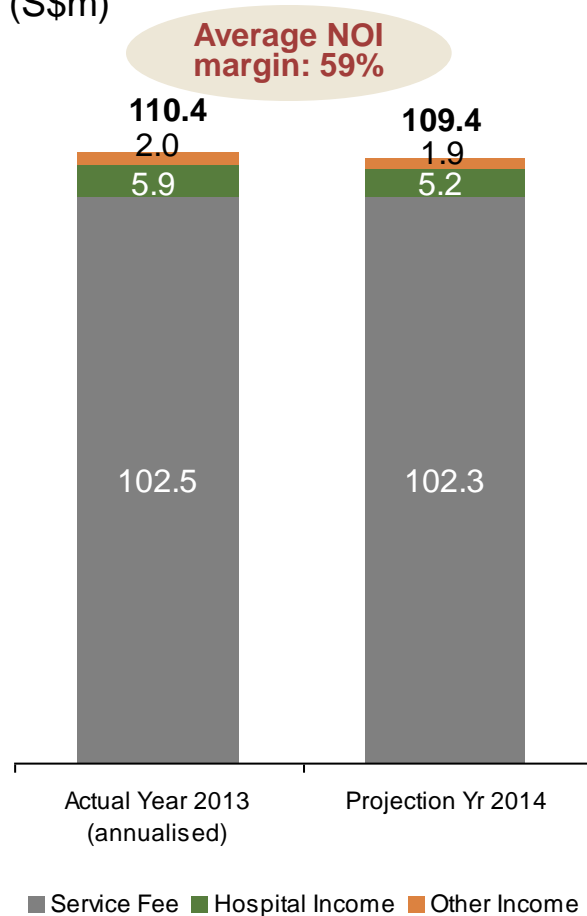
# Comparative Analysis



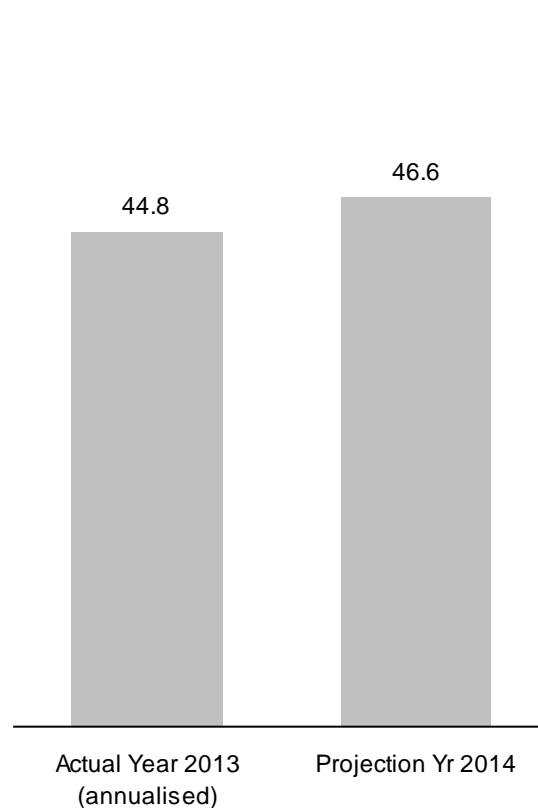
Yield figures as at 30 June 2013 (OCBC Investment Research Weekly SREITs), Gearing figures are as announced by respective REIT/BT  
RHT figures based on actual numbers, annualised yield and using share price of 0.85 as at 7 August 2013

# Financial Projection FY2014

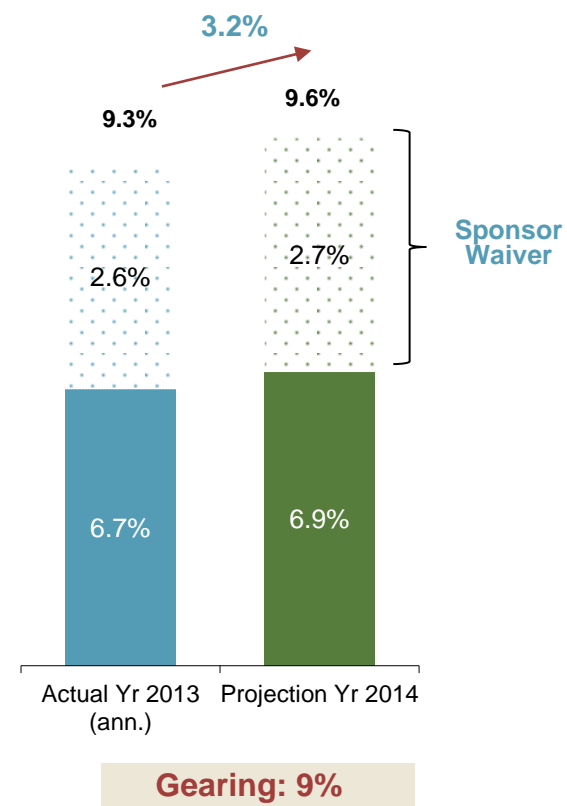
## Revenue (1) (S\$m)



## Distributable Income (1) (S\$m)



## DPU Yield (1)



### Notes:

- (1) Financials converted at S\$1 = INR44.04 for FY2013, S\$1 = INR46.70 for FY 2014, and exchange rate at the listing date of S\$1= INR43.55.
- (2) Includes straight lining of Base Service Fee.
- (3) DPU calculated based on unit price of S\$0.85 as at 7 August 2013

# Appendix





# Fee Structure

Performance based management fees designed to align Management's interests with Unitholders

## Base fee

- 0.4% p.a. of the value of the Trust Property
- 50% to be paid in Units <sup>(1)</sup>

## Performance fee

- 4.5% p.a. of Distributable Income <sup>(2)</sup>
- 50% to be paid in Units <sup>(1)</sup>

## Acquisition / divestment fee

- 0.5% - 1.0% of acquisition price
- 0.5% of the sale price (Divestment to 3<sup>rd</sup> party)
- No divestment fee (Divestment to Sponsor)

## Development fee

- 2.0% of total development project costs
- Payable in the form of cash and/ or units

## Asset management fee

- 1.0% of gross revenue
- Paid quarterly in arrears
- No asset management fee paid for assets operated by Sponsor

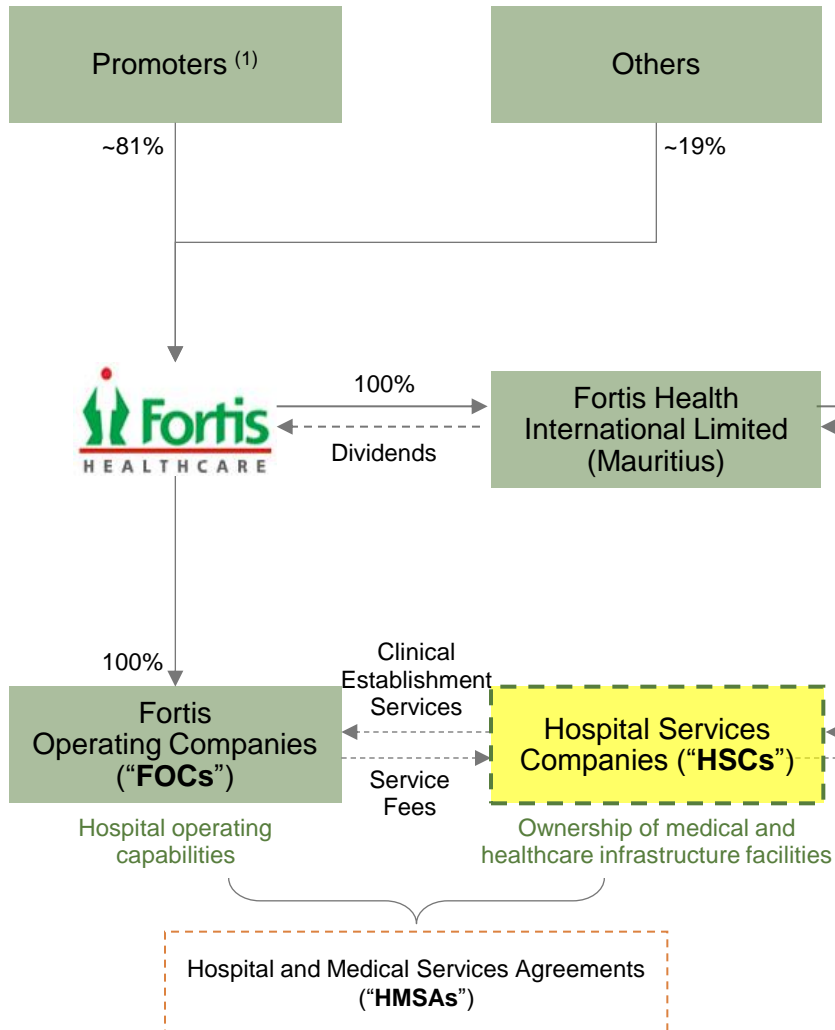
Note

(1) For the Forecast Year 2013 and Projection Year 2014

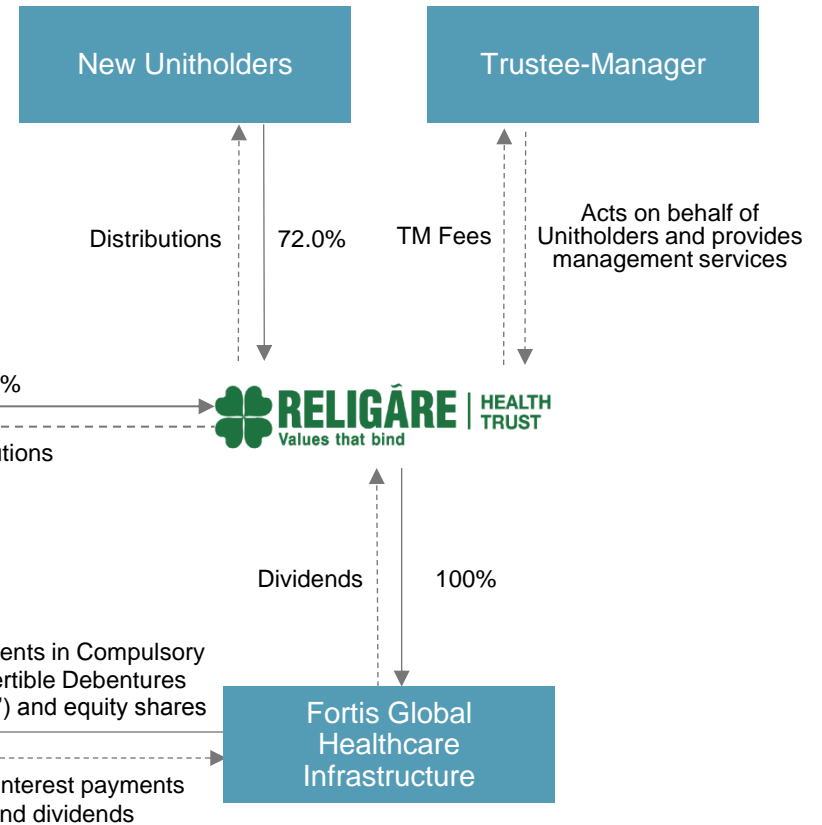
(2) Distributable Income means the distributable amount determined by the Trustee-Manager in accordance with the terms of the Trust Deed to be distributable for the relevant distribution period (pro-rated if applicable based on the number of months the relevant financial quarter bears to such distribution period)

# Efficient Trust Structure

## India



## Singapore

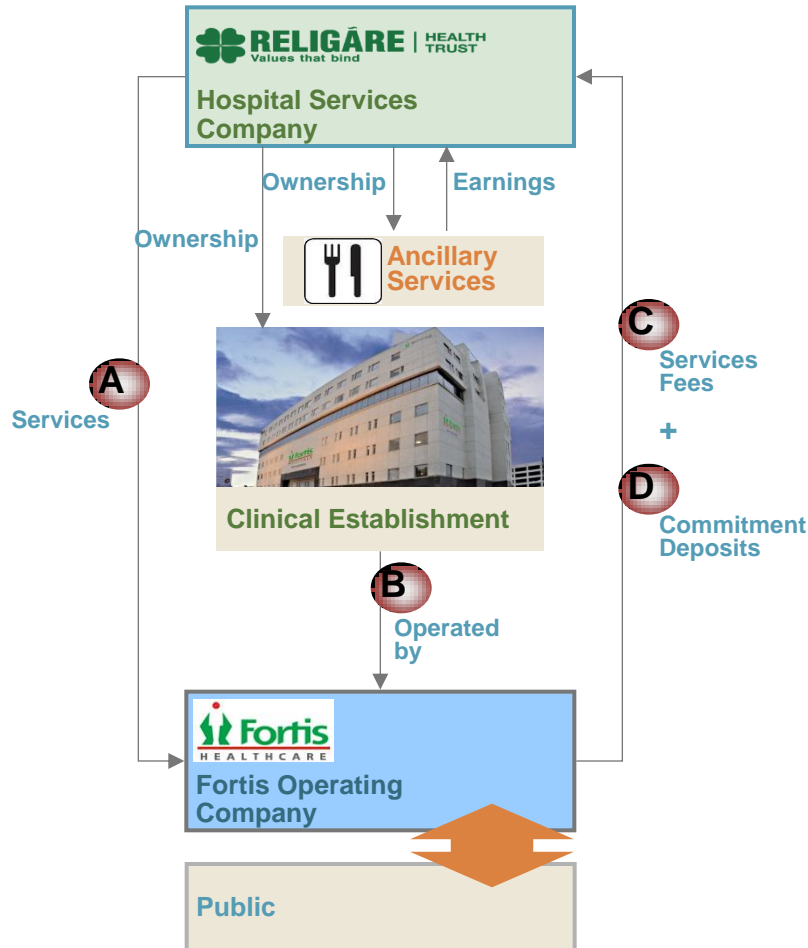


Note:  
 (1) Promoters comprise Malvinder Mohan Singh, Shivinder Mohan Singh and their associates.

# Income Secured Through Long Term Working Agreements

Prior to listing, the Hospital Services Companies (“HSCos”) will enter into Hospital and Medical Services Agreements (“HMSAs”) with the Fortis Operating Companies (“FOCs”) to operate the healthcare infrastructure assets <sup>(1)</sup>.

## Mechanics of the HMSA



## Key Terms of the HMSA

<b>Term of Agreement</b>	<ul style="list-style-type: none"> <li>15 years with option to extend by another 15 years by mutual consent</li> </ul>
<b>A Primary Obligations of HSCos</b>	<ul style="list-style-type: none"> <li>Making available and maintaining the Clinical Establishments</li> <li>Provision of outpatient services</li> <li>Provision of radio diagnostic services</li> </ul>
<b>B Primary Obligations of FOCs</b>	<ul style="list-style-type: none"> <li>Provision of healthcare services at the Clinical Establishments</li> <li>Pay to HSCos the Services Fees and Commitment Deposits</li> </ul>
<b>C Services Fee</b>	<ul style="list-style-type: none"> <li>Base Service Fee                             <ul style="list-style-type: none"> <li>Increased by 3% p.a.</li> <li>Upward revision for any capex / expansion</li> <li>Provision for capex to replace medical equipment (“Technology Renewal Fee”) added to Base Fee <sup>(2)</sup></li> <li>HSCos entitled to request for an advance of up to 60% of the Base Service Fee</li> </ul> </li> <li>Variable Service Fee                             <ul style="list-style-type: none"> <li>7.5% of the operating income of the FOC</li> </ul> </li> </ul>
<b>D Commitment Deposits</b>	<ul style="list-style-type: none"> <li>FOC to pay to HSCo 25% of cost for expansions of capacity / modification of Fortis Hospitals as an interest free refundable commitment deposit</li> </ul>

Source: TM

Notes:

(1) Fortis has signed commitment agreements to enter into similar HMSAs for the greenfield healthcare infrastructure assets.

(2) Technology Renewal Fee will be paid into a Technology Renewal Fund to be maintained by Fortis.