



progressive prescrip⁺ion

THINKING AHEAD





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BUSINESS REVIEW

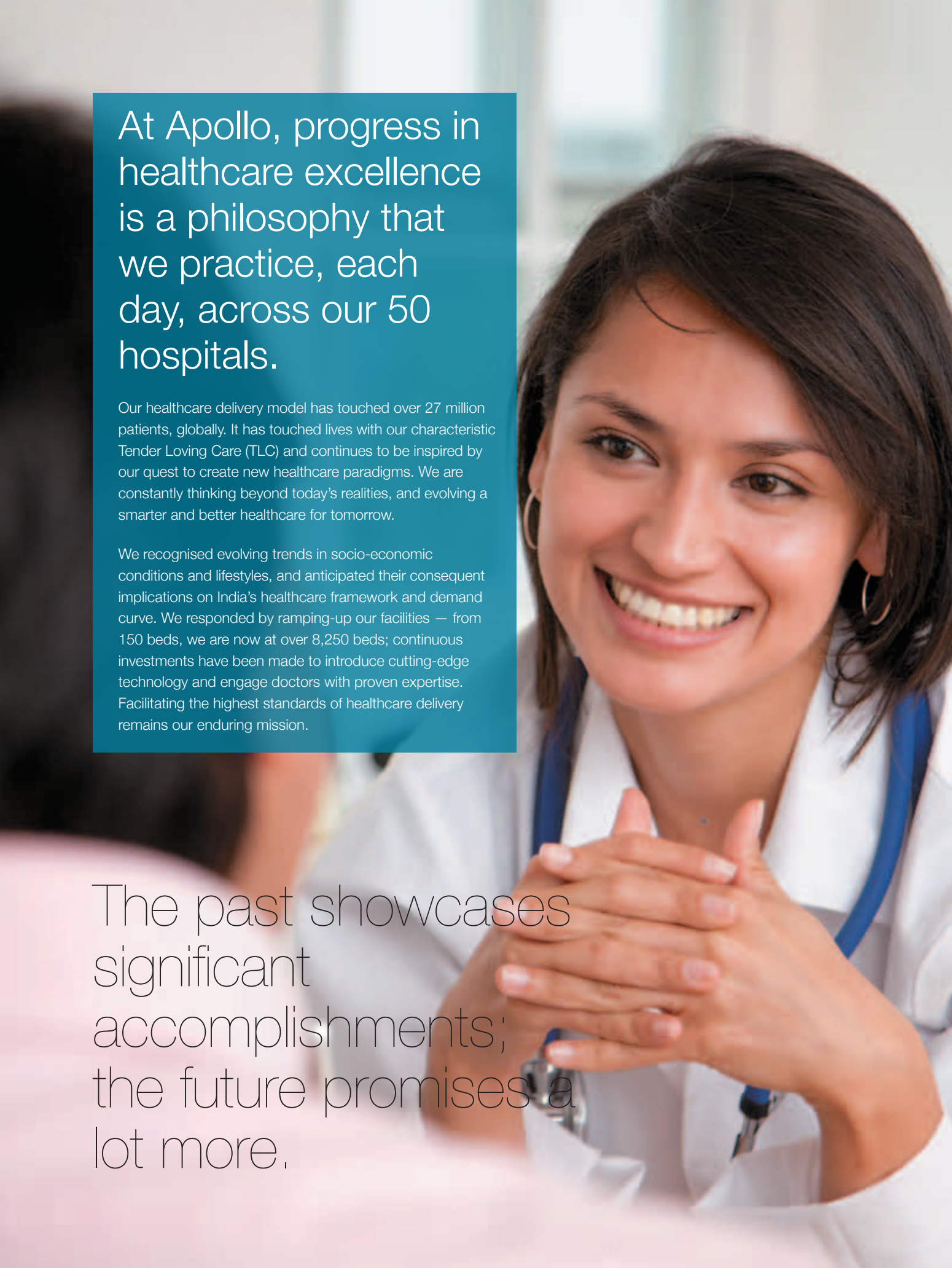
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This report is available online at:

www.apollohospitals.com



At Apollo, progress in healthcare excellence is a philosophy that we practice, each day, across our 50 hospitals.

Our healthcare delivery model has touched over 27 million patients, globally. It has touched lives with our characteristic Tender Loving Care (TLC) and continues to be inspired by our quest to create new healthcare paradigms. We are constantly thinking beyond today's realities, and evolving a smarter and better healthcare for tomorrow.

We recognised evolving trends in socio-economic conditions and lifestyles, and anticipated their consequent implications on India's healthcare framework and demand curve. We responded by ramping-up our facilities — from 150 beds, we are now at over 8,250 beds; continuous investments have been made to introduce cutting-edge technology and engage doctors with proven expertise. Facilitating the highest standards of healthcare delivery remains our enduring mission.

The past showcases significant accomplishments; the future promises a lot more.

50

OWNED AND MANAGED
HOSPITALS

OVER

8,250

BEDS

OVER

4,500

DOCTORS

OVER

8,200

NURSES

Progressive contribution to healthcare



Dedicated mission

“Our mission is to bring healthcare of international standards within the reach of every individual. We are committed to the achievement and maintenance of excellence in education, research and healthcare for the benefit of humanity.”

PROGRESSIVE CONTRIBUTION TO HEALTHCARE

Apollo Hospitals Enterprise Limited (Apollo) is India's leading private sector healthcare services provider, and is among Asia's largest hospital networks. It was founded by Dr. Prathap C. Reddy, a recipient of the prestigious Padma Bhushan (1991) and the Padma Vibhushan (2010).

Dr. Prathap C. Reddy was conferred with these awards by the Government of India in recognition of his pioneering contribution to Indian healthcare. The Padma Vibhushan, India's second highest civilian honour, felicitates Dr. Reddy's untiring efforts to take quality healthcare closer to a billion lives.

Over the years, we have strengthened healthcare delivery, focusing on high-end tertiary care to quaternary care, secondary care, primary care and day-care facilities across India. Our pan-India expansion of hospitals — across metros, tier II and tier III cities — testifies to our commitment to provide quality healthcare to people in need. We have been and continue to remain committed to delivering superior customer service in an environment of continuous improvement. We innovate, embrace change and run the extra mile to deliver on our promises, safely and responsibly.

HOSPITALS, PHARMACIES, CLINICS, TELEMEDICINE, mBPO, CONSULTANCY, RESEARCH, EDUCATION AND INSURANCE

Apollo is in a position of strength across every key touch point of the healthcare delivery chain.

RELENTLESS PURSUIT OF PERFECTION

Apollo pioneered the concept of clinical excellence in India and has since elevated it to the highest pinnacle. A testimony of the Group's association with first-class healthcare is the fact that every year, patients from over 120 countries, come to Apollo for treatment.

TRINITY OF EXCELLENCE, EXPERTISE AND EMPATHY

The cornerstones of Apollo's legacy – our unwavering dedication of clinical excellence, our relentless pursuit of expertise and the ever tender Apollo empathy, continue to be the vital elements in our vision and plan for the future.

OVER

2,700

PARAMEDICAL PERSONNEL

OVER

1,350

NETWORK OF STANDALONE PHARMACIES ACROSS INDIA'S 20 STATES

100

PRIMARY CLINICS OFFERING CONSULTATION, DIAGNOSTICS AND PREVENTIVE HEALTH CHECK-UPS

Globally admired

- ✚ Among the largest cardiovascular groups in the world
- ✚ World's No 1 in Solid Organ Transplant Program
- ✚ First to launch Novalis TX™ and G4 Cyberknife® Robotic Radiosurgery System for Cancer Treatment in India
- ✚ World's first Medical Institution to use Satellite Technology for Telemedicine
- ✚ Introduced India's first 320-Slice CT Scanner
- ✚ First to install 64 Slice Positron Emission Tomography-Computed Tomography (PET-CT) Scan System in India
- ✚ Installed South Asia's first-of-its-kind, full-field digital mammography with Tomosynthesis (3D) system
- ✚ Apollo Pharmacy is India's first and largest branded pharmacy network, with over 1,350 outlets in key locations



Chairman's message

Dear Shareholders,

As one surveys the panoramic landscape and assesses what the country needs to do to meet the huge gap in healthcare delivery, I am deeply concerned at the unfinished task facing all of us as citizens of this nation.

Apollo represents the hope and aspirations, deep within the heart of every individual and of the 27 million people who have come to Apollo for being treated. It is gratifying to note that your Company has been able to meet and surpass expectations by providing best-in-class treatment outcomes, combined with tender loving care to patients.

However, I still believe that the journey has just begun and the country needs to build a pipeline of professional talent comprising doctors, nurses, other paramedics and management professionals. I may not be very off the mark, if I state that the demand-supply

gap is more aggravated now than when Apollo was conceived.

In line with our mission, we continue to deliver clinical excellence on par with the world's best benchmarks by adopting cutting-edge treatment technologies. Our commitment to advanced patient care has helped us put in place the world's busiest transplantation program. We have also undertaken initiatives such as the minimally invasive Robotic Surgery and have further strengthened our focus on our six centres of Excellence 'CONNECT' (Cardiology, Orthopaedics, Neurosciences, Emergency, Cancer and Transplant Medicine). The re-accreditation of our facilities at Chennai, Delhi, Bangalore and Dhaka by JCI and the NABH accreditation of our hospitals in Ahmedabad, Noida and Secunderabad further underscore our commitment on compliance with quality standards.

OUR CUTTING-
EDGE TECHNOLOGY
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THIS WAS AND IT
WILL ALWAYS BE
INTEGRAL TO THE
APOLLO MISSION.

CHAIRMAN'S MESSAGE

Our robust business model delivered sterling growth and improved profitability in 2011-12. Apollo crossed the ₹ 30 billion milestone, registering consolidated annual revenues of ₹ 31.5 billion, reflecting 20.8% growth. Consolidated Net Profit grew by 19.3% to ₹ 2,194 million and consolidated diluted EPS for the year stood at ₹ 16.30 per share. We have continued our practice of consistently rewarding our shareholders with a higher dividend. This year our dividend payout is 80% or ₹ 4 per share.

We have also been at the forefront of shaping healthcare sector policy indirectly through numerous suggestions to various governments over the years. The suggestions have been appreciated by all governments, and some of them received legislative support. The Cabinet Committee's decision to include hospitals in the Master-list of infrastructure sub-sectors and the 150% depreciation eligibility for new hospitals with over 100 beds under the Income Tax Act announced in the Union Budget are two important steps in the right direction.

It is reassuring to know that the government has planned to allocate 2.5% of the GDP on public health services by the end of the 12th Five Year Plan. In addition, announcements about the preparation of a clear roadmap to merge all the government health schemes, the plan to set up a national commission on health resources and efforts to strengthen facilities at primary health centres and district hospitals will provide a much needed fillip to Indian healthcare.

Your Company continues to be recognised by industry bodies, customers and media for its multi-dimensional healthcare excellence, receiving several awards and accolades during the year. The year ahead will witness further impetus to our key pillars of Patient Care Excellence, Clinical Excellence and Value Excellence, to bring the best of

technical and clinical advances for the benefit of customers.

We have also initiated significant transformation initiatives that would further set us up to achieve balanced growth across all our Centers of Excellence, geographies and formats. The hopes and expectations of India's billion-plus people, not to mention those who travel from abroad, are yet to be fulfilled. Therefore, we welcome more players to share the responsibility of addressing the humongous un-served demand for quality healthcare.

We have simultaneously accelerated our focus on Preventive Healthcare through programmes like Billion Hearts Beating (BHB), as I strongly believe that prevention is as important as cure. A healthy India is a prosperous India, a powerful India. As the nation assumes its rightful position in the world, the challenge to keep India fit has to become the personal quest of every healthcare provider, every administrator and indeed every citizen. It's a march we have only just commenced. The journey ahead is long, but as they always say-the first steps are the most significant.

Apollo's role remains relevant as a progressive healthcare provider for the people of India, as it was three decades ago. We will continue to strive for the welfare and satisfaction of patients, providing faster, smarter and better care.

On behalf of the entire Company and the leadership team, I want to thank the Board of Directors, doctors, employees, bankers and financial institutions, the central and state governments and each shareholder for their support and commitment. I look forward to your continued support as your Company embarks on the next phase of its progressive journey.

Dr. Prathap C. Reddy
Executive Chairman

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Progressive healthcare delivery

AT APOLLO, WE RECOGNISE THAT HEALTHCARE DELIVERY IS A DYNAMIC PROCESS—A RESULT OF CONTINUOUS PROGRESSION IN THOUGHT AND ACTION.



Our journey started with the setting up of India's first corporate hospital, a multi-specialty hospital for high-end tertiary care in Chennai. Over the years, we upgraded our tertiary care hospitals in Chennai, Delhi, Kolkata and Hyderabad to include quaternary care as well.

We expanded our reach to make healthcare available to people in tier II locations through Apollo Reach Hospitals. This healthcare model takes advanced technology and experienced medical professionals to the people living in rural and semi-urban areas of the country.

Best-in-class treatment plans with advanced technologies and differentiated care led us towards single-specialty hospitals (focused on Cancer, Neurosciences and Paediatrics) with plans to commence Heart centres, Orthopaedic centres and Woman & Child care hospitals.

Our desire to facilitate day-to-day primary healthcare requirements led us to create a chain of neighbourhood clinics, offering routine diagnostics and preventive healthcare screening facilities in multiple locations.

As a part of our retail healthcare delivery focus, we are also planning to grow our Dental Clinics chain, Dialysis centres, Cosmetic centres and Birthing centres, including focused specialty clinics, such as Sugar Clinics for diabetes management and care.

2011 represents another landmark in our corporate existence, when we launched our ambitious programme 'Rocket 14', which aimed at strengthening our six Centres of Excellence, 'CONNECT' (Cardiology, Orthopaedics, Neurosciences, Emergency, Cancer and Transplant Medicine). It reflects an unswerving effort to enhance clinical and service excellence, expanding into new areas of education and research.

65%

REVENUES DERIVED FROM THE
HIGH END TERTIARY CARE SEGMENT



APOLLO CANCER INSTITUTES

Apollo Cancer Institutes offer comprehensive cancer care facilities, encompassing every possible arena of cancer care – including advanced treatment options like Stereotactic Radiosurgery / Stereotactic Body Radiation Therapy (SRS / SBRT).

Our advanced healthcare offerings are facilitated by cutting-edge technologies. Apollo's team of outstanding consultants provides services of unmatched quality, competent support services, rehabilitation and other life care services. The facilities are provided across our hospitals in Chennai, Bangalore, Madurai, Hyderabad, Delhi, Ahmedabad and Kolkata.

Progression during the year

- Rendered services to 1,66,000 patients
- Provided radiation therapy to over 8,700 patients
- Operated over 5,200 patients

- Achieved a 66% growth in Bone Marrow Transplant Programme (BMT), making us one of the busiest private hospitals performing BMT in the country



APOLLO HEART INSTITUTES

The Heart Institutes at Apollo Hospitals, India, form one of the world's largest groups of Cardiology and Cardio-Thoracic Surgery. We have completed a record 110,000 + heart surgeries, coronary artery bypass surgery, surgery for all types of Valvular heart diseases and child heart surgery, with success rates comparable to international standards.

The commitment of our cardiologists and cardiothoracic surgeons to the prevention and treatment of heart disease has led to the achievement of better outcomes and improved quality of life for thousands of cardiac patients, who visit us each year, making Apollo Hospitals the most sought after hospital in India for bypass surgery and child heart surgery in India.

