

# APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035



17<sup>th</sup> September 2014

The Secretary,  
Bombay Stock Exchange Ltd (BSE)  
Phiroze Jheejheebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.  
**Scrip Code - 508869**  
**ISIN INE437A01024**

The Secretary,  
National Stock Exchange,  
Exchange Plaza, 5th Floor  
Plot No.C/1, 'G' Block  
Bandra - Kurla Complex  
Bandra (E)  
Mumbai - 400 051.  
**Scrip Code- APOLLOHOSP**  
**ISIN INE437A01024**

The Manager  
The National Stock Exchange,  
Wholesale Debt Market  
Exchange Plaza, 5th Floor  
Plot No.C/1, 'G' Block  
Bandra - Kurla Complex  
Bandra (E)  
Mumbai - 400 051.  
**ISIN INE437A07062,**  
**INE437A07070,**  
**INE437A07088**  
**INE437A07093 &**  
**INE437A07104**

Dear Sirs,

Sub : Proposal relating to acquisition of Hetero Pharmacy stores

Please find enclosed a communication relating to the proposed acquisition of 320 retail pharmacy stores of Hetero Med Solutions Limited ("HMSL"), as a business undertaking on a slump sale basis at an overall consideration not exceeding a sum of Rs 146 crores, as approved by the Board. It may be noted that the transaction does not involve any equity acquisition in HMSL.

The pharmacy stores are currently operated in Telengana, Andhra Pradesh and Tamil Nadu.

The transaction would be subject to completion of due diligence and other statutory formalities.

You are requested to kindly take this on record.

Thanking you

Yours faithfully  
For APOLLO HOSPITALS ENTERPRISE LIMITED

S M KRISHNAN  
Sr. GENERAL MANAGER - FINANCE  
& COMPANY SECRETARY

CC : The Secretary,  
Luxembourg Stock Exchange,  
B.P. 165,  
L-2011 Luxembourg.

Securities and Exchange Commission  
Division of Corporation Finance  
Office of International Corporate Finance  
450 Fifth Street, N.W.  
Washington, D.C  
20549-0302

Ref: **ISIN US0376081065 - Rule 144a GDR**  
**ISIN US0376082055 - Reg. S GDR**

File No. 82-34893

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Raja Annamalaipuram,  
Chennai - 600 028.

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## **Apollo Hospitals to acquire pharmacy stores business of Hetero Med Solutions Ltd as a business undertaking on a slump sale basis**

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Apollo Hospitals Enterprise Limited has entered into an MoU with Hetero Med Solutions Limited ("HMSL") for the acquisition of its retail pharmacy stores currently operated in Telengana, Andhra Pradesh and Tamilnadu.

The acquisition would be in the form of purchase of the business undertaking, on a slump sale basis and comprises of 320 pharmacy stores, at an overall consideration not exceeding Rs 146 crores .

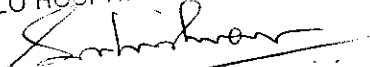
The transaction would be subject to completion of due diligence and other statutory formalities.

- This acquisition will further strengthen Apollo Pharmacy's leadership position in the industry
- The addition of 320 stores are in existing core geographies where Apollo Pharmacy has a strong market presence and further consolidate its presence as a significant player in this region .
- Apollo Pharmacy plans to leverage its existing backend infrastructure to drive economies of scale , thereby accelerating profitability for these stores
- This will also create an opportunity to increase the sales of Apollo private label products.

### **About HMSL**

HMSL incorporated in 2007, is a member of the Hetero Group which has a significant presence in the manufacture and marketing of Pharmaceutical products and intermediate chemicals used in the Pharma Industry. The Hetero Group has a current group wide turnover of Rs 5,000 crores.

HMSL currently operates 320 retail pharmacies in the states of Telengana, Andhra Pradesh and Tamil Nadu and is currently the third largest pharma retail chain in India.

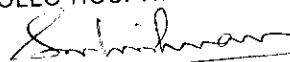
For APOLLO HOSPITALS ENTERPRISE LTD.  
  
S.M. KRISHNAN  
Sr. General Manager - Finance & Company Secretary

HMSL recorded revenues of Rs 160 crores and negative EBITDA of Rs 3.90 cr for FY 2014. HMSL stores have recorded a break even at the store level in FY 2014 while the EBITDA loss is mainly on account of backend expenses.

HMSL promoters have decided to exit the pharma retail business in order to focus on their core pharma and bulk drugs businesses.

***Ms. Shobana Kamineni, Executive Vice Chairperson added, "In order to drive the Stand Alone Pharmacy business segment's growth to the next stage, Apollo was on the look out for acquisitions to grow inorganically and considers the Hetero Pharmacy chain as the right choice given its significant presence in the relevant territories. We expect to leverage on our proven track record of performance and operational capabilities to drive growth and profitability of the combined network and create long term value for our shareholders "***

For APOLLO HOSPITALS ENTERPRISE LTD.



S.M. KRISHNAN

Sr. General Manager - Finance & Company Secretary