APOLLO HOSPITALS ENTERPRISE LIMITED
SUMMARY OF PROPOSED INVESTMENT dated March 7, 2012

Project Description:

Apollo Hospitals Enterprise Limited ('AHEL' or the 'Company') is among the largest integrated private healthcare groups in India. The proposed project by AHEL involves an investment of upto US$394 million over the next four years to add about 2,900 beds to its hospital network and for equipment purchases of its existing hospitals (the 'Project'). The funds will be used to implement AHEL's strategy for growth which includes: (i) expansion in existing facilities that are reaching full capacity; (ii) setting up new facilities in larger cities with growing and unmet demand; and (iii) expanding its network of "Reach" hospitals, which include smaller, simpler facilities in less developed population centers.

Project Sponsor and major Shareholders of Project Company:

Founded in 1979 by Dr. Prathap C. Reddy, AHEL has grown to become a leading healthcare provider with a national footprint and a wide range of services. In addition to hospitals, AHEL owns and operates clinics, diagnostic centers, pharmacies, and provides consulting, telemedicine and healthcare education and training services. AHEL's shares are listed on the Bombay Stock Exchange and the National Stock Exchange. Dr. Reddy and family members own 33.1% of the shares. Other significant shareholders include Apax Group (12.7%) and Integrated Healthcare Holdings (Mauritius) Ltd (11.2%). IFC holds approximately 0.9% of AHEL's shares.

Total Project Cost and Amount and Nature of IFC's Investment:

The proposed IFC investment is comprised of A / B Loans of up to US$60 million. The proceeds of the loans will be used to partially fund the Project.

Location of project and description of site:

AHEL is headquartered in Chennai, India and operates hospitals pan-India. The Company has planned future expansion in cities including Mumbai, Chennai, Bangalore, Patna, Vishakhapatnam, Nashik, Nellore and Trichy. The proposed IFC investment is a corporate level loan and will be deployed at several locations of the Company in India.

Anticipated Development Impact of the Project:

- AHEL's plans to set up new hospitals and expand facilities will enhance the country's medical infrastructure and improve access to high quality healthcare services. The Company's facilities in larger cities will act as centers of excellence for tertiary healthcare, while its new facilities in second and third tier cities and in Low Income States (LIS) will bring affordable quality healthcare closer to populations in these locations and reduce the need for people to travel long distances to seek medical care.
- The Project will help raise the overall quality of private medical service delivery in India, thereby also having a strong demonstration effect.
- The Project, upon completion, will provide additional direct employment to more than 9,000 people in the healthcare sector, apart from generating indirect employment.
- AHEL is incorporating aspects of green buildings into the design and construction of its facilities while also taking steps to increase energy efficiency of existing operations.

IFC's expected Development Contribution:

- IFC will provide tailored long term financing in a difficult market environment.
- IFC and AHEL have a strategic relationship and as the Apollo Group enters new business segments such as medical education, the Company can leverage IFC's expertise in these markets and sectors.
- AHEL plans further international expansion in middle and lower income countries through an asset-light model. Current target countries include Tanzania, Zambia and Rwanda. IFC's expertise and industry relationships in such countries would bring value addition that is unavailable from other investors.
- AHEL is pursuing ways to make their facilities more energy efficient and to incorporate aspects of green building technology. IFC's knowledge and experience in this area will be a unique value-addition to the Company.

Environmental and Social Issues:

This is a Category B project according IFC's Procedure for Environmental and Social Review of Projects.

Key risks and issues related to this project include: adequate social and environmental assessment of the impacts of the Project; the Company's capacity to manage its social, environmental, health and safety performance, and engage with local communities in accordance with local requirements and IFC Performance Standards and EHS Guidelines; assurance of fair, safe and healthy working conditions; management of wastes (particularly biomedical waste) and emissions; impacts of transport infrastructure on nearby communities during construction, life and fire safety management for all public use buildings in accordance with international fire safety codes and impacts of land acquisition as applicable.

Further details on the potential environmental and social impacts of the project, corresponding mitigation measures and guidance on how and where information about the project are provided in the Environmental & Social Review Summary.

For inquiries and comments about the project contact:

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