



Hyderabad, India

Why The Concept of Medical Tourism?

- ◆ Health care business is becoming global
- ◆ Take advantage of growing Medical Tourism market
- ◆ Current problems facing the US health care industry
 - Increasing cost of health care professionals
 - Increasing regulation of clinical research
 - High (and increasing) liability costs
 - Significant overhead costs compared to the rate of inflation
 - 45 million uninsured population
- ◆ Health care problems in advanced countries with a national health plan
 - Significant wait time for elective procedures
 - Escalating health care costs with aging population
- ◆ Unmet demand for health care needs of large populations willing to seek treatment at their own cost

International Hospital Corporation (IHC) Objectives & Strategies

- ◆ Build a World-Class health care campus in Hyderabad, India
- ◆ Seek accreditation by Joint Commission International (JCI)
- ◆ Train staff in ICH GCPs (International Conference on Harmonisation Good Clinical Practice) and enable physicians to serve as investigators in clinical trials at the hospital
- ◆ Combine the use of Information Technology (IT) and medical practice from inception of the organization
- ◆ Highest priority for ethical practices and patient privacy
- ◆ Establish an alliance with a World-Class US academic hospital for brand name, marketing advantage, and international recognition
- ◆ Establish an alliance with a leading Indian hospital
- ◆ Physicians from US and India will deliver health care services
- ◆ Establish IHC as a top medical tourism facility
- ◆ Long-term strategy - expansion into other major cities
- ◆ IPO (initial public offering) expected in five to seven years

IHC - A *sui generis* Medical Tourism Campus in India

What's in it for various stakeholders?

- ◆ An attractive investment opportunity
 - Equity investment in IHC
 - Optional investment in land through residential plots
- ◆ Opportunity to own a home, live in a secure gated community with US standard of living
- ◆ Opportunities to be part of IHC's management & governing body
- ◆ Professional opportunities for physician-investors
 - Privilege to practice and teach at IHC
 - Help build ethical team of medical professionals at IHC
 - Contribute to research & advancement in Medicine
- ◆ Fulfillment of family & societal obligations
 - Help improve health care standards in India
 - Help NRI (Non-Resident Indian) & PIO (Persons of Indian Origin) to take care of their parents
 - Expand opportunities to NRI/PIO children
 - Help improve the health and well being of the poor & needy through IHC charitable foundation
 - Opportunity to help Indian students in health care education

IHC Health Care Campus

- ◆ 200 bed hospital, expandable to 500 beds
- ◆ Resort and star hotel for patient recuperation and accompanying families
- ◆ Rehabilitation facilities
- ◆ Training schools for various health care disciplines in affiliation with US academic institutions
 - Nursing training
 - Paramedical training
 - Long-term strategy - a medical school primarily for NRI/PIO children
- ◆ Research facility
- ◆ Tourism & recreation facilities
- ◆ Geriatric facilities
- ◆ Gated golf residential community

Target Market

- ◆ International patients (Medical Tourists)
 - 45 Million uninsured persons in US
 - Patients from universal health care countries waiting for elective procedures
 - 22 Million PIO (Persons of Indian origin)
 - Self-insured corporations in US
- ◆ Domestic Patients
 - Business executives, affluent persons, and celebrities seeking exclusive health care and privacy
 - Patients from upper middle class from all over India (100 million)
 - Employees of multinational companies from all over India (100,000 plus in Hyderabad)

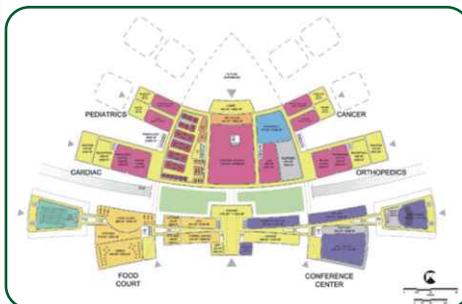
Health Care Services Offered

- ◆ Centers of Excellence
 - Cardiology
 - Orthopedics
 - Plastic and Reconstructive Surgery
 - Rehabilitation Medicine
- ◆ Centers for Alternative Medicine
 - Transplant Medicine
 - Reproductive Endocrinology
 - Pediatric Surgical Specialty Care
 - Cancer Care

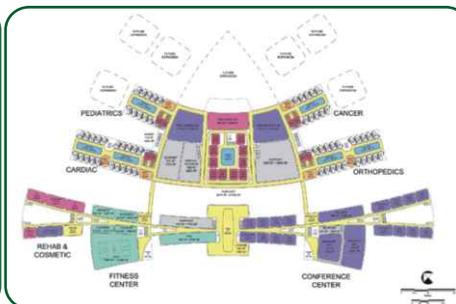
Planned Facilities & Infrastructure

(Architecture by Collins Gordon Bostwick Architects and construction by Larsen & Toubro/Shapoorji Pallonji/IVRCL)

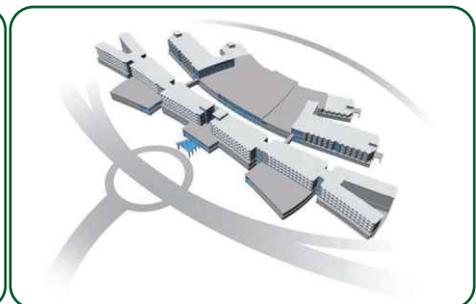
- ◆ 300 Acre campus with easy access from NH-9, NH-7 and Outer Ring Road to Shamshabad international airport
- ◆ 200 Acres of core investor gated golf residential community
- ◆ Employees and staff residential campus
- ◆ Tourism facilities (i.e. resort cottages, health spa, gym facilities, food courts, shopping, sports complex, etc.)
- ◆ Water source from Manjeera river pipeline (available on site)
- ◆ Power from AP State, captive power plant, and diesel generator back-up
- ◆ Upto 1 Gb fiber optic link for telemedicine & video conferencing with international hospitals and primary care physicians worldwide



Hospital & Resort - Level 0



Hospital & Resort - Level 1



Hospital & Resort - 3D View

Proposed master plan

Government Support

- ◆ Central & state government support
 - Letter of support from Secretary of Health Services
 - Letter of support from Secretary of Tourism
 - Letter of support from Advisor to the Govt. of AP, Foreign Investments & NRI Affairs
- ◆ Special Economic Zone (SEZ) benefits
 - Duty free import of equipment & supplies
 - Income Tax holiday for 5 years
- ◆ Mega-project benefits offered under AP State Industrial Policy
 - State level tax & duty concessions
 - Power & water price concessions
 - Various other concessions

Project Execution Partners

- ◆ Architects & consultants
 - CGB (Collins Gordon Bostwick) Architects, Cleveland, OH - architects for Cleveland Clinic's Heart Center
 - EPOS Health Consultants (Indian subsidiary of German based company)
- ◆ Project validation, financing, and construction
 - IL&FS (Infrastructure Leasing & Financial Services) - investment bankers and project managers
 - Larsen & Toubro/Shapoorji Pallonji/IVRCL (health care campus)
- ◆ Health care alliances
 - Care Hospital - a leading and reputed hospital in Hyderabad, India
 - Seeking alliance with various hospitals and institutions in US
- ◆ Legal representation by Squire, Sanders & Dempsey in US & UK and Amarchand Mangaldas in India
- ◆ Financial auditing by RSM McGladrey in US and Deloitte Haskins & Sells in India

Project Execution Timeline

- ◆ Project launch - Mar 2007
- ◆ Hospital infrastructure & design - Dec 2007
- ◆ Hospital and star hotel construction - Dec 2008
- ◆ Equipment testing & commissioning - Mar 2009
- ◆ Guest/Patient arrivals - Mar 2009

Project Cost & Proposed Sources of Capital

- ◆ Total project cost - \$180 Million
 - Equity: \$90 Million
 - Debt: \$90 Million
- ◆ Various funding sources
 - Equity sources
 - Promoters and Investors from US, Canada, and Europe
 - Financial consortium organized by IL&FS
 - Debt sources from various financial institutions under consideration

Founding Members in US

Name	Summary Profile
Babu Rajendra Prasad Achanti Chairman	Co-Founder of IHC; Physician and former chief of medical staff, Fairview hospital, Cleveland, Ohio USA
Sudha Kavuru President & CEO	Co-Founder of IHC; Founder of Computer hardware and software companies in US and India
Rajive Khanna Director	Co-Founder of IHC; CEO, Grace Hospital and St. Michael Hospital, Cleveland, Ohio. IIT - Kanpur and IIT - Bombay, India
Chenchuramaiah Bathala Director	Co-Founder of IHC; Professor of finance in US and CFA Charterholder. 10 years experience with Union Bank of India



Artist rendition & concept layouts



Medical Tourism: Growing Demand and Acceptance

“By 2015, the health of the vast Baby Boom generation will have begun its slow, final decline, and, with more than 220 million Boomers in the United States, Canada, Europe, Australia and New Zealand, this represents a significant market for inexpensive, high-quality medical care.” --- *Medical Tourism Growing Worldwide*, Becca Hutchinson, *University of Delaware July 25, 2005*, (<http://www.udel.edu/PR/UDaily/2005/mar/tourism072505.html>)

“Medical tourism is forecast to become a \$2.3 billion business for India by 2012. Some analysts predict it will be the next major driver of the Indian economy after information technology. Already, about 150,000 visitors seek treatment every year, and this figure is rising at 15 percent annually.” --- *International Herald Tribune*, December 2, 2005.

“Seeing the huge potential in the sector, the (Indian) government has also started issuing M (medical) visa to the medical patients, and MX visas to the spouse accompanying him, which are valid for a year. 200,000 medical tourists visited India last year, and the figure will grow by 50% this year.” --- *Times of India*, August 31, 2006.

“The West Virginia legislature is studying a proposal that would encourage state employees to travel abroad for some procedures, giving them cash bonuses equivalent to 20 percent of the net cost savings ... In Britain, the government has authorized patients to go overseas for medical treatment in certain cases.” --- *New York Times*, October 15, 2006.

“United Group Programs, an insurer in Boca Raton, Fla., offers medical travel in its health plans to 4,300 corporate clients. About 40 employers now offer those plans to employees” --- *New York Times*, October 15, 2006.

Contact Details

Babu Rajendra Prasad Achanti, Chairman
Res. : 1-440-356-1635
Pager: 1-330-487-7265
Cell: 1-440-228-1597
Email: Prasad.Achanti@InternationalHospital.in

Sudha Kavuru, President & CEO
US Res. : 1-440-526-7848
US Cell: 1-440-570-7490
India Off: 1-440-397-0498
India Cell: +91-939136-0520
Email: Sudha.Kavuru@InternationalHospital.in

Veeraiah Choudary Perni, Co-founder & Director
US Res. : 1-330-568-1116
US Cell: 1-330-646-8004
US Off: 1-330-613-0811
Email: Veeraiah.Perni@InternationalHospital.in

Important Notices

- This material is strictly confidential and may not be reproduced or redistributed in whole or in part nor may its contents be disclosed to any other person.
- This document does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be used or relied upon in connection with any offer or sale of securities.
- An offer soliciting investment will be made to qualified investors through delivery of definitive offering materials and the offering will be subject to the terms and conditions contained in such documents.