



Max India Limited

Investor Release

FY 2007-08

Disclaimer

This release is a compilation of unaudited financial and other information and is not a statutory release. This may also contain statements that are forward looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially from our expectations and assumptions. We do not undertake any responsibility to update any forward looking statements nor should this be constituted as a guidance of future performance.

HIGHLIGHTS FY 2007-08

Group Revenue
Rs. 3,600 Crore  **81%**

Life Insurance Business

- Premium Income at Rs. 2,715 Crore Up 81%.
- Premium conservation ratio at 83%.
- New Business Sales at Rs. 1,676 Crore Up 73%.
- Over 1.75 million policies in force.
- AUM at Rs. 3,575 Crore, up 95%.
- In-force sum assured around Rs. 70,000 Crore.
- 37,000 agent advisors across 242 offices.

Speciality Products Business

- BOPP business achieves 100% utilization of 29,000 TPA capacity.
- Revenue at Rs. 306 Crore Up 84%.
- EBITDA margin expands to 16.2% from 12.7% in FY07.
- Profit before tax of Rs. 25 Crore Up 108%.

Group Investments
Rs. 4,800 Crore  **128%**

Healthcare Business

- Revenue at Rs. 372 Crore Up 52%.
- Healthcare business turns EBITDA positive at Rs 20 Crore.
- Registered patient base over 560,000.
- Acquired land for a new 300-bedded hospital in North-west Delhi.
- 122-bedded facility commences operations in Gurgaon.

Clinical Research Business

- Clinical Research business turns profitable backed by strong order flows.
- Revenue grows three-fold to Rs. 11 Crore.
- Order book in excess of Rs. 30 Crore, up from Rs. 9 Crore in the previous year.
- Business Development pipeline of around Rs. 80 Crore.

CONSOLIDATED INCOME STATEMENT – SNAPSHOT

(Rs. Crore)

Details	FY 2007-08	FY 2006-07	Growth %
Operating Revenue	3,244.05	1,819.36	78%
Investment and Other Income	366.50	174.26	110%
Total Revenue	3,610.55	1,993.62	81%
EBITDA	70.59	20.51	244%
EBIT	4.25	(25.71)	
Net Income Before Tax	(43.06)	(55.49)	

Website: www.maxindia.com BSE Scrip Code: 500271, NSE Ticker: MAX, Bloomberg: MAX:IN

CONSOLIDATED FINANCIAL POSITION – SNAPSHOT

(Rs. Crore)

Details	FY 2007-08	FY 2006-07	Growth %
Shareholders' Funds	1,543.75	602.62	156%
Preference Shares*	250.00	-	-
Loans Funds	551.90	558.68	-1%
Fixed Assets (Net Block)	718.23	628.36	14%
Treasury Corpus	1,261.39	285.05	343%
Life Insurance Investments (Assets under management)	3,574.88	1,835.43	95%

* Preference Shares issued to IFC Washington by Max Healthcare Institute Ltd.

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MAX NEW YORK LIFE INSURANCE

- **Gross premium income of Rs. 2,715 Crore for the year ended Mar'08, grows 81% year-on-year.**
 - *Gross premium income for the quarter ended Mar'08 at Rs. 952 Crore, grows 86%.*
- **Annualized First Year Premium (new sales) of Rs. 1,676 Crore for the year ended Mar'08, grows 73% year-on-year.**
 - *New Sales for the quarter ended Mar'08 at Rs. 573 Crore, grows 81%.*
 - *Unit Linked products contribute 81% to the new sales for the year.*
- **Individual First Year Premium adjusted for single pay (APE) for the year ended Mar'08 at Rs. 1,308 Crore, grows 70% year-on-year.**
 - *APE for the quarter ended Mar'08 at Rs. 471 Crore, grows 95%.*
- **Assets Under Management at Rs. 3,575 Crore, grows 95% year-on-year.**
- **Life Insurance business capitalised at Rs. 1032 Crore.**
 - *The shareholders infused Rs. 300 Crore as fresh capital during the year.*
- **Sum assured in force as at Mar'08 end around US\$ 17.5 billion (Rs. 700 billion), grows 56% year-on-year.**



MAX NEW YORK LIFE INSURANCE

- **Over 1.75 million policies in force.**
 - *873,000 policies sold during the year, up 58% year-on-year.*
- **Conservation ratio* for the year ended Mar'08 at 83% against 78% for the year ended Mar'07.**
 - *Conservation Ratio for the quarter ended Mar'08 improves considerably to 86% from 74% in the corresponding previous quarter.*
- **Agency force as at Mar'08 end at 37,000 agents, grows 47% year-on-year.**
 - *Around 12,000 net agents added during the year.*
- **Average case size per agent at Rs. 22,000 for the year ended Mar'08 is in line with the previous year.**
- **Average case rate per agent per month at 1.5 for the year ended Mar'08 against 1.6 for the year ended Mar'07.**
- **Geographic coverage increases to 242 offices across 157 locations.**
 - *77 offices added during the year.*

* Conservation Ratio = Renewal Premium for the current year/(First Year+Renewal Premium for the previous year)

MAX NEW YORK LIFE INSURANCE

Key Business Drivers	Unit	Quarter Ended		Q-o-Q Growth	Year Ended		Y-o-Y Growth
		Mar-08	Mar-07		Mar-08	Mar-07	
a) Sales Value (Annualized first year premium)	Rs. Crore	573	316	81%	1,676	970	73%
b) Average case size	Rs.	20,728	23,029	-10%	21,923	21,810	1%
c) Case rate per agent per month	No.	1.50	1.58	-5%	1.46	1.63	-10%
d) Number of agents	No.				36,896	25,048	47%
e) Net agents added	No.	6,992	4,061		11,848	9,763	
f) Conservation ratio*	%	86%	74%		83%	78%	
g) Gross written premium income	Rs. Crore						
First year premium		478	255	87%	1,326	751	77%
Renewal premium		391	201	95%	1,117	588	90%
Single premium		83	57	46%	272	161	69%
Total		952	513	86%	2,715	1,500	81%
h) Paid up Capital	Rs. Crore				1,032	732	41%
i) Individual Policies in force	No.				1,750,725	1,098,230	59%
j) Sum insured in force	Rs. Crore				69,887	44,674	56%

* Conservation Ratio = Renewal Premium for the current year/(First Year+Renewal Premium for the previous year)

MAX HEALTHCARE

- **Revenue across network of hospitals at Rs. 372 Crore for the year ended Mar'08, grows 52% year-on-year.**
 - *Revenue for the quarter ended Mar'08 at Rs. 101 Crore, grows 45%.*
- **Healthcare business generates positive EBITDA of Rs. 20 Crore during the year against negative Rs. 18 Crore in the corresponding previous year.**
- **Average Occupancy across all healthcare care facilities at 66%.**
 - *Average length of stay maintained at 3.4 days.*
- **Over 1,250 doctors in the network.**
 - *Physicians on rolls increases to around 500.*
- **Number of employees, excluding physicians, increases from over 2,300 in Mar'07 to around 2,700 in Mar'08.**
- **Registered patient base of over 560,000 patients.**
 - *Average patient transactions for the year at over 135,000 transactions a month.*

* Occupancy has been calculated on average operational beds.



MAX HEALTHCARE



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Year Ended		Y-o-Y Growth
		Mar-08	Mar-07		Mar-08	Mar-07	
a) Revenue	Rs. Crores						
Inpatient Revenue		80.8	56.0	44%	301.5	197.1	53%
Outpatient Revenue		19.7	13.2	49%	70.9	47.7	49%
Total		100.5	69.2	45%	372.4	244.8	52%
b) Profitability							
Contribution Margin	Rs. Crores	54.3	35.7	52%	197.7	126.3	57%
Contribution (%)	%	54.0%	51.6%		53.1%	51.6%	
EBITDA	Rs. Crores	6.6	(3.1)		19.6	(18.1)	
EBITDA (%)	%	6.6%	-4.5%		5.3%	-7.4%	
c) Patient Transactions	No.						
Number of Procedures							
- Cardiac Care		2,065	1,528	35%	7,648	5,595	37%
- Orthopaedics		491	401	22%	2,004	1,601	25%
- Neurosciences		105	148	-29%	657	498	32%
- Obstetrics & Gynaecology		1,053	892	18%	4,171	3,103	34%
- Others		2,119	1,743	22%	8,214	5,924	39%
Medical Admissions		6,125	4,776	28%	23,838	19,950	19%
Outpatient Registrations		423,070	309,951	36%	1,592,804	1,105,420	44%
d) Average Operational Beds	No.	679	613	11%	662	610	9%
e) Average Occupancy	%	65.0%	61.4%		65.8%	63.5%	
f) Average Length of Stay	No.	3.4	3.8		3.4	3.5	
g) Average Revenue per Occupied Bed Day	Rs.	20,132	15,653	29%	18,914	15,540	22%



MAX SPECIALITY PRODUCTS

- All BOPP lines achieve 100% capacity utilization despite tripling capacities to 29,000 TPA in Mar'07.
- Return on Capital Employed for the year ended Mar'08 at 16%.
– Return on Capital Employed for the quarter ended Mar'08 at 24%.

Key Business Drivers	Unit	Quarter Ended		Q-o-Q Growth	Year Ended		Y-o-Y Growth
		Mar-08	Mar-07		Mar-08	Mar-07	
a) Sales Quantity - BOPP	Tons	7,180	3,308	117%	23,929	11,985	100%
b) Revenue	Rs. Crore	91.6	46.8	96%	306.0	166.0	84%
c) Profitability:							
Contribution Margin	Rs. Crore %	37.2 40.6%	17.5 37.4%	113%	119.9 39.2%	61.8 37.2%	94%
EBITDA	Rs. Crore %	16.8 18.3%	6.2 13.2%	171%	49.6 16.2%	21.0 12.7%	136%
PBT	Rs. Crore %	10.0 10.9%	3.5 7.5%	186%	24.5 8.0%	11.8 7.1%	108%

CLINICAL RESEARCH

- **Clinical Research business turns profitable backed by strong order flows.**
- **Net earnings from the business at Rs. 0.7 Crore.**
- **Revenue grows over three-fold to Rs. 11.1 Crore in FY 08 from Rs. 3.7 Crore in FY07.**
- **New orders of Rs. 34 Crore received in FY08 against Rs. 11 Crore in FY07.**
 - *Order book of Rs. 32 Crore as at FY08 end, up from Rs. 9 Crore as at FY07 end.*
 - *Business Development pipeline of around Rs. 80 Crore.*
- **14 new customers added during the year with 4 new in the current quarter.**
 - *Client base increases to 43.*
- **Database of over 750 principal investigators.**
- **Patient Retention rate maintained at 98%.**



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