

Max India Limited

Investor Release October 2008

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HIGHLIGHTS – Q2'FY09


- **Max New York Life receives Golden Peacock award for its path breaking and innovative business concept “Max Vijay” targeted at addressing the insurance and saving needs of 100 million low income under serviced households.**
- **Max New York Life on a significant expansion drive – strength of agents and distribution network more than doubles within a year to 58,500 agents across 443 offices.**
- **Max Healthcare turns Cash Positive.**
- **Max Healthcare acquires land in Greater Noida, a suburb of Delhi, to build 300-bedded Tertiary Care / Multi-Speciality hospital to be launched by April'12.**
- **Max India inks joint-venture agreement with Bupa Finance Plc., UK to set up a health insurance joint-venture with 50% equity participation, BUPA to hold 26%, the remaining 24% to be held by Mr. Analjit Singh and his family through certain intermediate companies.**


CONSOLIDATED FINANCIAL SNAPSHOT

(Rs. Crore)

| INCOME STATEMENT | Q2 FY09 | Q2 FY08 | Growth % | H1 FY09 | H1 FY08 | Growth % |
|-----------------------------|---------|---------|----------|---------|---------|----------|
| Operating Revenue | 1,038 | 666 | 56% | 2,060 | 1,230 | 67% |
| Investment and Other Income | 85 | 179 | -53% | 185 | 316 | -41% |
| Total Revenue | 1,123 | 845 | 33% | 2,245 | 1,546 | 45% |
| Net Income Before Tax* | (215) | (31) | | (256) | (51) | |

| FINANCIAL POSITION | 30-Sep-08 | 30-Sep-07 |
|--|-----------|-----------|
| Net Worth | 1,364 | 1,568 |
| Preference Shares** | 250 | 250 |
| Loans Funds | 376 | 558 |
| Fixed Assets (Net Block) | 834 | 673 |
| Treasury Corpus | 741 | 1,390 |
| Life Insurance Investments (Assets under management) | 4,387 | 2,565 |

Operating Revenue
Rs. 2000 Crore  **67%**

Asset Under Management
Rs. 4400 Crore  **71%**

* Losses have increased on account of significant expansion being undertaken in the life insurance business.

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

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

MAX NEW YORK LIFE INSURANCE

- **Gross premium income Rs. 861 Crore for the quarter ended Sep'08, grows 60% year-on-year.**
- **Annualized First Year Premium (new sales) of Rs. 490 Crore for the quarter ended Sep'08, grows 55% year-on-year.**
 - *Unit Linked products contribute 84% to the sales.*
- **Individual First Year Premium adjusted for single pay (APE) for the quarter ended Sep'08 at Rs. 378 Crore, grows 57% year-on-year.**
- **Assets Under Management at Rs. 4,400 Crore, grows 71% year-on-year.**
- **Sum assured in force as at Sep'08 end around US\$ 18 billion (Rs. 850 billion), grows 57% year-on-year.**
- **Life Insurance business capitalised at Rs. 1,432 Crore.**
 - *The shareholders infused Rs. 200 Crore as fresh capital during the quarter.*

MAX NEW YORK LIFE INSURANCE

- **Around 2.2 million policies in force.**
 - *Around 280k policies sold during the quarter, up 73% year-on-year.*
- **Conservation ratio* for the quarter ended Sep'08 at 87% in line with the corresponding previous quarter.**
- **Agency force as at Sep'08 end around 58,500 agents, grows 105% year-on-year.**
 - *Around 12,000 net agents added during the quarter.*
- **Average case size per agent at Rs. 19,400 for the quarter ended Sep'08 against Rs. 21,800 for the quarter ended Sep'07.**
- **Average case rate per agent per month at 1.2 for the quarter ended Sep'08 in line with the corresponding previous quarter.**
- **Geographic coverage increases to 443 offices across 277 locations.**
 - *132 offices added during the quarter.*

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

MAX NEW YORK LIFE INSURANCE

| Key Business Drivers | Unit | Quarter Ended | | Y-o-Y Growth | Half Year Ended | | Y-o-Y Growth |
|--|-----------|---------------|------------|--------------|-----------------|------------|--------------|
| | | Sep-08 | Sep-07 | | Sep-08 | Sep-07 | |
| a) Sales Value (Annualized first year premium) | Rs. Crore | 490 | 316 | 55% | 1,032 | 625 | 65% |
| b) Average case size | Rs. | 19,431 | 21,857 | -11% | 20,703 | 21,852 | -5% |
| c) Case rate per agent per month | No. | 1.15 | 1.17 | -2% | 1.11 | 1.30 | -15% |
| d) Number of agents | No. | | | | 58,581 | 28,574 | 105% |
| e) Net agents added | No. | 11,730 | 847 | | 21,685 | 3,526 | |
| f) Conservation ratio* | % | 87% | 87% | | 88% | 84% | |
| g) Gross written premium income | Rs. Crore | | | | | | |
| First year premium | | 375 | 253 | 48% | 800 | 494 | 62% |
| Renewal premium | | 424 | 236 | 80% | 793 | 408 | 94% |
| Single premium | | 61 | 50 | 22% | 133 | 97 | 37% |
| Total | | 861 | 539 | 60% | 1,725 | 999 | 73% |
| h) Paid up Capital | Rs. Crore | 1,432 | 807 | 77% | 1,432 | 807 | 77% |
| i) Individual Policies in force | No. | | | | 2,182,943 | 1,303,669 | 67% |
| j) Sum insured in force | Rs. Crore | | | | 85,368 | 54,344 | 57% |

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

MAX HEALTHCARE

- **Revenue across network of hospitals at Rs. 112 Crore for the quarter ended Sep'08, grows 21% year-on-year.**
- **EBITDA of Rs. 10 Crore for the quarter ended Sep'08, grows 106% year-on-year**
 - *EBITDA Margin improves to 9% from 5% in corresponding previous quarter.*
- **Turns cash positive in the quarter**
 - *Cash Profit of Rs. 3 Crore for the quarter ended Sep'08 against cash loss of Rs. 4 Crore for the quarter ended Sep'07.*
- **Average Occupancy across all healthcare care facilities at 73%.**
 - *Average length of stay at 3.4 days.*
- **Over 1,250 doctors and around 3,000 employees in the network.**
 - *Physicians on rolls increases to over 550.*
- **Registered patient base of over 650,000 patients.**
 - *Average patient transactions for the quarter at over 175,000 transactions a month.*

| Key Business Drivers | Unit | Quarter Ended | | Y-o-Y Growth | Half Year Ended | | Y-o-Y Growth |
|---|-----------|---------------|-------------|--------------|-----------------|--------------|--------------|
| | | Sep-08 | Sep-07 | | Sep-08 | Sep-07 | |
| a) Revenue | Rs. Crore | | | | | | |
| Inpatient Revenue | | 86.9 | 73.7 | 18% | 165.0 | 140.5 | 17% |
| Outpatient Revenue | | 24.8 | 18.3 | 36% | 46.2 | 33.5 | 38% |
| Total | | 111.7 | 92.0 | 21% | 211.2 | 174.0 | 21% |
| b) Profitability | | | | | | | |
| Contribution Margin | Rs. Crore | 63.3 | 49.3 | 28% | 117.8 | 92.9 | 27% |
| Contribution (%) | % | 56.7% | 53.6% | | 55.8% | 53.4% | |
| EBITDA | Rs. Crore | 10.1 | 4.9 | 106% | 15.2 | 7.7 | 97% |
| EBITDA (%) | % | 9.0% | 5.3% | | 7.2% | 4.4% | |
| Cash Profit | Rs. Crore | 2.8 | (4.1) | | 0.1 | (9.8) | |
| c) Patient Transactions | No. | | | | | | |
| Number of Procedures | | | | | | | |
| - Cardiac Care | | 1,947 | 1,843 | 6% | 3,813 | 3,672 | 4% |
| - Orthopaedics | | 544 | 510 | 7% | 1,105 | 1,037 | 7% |
| - Neurosciences | | 209 | 173 | 21% | 413 | 365 | 13% |
| - Obstetrics & Gynaecology | | 1,301 | 1,013 | 28% | 2,403 | 2,023 | 19% |
| - Others | | 2,394 | 1,970 | 22% | 4,865 | 3,997 | 22% |
| Medical Admissions | | 7,525 | 6,059 | 24% | 13,394 | 11,328 | 18% |
| Outpatient Registrations | | 512,758 | 413,696 | 24% | 972,621 | 762,337 | 28% |
| d) Average Operational Beds | No. | 714 | 671 | 6% | 707 | 648 | 9% |
| e) Average Occupancy | % | 72.9% | 64.3% | | 67.3% | 65.0% | |
| f) Average Length of Stay | No. | 3.4 | 3.4 | | 3.3 | 3.4 | |
| g) Average Revenue per Occupied Bed Day | Rs. | 18,159 | 18,563 | -2% | 18,956 | 18,213 | 4% |

MAX SPECIALITY PRODUCTS

- All BOPP lines running at 100% capacity utilization.
- Return on Capital Employed for the quarter ended Sep'08 at 18%.

| Key Business Drivers | Unit | Quarter Ended | | Y-o-Y Growth | Half Year Ended | | Y-o-Y Growth |
|--------------------------|----------------|---------------|---------------|--------------|-----------------|---------------|--------------|
| | | Sep-08 | Sep-07 | | Sep-08 | Sep-07 | |
| a) Sales Quantity - BOPP | Tons | 7,024 | 6,195 | 13% | 13,833 | 10,094 | 37% |
| b) Revenue | Rs. Crore | 107.6 | 78.1 | 38% | 205.4 | 131.0 | 57% |
| c) Profitability: | | | | | | | |
| Contribution Margin | Rs. Crore % | 34.8 32.3% | 30.2 38.7% | 15% | 69.2 33.7% | 50.8 38.8% | 36% |
| EBITDA | Rs. Crore % | 14.1 13.1% | 12.6 16.1% | 12% | 28.0 13.6% | 19.4 14.8% | 44% |
| PBT | Rs. Crore % | 7.3 6.8% | 6.3 8.1% | 16% | 14.4 7.0% | 7.2 5.5% | 100% |

CLINICAL RESEARCH

- Revenue of Rs. 3.4 Crore for the quarter ended Sep'08, grows 167% year-on-year.
- The business continues to be profitable at Rs. 0.4 Crore.
- Order book of Rs. 38 Crore as at Sep'08 end, grows 138% year-on-year.
 - *New orders of Rs. 8 Crore received during the quarter.*
 - *Business Development pipeline of around Rs. 87 Crore.*
- 70 studies being executed across 246 sites.
- Database principal investigators expands to over 800.
- Patient Retention rate maintained at 98%.



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