



# Max India Limited

## Investor Release January 2009

### *Disclaimer*

*This release is a compilation of unaudited financial and other information and has not been subjected to limited review. 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.*


# CONSOLIDATED FINANCIAL SNAPSHOT

(Rs. Crore)


INCOME STATEMENT	Q3 FY09	Q3 FY08	Growth %	9M FY09	9M FY08	Growth %
Operating Revenue	1,134	913	24%	3,194	2,143	49%
Investment and Other Income	105	313	-66%	290	629	-54%
Total Revenue	1,239	1,226	1%	3,484	2,772	26%
Net Income Before Tax*	(94)	(4)		(350)	(55)	

FINANCIAL POSITION	31-Dec-08	31-Dec-07
Net Worth	1,278	1,564
Preference Shares**	250	250
Loans Funds	359	554
Fixed Assets (Net Block)	898	693
Treasury Corpus	390	1,297
Life Insurance Investments (Assets under management)	4,827	3,326

## Operating Revenue

Rs. 3,200 Crore  49%

## Asset Under Management

Rs. 4,800 Crore  45%

\* 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](http://www.maxindia.com) BSE Scrip Code: 500271, NSE Ticker: MAX, Bloomberg: MAX:IN

## **MAX NEW YORK LIFE INSURANCE**

- **Business Plan targets for FY 11-12 revised...**
- **Peak Capital of Rs. 3,800 Crore**
- **Annualized First Year Premium (new sales) targeted at over Rs. 8,000 Crore**
- **Gross Premium Income targeted at over Rs. 14,000 Crore**
- **To turn profitable in FY 11-12**
- **To open 100 sales offices every year – Sales offices to exceed 1,000 by FY 11-12**
- **Agency strength to grow from 72,000 to 200,000 agents by FY 11-12**

## MAX NEW YORK LIFE INSURANCE

- **Gross premium income at Rs. 978 Crore for the quarter ended Dec'08, grows 28% year-on-year.**
- **Annualized First Year Premium (new sales) of Rs. 547 Crore for the quarter ended Dec'08, grows 14% year-on-year.**
  - *Unit Linked products contribute 80% to the sales.*
- **Individual First Year Premium adjusted for single pay (APE) for the quarter ended Dec'08 at Rs. 381 Crore, grows 9% year-on-year.**
- **Over 2.4 million policies in force.**
  - *Around 322k policies sold during the quarter, up 37% year-on-year.*
- **Assets Under Management over Rs. 4,800 Crore, grows 45% year-on-year.**
- **Life Insurance business capitalised at Rs. 1,782 Crore.**
  - *The shareholders infused Rs. 350 Crore as fresh capital during the quarter.*

## MAX NEW YORK LIFE INSURANCE

- **Sum assured in force as at Dec'08 end around US\$ 19 billion (Rs. 940 billion), grows 49% year-on-year.**
- **Conservation ratio\* for the quarter ended Dec'08 at 80% in line with the corresponding previous quarter.**
- **Agency force as at Dec'08 end over 72,000 agents, grows 142% year-on-year.**
  - *Around 13,700 net agents added during the quarter.*
- **Average case size per agent at Rs. 17,900 for the quarter ended Dec'08 against Rs. 23,200 for the quarter ended Dec'07.**
- **Average case rate per agent per month at 1.2 for the quarter ended Dec'08 against 1.7 for the quarter ended Dec'07.**
- **Geographic coverage increases to 555 offices across 364 locations.**
  - *112 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

- **MNYL strengthens its Distribution Channels further**
  - **Ties-up with Barclays Finance**
    - *One of the leading NBFCs in customer acquisition*
    - *Network of 119 branches across 49 cities*
- **MNYL receives recognition across categories**
  - *Golden Peacock Innovation Award 2008 for Max Vijay*
  - *Grant of US\$400,000 from International Labour Organization (ILO) for Max Vijay*
  - *7th best company to work for in India by Mercer Business Today Survey*
  - *Outlook Money ranked MNYL # 1 in Slow, Medium and Quick fund category*
  - *CIO 100 Award for innovation in technology implementation*
  - *CII Business Excellence commendation for “Strong Commitment to Excel”*

# MAX NEW YORK LIFE INSURANCE

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Nine months Ended		Y-o-Y Growth
		Dec-08	Dec-07		Dec-08	Dec-07	
a) Sales Value (Annualized first year premium)	Rs. Crore	547	478	14%	1,578	1,103	43%
b) Average case size	Rs.	17,877	23,230	-23%	19,500	22,427	-13%
c) Case rate per agent per month	No.	1.15	1.70	-32%	1.13	1.44	-22%
d) Number of agents	No.				72,226	29,904	142%
e) Net agents added	No.	13,645	1,330		35,330	4,856	
f) Conservation ratio*	%	80%	80%		85%	82%	
g) Gross written premium income	Rs. Crore						
First year premium		377	354	6%	1,176	848	39%
Renewal premium		541	318	70%	1,333	726	84%
Single premium		61	92	-34%	194	189	3%
<b>Total</b>		<b>978</b>	<b>764</b>	<b>28%</b>	<b>2,703</b>	<b>1,763</b>	<b>53%</b>
h) Paid up Capital	Rs. Crore				1,782	907	96%
i) Individual Policies in force	No.				2,416,721	1,500,589	61%
j) Sum insured in force	Rs. Crore				93,575	62,600	49%

\* 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. 103 Crore for the quarter ended Dec'08, grows 5% year-on-year.**
- **EBITDA at Rs. 8 Crore for the quarter ended Dec'08, grows 62% year-on-year**
  - *EBITDA Margin improves to 8% from 5% in corresponding previous quarter.*
- **Continues to be cash positive**
  - *Cash Profit of Rs. 2 Crore for the quarter ended Dec'08 against cash loss of Rs. 2 Crore for the quarter ended Dec'07.*
- **Average Occupancy\* across all healthcare care facilities at 63%.**
  - *Average length of stay at 3.3 days.*
- **Over 1,200 doctors and around 3,000 employees in the network.**
  - *Physicians on rolls around 500.*
- **Registered patient base of around 700,000 patients.**
  - *Average patient transactions for the quarter at over 150,000 transactions a month.*

\* Occupancy has been calculated on average operational beds.

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Nine Months Ended		Y-o-Y Growth
		Dec-08	Dec-07		Dec-08	Dec-07	
a) Revenue	Rs. Crore						
Inpatient Revenue		80.4	80.2	0%	245.4	220.7	11%
Outpatient Revenue		22.6	17.8	27%	68.7	51.4	34%
<b>Total</b>		<b>103.0</b>	<b>98.0</b>	<b>5%</b>	<b>314.1</b>	<b>272.1</b>	<b>15%</b>
b) Profitability							
Contribution Margin	Rs. Crore	59.5	50.6	18%	177.4	143.5	24%
Contribution (%)	%	57.8%	51.6%		56.5%	52.7%	
EBITDA	Rs. Crore	8.4	5.2	62%	23.6	13.0	82%
EBITDA (%)	%	8.2%	5.3%		7.5%	4.8%	
Cash Profit	Rs. Crore	1.7	(1.7)		1.8	(11.5)	
c) Patient Transactions	No.						
Number of Procedures							
- Cardiac Care		1,593	1,911	-17%	5,406	5,583	-3%
- Orthopaedics		514	476	8%	1,619	1,513	7%
- Neurosciences		249	187	33%	662	552	20%
- Obstetrics & Gynaecology		1,230	1,095	12%	3,633	3,118	17%
- Others		2,289	2,098	9%	7,154	6,095	17%
Medical Admissions		6,616	6,385	4%	20,010	17,713	13%
Outpatient Registrations		444,344	407,397	9%	1,416,965	1,169,734	21%
d) Average Operational Beds	No.	714	674	6%	709	657	8%
e) Average Occupancy	%	62.9%	67.9%		65.8%	66.0%	
f) Average Length of Stay	No.	3.3	3.5		3.3	3.4	
g) Average Revenue per Occupied Bed Day	Rs.	19,464	19,034	2%	19,119	18,503	3%

## MAX SPECIALITY PRODUCTS

- All BOPP lines running at 100% capacity utilization.
- Return on Capital Employed for the nine months ended Dec'08 at 15%.

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Nine Months Ended		Y-o-Y Growth
		Dec-08	Dec-07		Dec-08	Dec-07	
a) Sales Quantity - BOPP	Tons	7,155	6,655	7%	20,988	16,749	25%
b) Revenue	Rs. Crore	80.2	84.0	-5%	285.1	214.4	33%
c) Profitability:							
Contribution Margin*	Rs. Crore	32.2	32.3	0%	100.9	82.6	22%
	%	40.1%	38.5%		35.4%	38.5%	
EBITDA	Rs. Crore	10.3	13.4	-23%	38.2	32.8	16%
	%	12.8%	16.0%		13.4%	15.3%	
PBT	Rs. Crore	3.5	7.3	-52%	17.9	14.5	23%
	%	4.4%	8.7%		6.3%	6.8%	

\* Contribution Margin is calculated as revenue less raw material consumption.

## CLINICAL RESEARCH

- Revenue of Rs. 3 Crore for the quarter ended Dec'08, grows 66% year-on-year.
- The business continues to be profitable at Rs. 0.2 Crore for the quarter.
- Order book of Rs. 40 Crore as at Dec'08 end, grows 101% year-on-year.
  - *New orders of Rs. 5 Crore received during the quarter.*
  - *Business Development pipeline of around Rs. 120 Crore.*
- 74 studies being executed across 257 sites.
- Database of principal investigators expands to over 830.
- Patient Retention rate maintained at 98%.



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