



Max India Limited

Investor Release

July 2010

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Max Group - Key Highlights

Max India enhances stake in Max Healthcare

- Exercises option to invest Rs 53 Cr. at par
- Max India's stake in MHC to increase from 70% to 75.6%

MNYL turns profitable; activates Axis Bank relationship

- Axis Bank relationship launched in 26 circles and activation of Top 200 branches completed
- Starts contributing to sales in a meaningful way beginning June; new sales of Rs. 9 Cr. in the month
- 800 Feet On Street on board

MHC forms a strategic alliance with Nova to set up Day Care Centers

- MHC enters into a JV with Nova Medical Centres (specialised Day Care Surgery Centre Chain)
- MHC to have a beneficial equity stake of 26% in the JV
- To set up 2 Day care centres in Delhi/NCR, which may eventually go up to 6 centres

Max Bupa establishes pan India presence

- Max Bupa launches business on a national platform with full fledged operations in 9 cities - Delhi/NCR, Mumbai, Hyderabad, Chennai, Pune, Bangalore, Jaipur, Surat & Ludhiana
- Augments 3rd party distribution through a corporate agency tie up with Karvy Insurance Broking (Branch network over 500 branches)

MSF undertakes significant expansion

- 73% expansion in capacity with addition of 22,000 TPA BOPP line on track for a target start up in Apr' 11



Consolidated Financial Snapshot

(Rs. Cr.)

Details	Quarter Ended		Y-o-Y Growth
	Jun-10	Jun-09	
Operating Revenue	1,497	1,284	17%
Investment and Other Income	363	1,013	-64%
Total Revenue	1,860	2,297	-19%
Profit/(Loss) After Tax	(23)	(75)	-

Particulars	30- Jun-10	31-Mar-10	Growth
Net Worth	1,978	1,996	-1%
Preference Shares	250	250	-
Loans Funds	406	440	-8%
Fixed Assets (Net Block)	984	965	2%
Treasury Corpus (Debt Mutual Funds & Bank Balances)	792	909	-13%
Assets under Management (Life Insurance)	10,960	10,121	8%

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





Max New York Life Insurance



Revenue and Profitability

- Gross Premium Income for Q1FY11 at Rs. 1,304 Cr., grows 17% y-o-y
- Individual First Year Premium (adjusted for single pay) at Rs. 384 Cr. in line with the corresponding quarter of FY10
- MNYL turns profitable with statutory profit of Rs19 Cr. against a loss of Rs. 79 Cr. in corresponding quarter of FY10
- Expenses of Management Ratio improves from 44% to 38% y-o-y
- Balanced product portfolio with Unit Linked products contributing 73% to new sales
- Over 3 million policies in-force; grows 14% y-o-y

Other Business Drivers

- AUM around Rs.11,000 Cr. at the end of Q1FY11, growth of 55% y-o-y
- Outlook Money ranks MNYL # 1 in 3 fund categories for 2nd year in row
- Sum assured in-force around Rs. 140,000 Cr. as at June 30, 2010, grows 35% y-o-y
- Business capitalised at Rs.1,973 Cr as at June 30, 2010; solvency surplus of Rs. 443 Cr.
- Brand Awareness improves from 89% in FY10 to 93% in June, 2010

Agency Performance

- Average case size per agent at Rs. 23,400 for Q1FY11 against Rs. 22,300, grows 5% y-o-y
- Average case rate per agent at 0.60 for Q1FY11 against 0.54, grows 12% y-o-y

Distribution Strength

- Agency force as at Jun'10 end around 70,000
- Geographic coverage – 676 offices across 389 locations



Max New York Life Insurance



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth
		Jun-10	Jun-09	
a) Gross written premium income	Rs. Crore			
First year premium		405	389	4%
Renewal premium		845	677	25%
Single premium		54	52	4%
Total		1,304	1,118	17%
b) Individual Adjusted Premium (APE*)	Rs. Crore	384	384	-
c) Conservation ratio**	%	79%	85%	
d) Average case size	Rs.	23,395	22,285	5%
e) Case rate per agent per month	No.	0.60	0.54	12%
f) Number of agents	No.	69,734	94,594	-26%
g) Paid up Capital	Rs. Crore	1,973	1,782	11%
h) Individual Policies in force	No.	3,041,076	2,661,592	14%
i) Sum insured in force	Rs. Crore	139,957	102,963	36%

*Individual First Year Premium adjusted for 10% single pay

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

Revenue

- Revenue across network of hospitals for Q1FY11 at Rs. 159 Cr., grows 35% y-o-y
- Average Revenue per Occupied bed day* for Q1FY11 at Rs. 21,789, grows 10% y-o-y

Profitability

- EBITDA for Q1FY11, at Rs. 5 Cr., down 25% y-o-y
- EBITDA Margin for Q1FY11 at 3% against 5.4% in Q1FY10; however improves from 1.8% in Q4FY10
- MHC ramps up its service profile and adds workforce to operationalise 350 beds added at FY10 end causing an adverse impact on its profitability

Operational Performance

- Average Occupancy** across all healthcare care facilities drops from 69% in Q1FY10 to 64% in Q1FY11 as average operational beds increase from 727 in Q1FY10 to 910 in Q1FY11
- Average length of stay for Q1FY11 at 3.5 days

Other Drivers

- Around 1,350 Doctors, 1,800 Nurses and 1,700 para-medical staff across network of hospitals
- Registered patient base around 1 million patients with average patient transactions over 220,000 a month

* Average Revenue per Occupied Bed Day = Inpatient Revenue/ Occupied Bed Days

**Occupancy has been calculated on average operational beds.



Max Healthcare



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth
		Jun -10	Jun - 09	
a) Revenue (Gross)	Rs. Crore			
Inpatient Revenue		115	91	26%
Day Care Revenue		5	-	-
Outpatient Revenue		39	26	47%
Total		159	118	35%
b) Profitability				
Contribution Margin	Rs. Crore	92	67	37%
Contribution (%)	%	57.4%	56.8%	
EBITDA	Rs. Crore	5	6	-25%
EBITDA (%)	%	3.0%	5.4%	
c) Patient Transactions (No. of Procedures)	No.			
Inpatient Procedures		14,974	13,886	8%
Day care Procedures		1,748	-	-
Outpatient Registrations		654,863	513,181	27%
d) Average Operational Beds	No.			
Inpatient Beds		910	727	25%
Daycare Beds		27	-	-
e) Average Occupancy	%			
Inpatient		63.9%	69.4%	
Daycare		62%	-	
f) Average Length of Stay	No.	3.5	3.3	-6%
g) Average Revenue per Occupied Bed Day (IP)	Rs.	21,789	19,841	10%
h) Average Revenue per Occupied Bed Day (Daycare)	Rs.	35,053	-	-

Note: The results presented above are for Max Healthcare's network of hospitals



Max Bupa



Commences Operations

- Initial sales are tracking well and Gross Written Premium of Rs 2.4 Cr has been collected in 3 months ended June'10
- 100% growth in month on month premium with 5000+ lives covered in 115 days
- Trained 3200 people through 258 training programs

Capital Requirement

- Peak equity commitment of Rs. 700 Cr. ; Rs. 220 Cr. infused as of date

Products & Distribution

- Multi distribution channel in place
- PAN India corporate agency tie up with Karvy to boost 3rd party distribution reach. Successive 3rd party tie ups under consideration
- Aggressive agent hiring going on. As of June 2010, 1296 agents on board
- Achieved highest productivity in the industry for agency and telesales channel
- Productivity ramp up to further drive sales volume in future
- Max BUPA heartbeat has been sold in 100+ cities
- High end products experiencing higher traction



Max Speciality Films



- All BOPP lines running at 100% capacity utilization
- To add another 22,000 TPA capacity, taking total capacity to 52,000 TPA, operational in April 2011

Key Business Drivers	Unit	Quarter Ended		Growth (%)
		Jun-10	Jun-09	(FY10/09 A)
a) Sales Quantity – BOPP	Tons	7,269	7,030	3%
b) Revenue*	Rs. Crore	92	80	16%
c) Profitability:				
Contribution Margin**	Rs. Crore	33	31	6%
	%	35.3%	38.5%	
EBITDA	Rs. Crore	11	11	-
	%	11.6%	13.4%	
PBT	Rs. Crore	5.2	4.8	8%
	%	5.6%	6.0%	

*Extraordinary Income of Rs. 17.2 Cr. on account of settlement of GBC Litigation has not been considered above

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

Financial Performance

- Revenue for Q1FY11 at Rs. 2.3 Cr. down 35% y-o-y as execution of certain studies has got postponed by a quarter pending regulatory approvals
- Order book of Rs. 37 Cr. as at Jun'10 end with net addition of Rs. 7 Cr. during the quarter
- Business development pipeline of approx Rs. 76 Cr.

Operational Performance

- 92 studies being executed across 180 sites
- 5 new clients added, client base increases to 62
- Database of principal investigators expands to over 1,100 physicians
- Patient retention rate at 92%



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