



# Max India Limited

## Investor Release January 2007

### *Disclaimer*

*This release may 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 because of factors listed in the management discussion and analysis section of our Annual Report. We do not undertake any responsibility to update any forward looking statements nor should this be constituted as a guidance of future performance.*



# **Max India Board Recommends Stock Split**

*One Equity Share of par value Rs. 10/-  
each to be split into 5 Equity Shares  
of par value Rs. 2/- each*



## Highlights Q3 FY 07

- **Consolidated revenue for the period Apr-Dec'06 at Rs. 1,343 Crore.**
  - *Net Sales at Rs. 128 Crore, up 19% year-on-year.*
  - *Services Revenue at Rs. 1,078 Crore, up 93% year-on-year.*
  - *Investment and Other Income\* at Rs. 137 Crore, up 124% year-on-year.*
  - *Cash from operations at Rs. 485 Crore, up 321% year-on-year.*
  
- **Group Assets Under Management at Rs. 1,821 Crore as of Dec'06 end against Rs. 1,256 as at Dec'05 end.**
  
- **Max India, the parent company, reported a revenue of Rs. 143 Crore for Apr-Dec'06, a growth of 32% year-on-year.**
  - *Revenue for the quarter ended Dec'06 at Rs. 48 Crore, grows 29% year-on-year.*
  
- **The parent company reported a profit of Rs. 18 Crore for Apr-Dec'06 against a profit of Rs. 1 Crore in Apr-Dec'05.**
  - *Profit for the quarter at Rs. 4 Crore grows 59% year-on-year.*

\* Investment and Other Income for nine months ended Dec'05 do not include profit of Rs. 427.63 Crore on the sale of stake in Hutchison Essar Ltd.

## MAX NEW YORK LIFE INSURANCE

- ❑ **Annualized First Year Premium (AFYP – new sales) value for the calendar year ended Dec'06 at Rs. 839 Crore, grows 96% year-on-year.**  
*– Unit Linked products contributed 67% of the sales.*
- ❑ **Gross premium income of Rs. 1,265 Crore for the year ended Dec'06, grows 98% year-on-year.**
- ❑ **Conservation ratio\* for the year ended Dec'06 at 80% in line with the previous year.**
- ❑ **Life Insurance business capitalised at Rs. 657 Crore. The shareholders infused Rs. 40 Crore as fresh capital in the quarter.**
- ❑ **958,229 individual policies in force.**  
*– Over 500,000 policies sold during the year, 42% year-on-year growth.*

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

## MAX NEW YORK LIFE INSURANCE

- ❑ **Sum assured in force as at Dec'06 end around Rs. 370 billion (\$ 8.3 billion).**
- ❑ **Around 21,000 agents in the network**
  - *MDRT agents up 72% from 201 in Dec'05 to 346 in Dec'06.*
  - *Agency force as at Dec'06 end grows 56% year-on-year.*
- ❑ **Average case size per agent for the year ended Dec'06 at over Rs. 20,000.**
  - *30% year-on-year growth in average case size.*
- ❑ **Average case rate per agent per month at 1.76 against 1.84 in the previous year.**
- ❑ **Geographic coverage increases to 132 offices across 94 locations.**
  - *85 new offices by 2008.*
  - *Strong focus on developing alternate distribution channels with wide reach.*



# MAX NEW YORK LIFE INSURANCE



Key Business Drivers	Unit	Quarter Ended		Year Ended		YoY Growth
		Dec-06	Dec-05	Dec-06	Dec-05	
a) Sales Value (Annualized first year premium)	Rs. Crores	298.35	164.90	839.10	427.86	96%
b) Average case size	Rs.	25,665	16,594	20,351	15,699	30%
c) Case rate per agent per month	No.	1.68	2.29	1.76	1.84	-5%
d) Number of agents	No.			20,987	13,476	56%
e) Net agents added	No.	2,205	1,274	7,511	6,568	
f) Conservation ratio	%			80.06%	80.41%	
g) Gross written premium income	Rs. Crores					
First year premium		225.21	107.84	663.43	341.07	95%
Renewal premium		169.49	99.24	490.48	271.60	81%
Single premium		56.86	20.66	111.51	27.34	308%
<b>Total</b>		<b>451.56</b>	<b>227.74</b>	<b>1,265.41</b>	<b>640.02</b>	<b>98%</b>
h) Paid up Capital	Rs. Crores			657.43	527.40	25%
i) Individual Policies in force	No.			958,229	607,652	58%
j) Sum insured in force	Rs. Crores			36,968	23,524	57%

## MAX HEALTHCARE

- ❑ **Robust performance continues...**
  - *Revenue for nine months ended Dec'06 at Rs. 176 Crore, grows 90% year-on-year.*
  
- ❑ **Average Occupancy across all healthcare care facilities at 59% – Occupancy\* for the quarter ended Dec'06...**
  - *Max Heart & Vascular Institute, Saket – 59% (Facility launched in Jan'05)*
  - *Max Super Specialty Hospital, Saket – 48% (Facility launched in June'06)*
  - *Max Secondary Hospital, Patparganj – 77 % (Facility launched in May'05)*
  
- ❑ **Patient transactions per month at 100,000 patients a month.**
  - *Registered patient base of over 400,000 patients.*
  
- ❑ **Over 1,000 doctors in the network.**
  - *Over 350 physicians on rolls and 650 physicians as visiting consultants.*
  
- ❑ **Number of corporate clients at 426 currently.**
  
- ❑ **Number of employees, increases from 1,395 in Dec'05 to 2,127 in Dec'06.**

\* Occupancy has been calculated on operational beds.

## MAX HEALTHCARE

- ❑ **Max Heart & Vascular Institute, Saket**
  - *1,643 Surgeries/Procedures performed during quarter ended Dec'06.*
  - *The State of art facility equipped with 3 OTs and 2 Cathlabs has inpatient capacity of 250 beds including 52 ICU beds.*
  
- ❑ **Max Super Specialty Hospital, Saket.**
  - *Surgeries/Procedures performed increase from 1,368 in the previous quarter to 1,906 in the current quarter.*
  - *The State of art facility equipped with 7 OTs and 20 consult chambers has an inpatient capacity of 225 beds including 70 ICU beds.*
  
- ❑ **Max Hospital, Patparganj**
  - *Surgeries/Procedures performed increase from 2,398 in the previous quarter to 2,810 in the current quarter.*
  - *A 145 bed secondary hospital comprehensive with full range of services.*
  
- ❑ **Max Hospital, Gurgaon – Expected to be operational by June 2007.**
  - *A 100 bed hospital with 2 OTs is under construction. Tower specialties to include Ophthalmology (Anterior & Posterior), Orthopedics, Neuro Surgery, Woman & Child (incl. Infertility), Health Checks, Nephrology & Urology, Plastic & Reconstructive Surgeries, General & Minimally Invasive surgeries.*

## MAX HEALTHCARE

### □ Max Healthcare to embark Phase – II expansion.

Max Hospital, Patparganj – Expansion to be completed by end of 2008

– *To add another 300 beds in the tertiary care segment.*

– *Tower specialties to include Oncology, IVF, Orthopaedics, Neuro Sciences, Cardiac and Critical Care.*

– *Facility to be equipped with 6 Operation Theaters and 1 Cathlab.*

Max Hospital, Saket – Expansion to be completed by middle of 2009

– *To add another 85 beds and 2 Operation Theaters.*

– *Obstetrics & Gynaecology and Paediatrics, tower specialties of Max Super Speciality Hospital, to be tower specialities of this facility.*

– *Max Super Speciality Hospital to then enhance its service offerings to include Minimally Invasive Surgery.*

Max Hospital, Dehradun – Facility to become operational by end of 2008

– *Max Healthcare to expand its boundaries beyond NCR. A 100-bedded facility in Dehradun in the secondary care segment to be a first step towards that direction.*



## MAX SPECIALITY PRODUCTS

### Strong growth continues...

- Generates revenue of Rs. 119 Crore for nine months ended Dec'06, grows 19% year-on-year.
- Generates EBITDA of 12% – better than the industry
- Expansion Update...
  - *3<sup>rd</sup> Metalliser commissioned ahead of schedule in August'06, currently running at 80% capacity.*
  - *New BOPP capacity expansion – 20,000 TPA in advanced stage of implementation and currently on schedule – to be operational in first quarter FY07-08.*
  - *Expansion to cost Rs. 121 Crores...Funded 66% through debt.*

## NEEMAN MEDICAL INTERNATIONAL

### Indian operations on the verge of take off...

- ❑ Client base doubles up from 14 to 28.
- ❑ Number of awards swell 177% from 22 in the previous year to 61 in the current year.
- ❑ Successfully completed 4th US FDA-GCP audit for highest enrollments.
- ❑ Discussions underway with pharma majors for making Neeman a preferred service provider.
  - Preferred provider relationship with 3 Pharma majors in place.
  - 2 similar relationships to be concluded soon
- ❑ Network of 600 GCP/ICH Principal Investigators with access to 25,000 beds and 6-8 million patients.
- ❑ Patient retention rate continues to be over 98%.

## MAX HEALTHSTAFF INTERNATIONAL

### Witnesses more traction...

- ❑ **50 nurses already placed in the United States**
  - *15 nurses sent to US during the quarter.*
  - *Current monthly revenue rate of USD 60k...expected to grow continuously.*
- ❑ **Pipeline of nurses at various stages of the program expands to over 600 nurses.**
  - *Over 100 NCLEX-RN cleared nurses in the pipeline.*
  - *NCLEX results at 93% – best in the Industry.*
- ❑ **6 Sourcing and Training Centers across Delhi, Chandigarh and Kottayam (Kerala).**
- ❑ **Plans underway to go Pan India.**
  - *Chennai sourcing and training centre to commence operations to commence operations soon.*
- ❑ **Customer Profile**
  - *Alliances with 4 leading healthcare staffing companies, including 1 reputed publicly listed company in US.*



*For any clarifications and queries, please contact:*

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**Thank You**