



Max India Limited

Investor Release

February 2012

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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.



Well poised to capitalize on significant growth opportunity represented by life centric businesses

Max India concludes joint-venture in the healthcare business	- Life Healthcare invests Rs. 517 Cr. at Rs. 50.24 per share for 26% stake 50% of IFCs preference shares including premium redeemed for Rs. 203 Cr. - Max India preference shares including premium to be redeemed for Rs. 161 Cr. - Balance to be utilized for meeting capital and operational requirements of the business
MNYL continues strong performance	- Shareholder Profit for Q3 FY12 at Rs. 75 Cr., grows 42% y-o-y - Gains 1.8% market share amongst private life insurers from 7.5% in 9MFY11 to 9.3% in 9MFY12. MNYL de-growth for the period at 18% against 34% for private life insurers - Allotment of 4% stake to Axis Bank concluded - Solvency surplus of Rs. 1,407 Cr. as at Dec 31, 2011
Max Healthcare doubles bed capacity and refines organizational leadership	- Max Healthcare re-inducts senior leadership... closes on most key positions... CEO, CFO, Director – Marketing and Director – Human Resources in place - Shalimar Bagh (300 beds), Mohali (200 beds) and Bathinda (200 beds) hospitals commence operations... expands capacity to 1,800 beds - Launch of Dehradun hospital in April 2012 (205 beds)
Max Bupa coverage extends to 150,000 lives	- Gross Written Premium for Q3 FY12 at Rs 25.1 Cr, grows 268% y-o-y - Fixed benefit product filed with IRDA... completes the product bouquet - Pilot project underway to capitalize on group synergies by embarking on cross-selling initiatives through 4 Agency offices of MNYL
MSF innovation capabilities get a big boost	MSF wins Golden Peacock Innovative Product Award 2011 for creating new Cadbury Gems Pack

* As at September 30, 2011



Consolidated Financial Snapshot (Q3 FY12)

Operating Revenue at Rs. 1,911Cr., Up 14%

(Rs. cr.)

Particulars	Quarter Ended		Y-o-Y Growth	Nine months Ended		Y-o-Y Growth
	Dec-11	Dec-10		Dec-11	Dec-10	
Operating Revenue	1,911	1,675	14%	5,392	4,728	14%
Total Revenue	2,041	1,907	7%	6,058	6,002	1%
EBITDA	63	109	-43%	325	127	155%
Profit/(Loss) Before Tax	14	9	56%	194	(142)	-

Particulars	Dec31, 2011	Mar 31, 2011	Growth
Net Worth	2,200	1,944	13%
Preference Shares	250	250	-
Loans Funds	542	507	7%
Fixed Assets (Net Block)	1,453	1,126	29%
Treasury Corpus (Debt Mutual Funds & Term Deposits)	180	540	-67%
Life Insurance Investments (AUM)	15,357	13,836	11%



Max New York Life Insurance



Revenue and Profitability

- Gross Premium Income for Q3 FY12 at Rs. 1,597 Cr. grows 9% y-o-y
- Individual First Year Premium (adjusted for single pay) at Rs. 356 Cr., declines 17% y-o-y
- Product mix for the quarter: Par 71.3%, Non-par 16.3%, ULIP 12.4%
- Expenses of Management Ratio for Q3 FY12 at 27.3% against 31.6% for Q3 FY11
- Shareholder Profit for Q3 FY12 at Rs. 75 Cr., grows 42% y-o-y

Other Business Drivers

- AUM at Rs. 15,357 Cr. as at Dec 31, 2011 grows 18% y-o-y
- Over 3.5 million policies in-force grows 4% y-o-y
- Sum assured in-force over Rs. 149,000 Cr. as at Dec 31, 2011 grows 2% y-o-y
- Business capitalised at Rs. 2,126 Cr as at Dec 31, 2011; solvency surplus of Rs. 1,407 Cr.
- Brand Awareness at 100% in December 2011

Agency Performance

- Average case size per agent at Rs. 20,927 for Q3 FY12, grows 19% y-o-y
- Average case rate per agent maintained at 0.7



Max New York Life Insurance



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Nine Months		Y-o-Y Growth
		Dec-11	Dec-10		Dec-11	Dec-10	
a) Gross written premium income	Rs. Crore						
First year premium		349	436	-20%	1,039	1,295	-20%
Renewal premium		1,158	952	22%	3,188	2,649	20%
Single premium		90	77	17%	243	187	30%
Total		1,597	1,465	9%	4,470	4,130	8%
b) Shareholder Profit	Rs. Crore	75	53	42%	339	(12)	-
c) Expenses of Management	%	27.3%	31.6%		29.3%	36.2%	
d) Individual Adjusted Premium (APE*)	Rs. Crore	356	427	(17)%	1,025	1,252	(18)%
e) Conservation ratio**	%	83%	78%		81%	80%	
f) Average case size	Rs.	20,927	17,513	19%	22,348	21,131	6%
g) Case rate per agent per month	No.	0.72	0.73	-1%	0.57	0.60	-5%
h) Number of agents	No.				32,302	54,699	-41%
i) Paid up Capital	Rs. Crore				2,126	1,976	8%
j) Individual Policies in force	No. Lacs				35	33	4%
k) Sum insured in force	Rs. Crore				149,373	146,652	2%

*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 Q3 FY12 at Rs. 207 Cr., grows 17% y-o-y
- Average Revenue per Occupied bed day* for Q3 FY12 at Rs. 23,514 grows 7% y-o-y

Profitability

- Contribution Margin for Q3 FY12 at Rs. 125 Cr. grows 16% y-o-y
- EBITDA for the quarter turns –ve at Rs. 4 Cr. as fixed cost increases with bed capacity doubling to 1,800 beds. Capacity expansion and certain new initiatives under implementation to have a positive impact on performance over medium term

Other Drivers

- Average Occupancy** across all healthcare care facilities at 67.4% in Q3 FY12 against 68.0% in Q3 FY11
- Average length of stay in Q3 FY12 maintained at 3.5 days
- Over 1,700 Doctors, 2,000 Nurses and 800 para-medical staff across network of hospitals
- Registered patient base around 1.2 million patients with average patient transactions close to 250,000 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	Nine Months		Y-o-Y Growth
		Dec-11	Dec-10		Dec-11	Dec-10	
a) Revenue (Gross)	Rs. Crore						
Inpatient Revenue		148	130	14%	426	367	16%
Day Care Revenue		8	4	78%	19	14	39%
Outpatient Revenue		51	43	19%	150	126	19%
Total		207	177	17%	595	507	17%
b) Profitability							
Contribution Margin	Rs. Crore	125	108	16%	356	301	18%
Contribution (%)	%	60.4%	60.9%		59.8%	59.4%	
EBITDA	Rs. Crore	(4)	18	-	16	32	-51%
EBITDA (%)	%	-1.8%	10.4%		2.7%	6.4%	
c) Patient Transactions (No. of Procedures)	No.						
Inpatient Procedures		17,814	16,898	5%	51,495	49,013	5%
Day care Procedures		3,001	1,889	59%	8,150	5,464	49%
Outpatient Registrations		738,689	717,326	3%	2,301,827	2,120,299	9%
d) Average Inpatient Operational Beds	No.	1,017	941	8%	952	926	12%
e) Average Inpatient Occupancy	%	67.4%	68.0%		69.9%	68.2%	
f) Average Length of Stay	No.	3.54	3.48	-2%	3.55	3.55	0%
g) Avg. Revenue/Occupied Bed Day (IP)	Rs.	23,514	22,079	7%	23,300	21,140	10%

*The above results are for MHC Network of hospitals and includes results for Max Super Specialty Hospital, Saket, unit of Devki Devi Foundation and Max Super Specialty Hospital, Patparganj, unit of Balaji Medical and Diagnostic Research Centre

Business Drivers

- Gross Written Premium for Q3 FY12 at Rs 25.1 Cr, grows 268% y-o-y
- Conservation ratio at 69% for Q3 FY12
- 63,000 + lives covered in Q3 FY12, lives-in-force close to 150,000
- 762 employees on board

Capital Requirement

- Peak equity commitment of Rs. 690 Cr.; Rs. 385 Cr. infused as of date

Products & Distribution

- New products: IRDA approvals received for
 - Heartbeat V2 (*more consumer friendly*)
- Fixed benefit product filed with IRDA, completes the bouquet of products
- Variants of Health Companion product launched for Online, Agency and Telesales channels
- Aggressive agent hiring underway; as of December 2011, ~ 8,000 agents on board
- Distribution Network
 - 11 Branch offices; additionally 400+ cities covered through telesales
 - Pilot Project under implementation to capitalize on group synergies; Agency force across 4 MNYL offices currently also selling Max Bupa products
- Provider network of 1050+ hospitals



Max Bupa Health Insurance



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Nine Months		Y-o-Y Growth
		Dec-11	Dec-10		Dec-11	Dec-10	
a) Gross written premium income	Rs. Crore						
First year premium		20.4	6.8	199%	50.7	15.0	237%
Renewal premium		4.7	-		10.0	-	
Total		25.1	6.8	268%	60.7	15.0	304%
b) Net Earned Premium	Rs. Crore	13.8	2.6	426%	31.3	4.0	690%
c) Average premium realization per individual life	Rs.	5,300	5,430	(2)%	5,319	5,611	(5)%
d) Conservation ratio	%	69%	-		67%	-	
e) Number of agents	No.				7,933	3,132	153%
f) Paid up Capital	Rs. Crore				352	236	49%
g) No. of Lives	No.	63,138	12,544	403%	126,563	26,730	373%

- Revenue for Q3 FY12 at Rs. 171 Cr grows 51% y-o-y
- EBITDA at Rs. 17 Cr for Q3 FY12, grows 4% y-o-y
- BOPP lines are operating at close to 100% capacity utilization

Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth	Nine months Ended		Y-o-Y Growth
		Dec-11	Dec-10		Dec-11	Dec-10	
a) Revenue*	Rs. Cr.	171	114	51%	527	304	73%
b) Profitability:							
Contribution Margin**	Rs. Cr.	29	27	10%	96	68	40%
	%	17%	23%	-	18%	22%	-
EBITDA	Rs. Cr.	17	16	4%	57	40	42%
	%	10%	14%	-	11%	13%	-
PBT	Rs. Cr.	6.8	12.7	-46%	27	27	0%
	%	4%	11%		5%	9%	

*Extraordinary Income of Rs. 17 Cr. in 9MFY11 on account of settlement of GBC Litigation has not been considered above

**Contribution Margin is calculated as revenue less raw material consumption, power & fuel, packing material and freight

Financial Performance

- Revenue for Q3 FY12 at Rs. 10 Cr. grows 42% y-o-y and for 9M FY12 at Rs. 19 Cr., grows 16% y-o-y
- PBT for Q3 FY12 at Rs. 4 Cr. against profit of Rs. 1.8 Cr. in Q3 FY11 and profit for 9M FY12 at Rs. 2.2 Cr. against profit of Rs. 2.3 Cr. for 9M FY11
- Order book of Rs. 30 Cr. as at Dec'11 end with net addition of Rs. 8 Cr. during Q3 FY12

Operational Performance

- Client base stands at 97 with gross addition of 9 during Q3 FY12
- 265 studies being executed across 473 sites
- Database of principal investigators expands to 1,550 physicians
- Patient retention rate maintained at 92%

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