



# Max India Limited

## Investor Release July 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. Cr.)

Details	Q1 FY10	Q1 FY09	Growth (%)
Operating Revenue	1,284	1,022	26%
Investment and Other Income	1,013	99	923%
Total Revenue	2,297	1,121	105%
Profit/(Loss) After Tax	(77)	(43)	-
Net Worth	1,407	1,508	-7%
Preference Shares	250	250	-
Loans Funds	336	551	-39%
Fixed Assets (Net Block)	931	762	22%
Treasury Corpus	544	1,080	-50%
Life Insurance Investments (AUM)	6,965	3,973	75%

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





# Max New York Life Insurance



- MNYL outperforms private players growth for the quarter ended Jun'09 – Market Share improved from 8.3% in Apr-Jun'08 to 9.5% in Apr-Jun'09
- Gross premium income of Rs. 1,118 Crore for the quarter ended Jun'09, grows 29% year-on-year.
- Individual First Year Premium adjusted for single pay (APE) for the quarter ended Jun'09 at Rs. 384 Crore, down 10% year-on-year.
- Annualized First Year Premium (new sales) of Rs. 441 Crore for the quarter ended Jun'09, down 18% year-on-year.  
– *Unit Linked products contribute 77% to the new sales for the quarter.*
- Assets Under Management at Rs. 6,965 Crore, grows 75% year-on-year.
- Life Insurance business capitalised at Rs. 1,782 Crore.
- Sum assured in force as at Jun'09 around Rs. 103,000 Crore (US\$ 22 billion, grows 33% year-on-year.
- 2.7 million policies in force with 251k policies sold during the quarter



# Max New York Life Insurance



- Agency force as at Jun'09 end at 94,600 agents, grows 102% year-on-year.  
*- Around 10,000 net agents added during the quarter.*
- Conservation ratio\* for the quarter ended Jun'09 at 85% against 89% for the quarter ended Jun'08.
- Average case size per agent at Rs. 22,285 for the quarter ended Jun'09 is slightly better than the corresponding previous quarter.
- Average case rate per agent per month at 0.54 for the quarter ended Jun'09 against 1.16 for the quarter ended Jun'08.
- Geographic coverage increases to 711 offices across 389 locations.  
– Includes 137 offices dedicated to rural business.
- Brand awareness score improves to 82% for the quarter ended Jun'09 from 67% in corresponding previous quarter (as per AC Nielsen brand track).
- MNYL has the highest employee satisfaction; advocacy and loyalty scores amongst the Insurance and Financial banking sector in India and is amongst Top 23 highly Engaged Companies worldwide as per Gallup employee engagement survey 2008.



# Max New York Life Insurance



Key Business Drivers	Unit	Quarter Ended		Y-o-Y Growth
		Jun-09	Jun-08	
a) Sales Value (Annualized first year premium)	Rs. Crore	441	541	-18%
b) Average case size	Rs.	22,285	22,145	1%
c) Case rate per agent per month	No.	0.54	1.16	-53%
d) Number of agents	No.	94,594	46,851	102%
e) Net agents added	No.	10,239	9,955	
f) Conservation ratio*	%	85%	89%	
g) Gross written premium income	Rs. Crore			
First year premium		389	424	-8%
Renewal premium		677	369	83%
Single premium		52	72	-28%
<b>Total</b>		<b>1,118</b>	<b>865</b>	<b>29%</b>
h) Paid up Capital	Rs. Crore	1,782	1,232	45%
i) Individual Policies in force	No.	2,661,592	1,985,626	34%
j) Sum insured in force	Rs. Crore	102,963	77,650	33%

\* 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. 118 Crore for the quarter ended Jun'09, grows 18% year-on-year
- EBITDA of Rs. 6.4 Crore for the quarter ended Jun'09, grows 25% year-on-year.
- Average Occupancy\* across all healthcare care facilities at 69%  
– *Average length of stay maintained at 3.3 days*
- Average Revenue per Occupied bed day\*\* around Rs, 20,000 for the quarter ended Jun'09 in line with the corresponding previous quarter
- Over 1,200 doctors and 3,100 employees in the network  
– *Physicians on rolls around 600*
- Registered patient base of around 790,000 patients  
– *Average patient transactions over 175,000 transactions a month*
- New Specialties introduced during the quarter including Oncology (Surgery & Radiation), In Vitro Fertilisation (IVF) and Homecare Program.

•Occupancy has been calculated on average operational beds.

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



# Max Healthcare (MHC)



Key Business Drivers	Unit	Quarter Ended		Growth (%)
		Jun-09	Jun-08	
<b>a) Revenue</b>	<b>Rs. Crore</b>			
Inpatient Revenue		91.3	78.1	17%
Outpatient Revenue		26.4	21.4	23%
Total		117.7	99.5	18%
<b>b) Profitability</b>				
Contribution Margin	Rs. Crore	66.9	54.5	23%
Contribution (%)	%	56.8%	54.8%	
EBITDA	Rs. Crore	6.4	5.1	25%
EBITDA (%)	%	5.4%	5.1%	
Cash Profit	Rs. Crore	(1.1)	(2.8)	61%
<b>c) Patient Transactions</b>	<b>No.</b>			
Number of Procedures				
- Cardiac Care		2,124	1,866	14%
- Orthopaedics		585	561	4%
- Neurosciences		239	204	17%
- Obstetrics & Gynaecology		1,305	1,102	18%
- Others		2,902	2,471	17%
Medical Admissions		6,804	5,869	16%
Outpatient Registrations		513,181	459,863	12%
<b>d) Average Operational Beds</b>	<b>No.</b>	727	700	4%
<b>e) Average Occupancy</b>	<b>%</b>	69.4%	61.5%	
<b>f) Average Length of Stay</b>	<b>No.</b>	3.3	3.2	
<b>g) Average Revenue per Occupied Bed Day</b>	<b>Rs.</b>	19,873	19,930	

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



# Max Speciality Products



- All BOPP lines running at 100% capacity utilization
- To add another 20,000 TPA capacity, taking total capacity to 49,000 TPA, operational by end of 2010

Key Business Drivers	Unit	Quarter Ended		Growth (%)
		Jun-09	Jun-08	
a) Sales Quantity – BOPP	Tons	7,030	6,809	3%
b) Revenue	Rs. Crore	79.8	97.8	-18%
c) Profitability:				
Contribution Margin*	Rs. Crore	30.7	34.4	-11%
	%	38.5%	35.2%	
EBITDA	Rs. Crore	10.7	13.9	-23%
	%	13.4%	14.2%	
PBT	Rs. Crore	4.8	7.1	-32%
	%	6.0%	7.3%	

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



- Revenue around Rs. 3.6 Crore for the quarter ended Jun'09.
- Business continues to be profitable reported a profit of Rs. 0.2 Crore for the quarter ended Jun'09.
- Order book of Rs. 37 Crore as at Jun'09 end.
  - *New orders of Rs. 4 Crore received during the quarter.*
  - *Business Development pipeline of around Rs. 86 Crore.*
- 5 new customers added during the quarter.
  - *Client base increases to 53.*
- 76 studies being executed across 240 sites
- Database of over 950 principal investigators.
- Patient Retention rate maintained at 98%.



**MAX INDIA LTD.**

**Max House, Okhla, New Delhi – 110 020**

**Phone: +91 11 26933601-10 Fax: +91 11 26933619**

**Website: [www.maxindia.com](http://www.maxindia.com)**