

Max India Limited

**Investor Release
June 2006**

Highlights FY 2005-06 – Growth Gains Momentum

Cash From Operations Up 395%
Group Investments Up 122%

Life Insurance Business

- Income at Rs. 851 Crore Up 96%.
- Number of Policies sold crosses 695,000.
- New Business Sales of Rs. 536 Crore for 2005-06, Up 119%.
- In-force sum assured in excess of Rs. 27,000 Crore.
- Over 15,000 agent advisors across 96 offices.

Healthcare Business

- Revenue at Rs. 137 Crore Up 195%.
- Registered patient base crosses 300,000.
- Operating 6 hospitals in NCR.
- Number of beds - 850.

BOPP Business

- Maintaining 100% capacity utilization.
- High ROCE of 18%.
- Production capacity to be tripled to 29,000 tonnes.

**Max Telecom Ventures merges with Max India Ltd.,
post merger reserves of Max India at Rs. 922 Crore.**

CONSOLIDATED FINANCIAL SNAPSHOT

(Rs. Crore)

Details	FY 2005-06	FY 2004-05	Growth %
Net Sales	146.33	127.19	15%
Service Income	862.03	516.23	67%
Investment and Other Income *	530.58	56.36	841%
Total Income	1,538.94	699.78	120%
Profit/ (Loss) After Tax	295.60	(159.86)	
Cash Generated From Operations	255.72	51.65	395%
Group Investments (Assets under management)	1,366.04	616.44	122%

* Investment and other income includes profit of Rs. 427.63 crore on the sale of stake in Hutchison Essar Ltd.

MAX NEW YORK LIFE INSURANCE

- ❑ **Rs. 292 Crore earned as cash from operations in FY 05-06 against Rs. 112 Crore in FY 04-05, grows 160% year-on-year.**
- ❑ **Annualized First Year Premium (AFYP – new sales) value of Rs. 536 Crore for the year ended Mar'06, grows 119% year-on-year. (FY 04-05 y-o-y growth rate 65%).**
- ❑ **Unit Linked products contribute over 50% of total sales of the Company for the year ended Mar'06.**
- ❑ **Gross premium income of Rs. 788 Crore for the year ended Mar'06, grows 91% year-on-year.**
- ❑ **Capital base at Rs. 557 Crore. The shareholders infused Rs. 91 Crore as fresh capital in 2005-06.**

MAX NEW YORK LIFE INSURANCE

- Sum assured in force as at Mar'06 end over Rs. 271 billion (\$ 6 billion).**
- 695,319 individual policies in force. New policies sold during the year ended Mar'06 at 423,604, grows 96% year-on-year over 216,671 policies sold in the corresponding previous year period.**
- Overall persistency rate of 76% maintained. Persistency rate is 80% for agency sales.**
- Agency force as at Mar'06 end at 15,285 agents, grows 70% year-on-year. 6,268 net agents have been added in the year ended Mar'06. Number of agents in Agency channel at 12,510 and in rural channel at 1,941.**

MAX NEW YORK LIFE INSURANCE

- Average case size per agent at Rs. 16,422 grows 24% over Rs. 13,211 for the corresponding previous year.**
- Average case rate per agent per month is at 1.86 for the year ended Mar'06 against 1.77 for the previous year.**
- Geographic coverage increases to 96 offices from 38 offices in Mar'05.**
- MNYL to focus on developing alternate distribution channels having wide reach and deep-rooted distribution network.**

Key Business Drivers	Unit	Quarter Ended		Year Ended		YoY Growth
		Mar-06	Mar-05	Mar-06	Mar-05	
a) Sales Value (Annualized first year premium)	Rs. Crores	184.50	76.87	535.52	243.99	119%
b) Average case size per agent	Rs.	17,963	15,976	16,422	13,211	24%
c) Case rate per agent per month	No.	1.82	1.75	1.86	1.77	5%
d) Number of agents	No.	15,285	9,017	15,285	9,017	70%
e) Net agents added	No.	1,809	2,109	6,268	1,959	
f) MDRT agents	No.			201	126	60%
g) Overall persistency rate	%			75.82	77.00	
h) Gross written premium income	Rs. Crores					
First year premium		167.51	67.08	441.51	214.29	106%
Renewal premium		103.37	58.21	316.76	179.80	76%
Single premium		7.61	5.10	29.86	19.33	54%
Total		278.49	130.39	788.13	413.43	91%
i) Paid up Capital	Rs. Crores			557.43	466.08	20%
j) Individual Policies in force	No.			695,319	375,085	85%
k) Sum insured in force	Rs. Crores	27,136	16,703	27,136	16,703	62%

MAX HEALTHCARE

- ❑ **Rapid revenue ramp up of the business...**
 - *Revenue from all the hospitals under operations for the year ended Mar'06 at Rs. 137 Crore, grows 195% year-on-year.*

- ❑ **All Secondary care hospitals achieve EBITDA breakeven.**

- ❑ **Max Super Specialty Hospital at Saket commences operations with first 36 beds becoming operational.**
 - *A 225 beds facility (including 70 critical care beds) with four tower specialties in Neuro Sciences, Orthopedics & Joint Replacement, Obstetrics & Gynaecology and Paediatrics. Facility to include:*
 - 7 OT s, 20 Consult Chambers
 - Brain Suite (first in Asia) & intra operative MRI
 - DSA Lab (for Neuro Sciences)
 - Emergency Services
 - High end Radiology facilities with a 64 slice cardiac CT.

MAX HEALTHCARE

- **Max Heart & Vascular Institute, Saket – Ramping up rapidly**
 - *4155 Surgeries/Procedures performed in FY 2005-06.*
 - *The State of art facility has inpatient capacity of 250 beds including 52 ICU beds. The facility is equipped with 3 Operation Theaters and 2 Cathlabs.*

- **Max Hospital, Patparganj (East Delhi) – Facility scales up fast, after commencing operations in May 2005.**
 - *Achieved positive EBITDA in Nov'05, six month of operations.*
 - *A 125 bed hospital; only one of its kind in East Delhi; comprehensive with full range of services with specializations in Non-invasive Cardiology, Mother & Child care, PHP, Dialysis, Blood Bank, Traumatology and Cardiac Catheterization Lab.*

MAX HEALTHCARE

- **Healthy Occupancy and capacity utilization catching up fast at all the healthcare facilities.**

Occupancy for Mar'06 quarter...

- *Max Tertiary Hospital, Saket – 69% (Facility launched in Jan'05)*
- *Max Secondary Hospital, Patparganj – 75% (Facility launched in May'05)*
- *Max Secondary Hospital, Pitampura – 61% (Post expansion)*
- *Max Secondary Hospital, Noida – 50% (Post expansion)*

- **Registered patient base of over 300,000 patients, up from 187,000 patients as of Mar'05, grows 60% year-on-year.**

– *Patient transactions per month crosses 88,000 patients mark in Mar'06, up from 50,000 transactions per month in Mar'05.*

- **Network of doctors increases from 450 as of Mar'05 end to 660 currently. Number of physicians on rolls at 257 against 152 as of Mar'05 and network of visiting consultants at 405 against 333 as of Mar'05.**

MAX HEALTHCARE

- ❑ **Number of corporate clients at 377 currently.**
- ❑ **Number of employees, increases from 800 in Mar'05 to 1700 in Mar'06.**
- ❑ **Next fiscal year will see further ramp up of facilities and newer initiatives.**
 - Max Hospital Gurgaon – A 100 bed hospital with 2 OTs expected to be operational by June 2007 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.***

NEEMAN MEDICAL INTERNATIONAL

- ❑ **Clinical Research Operations in 3 continents.**
- ❑ **Neeman Asia – Repositioning...**

Transforming from an SMO to a CRO – Service offerings to include

- Study Management Services*
- Project Management Services*
- Data Base Management Services*
- Monitoring Services*
- Clinical Trial Pharmacy Supply Chain Management Services*

- ❑ **Negotiating alliances with some large pharmaceutical companies for outsourcing their clinical trial work to Neeman.**
- ❑ **Several proposals across different service segments in advanced stage of order finalisation**
 - Order Book pipeline of over \$ 6.5 Million.*

MAX HEALTHSTAFF INTERNATIONAL

- ❑ **Engaged in Sourcing, Training and Placing Healthcare Personnel in India and Abroad.**
 - *First of its kind large scale corporate business initiative in India for providing end to end placement solutions. Has begun placement of nursing staff, will soon expand into other allied healthcare resources.*
- ❑ **Sourcing and Training Centers at Delhi, Chandigarh and Kottayam (Kerala).**
 - *Further plans to expand to Chennai and Kolkatta in FY 07.*
- ❑ **Currently placing resources in US, will expand to other geographies as well.**
- ❑ **23 nurses already placed in the US – Established proof of concept.**
- ❑ **Over 500 nurses in pipeline...growing rapidly.**
 - *Business model highly scalable.*

MAX SPECIALITY PRODUCTS

- ❑ **Generates revenue of Rs. 134 Crore, and PBT of Rs. 10 Crore for the year ended Mar'06.**
 - *Revenue from BOPP business at Rs. 125 Crore, grows 7%.*
 - *Revenue from MaxFoil at Rs. 9 Crore, grows 42%.*

- ❑ **Installed capacity of 8,800 TPA to be tripled to 29,000 TPA by mid 2007.**
 - *100% capacity utilization.*

- ❑ **Generates free cash flows for the Company**
 - *Stringent cost management yields PBDIT of 14% to net sales despite constantly increasing input price.*

- ❑ **High production yield.**

- ❑ **Highest return on capital employed of Rs. 68 Crore – 18%, better than competitors.**

For any clarifications and queries, please contact:

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Thank You