



Max India Limited
Investor Release
June 2005

Highlights for Financial Year 2004-05

- ✍ **Consolidated income at Rs. 699.79 crore, grows 37% year-on-year.**
- ✍ **Consolidated Service income at Rs. 516.24 crore, grows 59% year-on-year.**
- ✍ **Life Insurance business income at Rs. 434.42 crore, grows 90% year-on-year.**
- ✍ **Healthcare business income at Rs. 45.39 crore, grows 68% year-on-year.**
- ✍ **Consolidated operating cash profit increases from Rs. 5.90 crore in FY 03-04 to Rs. 79.08 crore in FY 04-05.**

Other Highlights

- ✍ **Investments increase from Rs. 317.59 crore in FY 03-04 to Rs. 596.09 crore in FY 04-05**
 - *Rs. 457.63 crore of assets under management in life insurance business as at March 2005 end, increases 87% from Rs. 245.32 crores as at March 2004 end.*

- ✍ **Warburg Pincus enhanced stake in Max Group**
 - *completed its balance investment of Rs. 119 crores in Max India Limited taking its total investment to Rs. 200 crore. Warburg Pincus now holds 10 million equity shares in Max India Ltd. representing 28.7% stake in the fully diluted equity base of the Company.*
 - *invested Rs. 115 crores at Rs. 40 per share in Max Healthcare. The second issue together with the first round of funding by Warburg Pincus represented 23% stake in the fully diluted equity base of Max Healthcare. Warburg Pincus' total investments in Max Healthcare after current fund infusion stand at Rs. 140 crore –*

MAX NEW YORK LIFE INSURANCE

- ✍ **Operating cash profit of Rs. 112.31 crore earned in FY 04-05 against Rs. 4.34 crore in FY 03-04.**
- ✍ **Annualized First Year Premium (AFYP - new sales) value at Rs. 241.51 crore for the year ended March 2005, grows 65% year-on-year.**
- ✍ **Unit Link in place : contributes 32% of total sales for the company for the period Jan – Apr 2005.**
- ✍ **Long tenor products and young customer base builds up strong business fundamentals for MNYL. With clear focus on whole life segment the average age of insured as well as the balance tenor of the policy is around 29 years.**
- ✍ **Average case size per active agent at Rs. 15976 for the quarter ended March 2005, grows 68% from Rs. 9496 for quarter ended March 2004.**

MAX NEW YORK LIFE INSURANCE

- ✍ MNYL maintains high agent productivity. Ranked No. 1 in annualized first year premium (AFYP) per agent per month and Case Rate per agent.**
- ✍ Number of policies sold during the year ended March 2005 increases to 216,671 from 145,582 in the previous year. Number of Individual policies in force increases from 153,995 as of March 2004 to 375,085 as of March 2005.**
- ✍ Sum assured in force increases 50% from Rs. 112 billion as of March 2004 to Rs. 167 billion as of March 2005.**
- ✍ 35% growth in agency force in FY 04-05, 1959 agents added in 12 months and 659 in quarter ended March 2005.**



MAX NEW YORK LIFE INSURANCE

- ✍ MNYL maintains a persistency rate of around 80% throughout the year, higher than the industry average of around 70%.**
- ✍ Geographic coverage increases to 38 offices – future plans to cover 62 offices. Corporate agent coverage extends to an additional 100 towns.**
- ✍ Strong Co-operative Bank relationships created during the year, partnership from inception with Yes Bank.**



MAX NEW YORK LIFE INSURANCE



Key Business Drivers	Unit	Quarter Ended		Year Ended	
		Mar-05	Mar-04	Dec-04	Dec-03
a) Sales Value (Annualized first year premium)	Rs. crore	76.87	47.28	214.40	111.70
b) Average case size per active agent	Rs.	15,976	9,496	1,224	1,185
c) Case rate per active agent per month	No.	3.22	3.27	2.16	1.86
d) Number of agents	No.	7,567	5,608	6,908	5,070
e) Net agents added	No.	659	538	1,838	1,916
f) Overall persistency rate	%	76.70	82.10	82.90	81.10
g) Gross written premium income	Rs. crore				
First year premium		56.85	39.88	192.40	95.30
Renewal premium		60.83	22.21	143.90	64.30
Single premium		15.81	2.28	16.70	12.50
Total		133.49	64.37	353.00	172.10
h) Number of Policies sold	No.	62,647	54,224	214,347	113,287
h) Sum insured in force	Rs. crore	16,711	11,162	15,244	9,805

MAX HEALTHCARE

- ✍ Revenue grows 68% year-on-year from Rs. 27.02 crore as of March 2004 to Rs. 45.39 crore as of March 2005.
- ✍ Max Devki Devi Heart and Vascular Institute, Saket (South Delhi) – commences operations in January 2005. This facility will have inpatient capacity of 250 beds including 52 ICU beds. The State of art facility is equipped with 3 Operation Theaters and 2 Cathlabs with high end Radiology facilities.
 - *Occupancy rate of 55% achieved in 5 months of operations.*
- ✍ Max Hospital, Patparganj (East Delhi) – 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, Catheterization Lab got commissioned and is operational from May 2005.

MAX HEALTHCARE

- ✍ **Max Healthcare owned patient database continues to grow, reinforces strength of Max Healthcare brand. Current database of over 220,000 patients, up from 135,000 patients as of March 2004. Patient transactions per month crosses 50,000 patients mark.**
- ✍ **Network of doctors expands further – increases from 400 as of March 2004 end to 600 currently. Number of physicians on rolls at 150 against 100 as of March 2004 and network of visiting consultants at 450 against 300 as of March 2004.**
- ✍ **Number of corporate clients increases from 250 as of March 2004 to 300 currently.**
- ✍ **Number of employees increases from 550 in March 2004 to 950 in March 2005.**

MAX HEALTHCARE

- ✍ **High Occupancy at each of the healthcare facility**
 - *Max Medcentre Panchsheel – 91%*
 - *Max Medcentre Pitampura – 55% (Post expansion)*
 - *Max Medcentre Noida – 66% (Post expansion)*

- ✍ **Total targeted bed volume – 1400 by 2008.**

- ✍ **FY 06 will see further ramp up of facilities and newer initiatives**
 - *Max Hospital Saket (West Block) – A 225 beds facility (including 70 critical care beds) with super specialties in Neuro Sciences, Joint Replacement & Orthopedics and Minimally Invasive Surgery is under construction and expected launch by December 2005. Facility to include:*
 - **7 OT s, 20 Consult Chambers**
 - **Total imaging including CT & MR**
 - **Tower Specialties – Ortho, Neuro & MIS**
 - **DSA Lab (for Neuro Sciences)**
 - **Emergency Services**

MAX HEALTHCARE

- Max Hospital Gurgaon – A 100 bed hospital with 4 OTs expected to be operational by April 2006 is under construction . Tower specialties to include Woman & Child (incl. Infertility), Health Checks, Nephrology & Urology, Plastic & Reconstructive Surgeries, 24-hour Chemist, General & Minimally Invasive surgeries.*
- Ophthalmology & Dental Center, Panchsheel – to specialize in Lasik, OPD and Diagnostics. To include Dental facilities – 3 chambers, OPG and lab.*
- Tertiary care hospitals at Saket to be scaled up to 500 beds.*
- Patparganj hospital to add another 300 beds in adjoining land.*
- Tie ups / management contracts with other smaller hospitals.*

✍ **With the current round of fund infusion into Max Healthcare, the Company has now fully tied up its long term funding needs for the Rs. 600 crore healthcare project.**

✍ **Project to be funded by Rs. 325 crore in equity and Rs. 275 crore in debt of which debt funding is fully tied up and equity funding is substantially completed. Debt-Equity ratio of 0.84.**

NEEMAN MEDICAL INTERNATIONAL

- ✍ The clinical research group achieves consolidated revenues of US\$ 3.8 million for the year ended March 2005. Order book size of US\$ 5.5 million
- ✍ Neeman Asia turnarounds in FY 04-05 – reports a profit of Rs. 1.17 crore, net margin of 26%, on a turnover of Rs. 4.52 crore.
- ✍ Aggressively expanding capacities – Neeman Asia ties up for research sites with
 - *Indo American Cancer Hospital, Hyderabad (100 Beds; 70,000 OPDs p.a.)*
 - *Mediciti Hospital, Hyderabad (150 Beds; 175,000 OPDs p.a.)*
 - *Deenanath Mangeshkar Hospital & Research Center, Pune (500 Beds; 350,000 OPDs p.a.)*
- ✍ Neeman Asia sets impressive operating standards, becomes first US FDA approved site in India.

NEEMAN MEDICAL INTERNATIONAL

- ✍ **Favorable patent regulations to catalyze exponential growth**
- ✍ **Neeman Latin America expands geography, commences operations in Nicaragua in a strategic partnership with Instituto Centroamericano De Investigaciones Clinicas (ICIC), an affiliate of UCEM University (Universidad Centroamericana de Ciencias Empresariales) of Nicaragua.**
- ✍ **Neeman Latin America is geared up to expand further to Brazil, Mexico and Argentina shortly.**
- ✍ **Neeman continues to increase its therapeutic expertise and now also has capabilities in Ophthalmology, Interventional Cardiology, Rheumatology and Psycho Geriatrics.**
- ✍ **Customers include all major Pharma companies like GSK, Wyeth, Pfizer and CROs like Quintiles, PPD etc.**

BOPP Business

- ✍ Steady business – generates revenue of Rs. 116.89 crore and positive EBITDA of Rs. 18.64 crore in FY 04-05.**
- ✍ 100% capacity utilization – installed capacity 8,800 tons per annum.**
- ✍ Having niche products and exclusive customer base.**
- ✍ High production yield.**
- ✍ Stringent cost management yields PBDIT of 16% to net sales despite pressure on selling price and constantly increasing input prices, mainly HP. This yield is highest in the BOPP industry.**
- ✍ Highest return on net capital employed – 21%, better than competitors.**



For any clarifications and queries, please contact:

**Mr. B. Anantharaman
Jt. Managing Director
Max India Ltd.
bananth@maxindia.com**



Thank You