

Radiant Life Care and KKR to Acquire Majority Stake in Max Healthcare Through Merger

December 24, 2018

New Delhi, Delhi, India

- Newly listed combined entity of Max Healthcare and Radiant with an equity valuation of INR 7,242 crs will be promoted by Abhay Soi and co-promoted by global investment firm KKR
- Max India to demerge its non-healthcare businesses into a new listed entity

Radiant Life Care Private Limited ("**Radiant**"), a leading Indian hospital management company promoted by Abhay Soi and backed by global investment firm KKR, announced today that it has entered into a transaction whereby its shareholders will eventually acquire a majority stake in Max Healthcare Institute Limited ("**Max Healthcare**") from Max India Limited ("**Max India**"). The acquisition will be undertaken through a series of transactions, including Radiant's purchase of a 49.7% stake in Max Healthcare from South Africa-based hospital operator Life Healthcare in an all cash deal, followed by demerger of Radiant's healthcare assets into Max Healthcare which will result in KKR and Radiant promoter Abhay Soi together acquiring a majority stake in Max Healthcare.

The combination of Radiant and Max Healthcare will create the largest hospital network in North India, which will become among the top three hospital networks in India by revenue and the fourth largest in India in terms of operating beds. The merged entity will operate over 3,200 beds throughout 16 hospitals across India, including tertiary and quaternary care facilities offering high end critical and super speciality care supported by strong local brands such as BLK Hospital, Max Saket Hospital, Max Smart Hospital, Max Patparganj Hospital, and Nanavati Hospital. The combined business is expected to provide significant growth potential and compelling business synergies. By providing best-in-class patient care, the combined business plans to address India's growing demand for quality medical treatment.

Upon closing, Abhay Soi will lead the combined company as its Chairman, supported by a strong leadership team.

Abhay Soi, Chairman and Managing Director of Radiant, said, "Radiant has achieved significant growth and expansion during a time of rapid industry consolidation, and the proposed acquisition of a majority stake in Max Healthcare marks an exciting step forward in our strategy to increase scale by merging with a leading and complementary hospital network. We are fortunate to have strong support from KKR as we continue our mission of providing superior medical services in India."

Analjit Singh, Founder & Chairman Emeritus of Max Group, said, "Max Healthcare has been an integral part of my entrepreneurial journey and I can't think of better partners than Radiant, backed by KKR, to carry forward this legacy. Over the years, the business has come to be known for its consistently high level of service and clinical excellence across 14 world class facilities, and to this day, it continues to set new benchmarks in clinical quality. The merger offers significant growth potential with revenue and cost efficiencies to be extracted. Both Max and Radiant possess complementary sets of capabilities in running healthcare establishments and KKR brings with it extensive global experience and expertise in healthcare investments as well as capabilities in prudent financial management and efficient capital allocation."

Sanjay Nayar, Member & CEO of KKR India, said, "We are excited to back Radiant's efforts towards consolidation in the healthcare sector by helping them create an effective platform in India for the highest-quality healthcare service providers, best in class infrastructure, practices, doctors and management teams. The country's private hospital market has grown rapidly in recent years, and we expect demand for quality healthcare to outpace overall economic growth as Indians demand better quality care. The combined business will enjoy a leadership position amongst the attractive metros of Delhi and Mumbai."

Transaction Details

As per the Composite Scheme announced today by Max India, the transaction will be completed through the following steps:

- Prior to the merger transaction involving Radiant and Max Healthcare, Max India will demerge its non- healthcare businesses (comprising of Max Bupa and Antara Senior Living) into a new wholly owned subsidiary of Max India whose shares will be listed separately on both BSE Limited and National Stock Exchange of India Limited.
- This new company will be spun off, and shareholders of Max India will receive one share of INR 10/- each of the new company for every five shares of Rs 2/- each that they hold in existing Max India.
- Following the demerger and the spin-off, Radiant's healthcare assets will be demerged into Max Healthcare which will then undertake a reverse merger with Max India to create Merged Max Healthcare ("**Combined Entity**" or "**Merged Entity**"). As a result of the reverse merger, shareholders of Max India will receive 99 shares of the Merged Entity of INR 10/- each for every 100 share of INR 2/- each that they hold in Max India.
- Post-merger, Max India will get dissolved without being wound up and subsequently the equity shares of the Merged Entity will get listed on both BSE Limited and National Stock Exchange of India Limited.
- Based on the share exchange ratio recommended in the valuation report issued by S.R. Batliboi & Co LLP and B.S.R Associates LLP, the resultant shareholding of the Combined Entity will be 51.9%, 23.2% and 7.0% (post sale of 4.99% as mentioned below) held by KKR, Abhay Soi and Max Promoters respectively, with the balance being held by public and other shareholders.

A record date will be fixed in due course by the Board of Max India in conjunction with the Board of Radiant.

The Combined Entity will be promoted by Abhay Soi and co-promoted by KKR. Max India's current promoters ("Max Promoters") will subsequently step down through the process of de-promoterisation after completion of the merger. KKR will also acquire an additional stake of 4.99% in the Merged Entity from Max Promoters, funded primarily from KKR Asian Fund III. The transaction is subject to regulatory approvals and other customary closing conditions.

The merged entity will continue to use the current brand name Max Healthcare, with appropriate adjustments to its logo.

Rationale

Consolidation of the healthcare business of Radiant with Max Healthcare in a single listed entity can create significant value for all stakeholders:

- One of the top three hospital chains in India
- · Attractively positioned in two large healthcare markets
- Well recognized local brands
- Promoter led strong leadership team
- Balanced vintage mix of hospitals
- Track record of robust financial performance
- · Significant potential to extract cost savings, realize synergies and improve margin stage not found or type unknown
- •

Strong platform to consolidate through acquisitions of attractive healthcare assets

About Radiant Life Care

Radiant is promoted by Abhay Soi and is in the business of developing/redeveloping hospitals to provide high end quaternary care. Presently, Radiant has two iconic facilities in its portfolio namely: BLK Super Specialty Hospital, Delhi and Nanavati Super Specialty Hospital, Mumbai.

Radiant forayed into healthcare in 2010 with the re-development and commissioning of BLK, a 650-bed hospital, one of the largest private sector hospitals in Delhi and NCR. Besides this flagship hospital, Radiant collaborated with the Nanavati Hospital Trust in 2014 to take over the operations of Nanavati, a 350-bed multi-specialty hospital. Over the next four years, Radiant plans to transform Nanavati into an 800 bed state-of-the-art quaternary care institute and expand BLK by another 200 beds. For additional information, visit the company's website at www.radiantlifecare.com

About Max India

Max India, the holding company of Max Bupa Health Insurance and Antara Senior Living and equal joint venture partner in Max Healthcare, is focused on health and allied businesses. Max Healthcare and Max Bupa Health Insurance are joint ventures with global leaders, Life Healthcare (South Africa) and Bupa Finance Plc. (UK), respectively. These businesses have well-entrenched positions in their respective categories and are recognized for their outstanding service standards. The Company owns and actively manages a 49.70% per cent stake in Max Healthcare, a 51% stake in Max Bupa Health Insurance and a 100% stake in Antara Senior Living. Max India is listed on both the Bombay Stock Exchange as well as the National Stock Exchange. For additional information, visit the company's website at www.maxindia.com

About Max Healthcare

Max Healthcare (MHC) is the Country's leading comprehensive provider of standardized, seamless and international-class healthcare services. It is committed to the highest standards of medical and service excellence, patient care, scientific and medical education.

Max Healthcare has 14 facilities in North India, offering services in over 30 medical disciplines. Of this, 11 facilities are located in Delhi & NCR and the others in Mohali, Bathinda and Dehradun. The Max network includes state-of-the-art tertiary care hospitals in Saket, Patparganj, Vaishali, Shalimar Bagh, Mohali, Bathinda and Dehradun, secondary care hospitals at Gurgaon, Pitampura, Noida & Greater Noida and an outpatient facility and speciality centre at Panchsheel Park. The Super Speciality Hospitals in Mohali and Bathinda are under PPP arrangement with the Government of Punjab.

Max Healthcare has a base of over 3,000 doctors, 10,000 employees and over 2.2 million patients from over 80 countries, across its network of 14 hospitals. For additional information, visit the company's website at www.maxhealthcare.in

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

Disclaimer

The information in this release has been included in good faith and is meant for general purposes only. Such information is based on the perception of business, market conditions and overall growth potential by the relevant parties. This information is disseminated generally and not addressed to any person or party or for any purpose specific or otherwise. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in any of the entities referenced in this announcement or their affiliates. None of the parties referenced in this announcement (including

their affiliates) or their officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of opportunity, profit, indirect, incidental or consequential loss or any actions undertaken in contemplation of the proposed Transaction.

Certain statements in this release are forward-looking statements, which involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in such forward-looking statements. All statements, other than statements of historical fact are statements that could be deemed forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding impact of pending regulatory proceedings, non – completion of conditions agreed between parties to the transaction, approval for the merger not being obtained, ability to recognize the anticipated benefits of the merger including potential growth and business synergies, fluctuations in earnings, dependency on good monsoons and other climatic conditions, fluctuations in foreign currencies, ability of each of the relevant parties to manage growth, intense competition in the business any other business and corporate actions. There can be no assurance that the forward looking statements made herein will prove to be accurate, and issuance of such forward looking statements should not be regarded as a direct or indirect, express or implied, representation or warranty of any nature whatsoever by any of the relevant parties, or any other person, that the objective and plans envisaged by the parties hereto will be achieved. All forward looking statements made herein are based on information presently available to the managements of the relevant entities set out herein and they do not undertake or are in anyway obliged to update any forward-looking statement that may be made from time to time by or on behalf of the each of the entities or the proposed transaction.