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Radiant Life Care completes stake acquisition in Max Healthcare

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Radiant's promoter Abhay Soi appointed as Chairman of Max Healthcare

ACQUISITION



Radiant Life Care Private Limited, a leading Indian hospital management company promoted by Abhay Soi and backed by KKR, has completed the previously announced acquisition of a 49.7% stake in Max Healthcare Institute Limited from South Africa-based hospital operator Life Healthcare. Abhay Soi will now lead Max Healthcare as Chairman of its Board and Executive Council.

Radiant's stake acquisition is one of several steps that will eventually result in Mr. Soi and KKR together acquiring a controlling stake in Max Healthcare by combining the health care assets of Max Healthcare, Max India Limited, and Radiant to create the largest hospital network in North India.

As part of the transaction, Max India's promoters have received an advance of INR 361 crore (US \$52.2 million) from KKR in exchange for a 4.99% stake in the merged entity. Max India's promoters have used the funds for deleveraging purposes.

Analjit Singh, Founder & Chairman of Max Group, said, "Max Healthcare and Radiant possess complementary sets of capabilities in running healthcare establishments and KKR brings with it extensive global experience in healthcare investments and capabilities in prudent financial management. Radiant-KKR are the best suited partners to further the culture of clinical and service excellence that Max Healthcare has become known for. The merger and the future planned expansion will provide the scale that MHC needs for profitable growth at a time when healthcare margins are being tested. I also want to thank our outgoing JV partner Life Healthcare for being supportive participants in MHC's growth and progress."

Mohit Talwar, Vice Chairman of Max Group, said, "The combination of Max Healthcare-Radiant will give shareholders the opportunity to benefit from the performance of the third largest hospital chain in a rapidly growing Indian healthcare market. It will also allow Max India to focus on enhancing shareholder value creation by growing our other businesses and seeding new ones."

Abhay Soi, Chairman Radiant Life Care and Max Healthcare, said, "I am happy to have been able to complete the acquisition of Life's stake in Max Healthcare as a first step towards integration of the two companies, and fortunate to have a PE firm such as KKR backing us in our journey. We believe we have all the wherewithal to grow our business organically and inorganically during this challenging phase for the healthcare sector. Our interests are also very aligned with our Prime Minister's vision of strengthening brand India globally by focusing on the 5 T's of tourism, tradition, technology, trade and talent."

Sanjay Nayar, Member & CEO of KKR India, added, "We are excited about building Max Healthcare into an outstanding company governed by world-class board members and standing for the highest standards of clinical outcomes"

Radiant funded this acquisition with an investment from KKR's Asian Fund III.

The process of combining Radiant Life Care and Max Healthcare and the eventual listing of Max Healthcare is underway and is likely to be completed in 6 to 8 months, subject to receipt of the requisite approvals.