PRESS RELEASE January 25, 2016

Apollo Hospitals Group agrees to sell 23.3% stake in Apollo Munich Health Insurance

Hyderabad, January 25, 2016 – The Board of Directors of Apollo Energy Company Ltd., an Apollo Hospitals Group Company, at a meeting held today, approved the divestment of 23.3% shareholding in Apollo Munich Health Insurance Company Ltd. **("Apollo Munich")** to its joint venture partner, Munich Re of Germany for Rs. 163.5 cr. The proposed transaction values Apollo Munich at Rs. 703 cr.

Completion of the proposed transaction is subject to applicable regulatory approvals and execution of customary agreements, which is expected to be completed at the end of the first quarter of 2016. Post consummation of the transaction, Apollo Hospitals Group's shareholding in Apollo Munich shall stand reduced from 74.4% to 51.1%. Correspondingly, Munich Re's shareholding in Apollo Munich shall move to 48.7% and 0.2% will be held by employees. Apollo Hospitals shall continue to hold its stake in Apollo Munich.

Dr. Prathap C Reddy, Chairman, Apollo Munich Health Insurance Company Ltd. and Chairman, Apollo Hospitals Enterprise Ltd., welcomed the development and said, "Insurance is a key element for making quality healthcare facilities accessible to the masses. The show of confidence from our JV partner will go a long way in helping the Group achieve its vision of 'Healthcare for all'.

Mrs. Shobana Kamineni, Whole Time Director, Apollo Munich Health Insurance Company Ltd. and Vice-Chairperson Apollo Hospitals Enterprise Ltd., said "We are delighted that Munich Re has decided to increase their shareholding in our insurance venture. The transaction highlights the strong position of Apollo Munich as one of India's leading and most trusted standalone Health Insurance Company. It also demonstrates the commitment of both the partners to further expand the operations of Apollo Munich."

The opportunity for Munich Re to increase its shareholdings was provided through the decision of the Indian Government in March 2015 to increase the foreign direct investment cap in the insurance sector from 26 % to 49 %.

With the increase in shareholding, Munich Re strengthens its presence in India which is one of the key markets for the company.

Doris Höpke, the member of the Munich Re Board of Management responsible for Munich Health, said: "India's population structure, increased life expectancy and positive economic development will usher in a steep rise in medium-term healthcare spending. Since its start in 2007, Apollo Munich Health Insurance has shown exceptional, often above-market growth rates. With the increased stakeholding, we are strengthening our position for sustainable and profitable growth in this region. Apollo Munich Health Insurance is committed to make quality healthcare easy and accessible"

Axis Capital acted as the financial advisor to Apollo Hospitals group for the transaction.

About Apollo Hospitals Enterprise Ltd.

It was in 1983, that Padma Vibushan awardee Dr. Prathap Reddy made a pioneering endeavour by launching India's first corporate hospital - Apollo Hospitals in Chennai. Over the years Apollo Hospitals has established itself as home to the largest cardiac practice in India with over 160,000 cardiac surgeries. Apollo Hospitals is also the world's largest private cancer care provider and runs the world's leading solid organ transplant program having conducted over 1,500 solid organ transplants in 2014-15 alone.

Now, as Asia's largest and most trusted healthcare group, its presence includes 9,215 beds across 64 Hospitals, 2,100 Pharmacies, over 90 Primary Care and Diagnostic Clinics, 110 plus Telemedicine Centres and 80 plus Apollo Munich Insurance branches panning the length and breadth of the Country. As an integrated healthcare service provider with Health Insurance services, Global Projects Consultancy capability, 12 plus medical education centres and a Research Foundation with a focus on global Clinical Trials, epidemiological studies, stem cell & genetic research Apollo Hospitals has been at the forefront of new medical breakthroughs with the most recent investment being that of commissioning the first Proton Therapy Center across Asia, Africa and Australia in Chennai, India.

About Apollo Munich Health Insurance Company Ltd.

Apollo Munich Health Insurance, one of the largest private sector health insurance company offers comprehensive health insurance plans for individuals, families, senior citizens and corporates. The wide array of products cover health insurance, travel insurance and personal accident insurance plans. The company has approximately 8% of the retail health insurance market. Apollo Munich Health Insurance covers over 4 million members. It distributes its products through agents, bancassurance, corporate agents, strategic partners, sales associates and direct channels. The company has 100 offices across the country. In the financial year FY2015, gross written premium income stood at INR 861 cr and a profit before tax of 0.67 INR cr

About Munich Health

Munich Health, one of three business segments within Munich Re, alongside primary insurance and reinsurance was established in 2009. Its purpose is to pool the global health expertise in reinsurance, primary insurance and risk-management. Munich Health serves insurance companies in more than 40 countries, and primary insurance clients in over 100 countries. In the financial year 2014 Munich Health achieved a profit of €109m on premium income of over €5.3bn.

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