APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035

19th June 2019

The Secretary,
Bombay Stock Exchange Ltd (BSE)
PhirozeJheejheebhoy Towers,
Dalal Street,
Mumbai – 400 001.
Scrip Code – 508869
ISIN INE437A01024

The Secretary,
National Stock Exchange,
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051.
Scrip Code– APOLLOHOSP
ISIN INE437A01024

The Manager
The National Stock Exchange,
Wholesale Debt Market
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051.

Dear Sir,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

This is to inform you that the Board of Directors of the Company through a circular resolution on 19th June 2019 approved the sale of the entire 9.96% equity stake held by the Company in Apollo Munich Health Insurance Company Limited, an unlisted public limited Company for a total consideration of around Rs.300 crores, subject to indemnity related adjustments, to HDFC Limited and the execution of Definitive Agreements in this regard.

A detailed press release is being issued in this connection and copy of the same is enclosed.

We request you to kindly take the same on record.

Thanking You

Yours faithfully
For APOLLO HOSPITALS ENTERPRISE LIMITED

S.M. KRISHNAN
VICE PRESIDENT – FINANCE
AND COMPANY SECRETARY

Apollo Hospitals Enterprise Ltd. Chennai-600006

CC : The Secretary,
Luxembourg Stock Exchange,
B.P. 165,
L-2011 Luxembourg.

Securities and Exchange Commission
Division of Corporation Finance
Office of International Corporate Finance
450 Fifth Street, N.W.Washington, D.C

IS/ISC/0065/2000

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Press Release

HDFC Limited announces acquisition of Apollo Hospitals Group's shares in Apollo Munich and its subsequent merger with HDFC ERGO

- *HDFC Ltd to acquire 50.8% stake in Apollo Munich Health Insurance Ltd for Rs 1,336 crore from Apollo Hospitals Group & 0.4% stake held by a few employees for a consideration of Rs. 10.84 crore*
- *Merger with HDFC ERGO to create a strong health insurance franchise with combined gross direct premium of Rs 10,807 crore*
- *Munich Health Germany will pay Rs 294 crore to Apollo Hospitals Enterprise Ltd and Apollo Energy Ltd to support the transaction*
- *Policy holders and channel partners to benefit from enhanced product suite, touch points and digital led service architecture*
- *Employees to have greater opportunities across functions and geographies*
- *Transaction to generate significant operating leverage and synergies*

Mumbai, June 19, 2019: HDFC Limited ("**HDFC**") and Apollo Hospitals Group ("**Apollo**"), at their respective meetings held today, approved entering into definitive agreements for HDFC to acquire the entire 50.8% shareholding of Apollo Group, in Apollo Munich Health Insurance Company Ltd. ("**Apollo Munich**") for a consideration of Rs. 1,336 crore and 0.4% shareholding held by a few employees for a consideration of Rs. 10.84 crore, subject to regulatory approvals. Post-acquisition of the shares by HDFC, Apollo Munich shall be merged with its general insurance subsidiary, HDFC ERGO General Insurance Company Limited (**"HDFC ERGO"**), subject to all regulatory, shareholders & other approvals. To support the transaction with its material benefits for Apollo Munich, Munich Health will pay Rs 294 crore to Apollo Hospitals Enterprise Ltd and Apollo Energy Ltd in connection with the termination of their joint venture.

The proposed transaction brings together two large insurance players with complementary capabilities. The merged insurance entity on a pro-forma basis has a combined market share of 6.4% of non-life insurance industry, with 308 branches across the country. This also makes the combined entity the second largest private insurer in the accident & health segment with a market share of 8.2%. The proposed merger is expected to result in significant benefits to policy holders and other stake holders with an enhanced product suite, touch points, technology innovation, as also via scale based synergies.

The proposed share acquisition will be subject to regulatory approvals by National Housing Bank (NHB), Insurance Regulatory and Development Authority of India (IRDAI) and Competition Commission of India (CCI). The subsequent merger of Apollo Munich with HDFC ERGO would be subject to approval of the shareholders, National Company Law Tribunal (NCLT), and final approval of IRDAI.

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Apollo Hospitals Enterprise Ltd. Chennai-600006

Commenting on the proposed transaction, **Mr. Deepak Parekh, Chairman of HDFC Ltd and HDFC ERGO General Insurance said,**

"Health insurance penetration in India is still at a very nascent stage compared to the global average, but is expected to drive growth of the general insurance industry in the times to come. This transaction will strengthen the HDFC group's commitment to the growing health insurance segment. The combined expertise of HDFC ERGO and Apollo Munich will result in greater product innovation, wider distribution and enhanced servicing capabilities, benefiting their 1.2 crore policy holders."

Ms. Shobana Kamineni, Chairperson Apollo Munich Health Insurance and Vice Chairperson Apollo Hospitals Enterprise Limited said

"Creating financing for illness is critical to building a healthy nation, Apollo Munich played a strategic role in building this Industry. We are glad to pass on the baton of Apollo Munich to a reputed group like HDFC. Apollo Munich established its leadership in the industry by winning several awards with its market leading innovations and customer centric approach. We are sure that the new shareholder will continue to nurture and scale the business to greater heights and confident that all stakeholders will be positively impacted. The funds from the divestment will enable us to focus on investing and growing our core healthcare business."

Commenting on behalf of **Munich Re Group**, **Dr. Markus Riess Chairman ERGO Group AG Germany and Member of the Board of Munich Re** said

"Over the years, Munich Re Group has enjoyed an excellent relationship with the Apollo group, in building a powerful franchise in Health insurance. With this transaction, we are very much looking forward to further strengthening our ties with HDFC Group and consolidating our presence in India".

About HDFC Ltd

HDFC Ltd. is India's leading mortgage lender and a well - established financial conglomerate. It has assisted over 70 lakh customers in acquiring their own home over the last 4 decades. With a wide network of 546 offices, it caters to several towns and cities across India. HDFC Ltd has offices in London, Dubai and Singapore and service associates in the Middle East to assist non-resident Indians.

About Apollo Hospitals

It was in 1983 that Dr. Prathap Reddy made a pioneering endeavor by launching India's first corporate hospital - Apollo Hospitals in Chennai. As Asia's largest and most trusted healthcare group, its presence includes over 10,000 beds across 71 Hospitals, 3500 Pharmacies, over 90 Primary Care and Diagnostic Clinics, 110 plus Telemedicine Centres and 186 plus Apollo Munich Insurance branches spanning the length and breadth of the Country. We cared for over 50 million Indians last year in our network. In a rare honor, the Government of India issued a commemorative stamp in recognition of

Apollo Hospitals Enterprise Ltd. Chennai-600006

Apollo's contribution, the first for a healthcare organization. Apollo Hospitals Chairman, Dr. Prathap C Reddy, was conferred with the prestigious Padma Vibhushan in 2010. For more than 30 years, the Apollo Hospitals Group has continuously excelled and maintained leadership in medical innovation, world-class clinical services, and cutting-edge technology.

About Apollo Munich Health Insurance Company

Apollo Munich offers innovative and award-winning health, personal accident and travel insurance plans, distributed through over 186 Apollo Munich offices across the country and several leading distribution partnerships. The company has state-of-the art technology and infrastructure offering uncomplicated services, delivered by over 4000 engaged employees. In FY 19 the company closed at a GWP of Rs. 2194 cr, with an overall market share of 4.4% and 9% among private sector players, in health insurance. It is a joint venture between the Apollo Hospitals Group, one of Asia's largest healthcare group, and Munich Health, Munich Re's health business segment, which offers global health insurance and reinsurance excellence.

About HDFC ERGO

HDFC ERGO General Insurance Company is a 51:49 joint venture between the Housing Development Finance Corporation Ltd (HDFC); India's premier Housing Finance Institution and ERGO International AG; the primary insurance entity of the Munich Re Group of Germany. HDFC ERGO, the 3rd largest Private General Insurer with 5.1% market share, offers products like Motor, Health, Travel, Home, Personal Accident and Cyber Insurance in the retail space and customized products like Property, Marine and Liability Insurance in the corporate space through its vast network of 122 branches spread across 106 cities and a wide distribution network.

June 19, 2019

For further information, please contact:

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