

PRESS RELEASE**FY09 - Revenues of INR 900.50 crores and PAT of INR 186.44 crores**

Mumbai, May 22, 2009: Edelweiss Capital Limited, one of India's leading integrated financial services companies announced its audited consolidated financial results for the year ended March 31, 2009.

Consolidated Financial Highlights:

- **FY09 Total Revenues of INR 900.50 cr** (FY08:INR 1,088.86 cr)
- **FY09 Profit After Tax of INR 186.44 cr** (FY08:INR 273.24 cr)
- **FY09 Diluted EPS of INR 24.28** (FY08:INR 39.99)
- **Q4FY09 Total Revenues of INR 183.39 cr** (Q3FY09:INR 198.59 cr)
- **Q4FY09 Profit After Tax of INR 40.93 cr** (Q3FY09:INR 38.13 cr)

Performance Highlights:

- Fee and Commission Revenues for FY09 of INR 244.12 cr (FY08:INR 443.80 cr);
For Q4FY09 INR 40.06 cr (Q3FY09:INR 47.65 cr)
- Treasury, Arbitrage & Trading Revenues for FY09 of INR 251.17 cr (FY08:INR 349.26 cr);
For Q4FY09 INR 50.85 cr (Q3FY09:INR 44.76 cr)
- Interest Revenues for FY09 of INR 331.46 cr (FY08:INR 217.09 cr);
For Q4FY09 INR 78.04 cr (Q3FY09:INR 92.68 cr)

The Board of the Company has recommended a dividend of INR 3 per share (face value INR 5 per share).

Business Highlights:

- The **Investment Banking** activity in India has seen a marked slowdown in the year, both in the primary equity capital issuances and other advisory services. We closed 9 investment banking transactions in FY09. Notable transactions amongst these were the acquisition of PeopleSupport, Inc. by Aegis BPO Services Limited for USD 250 mn and private equity placement for SKS Micro Finance for USD 75 mn. During the year, Edelweiss Capital Limited was adjudged winner in the Best Merchant Banker category in the Outlook Money NDTV Profit Awards 2008.

- The **Debt Syndication** Desk, which has been operational for about a year and a half so far, has gained a strong foothold and visibility in the market during the year.
 - Ranked #2 as per Prime Database in Short Term Debt (NCDs) Placement for FY09. We mobilized INR 397.6 billion in 256 deals in <1 year segment with a 21.7% market share.
 - Ranked #2 as per the Prime Database in CP placement for FY09, raising INR 69.87 bn from 129 deals with a 15.3% market share.
 - Also ranked #11 by Bloomberg in Indian Domestic Bonds Market League Table for FY09. We mobilized INR 39.2 billion in >1 year paper across 52 deals in this period.
- The **Brokerage** Services business has performed in line with the markets during the year. Our **Research** continues to cover over 125 stocks across 16 sectors accounting for about 65% of the total market capitalization. Our differentiated and thematic research distinguishes Edelweiss from other players and provides unique insights into Indian capital markets to our large institutional client base.
- The **Alternative Asset Management** activity in India has seen significant outflow from foreign investors during the year. Our Alternate Assets Management business covers alternate asset classes like Real Estate, Private Equity and Multi-strategy funds. It delivers highly valued investment advice, both direct and indirect to few select funds. During the year, this business launched a debt oriented fund. The AUMs/AUAs stood over USD 350 mn as on March 31, 2009.
- The **Asset Management Company** manages two Debt Funds, one Interval Fund and one Equity Fund as on 31st March 2009. It has recently launched an Equity Diversified Growth Equity (E.D.G.E.) Fund. The focus of this business continues to be on developing the product portfolio and investment management capabilities.
- The **Loans** business has an asset base of around INR 550 cr. It comprises of loans granted against capital market securities and is adequately collateralized. We have consciously brought down the book size given the current environment and focused more on collateral management. The interest income from loans business continues to be a distinct contributor to our revenue streams.

Other Highlights

- The Operating Cost in the consolidated results includes Securities Transaction Tax (STT) cost of INR 10.75 cr and INR 72.04 cr for the quarter and the year ended 31st March, 2009 respectively. This is in line with the amendment in the Income Tax Act, 1961, pursuant to which the STT is an item of expenditure w.e.f. April 2008. Despite this change, and deriving the benefits of inherent cost flexibility in our structure, we have been able to maintain stable pre-tax margins of 36.54% for FY09 (37.07% for Q4FY09).

- The Group net worth including minority interest now stands above INR 2500 cr. The aggregate debt component as on 31st March 2009 is under INR 800 cr, indicating a low leverage. Our strong and liquid balance sheet enables the Company to support the diverse business lines and also to maintain sufficient liquidity cushion without depending much on debt funding.
- Edelweiss Capital Limited has a Long Term Debt Rating of 'LAA -' from ICRA. The Group also enjoys the highest Short Term Credit Ratings of 'P1+' and 'A1+' from Crisil and ICRA respectively. These Ratings have been recently reaffirmed by Crisil in March '09 and by ICRA in April '09.
- EdelGive, our social responsibility wing, focuses on creating educational, employment and sustainable livelihood opportunities for underprivileged youth. It has partnered Kubera Partners in 2008-09, for the Kubera-Edelweiss Social Innovation Honours to felicitate outstanding innovations that positively impact the status of the girl child, through the delivery of service in areas of education, health, nutrition and employability and awarded seed funding of USD 60,000 to the winners.

Speaking on the occasion, Mr. Rashesh Shah, Chairman and CEO, Edelweiss Capital Ltd. said:

"The year FY09 has been an unprecedented year for the global markets as well as for Indian markets. As a capital market facing company, our performance in the fourth quarter and the year has seen the impact of this difficult operating environment. However, we continue to demonstrate resilience, business diversification and inherent cost flexibility in our business model.

The global markets in general and India in particular are beginning to see stability and optimism. We continue to remain focused on risk, liquidity and costs on one hand and selectively investing in long term growth on the other hand."

About Edelweiss Capital

Established in 1995, Edelweiss Capital (NSE: EDELWEISS, BSE: 532922, Bloomberg: EDEL.IN) has today emerged as one of India's leading integrated financial services conglomerates.

The Edelweiss Group offers one of the largest range of products and services spanning varied asset classes and diversified consumer segments. Its businesses are broadly divided into Investment Banking, Brokerage Services, Asset Management and Loans. The company's research driven approach and consistent ability to capitalize on emerging market trends has enabled it to foster strong relationships across corporate, institutional and HNI clients. Edelweiss' presence in India spans 50 offices across 18 cities.

To learn more about the Edelweiss Group, please visit www.edelcap.com

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This document is for information purposes only and any action taken by any person on the basis of the information contained herein is that person's responsibility alone and Edelweiss or its directors or employees will not be liable in any manner for the consequences of such actions.

The company routinely posts all important information at its website www.edelcap.com.

Edelweiss: An ISO 9001-2000 Compliant Organization

Consolidated Financial Results for the Quarter and Year Ended 31st March, 2009

(Rs. in Crores)

	Particulars	Quarter Ended		Year Ended	
		31.03.2009 (Unaudited)	31.03.2008 (Unaudited)	31.03.2009 (Audited)	31.03.2008 (Audited)
	Fee and commission income	40.06	144.49	244.12	443.80
	Income from treasury, arbitrage and trading	50.85	134.27	251.17	349.26
	Income from investments and dividend (#)	11.13	16.77	69.74	76.63
	Interest income	78.04	108.55	331.46	217.09
1	Income from Operations	180.08	404.08	896.49	1,086.78
2	Other Operating Income	3.31	1.70	4.01	2.08
3	Total Income (1+2)	183.39	405.78	900.50	1,088.86
	Expenditure				
	a. Operating cost (Refer Note : 3)	58.14	90.64	254.17	227.98
	b. Employees cost	29.85	82.36	165.94	205.72
	c. Interest and Finance charges	21.72	82.94	133.70	201.15
	d. Depreciation	5.70	3.28	17.66	7.31
4	Total expenditure	115.41	259.22	571.47	642.16
5	Profit / (Loss) before tax (3-4)	67.98	146.56	329.03	446.70
6	Tax expenses (including Deferred and Fringe Benefit Tax)	23.69	52.63	119.91	154.02
7	Net Profit / (Loss) after tax before minority interests (5-6)	44.29	93.93	209.12	292.68
8	Share of minority interests in profits	3.36	11.38	22.68	19.44
9	Net Profit / (Loss) after minority interests (7-8)	40.93	82.55	186.44	273.24
10	Paid-up equity share capital (Face Value of Rs 5/- Per Share)	37.47	37.47	37.47	37.47
11	Reserves excluding Revaluation Reserves			2,076.62	1,809.27
12	Earnings Per Share (EPS) in Rupees				
	- Basic (Not annualised)	5.46	11.02	24.88	42.29
	- Diluted (Not annualised)	5.33	10.50	24.28	39.99
13	Public shareholding				
	- Number of shares	46,361,586	46,361,586	46,361,586	46,361,586
	- Percentage of shareholding	61.87%	61.87%	61.87%	61.87%

(#) quarter ended and year ended 31st March, 2009 includes income of Rs. 7.25 crore and Rs. 35.45 crore respectively earned from liquid mutual funds.

Notes:

- 1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter and year ended 31st March, 2009 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 22nd May, 2009.
- 2 The Company conducts its operations along with its subsidiaries and associates. The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standards (AS 21 and AS 23) prescribed by Companies (Accounting Standards) Rules, 2006. The financial statements of the holding company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances, transactions and resulting unrealised gains/losses. The investment in associates is accounted on "Equity Method". The consolidated financial statements are prepared by applying uniform accounting policies.
- 3 The Operating Cost in the consolidated results includes Securities Transaction Tax (STT) cost of Rs.10.75 crores and Rs.72.04 crores for the quarter and year ended 31st March, 2009 respectively. This is in line with the amendment in the Income Tax Act, 1961, pursuant to which the STT is an item of expenditure w.e.f. the current year.
- 4 CRISIL has assigned the rating of 'P1+' (pronounced 'P one Plus') to the Short Term Debt Programmes of ECL for Rs.1,500 crores and ICRA has assigned the rating 'LAA-' (pronounced 'L double A minus') to the Long Term Debt Programme of ECL for Rs.350 crores (enhanced from Rs.200 crores). The ratings as mentioned for these Programmes/Issues continue to remain in force.
- 5 During the quarter, the Company has not granted any options under Employee Stock Option Scheme and the stock options outstanding with employees of the Company and its subsidiaries as at 31st March, 2009 are 63,88,055.
- 6 The Board of Directors recommended dividend of Rs. 3 per share (on an equity share of face value of Rs 5 each). The payment is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
- 7 The previous financial year/period figures have been regrouped/reclassified wherever necessary to conform to current financial year/period presentation.
- 8 The standalone and consolidated results will be available on the Company's website - www.edelcap.com

On behalf of the
Board of Directors

Rashesh Shah
Chairman

Mumbai, 22nd May, 2009