

PRESS RELEASE FOR IMMEDIATE PUBLICATION**FY08 - Revenues of INR 1,088.86 crores and PAT of INR 273.24 crores****FY08 – Revenue growth of 193% and PAT growth of 149%**

Mumbai, May 16, 2008: Edelweiss Capital Limited, one of India's fastest growing integrated investment banking companies announced its audited financial results for the year ended March 31, 2008.

Consolidated Financial Highlights

- **FY08 Revenues of INR 1,088.86 cr** vs INR 371.76 cr for FY07 (**Growth of 193%**)
- **FY08 Profit after Tax of INR 273.24 cr** vs INR 109.89 cr for FY07 (**Growth of 149%**)
- **Q4FY08 Revenues of INR 405.78 cr** vs INR 135.88 cr for Q4FY07 (**Growth of 199%**)
- **Q4FY08 Profit after Tax of INR 82.55 cr** vs INR 37.38 cr for Q4FY07 (**Growth of 121%**)
- **FY08 Diluted EPS of INR 39.99** vs INR 20.76 in FY07 (**Growth of 93%**)

Performance Highlights - FY08 over FY07

- Fee and Commission Revenues for FY08 of INR 443.80 cr, up from INR 216.21 cr for FY07
- Treasury, Arbitrage and Trading Revenues for FY08 of INR 349.26 cr, up from INR 114.22 cr for FY07
- Interest Revenues for FY08 of INR 217.09 cr, up from INR 12.98 cr for FY07

Performance Highlights – Q4FY08 over Q4FY07

- Fee and Commission Revenues for Q4FY08 of INR 144.49 cr, up from INR 74.76 cr for Q4FY07
- Treasury, Arbitrage and Trading Revenues for Q4FY08 of INR 134.27 cr, up from INR 45.79 cr for Q4FY07
- Interest Revenues for Q4FY08 of INR 108.55 cr, up from INR 5.72 cr for Q4FY07

The Board of the Company has recommended a dividend of 40% or INR 2 per share (face value INR 5 per share).

Business Update – Edelweiss Capital Group (“the Group”)

The group net worth now stands in excess of INR 2,300 cr. The strong and liquid balance sheet of the company is a key differentiator and enables the Company to support the growth of different business lines and also maintain sufficient liquidity cushion.

While overall revenues have posted a robust growth of 193% during FY08, a particular outstanding feature is the strong growth of fee and commission revenues from INR 144.49 cr in Q4FY08 over INR 74.46 cr in the corresponding quarter last year in spite of a severe slowdown in volumes in the domestic capital markets.

All our established businesses continued to grow well and the new businesses have secured a strong foundation despite market volatility in recent times.

The **Investment Banking** business has successfully closed 32 transactions in FY08. Some of the notable transactions include Open Offer and Investment in Deccan Aviation by the UB Group, investment by Citigroup Venture Capital in SVIL Mines, investment by General Atlantic in IBS Software Services Private Limited, Qualified Institutional Placements for Phoenix Mills, South Indian Bank and Bank of India and the Initial Public Offerings of Take Solutions, Kolte Patil Developers, eClerx Services, GSS America etc.

Our strong franchise in the Mid-market space is reflected in our number one rank in Bloomberg League Tables for Mid-cap Private Equity transactions in CY2007 and number one rank in Prime Database League Tables for Mid-market IPOs in CY2007.

In addition to these transactions, the Real Estate and Infrastructure Advisory businesses also had significant deal closures. In a period of slowdown in activity in the IPO market, we witnessed a strong demand for our advisory services in Investment Banking imparting stability to revenues.

The Group's **Equities Broking** business continues to show robust growth both in the Institutional and HNI client segments. The **Research** coverage has expanded to include 215 stocks across 19 sectors accounting for 70% of the total market capitalization. Our differentiated and thematic research distinguishes Edelweiss from other players and provides unmatched insights into Indian capital markets to our large institutional client base.

The Group has also achieved significant growth in its newer businesses, viz., Alternate Asset Management, Wholesale Financing and Wealth Management.

Alternative Asset Management business covers alternate asset classes like Real Estate, Private Equity and multi-strategy fund. Despite the turbulence in the last quarter, the performance of these funds has been reasonably stable. The total assets under management/advice (including our associates') now stand at about USD 625 million.

Edelweiss Capital Limited has recently received final regulatory approval from the Securities & Exchange Board of India (SEBI) to start its mutual fund business. Registration has been granted to Edelweiss **Mutual Fund** and approval has been granted for Edelweiss Asset Management Limited to act as investment manager to Edelweiss Mutual Fund. Edelweiss plans to shortly launch niche schemes and use this growth engine for building up a stable retail customer base.

The newly started business of **Wholesale Financing** continues to grow well and has already built up an asset base of about INR 900 crores as at March 08. The interest income from financing business is now growing into a distinct contributor to our revenue streams besides diversifying it. It has grown to INR 141 cr in FY08 compared to INR 7 cr in FY07.

Edelweiss Capital Limited has also received a Long Term Debt rating of 'LAA –' from ICRA which has helped us in designing Capital-Guaranteed Structured Products for HNIs and Corporate/Institutional Clients.

During the year under review, the Edelweiss Group employee strength has grown from 755 (as of March 31, 2007) to 1,618 as of March 31, 2008. Our hiring also continues to be strong, setting the trajectory for future growth. We are also investing significantly in internal leadership development.

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

"While we are happy with our performance in fiscal year 2008, Q4 of the year was a testing time for the markets - due to volatile markets, higher inflation apprehensions, slowdown in industrial production in the country and overall weakness in global sentiments on the back of US credit markets crisis. However, the strengths of our business model and highly diversified revenue streams have helped us to maintain our growth rates.

Going forward, our emphasis on innovation, knowledge, unique model of employee ownership, diversification in business lines and newly incubated businesses will help us in maintaining our leading position in the industry. We plan to target growth in the future by increasing our market share in current businesses and incubating newer businesses as we have done in the past. Though the current year may have challenges due to inflation, reduced capital markets activity, general industrial slowdown, we see this as a good time to consolidate and invest in the business. On a long term basis, Financial Services and Capital Markets in India will continue to present more and more growth opportunities.”

About Edelweiss Capital

Edelweiss Capital Limited (www.edelcap.com) is one of India's fastest growing integrated investment banking companies. The Group's services include investment banking, institutional equities, private client broking, asset management, wealth management, insurance broking, wholesale financing and mutual funds. The Group has built strong corporate, institutional and investor relationships backed by a research-driven approach and a proven ability to capitalize on emerging market trends. The Edelweiss Group employs over 1600 employees including 90 research professionals, leveraging a strong partnership culture and unique model of employee ownership. It now operates from 46 offices in 19 Indian cities.

For more details please contact:-

Shailendra Maru

VP – Investor Relations

Edelweiss Capital Limited

Tel: +91 22 4019 4873

Email: shailendra.maru@edelcap.com

Shabnam Panjwani

Head – Marketing Communications

Edelweiss Capital Limited

Tel : +91 22 2286 4296

Email: shabnam.panjwani@edelcap.com**Safe Harbor**

This document contains certain forward - looking statements based on current expectations of the management of Edelweiss Capital Ltd. or any of its subsidiaries and associate companies (“Edelweiss”). The results in future may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include, inter alia, the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Edelweiss as well as its ability to implement the strategy. Edelweiss does not undertake any obligation to update these statements.

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.

