

Edelweiss Capital

Q1FY11 Results

July 2010

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1. Financial Highlights
2. Business Highlights
3. Industry Overview
4. Edelweiss Over The Years

1. Financial Highlights

Q1FY11 Consolidated Unaudited Results at a Glance

- * Revenues ₹ 2,840 mn (₹ 2,246 mn for Q1FY10)
 - * Fee & Commission Income ₹ 934 mn (₹ 671 mn)
 - * Income from Treasury Operations ₹ 562 mn (₹ 790 mn)
 - * Interest Income ₹ 1,257 mn (₹ 682 mn)
- * Profit After Tax and Minority ₹ 614 mn (₹ 583 mn)
 - * PBT Margin 31% (38%)
 - * PAT Margin 22% (26%)
- * Diluted quarterly EPS ₹ 7.92 (₹ 7.58) (not annualized)

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Consolidated Results

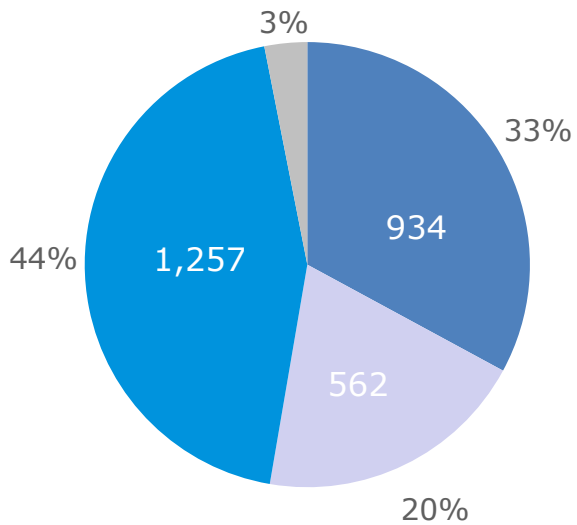
₹ Million	FY11	FY10	FY10	FY10
	Q1	Q4	Q1	Annual
Fee and Commission Income	934	1,172	671	3,504
Income from Treasury Operations	562	339	790	2,455
Investment and Dividend Income	40	1	83	342
Interest Income	1,257	1,083	682	3,389
Other Operating Income	47	29	20	88
Total Revenues	2,840	2,624	2,246	9,778
Operating and Other Expenses	637	804	652	2,763
Employee Cost	498	465	391	1,622
Financial Expenses	776	569	311	1,943
Depreciation	37	39	28	122
Total Expenses	1,948	1,877	1,382	6,450
Profit Before Tax	892	747	864	3,328
Tax Expenses	237	184	249	879
Profit After Tax	655	563	615	2,449
Share of Minority Interests in Profits	41	40	32	157
Profit After Tax and Minority Interest	614	523	583	2,292
Diluted EPS (₹- Qtly not annualized)	7.92	6.69	7.58	29.37

Diversified Revenue Streams

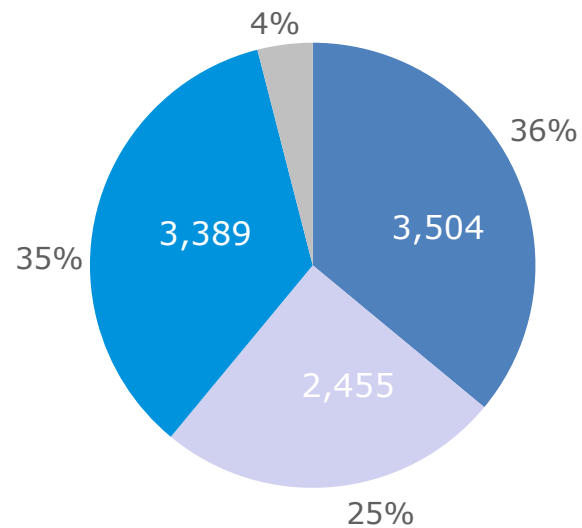
* Balanced mix of revenues across three key operating revenue streams

(In ₹ million)

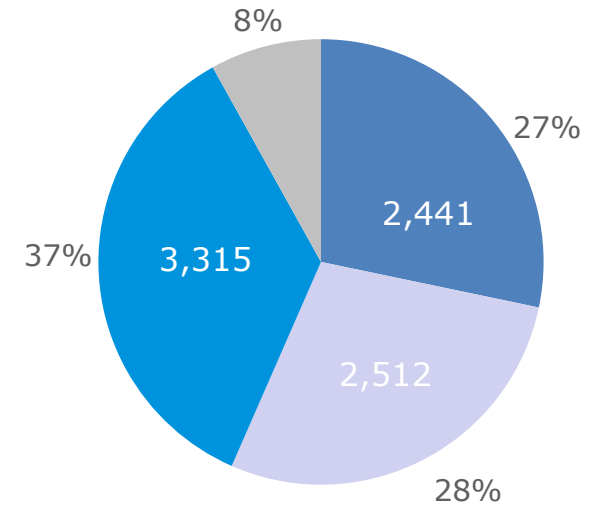
Q1FY11



FY10



FY09



Fee & Commission

Treasury

Interest

Investment & Others

2. Business Highlights

* Investment Banking

- * 10 transactions in First Quarter across ECM, Advisory® & DCM (3 in Q1FY10 and 33 in FY10) including marquee deals like:
 - * QIPs for Alok Industries and Marg
 - * IPO for Mandhana Industries
 - * Sale of stake in Spicejet to Kalanithi Maran and associates
 - * Preferential allotment of stake in Maytas Infra to Saudi Binladin Group, and
 - * Bond/NCD issues for SAIL, PFC, Tata Capital and Sundaram Finance
- * Deal pipeline continues to be strong
- * Client segments now span from Private to Public Sectors and Mid caps to Large caps, across industries

Edelweiss is ranked 2nd in Short Term Bonds placement and 3rd in Commercial Papers issuance in Q1FY11#

@Advisory deals are announced deals

#By amount mobilized: Source Prime Database,

Agency Business Transactions Q1FY11



Alok Industries Limited


INR 4,246.57 million
Qualified Institutions Placement

April 2010

Book Running Lead Manager



Edelweiss
Ideas create, values protect




Marg Limited

INR 1,069.34 million
Qualified Institutions Placement

May 2010

Book Running Lead Manager



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Mandhana Industries Limited

INR 1,079 million
Initial Public Offering

May 2010

Book Running Lead Manager



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ANNOUNCEMENT



INR 7,396 million
Sale of ~38% stake by
Royal Holdings Services and WL Ross & Co.
to
Kalanithi Maran & associates

June 2010

Sole Financial Advisor



Edelweiss
Ideas create, values protect

ANNOUNCEMENT



INR 3,019 million
Acquisition of 20.8% stake by
SBG in Maytas Infra Limited

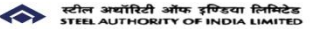


June 2010

Sole Financial Advisor



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Steel Authority of India Limited

INR 545 Crores
Secured Redeemable
Non-Convertible Taxable Bonds
in the nature of Debentures
- XXIXTH ISSUE - I SERIES (AP)

April 2010

Arranger



Edelweiss
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TATA CAPITAL LIMITED

TATA Capital Limited


Secured Redeemable
Non-Convertible Debentures
INR 50 crores

April 2010

Sole Arranger



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Power Finance Corporation Limited

Rs. 4012.50 Crores
Private Placement of Unsecured,
Redeemable, Non-Convertible,
Non-Cumulative, Taxable Bonds
in the nature of Debentures (Series 65)

May 2010

Arranger



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* **Equity Broking**

- * Market share of 3.71% based on ADV of ₹ 40.8 bn for Q1FY11[#]
- * Average daily volumes for clients business this quarter ₹ 18.7 bn (Q4FY10 ₹ 16.5 bn)
- * Average yield of ~4.6 bps on client broking
- * Research covers 178 stocks across 18 sectors accounting for ~70% of total market capitalization

* **Alternative Assets Management** AUMs/AUAs US\$ 264 mn equivalent at the end of this quarter

* **Edelweiss AMC** manages 4 Equity and 6 Debt Schemes with AUMs of ₹ 2.9 bn as at the end of the quarter; focus of this business on building investment track record and developing product portfolio

[#] On BSE and NSE, including clients and Treasury operations

- * **Retail** agency business build up gaining traction
 - * Emerged as one of the leading player in Retail IPO Syndication. Ranked #3 in HNI category and #4 in Retail category by amount mobilized in IPOs this quarter[@]
 - * Over 60,000 clients at the end of the quarter through www.edelweiss.in; client acquisition gaining traction in Retail Broking
- * Acquisition of **Anagram Capital**[#] completed in July '10
 - * Acquisition in line with our plans to expand Retail broking business
 - * Minimal overlap with our existing retail businesses
 - * Adds nationwide network of 139 own offices, 122 franchise led offices, over 1300 sub-brokers and more than 207,000 Retail clients

[@]IPO rankings as per Prime Database

[#] Edelweiss Q1FY11 Consolidated Results do not include Anagram financials

- * **Treasury** business

- * Focus on liquidity management and capital preservation

- * Average book size ₹ 15 bn this quarter; gross yield 15% pa, net yield 9.7% pa

- * **Interest Income** for Q1FY11 ₹ 1,257 mn; includes interest on loans and on Bank FDs and other Debt instruments used as working capital

- * Emerging as a major revenue stream with the scale up of financing book

- * Low short term Deposit rates continuing to reprice yields; now beginning to witness an uptick

- * Scale up of **Financing** business continues

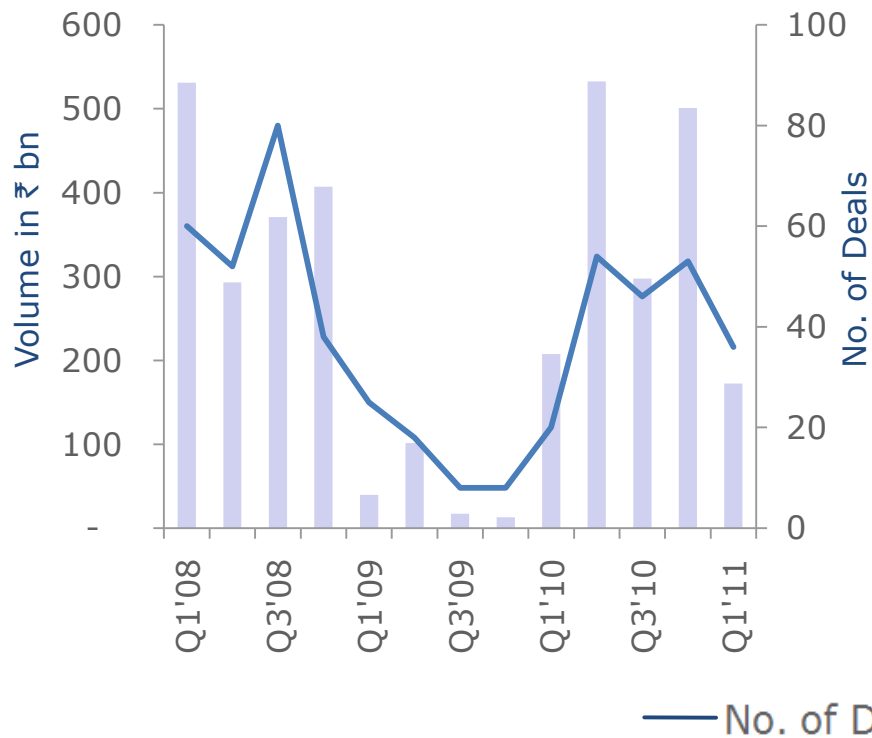
- * As at the end of the quarter, loan book at ₹ 25.6 bn (₹ 18.4 bn at the end of Q4FY10); yield in first quarter 15.6% pa
- * Maintained sufficient collateral cover, average cover 2.64x at the end of the quarter
- * We continue to focus on growth of the financing book across its existing product offerings
- * Home Finance business launch later this year

- * Entering **Life Insurance** business with JV partner Tokio Marine Holdings, Inc. #
 - * To enlarge Edelweiss' retail footprint together with recently launched Retail and domestic Asset Management businesses
 - * R-1 application submitted to IRDA
- * Acquisition of **Anagram Capital** – a growth initiative to expand our Retail Broking & Distribution Businesses
- * **Edelweiss Housing Finance Limited** received NHB approval; to diversify our credit book

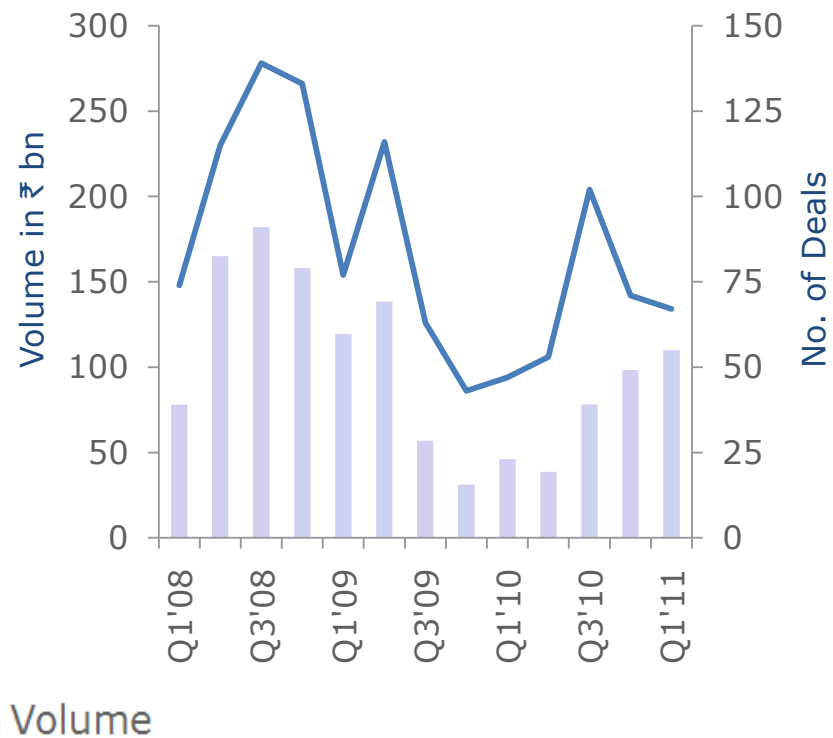
3. Industry Overview

Capital Market Activity – Equities

Public Equity



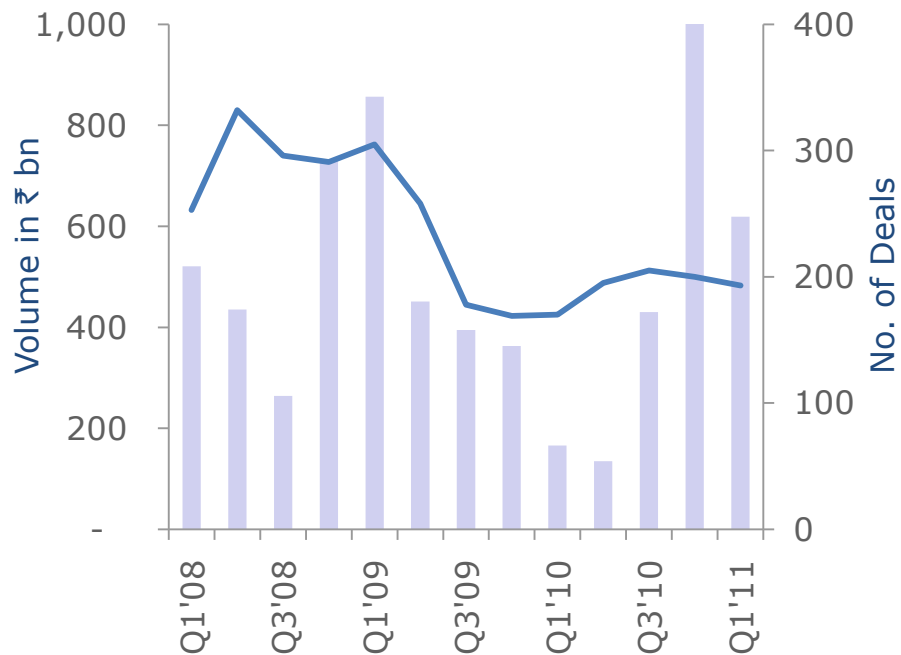
Private Equity



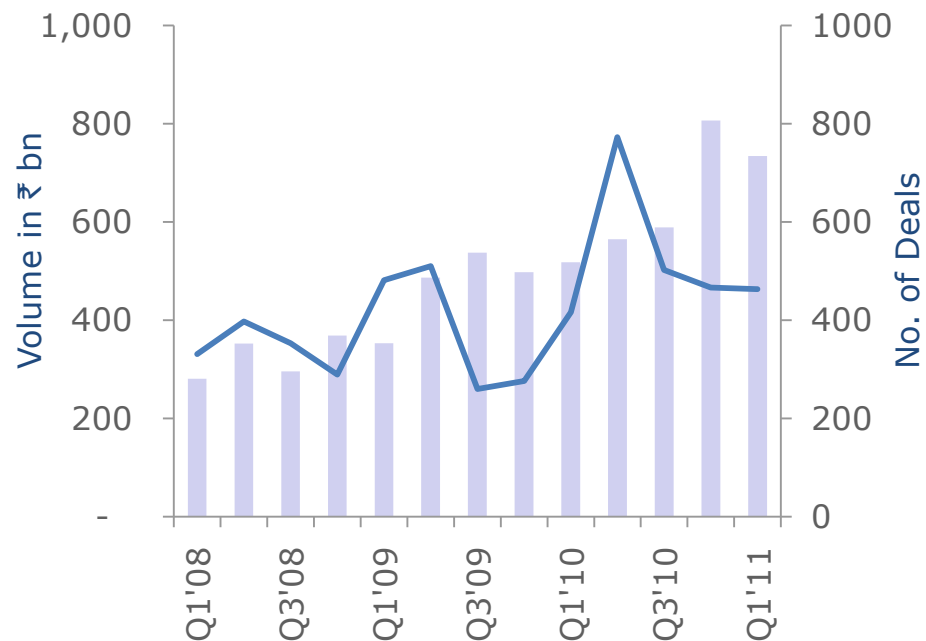
Public Equity Deals include Domestic Equity Offerings, Rights, FCCBs and Depository Receipts
 Source: Bloomberg, Prime Database, Venture Intelligence

Capital Market Activity – M&A and Debt

M&A Deals



Domestic Debt Market

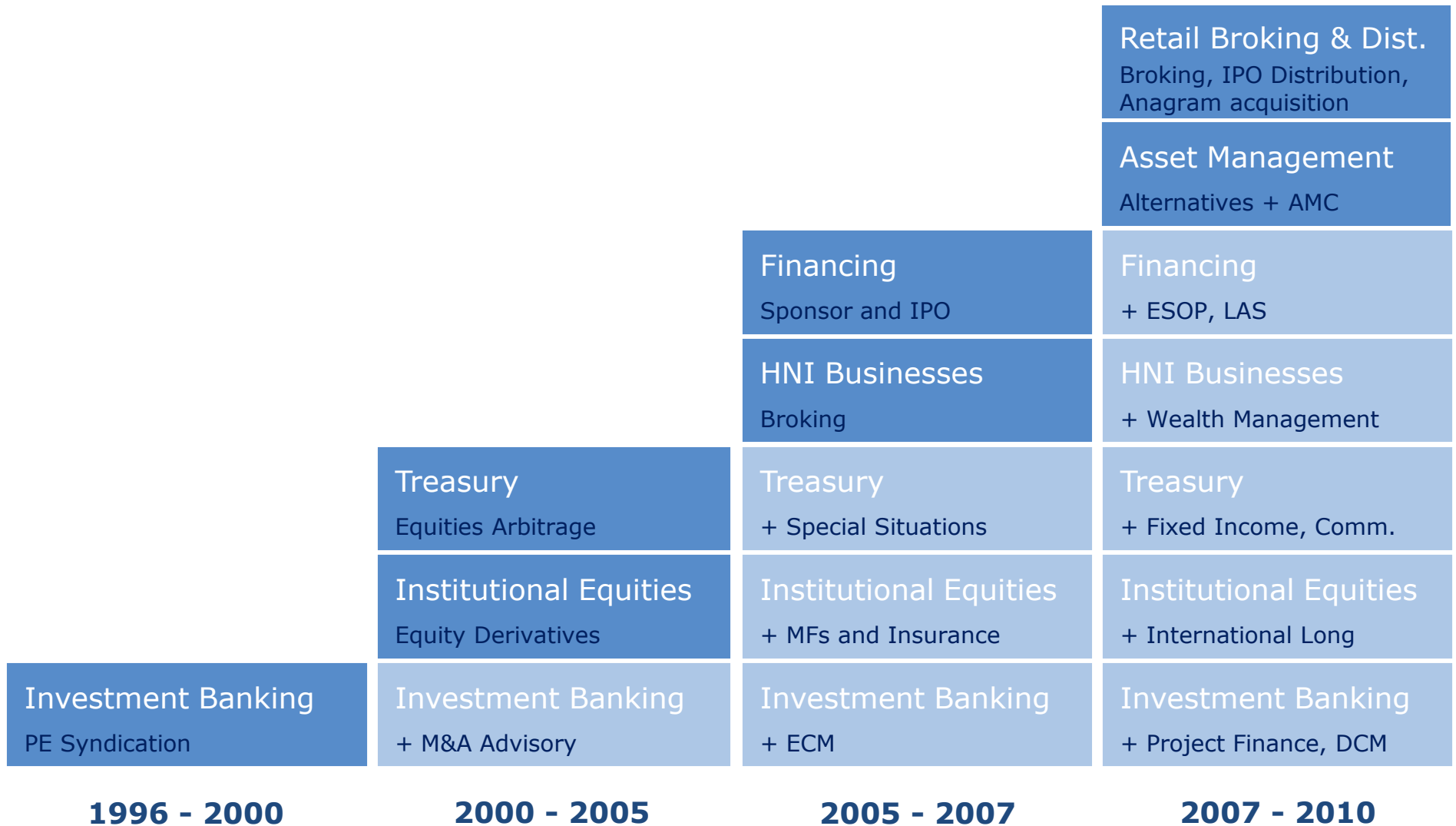


— No. of Deals ■ Volume

M&A Deals are all announced deals which may or may not have been completed
 Domestic Debt Markets include Debt Private Placements and Commercial Papers
 Source: Bloomberg, Prime Database, Venture Intelligence

4. Edelweiss Over The Years

Evolution



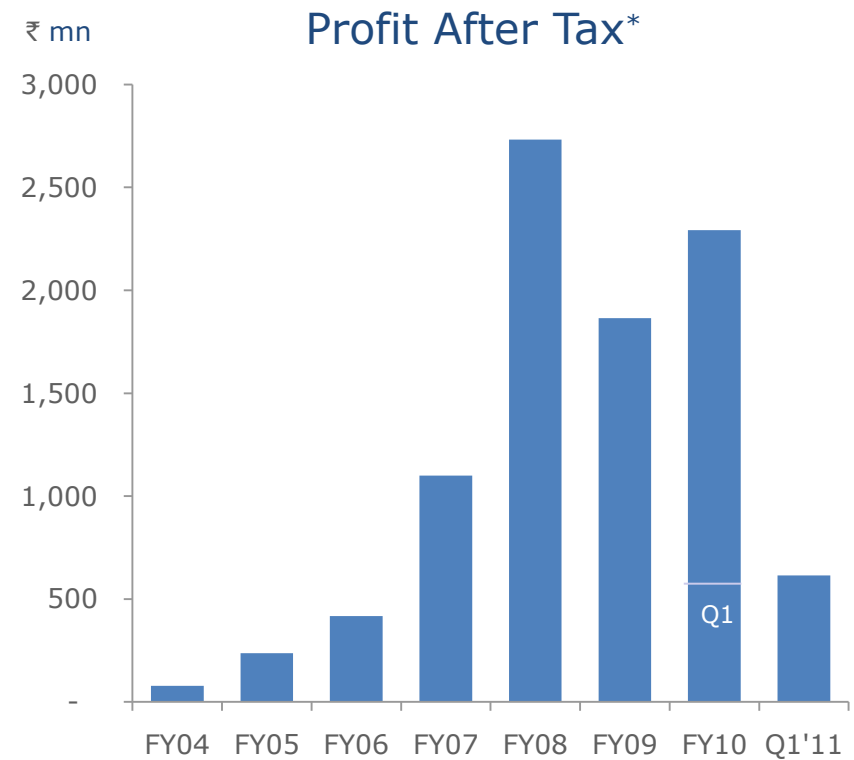
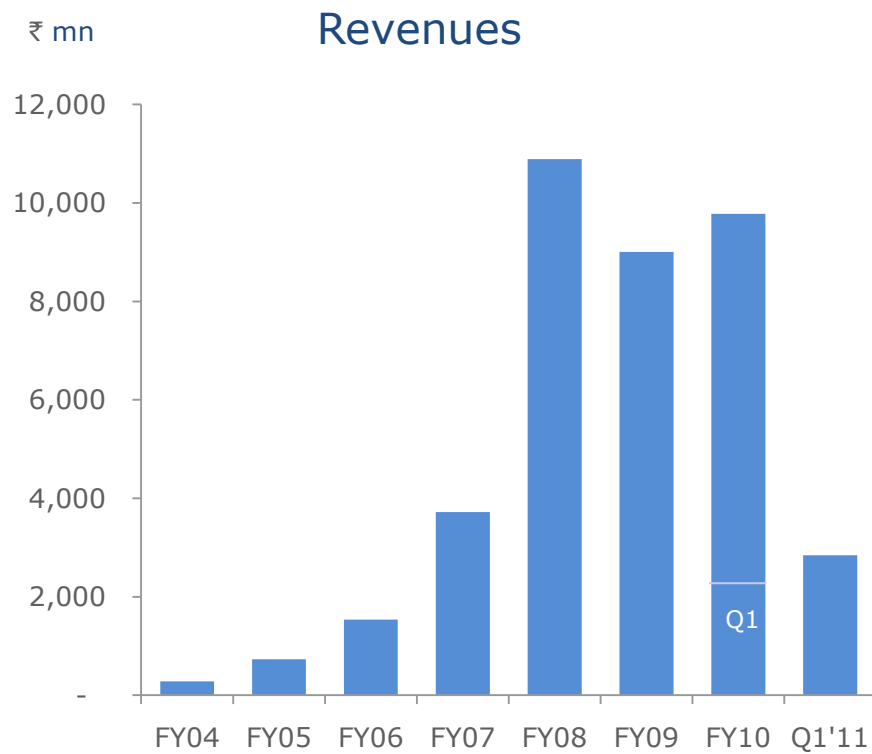
* From an Investment Banking firm to a Diversified Financial Services Organization

Consolidated Financials

Financial Year (In ₹ mn except as indicated)	Q1'11	2010	2009	2008	2007	2006	2005	2004
Total Income	2,840	9,778	9,005	10,888	3,718	1,533	727	281
Total Expenditure	1,948	6,450	5,715	6,421	1,971	898	383	175
Profit Before Tax	892	3,328	3,290	4,467	1,747	636	345	106
Tax Expenses	237	879	1,199	1,540	646	218	107	28
Net Profit (after minority)	614	2,292	1,864	2,732	1,099	417	237	78
Pre tax Margins (%)	31	34	37	41	47	41	47	38
Paid up Equity Share Capital	375	375	375	375	45	38	29	28
Net Worth (excl. minority)	23,209	22,574	21,154	18,476	5,823	1,784	539	302
BVPS (FV ₹ 5) (₹)#	309	300	282	246	94	39	16	9
Diluted EPS (FV ₹ 5) (₹)#	7.9	29.4	24.3	40.0	20.8	9.3	6.4	2.4
RoE (Annualized) (%)	11	10	9	28	34	39	56	30

(#) Adjusted for corporate actions, Quarterly EPS not annualised

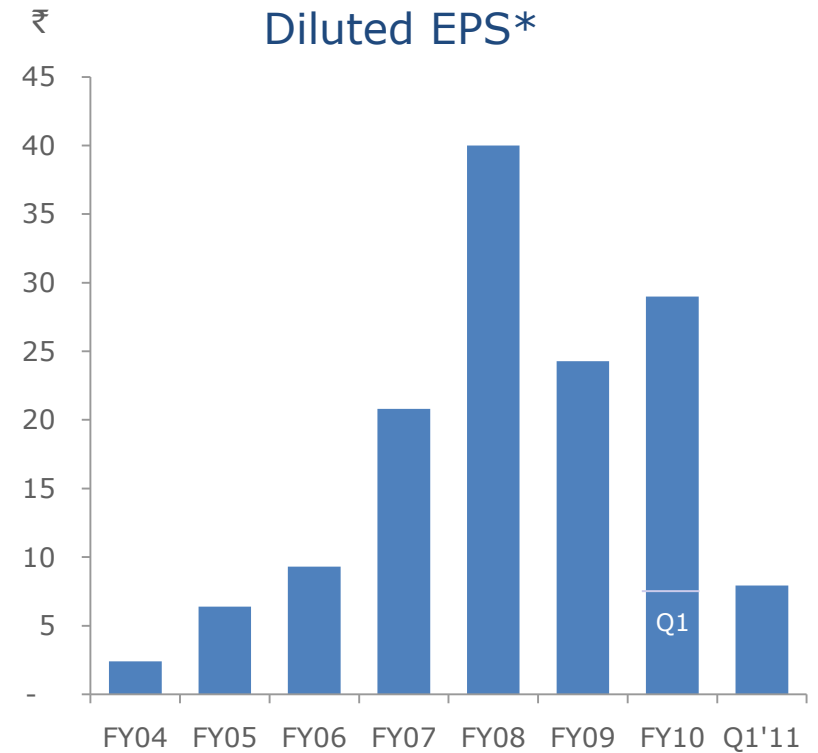
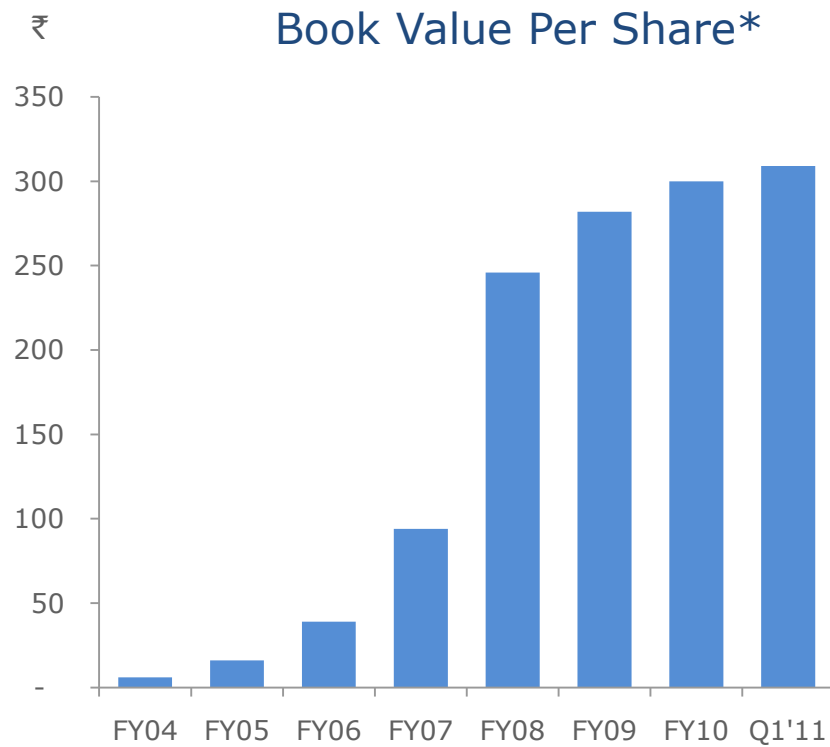
Track Record of Profitable Growth



Period	PAT margins
FY04	28%
FY05	33%
FY06	27%
FY07	30%
FY08	25%
FY09	21%
FY10	23%
Q1'11	22%

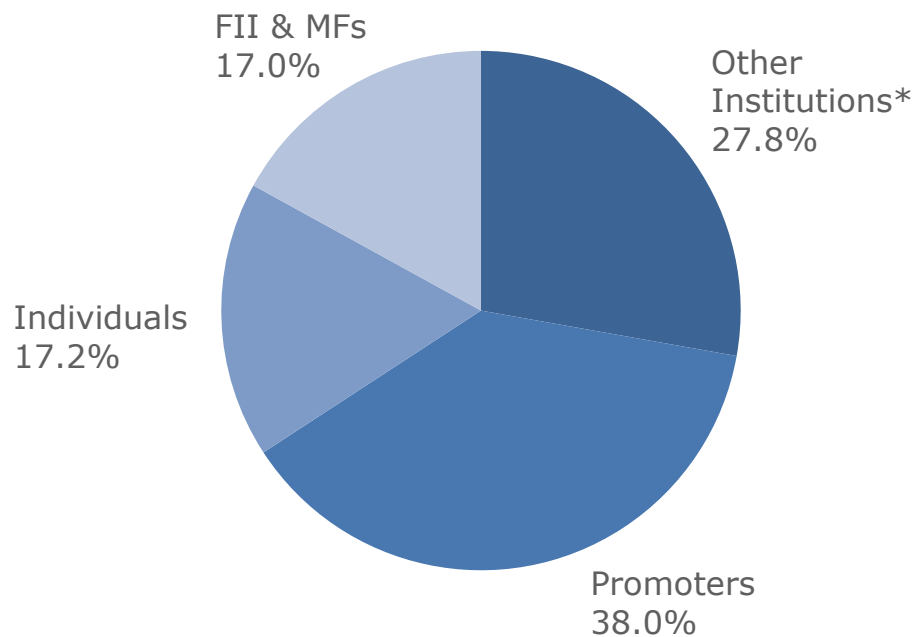
(*) after minority interest

Track Record of Profitable Growth



(*) Adjusted for corporate actions; Q1ly EPS not annualized

Shareholding Pattern & Top External Shareholders



Top 5 External Shareholders[#]

As on 30th June 2010

	Name	Percent
1	Govt. of Singapore	8.3%
2	Greater Pacific Capital	6.4%
3	BIH SA	5.9%
4	Reliance Mutual Fund	3.6%
5	Fidelity	3.4%

Quality institutional investors from different geographies

(*) includes DIIs, Insurance companies, Banks, Trusts & other Institutional investors etc.

(#) Holding of known affiliates have been clubbed together for the purpose of this information

Active Board of Directors with complementary skills

- ▶ Experienced Board of Directors with diverse areas of expertise
- ▶ Three independent and one non-independent non-executive director out of six directors

Rashesh Shah Executive Director	Venkatchalam Ramaswamy Executive Director	Kunnasagar Chinniah Non-Executive	Narendra Jhaveri Independent	P.N. Venkatachalam Independent	Berjis Desai Independent
Chairman & CEO	Head of Alt. Asset Management	Executive V.P. GIC, Singapore	Former Jt. MD ICICI Former Chairman ICICI Securities [Chairman of Audit Committee]	Former MD State Bank of India	Managing Partner J. Sagar & Associates, a leading law firm
19 yrs experience in public and private markets in India	Diverse experience in financial sector	Experienced in global private equity	Extensive experience in Indian capital markets	Extensive experience in Indian credit markets	Broad experience In Legal Services

Thank you

For more information, please visit www.edelcap.com

Or email ir@edelcap.com