

**PRESS RELEASE****Edelweiss records Q1FY11 Total Income of ₹ 284 crore****Profit After Tax ₹ 61 crore**

**Mumbai, July 30, 2010:** Edelweiss Capital Limited, India's leading diversified financial services company, announced its unaudited consolidated financial results for the quarter ended 30<sup>th</sup> June 2010.

**Q1FY11 Consolidated Financial Highlights:**

- \* **Total Revenues of ₹ 284 cr** (₹ 225 cr for Q1FY10 and ₹ 262 cr for Q4FY10)  
(up 26% YoY and up 8% QoQ)
- \* **Profit After Tax of ₹ 61 cr** (₹ 58 cr for Q1FY10 and ₹ 52 cr in Q4FY10)  
(up 5% YoY and up 17% QoQ)
- \* **Diluted EPS of ₹ 7.92** (₹ 7.58 in Q1FY10 and ₹ 6.69 in Q4FY10)
- \* **PBT Margin 31.4%** (38.5% in Q1FY10 and 28.5% in Q4FY10)
- \* **PAT Margin 21.6%** (25.9% in Q1FY10 and 19.9% in Q4FY10)

**Performance Highlights:**

- \* Fee and Commission Revenues for Q1FY11 of ₹ 93 cr (₹ 67 cr in Q1FY10 and ₹ 117 cr in Q4FY10)
- \* Treasury Operations Revenues for Q1FY11 of ₹ 56 cr (₹ 79 cr in Q1FY10 and ₹ 34 cr in Q4FY10)
- \* Interest Revenues for Q1FY11 of ₹ 126 cr (₹ 68 cr in Q1FY10 and ₹ 108 cr in Q4FY10)

The Board of Directors at their meeting held on 24<sup>th</sup> June 2010 has recommended an issue of Bonus Shares in the proportion 1:1 subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company on 30<sup>th</sup> July 2010.

**Business Highlights:**

- \* **Investment Banking** handled 10 transactions this quarter (33 in the previous year) across Equity Capital Markets, Advisory and Debt Capital Markets. The marquee deals of this quarter include:
  - \* QIPs for Alok Industries and Marg Limited
  - \* IPO of Mandhana Industries
  - \* Announcement of sale of stake in SpiceJet to Kalanithi Maran and associates
  - \* Announcement of preferential allotment of stake in Maytas Infra to Saudi Binladin Group, and
  - \* On the Debt Syndication side we were the Arranger for Bond issues of SAIL, PFC, Sundaram Finance and Tata Capital

Our client segments now span from Private to Public Sector, Mid caps to Large caps across industries and we offer a broad spectrum of products from ECM to Advisory to DCM to them. The deal pipeline continues to be strong.

- \* **Corporate Bonds Syndication** desk has emerged as a major player in debt markets and is ranked 2<sup>nd</sup> in Short Term Bonds placement (market share 24%) and 3<sup>rd</sup> in Commercial Papers issuance (market share 17%) by amount mobilized in Q1FY11 (as per Prime Database).
- \* **Institutional Brokerage** business performance for the quarter has been in line with the markets. Our **Research** now covers 178 stocks across 18 sectors, accounting for about 70% of the total market capitalization.
- \* Edelweiss continues to build its **Retail businesses**, both in retail broking and IPO distribution. In Retail Broking we now have over 60,000 clients through our portal [www.edelweiss.in](http://www.edelweiss.in). In IPO distribution, for the quarter ended 30<sup>th</sup> June 2010, Edelweiss is ranked 3<sup>rd</sup> in HNI category with a 13% market share and is ranked 4<sup>th</sup> in Retail category with a 7% market share in total amount mobilized in IPOs as per Prime Database.
- \* Our **Alternative Assets Management** business has AUMs/AUAs of US\$ 264 million equivalent at the end of this quarter. **Edelweiss Asset Management** now manages 10 Funds across Equity, Debt and Liquid Schemes. The focus of this business continues to be on broad basing the product portfolio and building investment management capabilities.
- \* The scale-up of **Financing** business continued this quarter with the total loan book size as on 30<sup>th</sup> June 2010 touching ₹ 2,562 cr. The loan book comprises of loans granted against securities and is adequately collateralized.
- \* The **Treasury** operations deploy surplus funds of the Group in low risk strategies. The focus in the business continues to be liquidity management and capital preservation.

**Other Updates:**

- \* Edelweiss Securities Limited and Edelweiss Investments & Finance Limited, subsidiaries of Edelweiss Capital Limited, have completed the acquisition of Anagram Capital Limited on 19<sup>th</sup> July 2010. Anagram Capital had over 207,000 clients and operated from 139 own offices and 122 franchise led offices as at the end of June '10. Anagram acquisition, together with our organic retail broking business based on internet and call and trade model, expands our retail footprint.
- \* The Group net worth excluding minority interest now stands at ₹ 2,321 cr. The aggregate debt component as at the end of this quarter was ₹ 4,637 cr, implying a leverage of 1.8x including minority interest.
- \* EdelGive, our social responsibility wing, focuses on creating educational, employment and sustainable livelihood opportunities for the underprivileged. It now supports over 15 non-profit organizations and is looking to expand its activities by extending financial and non-financial support to investees across India.
- \* Fountainhead Leadership Center, our residential training and conferencing center located in Alibaug is now operational. This signals our commitment to continue to invest in business and leadership training initiatives for our people using state of the art facilities and renowned trainers and teaching faculty.

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

*"Capital markets after a strong finish last year continue to witness good to moderate activity this quarter. There is renewed confidence in the markets about the long term growth story of India aided by the signs of global recovery. We are therefore seeing a good pipeline across our businesses. The markets may consolidate for another two or three quarters whereafter we are likely to see broad based recovery. However, inflationary concerns remain the key challenge going forward. Given our diversified business model, we are confident of capturing our share of growth in the markets. Meanwhile we continue to follow our strategy of synergistic diversification and continue to invest in building new businesses with an eye on the future growth. We also continue to scale up our existing businesses. We have also completed the acquisition of Anagram Capital this month which would lead to significant contribution from our retail businesses going forward."*

### **About Edelweiss Capital**

Edelweiss, with a group net worth of over ₹ 2400 crores and a pre-tax profit of ₹ 333 crores for FY10, has emerged as India's leading diversified financial services company. Edelweiss offers a large range of products and services spanning across asset classes and consumer segments. Its businesses are broadly divided into Investment Banking, Brokerage Services, Asset Management and Financing. The company's research driven approach and proven history of innovation has enabled it to foster strong relationships across corporate, institutional and individual clients. The Mutual fund and Retail Broking businesses along with the acquisition of Anagram Capital have paved the way for Edelweiss to cater to the large retail client segment. Edelweiss' presence in India along with Anagram now covers over 340 offices pan India.

Edelweiss Capital trades under the symbols NSE: EDELWEISS, BSE: 532922, Bloomberg: EDEL.IN. To learn more about the Edelweiss Group, please visit [www.edelcap.com](http://www.edelcap.com).

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This document may contain certain forward - looking statements based on current expectations of the management of Edelweiss Capital Limited 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.

The company regularly posts all important information at its website [www.edelcap.com](http://www.edelcap.com).

**Consolidated Financial Results for the Quarter Ended 30<sup>th</sup> June, 2010**
**(Rs. in Crores)**

	Particulars	Quarter Ended			Year Ended
		June 30, 2010 (Unaudited)	March 31, 2010 (Unaudited)	June 30, 2009 (Unaudited)	March 31, 2010 (Audited)
	Fee and commission income	93.41	117.20	67.05	350.40
	Income from treasury operations	56.22	33.94	79.02	245.46
	Income from investments and dividend	4.02	0.10	8.32	34.26
	Interest income	125.66	108.25	68.25	338.91
<b>1</b>	<b>Income from Operations</b>	<b>279.31</b>	<b>259.49</b>	<b>222.64</b>	<b>969.03</b>
2	Other Operating Income	4.69	2.93	1.96	8.77
<b>3</b>	<b>Total Income (1+2)</b>	<b>284.00</b>	<b>262.42</b>	<b>224.60</b>	<b>977.80</b>
	Expenditure				
	a. Operating cost	63.68	80.35	65.15	276.30
	b. Employees cost	49.84	46.47	39.15	162.17
	c. Interest and Finance charges	77.57	56.94	31.10	194.28
	d. Depreciation	3.67	3.93	2.76	12.25
<b>4</b>	<b>Total expenditure</b>	<b>194.76</b>	<b>187.69</b>	<b>138.16</b>	<b>645.00</b>
<b>5</b>	<b>Profit / (Loss) before tax (3-4)</b>	<b>89.24</b>	<b>74.73</b>	<b>86.44</b>	<b>332.80</b>
6	Tax expenses	23.75	18.40	24.93	87.92
<b>7</b>	<b>Net Profit / (Loss) after tax and before minority interest (5-6)</b>	<b>65.49</b>	<b>56.33</b>	<b>61.51</b>	<b>244.88</b>
8	Share of minority interest in profits	4.13	4.07	3.26	15.72
<b>9</b>	<b>Net Profit / (Loss) after minority interest (7-8)</b>	<b>61.36</b>	<b>52.26</b>	<b>58.25</b>	<b>229.16</b>
10	Paid-up equity share capital (Face Value of Rs 5/- Per Share)	37.55	37.54	37.47	37.54
11	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				2,217.94
12	Earnings Per Share (EPS) in Rupees				
	- Basic (Not annualised)	8.17	6.96	7.77	30.56
	- Diluted (Not annualised)	7.92	6.69	7.58	29.37
13	Public shareholding				
	- Number of shares	46,525,149	46,500,324	46,361,586	46,500,324
	- Percentage of shareholding	61.95%	61.94%	61.87%	61.94%
14	Promoters & promoter group shareholding				
	a) Pledged/ Encumbered				
	- Number of shares	3,210,000	2,760,000	Nil	2,760,000
	- Percentage of shares (as a % of total shareholding of promoter & promoter group)	11.23%	9.66%	Nil	9.66%
	- Percentage of shares (as a % of total share capital of the company)	4.27%	3.68%	Nil	3.68%
	b) Non-encumbered				
	- Number of shares	25,361,569	25,811,569	28,571,569	25,811,569
	- Percentage of shares (as a % of total shareholding of promoter & promoter group)	88.77%	90.34%	100.00%	90.34%
	- Percentage of shares (as a % of total share capital of the company)	33.78%	34.38%	38.13%	34.38%

**Notes:**

- 1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter ended 30 June 2010 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 30 July 2010.
- 2 The financial results for the quarter ended 30 June 2010 of ECL, on standalone basis, have been subjected to a 'Limited Review' by the Statutory Auditors of the Company.
- 3 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.
- 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. ICRA has assigned the rating 'LAA-' (pronounced 'L double A minus') to the Long Term Debt Programme of ECL for Rs.450 crores, the rating 'LAA- pp' (pronounced 'L double A Minus Principal Protected') to the Long Term Equity Linked Debenture Programme of ECL for Rs.25 crores and the rating 'LAA- pn' (pronounced 'L double A Minus Principal Not Protected') to the Long Term Equity Linked Debenture Programme of ECL for Rs.80 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, 26,775 stock options have been exercised and 24,825 equity shares have been allotted. 7,621,592 stock options are outstanding as at the end of the quarter.
- 6 There were no investor complaints outstanding at the beginning of the quarter. During the quarter, the Company received 22 investor complaints and has resolved all of these, with no complaint pending as at the end of the quarter.
- 7 The previous financial year/period figures have been regrouped / reclassified wherever necessary to conform to current quarter's presentation.
- 8 The standalone and consolidated results will be available on the Company's website - [www.edelcap.com](http://www.edelcap.com).

On behalf of the  
Board of Directors

Rashesh Shah  
Chairman

Mumbai, 30 July 2010.