

PRESS RELEASE**Edelweiss records Q3FY10 Total Income of INR 230 cr - up 16% YoY
Profit After Tax INR 53.6 cr - up 40% YoY**

Mumbai, January 22, 2010: Edelweiss Capital Limited, one of India's leading integrated financial services companies announced its unaudited consolidated financial results for the quarter ended December 31, 2009.

Consolidated Financial Highlights:

- **Q3FY10 Total Revenues of INR 230.21 cr** (Q3FY09:INR 198.59 cr)
- **Q3FY10 Profit After Tax of INR 53.58 cr** (Q3FY09:INR 38.13 cr)
- **Q3FY10 Diluted EPS of INR 6.90** (Q3FY09:INR 4.93) (not annualized)
- **Q3FY10 PBT Margin 32.7%** (Q3FY09:36.50%)
- **Q3FY10 PAT Margin 23.3%** (Q3FY09:19.20%)

Declares interim dividend of INR 2 per share**Performance Highlights:**

- Fee and Commission Revenues for Q3FY10 of INR 85.92 cr (Q3FY09:INR 47.65 cr)
- Treasury, Arbitrage & Trading Revenues for Q3FY10 INR 60.73 cr (Q3FY09:INR 44.76 cr)
- Interest Revenues for Q3FY10 INR 74.38 cr (Q3FY09:INR 92.68 cr)

Business Highlights:

- **Investment Banking** closed 10 deals this quarter. While ECM transactions especially QIPs were strong, advisory deals closure continues to be slow. These include QIPs of Bajaj Electricals, Adhunik Metals, DCB, Allied Digital and Parsvnath Developers, Buy-Back of shares of Alembic, Syndicated Term Loan for Bhoruka Power and Rights issue of Wire & Wireless. We were also the Joint Arranger for Bonds issue of INR 4.5 billion for SAIL and INR 1.2 billion for APSFC. The mandated pipeline continues to be strong.
 - Two of the M&A deals advised by us earlier, the acquisition of PeopleSupport by Aegis and acquisition of Xcel Telecom by ATC, were adjudged as the Cross-Border Deal of the Year in the US\$ 200 million+ and US\$ 100 million+ categories respectively at the recently announced M&A Atlas Awards.
- **Institutional Brokerage** business performance for the quarter has been in line with the levels of activity in the markets. Our **Research** now covers nearly 160 stocks across 18 sectors, accounting for over 70% of the total market capitalization. During the quarter, Edelweiss arranged its annual Asia Pacific Conference in Singapore and Hong Kong which witnessed excellent response from the Indian corporates as well as global investors.

- **Edelweiss Alternative Asset Advisors** launched Edelweiss Special Opportunities Fund this quarter and announced its first close at US\$ 105 million. **Edelweiss Asset Management** manages 5 Debt/Liquid Funds and 4 Equity Funds as on 31st December 2009. SEBI approval for launch of an Income Advantage Fund has been received recently. Edelweiss is one of the first few Fund Houses which have agreed to participate on the Mutual Fund trading platform on NSE and BSE. The focus of this business continues to be on broad basing the product portfolio and building up track record.
- The scale-up of **Financing** business has continued strongly this quarter with the total loan book size as on 31st December 2009 being over INR 1000 cr. The loan book comprises of loans granted against securities.
- Edelweiss continues to build its **Retail businesses**, both in retail broking and IPO distribution. For the 9 months period upto December 2009, Edelweiss is ranked #2 in HNI category by total amount mobilized in IPOs and is ranked 5th in Retail category by the number of applications procured in IPOs as per Prime Database.
- The **Treasury** business deploys surplus funds of the Group in low risk strategies. The arbitrage yields continue to remain low given ample liquidity and the focus in the business continues to be liquidity management and capital preservation.

Other Updates:

- Edelweiss has announced during this quarter that it is entering into an agreement with Tokio Marine Holdings, Inc., one of the world's leading insurance groups headquartered in Japan, to establish a **Life Insurance Joint Venture** in India subject to regulatory approvals. This would lead to long term investment opportunities for the Group while enlarging its retail footprint.
- The Group net worth excluding minority interest now stands above INR 2250 cr. The aggregate debt component as on 31st December 2009 is approximately INR 2800 cr, implying a leverage of ~1.2.
- EdelGive, our social responsibility wing, focuses on creating educational, employment and sustainable livelihood opportunities for underprivileged youth. During the quarter it has received an overwhelming response for its annual Social Innovation Honours by way of over 280 entries. The EdelGive Social Innovation Honours is a national awards programme along with Kubera Partners to reward innovative work in the social sector in the country.

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

"During this quarter, equity capital markets continued to see strong capital raising, especially by way of QIPs. The flows to emerging markets also continue to be strong with India poised to benefit more than peers due to its robust long term growth story especially because of infrastructure creation and domestic consumption. Our Investment Banking and Institutional Equities businesses have, as a result, performed well while the scale up of our Retail, Financing and Alternative Assets Management businesses continues. However, low interest rates and yields in the system affected our overall performance given the large amount of short term assets that we maintain, essentially in the form of bank deposits and treasury assets.

Our plans to enter life insurance business signify the first major step towards diversifying into financial services outside the capital markets. This together with our growing Retail and Asset Management businesses will further enhance the portfolio of products offered by the Group in the retail segment. Edelweiss continues to look to invest in long term opportunities in the financial services while scaling up its existing businesses."

About Edelweiss Capital

Established in 1995, Edelweiss Capital (NSE: EDELWEISS, BSE: 532922, Bloomberg: EDEL.IN) 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 recently launched Mutual fund and Retail Broking businesses have paved the way for Edelweiss to cater to the large retail client segment. Edelweiss' presence in India spans 65 offices across 21 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 regularly posts all important information at its website www.edelcap.com.

Consolidated Financial Results for the Quarter Ended 31st December, 2009

(Rs. in Crores)

	Particulars	Quarter Ended		Nine Months Ended		Year Ended March 31, 2009 (Audited)
		December 31, 2009 (Unaudited)	December 31, 2008 (Unaudited)	December 31, 2009 (Unaudited)	December 31, 2008 (Unaudited)	
	Fee and commission income	85.92	47.65	233.20	204.06	244.12
	Income from treasury, arbitrage and trading	60.73	44.76	211.52	200.32	251.17
	Income from investments and dividend	5.38	13.44	34.16	58.61	69.74
	Interest income	74.38	92.68	230.66	253.42	331.46
1	Income from Operations	226.41	198.53	709.54	716.41	896.49
2	Other Operating Income	3.80	0.06	5.84	0.70	4.01
3	Total Income (1+2)	230.21	198.59	715.38	717.11	900.50
	Expenditure					
	a. Operating cost	68.53	57.95	195.95	196.03	254.17
	b. Employees cost	37.23	38.19	115.70	136.09	165.94
	c. Interest and Finance charges	46.41	25.78	137.34	111.98	133.70
	d. Depreciation	2.65	4.19	8.32	11.96	17.66
4	Total expenditure	154.82	126.11	457.31	456.06	571.47
5	Profit / (Loss) before tax (3-4)	75.39	72.48	258.07	261.05	329.03
6	Tax expenses (including Deferred and FBT)	17.46	27.62	69.52	96.22	119.91
7	Net Profit / (Loss) after tax before minority interest (5-6)	57.93	44.86	188.55	164.83	209.12
8	Share of minority interest in profits	4.35	6.73	11.65	19.32	22.68
9	Net Profit / (Loss) after minority interest (7-8)	53.58	38.13	176.90	145.51	186.44
10	Paid-up equity share capital (Face Value of Rs 5/- Per Share)	37.52	37.47	37.52	37.47	37.47
11	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					2,076.62
12	Earnings Per Share (EPS) in Rupees					
	- Basic (Not annualised)	7.14	5.09	23.60	19.41	24.88
	- Diluted (Not annualised)	6.90	4.93	22.80	18.81	24.28
13	Public shareholding					
	- Number of shares	46,466,124	46,361,586	46,466,124	46,361,586	46,361,586
	- Percentage of shareholding	61.92%	61.87%	61.92%	61.87%	61.87%
14	Promoters & promoter group shareholding					
	a) Pledged/ Encumbered					
	- Number of shares	Nil		Nil		Nil
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	Nil		Nil		Nil

- Percentage of shares (as a % of total share capital of the company)	Nil	Nil	Nil
b) Non-encumbered			
- Number of shares	28,571,569	28,571,569	28,571,569
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%
- Percentage of shares (as a % of total share capital of the company)	38.08%	38.08%	38.13%

Notes:

- 1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter and nine months ended 31 December 2009 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 22 January 2010.
- 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 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.
- 4 During the quarter, the Company has granted 132,500 options under Employee Stock Option Scheme, 36,976 stock options have been exercised and 33,452 equity shares have been allotted. 7,990,467 stock options are outstanding as at the end of the quarter.
- 5 The Board of Directors has declared an interim dividend of Rs. 2 per share (on a face value of Rs 5 per equity share) for the financial year 2009-10.
- 6 The previous financial year/period figures have been regrouped/reclassified wherever necessary to conform to current quarter's presentation.
- 7 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, 22 January 2010.