

**PRESS RELEASE**

- **Edelweiss records INR 58.25 crores of Net Profit on Total Income of INR 224.60 crores**
- **The company has registered a growth of 42.3% in Net Profit over the last quarter**

**Mumbai, July 31, 2009:** Edelweiss Capital Limited, one of India's leading integrated financial services companies announced its unaudited consolidated financial results for the quarter ended June 30, 2009.

**Consolidated Financial Highlights:**

- **Q1FY10 Total Revenues of INR 224.60 cr** (Q4FY09:INR 183.39 cr)
- **Q1FY10 Profit After Tax of INR 58.25 cr** (Q4FY09:INR 40.93 cr)
- **Q1FY10 Diluted EPS of INR 7.58** (Q4FY09:INR 5.33) (not annualized)
- **Q1FY10 PBT Margin 38.5%** (Q4FY09:37.1%)
- **Q1FY10 PAT Margin 25.9%** (Q4FY09:22.3%)

**Performance Highlights:**

- Fee and Commission Revenues for Q1FY10 of INR 67.05 cr (Q4FY09:INR 40.06 cr)
- Treasury, Arbitrage & Trading Revenues for Q1FY10 INR 79.02 cr (Q4FY09:INR 50.85 cr)
- Interest Revenues for Q1FY10 INR 68.25 cr (Q4FY09:INR 78.04 cr)

**Business Highlights:**

- The **Investment Banking** activity is showing early signs of pick up. We closed 2 investment banking transactions this quarter. Notable transactions amongst these was the divestment of its 100% stake by Horse-Shoe Capital (an affiliate of Q-Investments of USA) in XCEL Telecom to American Tower Corporation for approx. USD 150 mn in cash and assumed liabilities. This marks the first strategic acquisition by a foreign player in the Indian telecom tower infrastructure market. We also acted as Lead Manager in the rights Issue by Alok Industries Limited for INR 449 crores.
- The **Distressed Assets** business completed the advisory mandate of a large Indian Corporate on its debt restructuring proposal involving domestic and foreign currency debt of over Rs. 5,000 crores under the CDR Scheme.
- 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. We are ranked #3 as per Prime Database in Commercial Papers placement for this quarter.
- The **Brokerage** Services business has witnessed higher levels of activity on the back of positive sentiments in the market. Our **Research** continues to cover over 125 stocks across 16 sectors accounting for nearly 70% 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 **Asset Management Company** manages three Debt/Liquid Funds and three Equity Funds as on 30<sup>th</sup> June 2009. It has recently launched a Gilt Fund and an Absolute Return Equity 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 450 cr. It comprises of loans granted against capital market securities and is adequately collateralized. The interest income from loans business continues to be a distinct contributor to our revenue streams.

**Other Highlights**

- The Group net worth excluding minority interest now stands above INR 2,160 cr. The aggregate debt component as on 30<sup>th</sup> June 2009 is approximately INR 1,000 cr, indicating a low leverage of 0.4x. Our strong and liquid balance sheet enables the Company to support the diverse business lines.
- 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.
- EdelGive, our social responsibility wing, focuses on creating educational, employment and sustainable livelihood opportunities for underprivileged youth.

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

*"After the unprecedented year FY09, we are now seeing signs of optimism coming back in the markets. The trading turnover and market indices reflect this positive sentiment. While our performance during the previous year demonstrated our ability to withstand downturn due to inherent cost flexibility, our performance during this quarter has highlighted our ability to be able to quickly convert growth opportunities into business when they reappear. We continue to invest in new initiatives with an eye on nurturing long term growth."*

**About Edelweiss Capital**

Established in 1995, Edelweiss Capital (NSE: EDELWEISS, BSE: 532922, Bloomberg: EDEL.IN) today has 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 53 offices across 16 cities.

To learn more about the Edelweiss Group, please visit [www.edelcap.com](http://www.edelcap.com)

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**Safe Harbor**

This document may contain 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.

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

**Consolidated Financial Results for the Quarter Ended 30th June, 2009 (Rs. in Crore)**

	Particulars	Quarter Ended			Year Ended
		30.06.2009 (Unaudited)	31.03.2009 (Unaudited)	30.06.2008 (Unaudited)	31.03.2009 (Audited)
	Fee and commission income	67.05	40.06	88.65	244.12
	Income from treasury, arbitrage and trading	79.02	50.85	70.25	251.17
	Income from investments and dividend	8.32	11.13	33.72	69.74
	Interest income	68.25	78.04	76.31	331.46
<b>1</b>	<b>Income from Operations</b>	<b>222.64</b>	<b>180.08</b>	<b>268.93</b>	<b>896.49</b>
2	Other Operating Income	1.96	3.31	0.00	4.01
<b>3</b>	<b>Total Income (1+2)</b>	<b>224.60</b>	<b>183.39</b>	<b>268.93</b>	<b>900.50</b>
	Expenditure				
	a. Operating cost	65.15	58.14	65.79	254.17
	b. Employees cost	39.15	29.85	49.70	165.94
	c. Interest and Finance charges	31.10	21.72	43.88	133.70
	d. Depreciation	2.76	5.70	3.34	17.66
<b>4</b>	<b>Total expenditure</b>	<b>138.16</b>	<b>115.41</b>	<b>162.71</b>	<b>571.47</b>
<b>5</b>	<b>Profit / (Loss) before tax (3-4)</b>	<b>86.44</b>	<b>67.98</b>	<b>106.22</b>	<b>329.03</b>
6	Tax expenses (including Deferred and Fringe Benefit Tax)	24.93	23.69	36.12	119.91
<b>7</b>	<b>Net Profit / (Loss) after tax before minority interests (5-6)</b>	<b>61.51</b>	<b>44.29</b>	<b>70.10</b>	<b>209.12</b>
8	Share of minority interests in profits	3.26	3.36	6.32	22.68
<b>9</b>	<b>Net Profit / (Loss) after minority interests (7-8)</b>	<b>58.25</b>	<b>40.93</b>	<b>63.78</b>	<b>186.44</b>
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
12	Earnings Per Share (EPS) in Rupees				
	- Basic (Not annualised)	7.77	5.46	8.51	24.88
	- Diluted (Not annualised)	7.58	5.33	8.08	24.28
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%

**Notes:**

- 1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter ended 30th June, 2009 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 31st July, 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 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. The ratings as mentioned for these Programmes / Issues continue to remain in force.
- 4 During the quarter, the Company has granted 25,00,000 options under Employee Stock Option Scheme and 300 stock options have been exercised. 88,19,055 stock options are outstanding as at the end of the quarter with employees of the Company and its subsidiaries.
- 5 The previous financial year/period figures have been regrouped/reclassified wherever necessary to conform to current quarter's presentation.
- 6 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

Mumbai, 31<sup>st</sup> July, 2009

Rashesh Shah  
Chairman