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PRESS RELEASE FOR IMMEDIATE PUBLICATION**Q1FY09 - Revenues of INR 268.93 crores and PAT of INR 63.78 crores****YoY – Revenue growth of 87% and PAT growth of 52%**

Mumbai, July 11, 2008: Edelweiss Capital Limited, one of India's largest integrated Investment Banking companies announced its unaudited financial results for the quarter ended June 30, 2008.

Consolidated Financial Highlights

- **Q1FY09 Revenues of INR 268.93 cr** vs INR 143.74 cr for Q1FY08 (**Growth of 87%**)
- **Q1FY09 Profit after Tax of INR 63.78 cr** vs INR 41.93 cr for Q1FY08 (**Growth of 52%**)

Performance Highlights– Q1FY09 over Q1FY08

- Fee and Commission Revenues for Q1FY09 of INR 88.65 cr, up from INR 81.55 cr for Q1FY08
- Treasury, Arbitrage and Trading Revenues for Q1FY09 of INR 70.25 cr, up from INR 44.60 cr for Q1FY08
- Interest Revenues for Q1FY09 of INR 76.31 cr, up from INR 9.80 cr for Q1FY08

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

The Group net worth now stands in excess of INR 2400 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 YoY growth of 87% during Q1FY09, a particular outstanding feature is the strong growth of interest income to INR 76.31 cr in Q1FY09 over INR 9.80 cr in the corresponding quarter last year.

All our established businesses continue to perform well and the new businesses are securing a strong foundation despite market volatility in recent times.

The **Investment Banking** business has successfully closed 4 transactions in Q1FY09. The Group's **Equities Broking** business continues to show growth both in the Institutional and HNI client segments over corresponding period last year.

The **Research** coverage includes 215 stocks across 19 sectors accounting for about 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. Our research quality and caliber is well regarded across the institutional community.

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The **Wholesale Financing** business continues to grow and now has an asset base of over INR 1000 cr. The interest income from financing business is now growing into a distinct contributor to our revenue streams.

Alternative Asset Management business covers alternate asset classes like Real Estate, Private Equity and multi-strategy funds. It delivers highly valued investment advice, both direct and indirect to few select funds. Despite difficult market conditions the AUMs/AUAs have remained relatively steady and stand over USD 600 million.

Edelweiss has received final regulatory approval from the Securities & Exchange Board of India (SEBI) to start its mutual fund business. Edelweiss plans to shortly launch niche schemes and use this growth engine for building up a stable retail customer base.

Edelweiss Capital Limited has 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.

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

"Our performance in the current quarter provides a representation of the current market conditions and the resilience of our diversified business model. We have consciously chosen to nurture and support diverse set of businesses and this is something that we expect will help moderate the impact of variable market conditions. Our new business initiatives including Alternative Asset Management, Wealth Management and Wholesale Financing are progressing well and are expected to contribute strongly on a progressive basis. I am pleased to note that following the approval from the regulatory authorities we are readying the launch of certain key products through our asset management arm shortly."

About Edelweiss Capital

Edelweiss Capital Limited (www.edelcap.com) is one of India's largest integrated investment banking companies. The Group's services include investment banking, institutional equities, private client broking, asset management, wealth management and wholesale financing. 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 1700 employees, leveraging a strong partnership culture and unique model of employee ownership.

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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.

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**Consolidated Financial Results for the Quarter
Ended 30th June 2008**

(Rs. in Crores)

	Particulars	Quarter Ended		Year Ended
		30.06.2008 (Unaudited)	30.06.2007 (Unaudited)	31.03.2008 (Audited)
	Fee and commission income	88.65	81.55	445.88
	Income from treasury, arbitrage and trading	70.25	44.60	349.26
	Income from investments and dividend (#)	33.72	7.79	76.63
	Interest income	76.31	9.80	217.09
1	Total income	268.93	143.74	1,088.86
	Expenditure			
	a. Operating cost	65.79	25.32	227.98
	b. Employees cost	49.70	36.30	205.72
	c. Interest and Finance charges	43.88	14.90	201.15
	d. Depreciation	3.34	0.95	7.31
2	Total expenditure	162.71	77.47	642.16
3	Profit / (Loss) before tax (1-2)	106.22	66.27	446.70
4	Tax expenses (including Deferred and Fringe Benefit Tax)	36.12	22.90	154.02
5	Net Profit / (Loss) after tax before minority interests (3-4)	70.10	43.37	292.68
6	Share of minority interests in profits	6.32	1.44	19.44
7	Net Profit / (Loss) after minority interests ⁽⁵⁻⁶⁾	63.78	41.93	273.24
8	Paid-up equity share capital (Face Value of Rs 5/- Per Share) (Refer Note : 6)	37.47	8.98	37.47
9	Reserves excluding Revaluation Reserves			1,809.27
10	Earnings Per Share (EPS) in Rupees (Refer Note : 6)			
	- Basic (Not annualised)	8.51	7.78	42.29
	- Diluted (Not annualised)	8.08	6.50	39.99
11	Public shareholding			
	- Number of shares	46,361,586	42,328,612	46,361,586
	- Percentage of shareholding	61.87%	47.11%	61.87%

(#) quarter ended 30th June 2008 includes income of Rs. 16.26 crores earned from liquid mutual funds

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Notes:

- 1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter ended 30th June, 2008 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11th July, 2008.
- 2 Out of the net issue proceeds of Rs. 671.49 crores, the Company has already utilised an amount of Rs. 616.44 crores as per the Objects of the Issue and the unutilised amount has been, in the interim, placed in Mutual Funds / Bank Deposits / Certificate of Deposits issued by Banks.
- 3 Edelweiss Capital Limited 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) issued by The Institute of Chartered Accountants of India. The financial statements of the parent 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 and ICRA has assigned the rating 'LAA-' (pronounced 'L double A minus') to the Long Term Debt Programme for Rs 200 crores. The ratings as mentioned for these Programmes / Issues continue to remain in force as at 30th June, 2008.
- 5 During the quarter, the Company has not granted any options under Employee Stock Option Scheme and the stock options outstanding with employees of the Company and its subsidiaries as at 30th June, 2008 are 6,051,257.
- 6 Effective July 20, 2007, the Equity Shares of the face value of Re. 1 each were consolidated into face value of Rs. 5 each. Per share data is calculated at the face value of Rs. 5 each.
- 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