

Press Release for Immediate Publication

**Edelweiss Capital Declares Consolidated Results for the Quarter/Nine Months Ended December 31, 2007**

**YoY for Nine Months ended December 31, 2007**

- **Total Revenues up by 190 %**
- **Net Profit up by 163 %**

**Mumbai - January 21, 2008:** Edelweiss Capital Limited, (NSE Code: "EDELWEISS", BSE Code: 532922), one of India's fastest growing diversified financial services companies announced its unaudited financial results for the quarter and nine months ended December 31, 2007 following its approval by the Board of Directors in the meeting held in Mumbai on January 21, 2008.

The Company listed on the bourses on December 12, 2007.

**Performance Highlights**

**Consolidated Financial results for the nine months ended December 31, 2007**

- ▲ Revenues for the nine months ended December 31, 2007 are INR 683.08 crores, up 190% from INR 235.88 crores for the nine months ended December 31, 2006.
- ▲ Net Profit after tax and minority interest for the nine months ended December 31, 2007 is INR 190.69 crores, up 163% compared to INR 72.51 crores for the corresponding period in the previous year.
- ▲ Basic EPS for the nine months ended December 31, 2007 is INR 31.16 per share, up 110% from INR 14.85 per share for the nine months ended December 31, 2006.
- ▲ Diluted EPS for the nine months ended December 31, 2007 is INR 30.03 per share up 126 % from INR 13.27 per share for the nine months ended December 31, 2006.

**Consolidated Financial results for the quarter ended December 31, 2007**

- ▲ Revenues for the quarter ended December 31, 2007 are INR 323.53 crores, up 230% from INR 98.07 crores for the quarter ended December 31, 2006
- ▲ Net Profit after tax and minority interests for the quarter ended December 31, 2007 is INR 92.43 crores, up 199% compared to a net profit of INR 30.92 crores for the quarter ended December 31, 2006.

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

On a consolidated basis, the Group has registered strong growth across its businesses for the nine months ended December 31, 2007.

The **Investment Banking** business has successfully closed 24 transactions. Some of the notable transactions include investment in Deccan Aviation by the UB Group, raising Private Equity for SVIL Mines and IBS Software, Qualified Institutional Placements for Phoenix Mills and South Indian Bank and the Initial Public Offerings of Take Solutions, Kolte Patil Developers, eClerx Services and Renaissance Jewellery.

In addition to these transactions, the Real Estate and Infrastructure Advisory businesses also had significant deal closures.

The Group's **Equities Broking** business continues to show a robust growth both in the Institutional and HNI client segments. The **Research** coverage has expanded to include 215 stocks across 19 sectors accounting for 61% of the total market capitalization.

The total average daily volumes for Edelweiss Securities have grown from INR 1,800 crores in FY 07 to INR 4,500 crores for the current year.

The Group has also achieved significant growth in its newer businesses, viz., Asset Management, Wholesale Financing, Wealth Management and Insurance Broking.

**Asset Management** business covers alternate asset classes like Real Estate, Private Equity and multi-strategy fund as well as Portfolio Management Services. The total assets under management / advice (including our associates) now stand at over USD 550 million.

**To fund its rapid growth, ECL Finance, the wholesale financing subsidiary of the Company has raised INR 400 crores by way of issuance of equity shares to Edelweiss Capital and few other investors for 23.3% of the post issue capital of the subsidiary.**

During the current year, the Edelweiss Group employee strength has grown from 743 (as of March 31, 2007) to 1,278 as of December 31, 2007.

#### **About Edelweiss Capital**

Edelweiss Capital Limited ([www.edelcap.com](http://www.edelcap.com)) is one of India's largest growing diversified financial services companies. The businesses of the Edelweiss Group include investment banking, institutional equities, private client broking, asset management, wealth management, insurance broking and wholesale financing to corporate, institutional and high net worth individual clients. The company has built strong corporate, institutional & investor relationships backed by a research-driven approach & a proven ability to capitalize on emerging market trends. Edelweiss believes in a unique model of employee ownership and leveraging a strong partnership culture. It operates from 43 offices in 19 Indian cities.

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**Consolidated Unaudited Financial Results for the quarter and nine months ended  
31st December, 2007**

	Particulars	(Rs. In Crore)				
		Quarter Ended		Nine Months Ended		Previous Year Ended
		31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.03.2007
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
<b>1</b>	<b>Income from Operations</b>	<b>323.21</b>	<b>98.05</b>	<b>682.70</b>	<b>235.69</b>	<b>370.85</b>
2	Other Income	0.32	0.02	0.38	0.19	0.41
<b>3</b>	<b>Total Income (1+2)</b>	<b>323.53</b>	<b>98.07</b>	<b>683.08</b>	<b>235.88</b>	<b>371.26</b>
	Expenditure					
	a. Operating Cost	62.80	21.60	137.34	57.71	93.29
	b. Employees cost	47.98	21.87	123.36	48.61	80.82
	c. Interest and Finance charges	67.33	5.22	118.21	11.34	18.69
	d. Depreciation	1.69	0.93	4.03	2.80	3.80
<b>4</b>	<b>Total expenditure</b>	<b>179.80</b>	<b>49.62</b>	<b>382.94</b>	<b>120.46</b>	<b>196.60</b>
<b>5</b>	<b>Profit / (Loss) before tax (3-4)</b>	<b>143.73</b>	<b>48.45</b>	<b>300.14</b>	<b>115.42</b>	<b>174.66</b>
6	Tax expenses (including Deferred and Fringe Benefit Tax)	47.34	17.56	101.39	42.65	64.60
<b>7</b>	<b>Net Profit / (Loss) after tax before minority interests (5-6)</b>	<b>96.39</b>	<b>30.89</b>	<b>198.75</b>	<b>72.77</b>	<b>110.06</b>
8	Share of minority interests in profits	3.96	(0.03)	8.06	0.26	0.17
<b>9</b>	<b>Net Profit / (Loss) after minority interests (7-8)</b>	<b>92.43</b>	<b>30.92</b>	<b>190.69</b>	<b>72.51</b>	<b>109.89</b>
10	Paid-up equity share capital (Face Value of Rs 5/- Per Share) (Refer Note : 7)	37.46	4.21	37.46	4.21	4.49
11	Reserves excluding Revaluation Reserves					577.03
12	Earnings Per Share (EPS) in Rupees (Refer Note : 7)					
	- Basic (Not annualised)	13.38	6.12	31.16	14.85	22.34
	- Diluted (Not annualised)	12.95	5.28	30.03	13.27	20.76
13	Public shareholding					
	- Number of shares	46,402,875	18,331,456	46,402,875	18,331,456	21,159,306
	- Percentage of shareholding	61.94%	43.55%	61.94%	43.55%	47.11%

**Standalone Unaudited Financial Results for the quarter and nine months ended  
31st December 2007**

	Particulars	(Rs. In Crore)				
		Quarter Ended		Nine Months Ended		Previous Year Ended
		31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.03.2007
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Income from Operations</b>	<b>46.15</b>	<b>19.09</b>	<b>116.35</b>	<b>55.05</b>	<b>74.77</b>
2	Other Income	0.04	0.01	0.11	0.13	0.49
<b>3</b>	<b>Total Income (1+2)</b>	<b>46.19</b>	<b>19.10</b>	<b>116.46</b>	<b>55.18</b>	<b>75.26</b>
	Expenditure					
	a. Operating Cost	5.47	3.65	18.19	8.22	12.51
	b. Employees cost	8.57	6.02	23.57	16.70	23.21
	c. Interest and Finance charges	25.52	0.12	46.28	0.14	2.02
	d. Depreciation	0.20	0.26	0.44	0.77	1.02
<b>4</b>	<b>Total expenditure</b>	<b>39.76</b>	<b>10.05</b>	<b>88.48</b>	<b>25.83</b>	<b>38.76</b>
<b>5</b>	<b>Profit / (Loss) before tax (3-4)</b>	<b>6.43</b>	<b>9.05</b>	<b>27.98</b>	<b>29.35</b>	<b>36.50</b>
6	Tax expenses (including Deferred and Fringe Benefit Tax)	2.28	2.34	9.21	7.60	9.44
<b>7</b>	<b>Net Profit / (Loss) after tax (5-6)</b>	<b>4.15</b>	<b>6.71</b>	<b>18.77</b>	<b>21.75</b>	<b>27.06</b>
8	Paid-up equity share capital (Face Value of Rs 5/- Per Share) (Refer Note : 7)	37.46	4.21	37.46	4.21	4.49
9	Reserves excluding Revaluation Reserves	0.00	0.00	0.00	0.00	444.83
10	Earnings Per Share (EPS) in Rupees (Refer Note : 7)					
	- Basic (Not annualised)	0.60	1.33	3.06	4.45	5.49
	- Diluted (Not annualised)	0.58	1.15	2.95	3.98	5.10
11	Public shareholding					
	- Number of shares	46,402,875	18,331,456	46,402,875	18,331,456	21,159,306
	- Percentage of shareholding	61.94%	43.55%	61.94%	43.55%	47.11%

**Notes:**

- 1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter and nine months ended 31st December, 2007 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 21st January, 2008.
- 2 During the quarter, the Company successfully completed its Initial Public Offer (IPO) and allotted 8,386,147 equity shares of Rs. 5 each at a price of Rs. 825 per share aggregating to Rs. 691.86 crores. The shares of the Company have been listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Out of the net issue proceeds of Rs. 674.09 crores, the Company has utilized an amount of Rs. 516.45 crores as per the Objects of the Issue and the unutilised amount has been, in the interim, placed in Mutual Funds / Bank Deposits.
- 3 The financial results for the quarter / nine months ended 31st December, 2007 of ECL on standalone basis only have been subjected to a 'Limited Review' by the Statutory Auditors of the Company. Since the Company was listed in the current quarter, prior period comparatives have not been reviewed / audited by the Statutory Auditors.
- 4 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 unrealized gains / losses. The investment in Associates is accounted on "Equity Method". The consolidated financial statements are prepared by applying uniform accounting policies.
- 5 During the nine months ended 31st December, 2007, CRISIL has assigned the highest rating of 'P1+' (pronounced 'P one Plus') to the Short Term Debt Programmes of ECL of Rs. 1,000 crores. CRISIL has also assigned rating of 'P1+' to the Short Term Debt Programmes / Issues of the subsidiaries of Rs. 3,050 crores. The ratings as mentioned for these Programmes / Issues continue to remain in force as at 31st December, 2007.
- 6 The Company has Employee Stock Option Schemes for its employees and the employees of its subsidiaries. There were 6,485,758 stock options outstanding as at 31st December 2007. During the quarter, the company has granted 183,000 stock options to employees.
- 7 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.

**8 Standalone Segment Results**

Particulars	Quarter Ended		Nine Months Ended		(Rs. In Crore)
	31.12.2007	31.12.2006	31.12.2007	31.12.2006	Previous Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment revenue (Income from operations )</b>					
Advisory and Transactional Services	17.70	9.04	61.30	39.06	57.57
Holding Company activities	28.48	4.34	53.41	8.08	14.26
Others	0.01	5.72	1.75	8.04	3.43
<b>Total Income from operations</b>	<b>46.19</b>	<b>19.10</b>	<b>116.46</b>	<b>55.18</b>	<b>75.26</b>
<b>2. Segment results Profit / (Loss) before tax</b>					
Advisory and Transactional Services	5.86	2.51	28.44	19.67	29.58
Holding Company activities	3.61	3.92	7.50	7.11	11.15
Others	(3.04)	2.62	(7.96)	2.57	(4.23)
<b>Profit / (Loss) before tax</b>	<b>6.43</b>	<b>9.05</b>	<b>27.98</b>	<b>29.35</b>	<b>36.50</b>
<b>3. Capital employed (Segment assets - Segment liabilities)</b>					
Advisory and Transactional Services	1.05	5.37	1.05	5.37	(2.41)
Holding Company activities	1,326.45	403.52	1,326.45	403.52	448.40
Others	31.51	(5.74)	31.51	(5.74)	3.88
<b>Total capital employed in Company</b>	<b>1,359.01</b>	<b>403.15</b>	<b>1,359.01</b>	<b>403.15</b>	<b>449.87</b>

Advisory and Transactional Services include investment banking; Holding Company activities include group funds management; Others include trading, arbitrage and unallocated items.

- 9 There were no complaints outstanding as at the beginning of the quarter. During the quarter, the Company received 1253 investor complaints related to the IPO. The Company has resolved 1057 complaints and 196 complaints were pending as at the end of the quarter.
- 10 The previous financial year / period figures have been regrouped / reclassified wherever necessary to conform to current quarter's presentation.
- 11 The standalone and consolidated results will be available on the Company's website - [www.edelcap.com](http://www.edelcap.com)

Mumbai, 21st January, 2008

**Disclaimer:**

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