

PRESS RELEASE

- **Edelweiss records INR 65.07 crores of Net Profit on Total Income of INR 260.57 crores**
- **The company has registered a growth of 49% in Net Profit over the corresponding quarter of the previous year**

Mumbai, October 23, 2009: Edelweiss Capital Limited, one of India's leading integrated financial services companies announced its unaudited consolidated financial results for the quarter ended September 30, 2009.

Consolidated Financial Highlights:

- **Q2FY10 Total Revenues of INR 260.57 cr** (Q2FY09:INR 249.59 cr)
- **Q2FY10 Profit After Tax of INR 65.07 cr** (Q2FY09:INR 43.60 cr)
- **Q2FY10 Diluted EPS of INR 8.41** (Q2FY09:INR 5.56) (not annualized)
- **Q2FY10 PBT Margin 37%** (Q2FY09:33%)
- **Q2FY10 PAT Margin 25%** (Q2FY09:17%)

Performance Highlights:

- Fee and Commission Revenues for Q2FY10 of INR 80.23 cr (Q2FY09:INR 67.76 cr)
- Treasury, Arbitrage & Trading Revenues for Q2FY10 INR 71.77 cr (Q2FY09:INR 85.31 cr)
- Interest Revenues for Q2FY10 INR 88.03 cr (Q2FY09:INR 84.43 cr)

Business Highlights:

- **Investment Banking** business had 3 deal closures in this quarter. These include QIPs of Rs. 145 cr for Orbit Corporation Limited and of Rs. 149 cr for PSL Limited. The mandated pipeline in Investment Banking continues to remain strong.
- **Institutional Brokerage** business performance has been in line with the levels of activity in the markets. Our **Research** now covers 145 stocks across 16 sectors, accounting for nearly 70% of the total market capitalization.
- **Edelweiss Asset Management** launched two new schemes during the second quarter and now manages 4 Debt/Liquid Funds and 4 Equity Funds as on 30th September 2009. The focus of this business is on broad basing the product portfolio.
- Edelweiss continues to build its **Retail businesses** both in retail broking and IPO distribution. For the half year ended September 30, 2009 Edelweiss is ranked #2 in NIB (non institutional bidder) category and is ranked 4th in Retail category by the number of applications in IPOs as per Prime Database. Edelweiss also secured 1st rank in NIB category both in NHPC and OIL India IPOs by the number of applications.
- The scale-up of **Financing** business has commenced this quarter and the total loan book size as on 30th September 2009 was over INR 690 cr. The loan book comprises of loans granted against securities. With the activity in IPO markets picking up, Edelweiss also scaled up its IPO financing business.
- 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 Asset Reconstruction Company Limited**, an associate of the Company, has received the certificate of registration from the Reserve Bank of India to commence the business of securitisation or asset reconstruction. This would lead to long term investment opportunities for the Group. Edelweiss continues to look to invest in long term opportunities in financial services.
- The Group net worth excluding minority interest now stands above INR 2,230 cr. The aggregate debt component as on 30th September 2009 is approximately INR 1,625 cr, implying a leverage of ~0.7x.
- Edelweiss has partnered with ET Now and Economic Times to launch **Edelweiss ET Now Lead Indicator Index** which reflects the movement of different macro-economic variables and helps in gauging the future direction of the economy. This is the first time such an index has been launched in India.

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

"Capital markets in India have witnessed higher levels of activity on the back of stability and optimism. There is strong investor interest and the Indian corporates are feeling confident to bring their capital raising plans on track. Our performance in the second quarter reflects these improved sentiments. We continue to invest in new initiatives of Retail Business and Asset Management. Edelweiss Asset Reconstruction Company Ltd. has recently received the approval for commencing asset reconstruction business. Going forward, our emphasis continues to be on synergistic diversification and looking to invest in long term business opportunities in financial services."

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. The Group's product offerings are broadly divided into Investment Banking, Brokerage Services, Asset Management, Financing and Treasury. 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 17 cities.

To learn more about the Edelweiss Group, please visit 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 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 routinely posts all important information at its website www.edelcap.com.

Consolidated Financial Results for the Quarter Ended 30th September, 2009
(Rs. in Crores)

	Particulars	Quarter Ended		Half Year Ended		Year Ended
		Sept 30,2009	Sept 30,2008	Sep 30,2009	Sep 30,2008	Mar 31,2009
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Fee and commission income	80.23	67.76	147.28	156.41	244.12
	Income from treasury, arbitrage and trading	71.77	85.31	150.79	155.56	251.17
	Income from investments and dividend	20.46	11.45	28.78	45.17	69.74
	Interest income	88.03	84.43	156.28	160.74	331.46
1	Income from Operations	260.49	248.95	483.13	517.88	896.49
2	Other Operating Income	0.08	0.64	2.04	0.64	4.01
3	Total Income (1+2)	260.57	249.59	485.17	518.52	900.50
	Expenditure					
	a. Operating cost	62.27	72.29	127.42	138.08	254.17
	b. Employees cost	39.32	48.20	78.47	97.90	165.94
	c. Interest and Finance charges	59.83	42.32	90.93	86.20	133.70
	d. Depreciation	2.91	4.43	5.67	7.77	17.66
4	Total expenditure	164.33	167.24	302.49	329.95	571.47
5	Profit / (Loss) before tax (3-4)	96.24	82.35	182.68	188.57	329.03
6	Tax expenses (including Deferred and Fringe Benefit Tax)	27.13	32.48	52.06	68.60	119.91
7	Net Profit / (Loss) after tax before minority interest (5-6)	69.11	49.87	130.62	119.97	209.12
8	Share of minority interest in profits	4.04	6.27	7.30	12.59	22.68
9	Net Profit / (Loss) after minority interest (7-8)	65.07	43.60	123.32	107.38	186.44
10	Paid-up equity share capital (Face Value of Rs 5/- Per Share)	37.50	37.47	37.50	37.47	37.47
11	Reserves excluding Revaluation Reserves					2,076.62
12	Earnings Per Share (EPS) in Rupees					
	- Basic (Not annualised)	8.68	5.82	16.45	14.33	24.88
	- Diluted (Not annualised)	8.41	5.56	15.93	13.69	24.28
13	Public shareholding					
	-Number of shares	46,432,672	46,361,586	46,432,672	46,361,586	46,361,586
	-Percentage of shareholding	61.91%	61.87%	61.91%	61.87%	61.87%

Notes:

- 1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter and half year ended 30 September 2009 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 23 October 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. 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.25 crores. The ratings as mentioned for these Programmes / Issues continue to remain in force.
- 4 During the quarter, the Company has not granted any options under Employee Stock Option Scheme, 72,362 stock options have been exercised and 71,086 equity shares have been allotted. 8,121,843 stock options are outstanding as at the end of the quarter.
- 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

On behalf of the
Board of Directors

Rashesh Shah
Chairman

Mumbai, 23 October 2009.