

PRESS RELEASE

Q3FY09 - Revenues of INR 198.59 crores and PAT of INR 38.13 crores

Mumbai, January 23, 2009: Edelweiss Capital Limited, one of India's largest integrated Investment Banking companies announced its unaudited consolidated financial results for the quarter ended December 31, 2008.

Consolidated Financial Highlights:

- **Q3FY09 Total Revenues of INR 198.59 cr** (Q2FY09:INR 249.59 cr)
- **Q3FY09 Profit After Tax of INR 38.13 cr** (Q2FY09:INR 43.6 cr)
- **9MFY09 Total Revenues of INR 717.11 cr** (9MFY08:INR 683.08 cr)
- **9MFY09 Profit After Tax of INR 145.51 cr** (9MFY08:INR 190.69 cr)

Performance Highlights:

- Fee and Commission Revenues for Q3FY09 of INR 47.65 cr (Q2FY09:INR 67.76 cr); For 9MFY09 INR 204.06 cr (9MFY08: INR 299.31 cr)
- Treasury, Arbitrage and Trading Revenues for Q3FY09 of INR 44.76 cr (Q2FY09:INR 85.31 cr); For 9MFY09 INR 200.32 cr (9MFY08: INR 214.99 cr)
- Interest Revenues for Q3FY09 of INR 92.68 cr (Q2FY09:INR 84.43 cr); For 9MFY09 INR 253.42 cr (9MFY08: INR 108.54 cr)

Business Highlights:

- The **Investment Banking** business has closed 3 transactions this quarter and 9 transactions in nine months ended 31 December 2008. Notable transactions amongst these were the acquisition of PeopleSupport, Inc. by Aegis BPO Services Limited for USD 250 mn and private equity placement for SKS Micro Finance for USD 75 mn. Edelweiss Capital Limited was recently adjudged winner in the Best Merchant Banker category in the Outlook Money NDTV Profit Awards 2008.
- Our **Debt Syndication** Desk, which has been operational for about a year so far, has gained a strong foothold and visibility in the market.
 - We were ranked # 1 as per Prime Database in Short Term Debt Placement for CY2008. We mobilized ~ INR 39,000 cr in <1 year paper across 253 deals.
 - Edelweiss has been ranked # 9 by Bloomberg and Thomson Reuters in Indian Domestic Bonds Market League Table for CY 2008. We mobilized ~ INR 10,400 cr in >1 year paper across 47 deals.

- The **Broking business** has seen a fall in revenues given the sharp drop in the market valuations and volumes. Our **Research** continues to cover over 200 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.
- The **Lending** business has an asset base of over INR 800 cr. It comprises of loans granted against capital market securities and is adequately collateralized. The interest income from lending business continues to be 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. We have also diversified into Fixed Income Asset Class in this quarter. The AUMs/AUAs stood over USD 440 mn as on Dec 31, 2008.
- Our **Asset Management Company** launched an ELSS Fund this quarter and entered into distribution tie-ups with 11 banks across private, public and co-operative sectors.

Other Highlights

- The Operating Cost in the consolidated results includes Securities Transaction Tax (STT) cost of INR 11.71 cr and INR 61.29 cr for the quarter and nine months ended 31st December, 2008 respectively. This is in line with the amendment in the Income Tax Act, 1961, pursuant to which the STT is an item of expenditure w.e.f. the current year.
- The Group net worth including minority interest now stands above INR 2500 cr. The strong and liquid balance sheet of the company enables the Company to support the diverse business lines and also to maintain sufficient liquidity cushion without depending much on debt funding.
- Edelweiss Capital Limited has a Long Term Debt Rating of 'LAA -' from ICRA and the Group also enjoys the highest Short Term Credit Ratings of 'P1+' and 'A1+' from Crisil and ICRA respectively.
- EdelGive is partnering Kubera Partners for the Kubera-Edelweiss Social innovation Honours, to felicitate outstanding innovations that positively impact the status of the girl child, through the delivery of a service in areas of education, health and nutrition and employability.

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

"The current quarter has seen unprecedented events in the global markets. The operating environment in the Indian Capital Markets has been equally challenging. Our performance in the current quarter reflects this challenging operating environment. We have been able to demonstrate business diversification and inherent cost flexibility in our business model. We continue to remain focused on risk, liquidity and costs with an eye on nurturing long term growth opportunities."

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, Asset Management, Broking Services 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 56 offices across 21 cities.

Edelweiss has been ranked amongst the top ten players in both the Annual Bloomberg and the Annual Thomson-Reuters 'Domestic Bond' League table rankings. It has also been awarded 'Best Merchant Banker' by the Outlook Money NDTV Profit Awards 2008.

To learn more about the Edelweiss Group, please visit www.edelcap.com

For more details please contact:-**Shailendra Maru**

VP – Investor Relations
Edelweiss Capital Limited
Tel: +91 22 4019 4873
Email: shailendra.maru@edelcap.com

Shabnam Panjwani

Head – Marketing Communications
Edelweiss Capital Limited
Tel: +91 22 2286 4296
Email: shabnam.panjwani@edelcap.com

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.

Edelweiss: An ISO 9001-2000 Compliant Organization

**Consolidated Unaudited Financial Results
for the quarter and nine months ended 31st December 2008
(INR Crores)**

	Particulars	Quarter Ended		Nine Months Ended		Year Ended
		31.12.2008 (Unaudited)	31.12.2007 (Unaudited)	31.12.2008 (Unaudited)	31.12.2007 (Unaudited)	31.03.2008 (Audited)
	Fee and commission income	47.65	125.22	204.06	299.31	443.80
	Income from treasury, arbitrage and trading	44.76	94.57	200.32	214.99	349.26
	Income from investments and dividend (#)	13.44	36.27	58.61	59.86	76.63
	Interest income	92.68	67.15	253.42	108.54	217.09
1	Income from Operations	198.53	323.21	716.41	682.70	1,086.78
2	Other Operating Income	0.06	0.32	0.70	0.38	2.08
3	Total Income (1+2)	198.59	323.53	717.11	683.08	1,088.86
	Expenditure					
	a. Operating cost (Refer Note : 3)	57.95	62.80	196.03	137.34	227.98
	b. Employees cost	38.19	47.98	136.09	123.36	205.72
	c. Interest and Finance charges	25.78	67.33	111.98	118.21	201.15
	d. Depreciation	4.19	1.69	11.96	4.03	7.31
4	Total expenditure	126.11	179.80	456.06	382.94	642.16
5	Profit / (Loss) before tax (3-4)	72.48	143.73	261.05	300.14	446.70
6	Tax expenses (including Deferred and Fringe Benefit Tax)	27.62	47.34	96.22	101.39	154.02
7	Net Profit / (Loss) after tax before minority interests (5-6)	44.86	96.39	164.83	198.75	292.68
8	Share of minority interests in profits	6.73	3.96	19.32	8.06	19.44
9	Net Profit / (Loss) after minority interests (7-8)	38.13	92.43	145.51	190.69	273.24
10	Paid-up equity share capital (Face Value of Rs 5/- Per Share)	37.47	37.46	37.47	37.46	37.47
11	Reserves excluding Revaluation Reserves					1,809.27
12	Earnings Per Share (EPS) in Rupees					
	- Basic (Not annualised)	5.09	13.38	19.41	31.16	42.29
	- Diluted (Not annualised)	4.93	12.95	18.81	30.03	39.99
13	Public shareholding					
	- Number of shares	46,361,586	46,402,875	46,361,586	46,402,875	46,361,586
	- Percentage of shareholding	61.87%	61.94%	61.87%	61.94%	61.87%

(#) Quarter ended and nine months ended 31st December 2008 includes income of Rs. 6.16 crore and Rs. 28.27 crore respectively earned from liquid mutual funds.

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, 2008 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 23rd January, 2009.

2. 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) 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. The Operating Cost in the consolidated results includes Securities Transaction Tax (STT) cost of Rs 11.71 crores and Rs 61.29 crores for the quarter and nine months ended 31st December, 2008 respectively. This is in line with the amendment in the Income Tax Act, 1961, pursuant to which the STT is an item of expenditure w.e.f. the current year.

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 of ECL for Rs 200 crores. The ratings as mentioned for these Programmes / Issues continue to remain in force as at 31st December, 2008.

5. During the quarter, the Company has granted 200,000 options under Employee Stock Option Scheme and the stock options outstanding with employees of the Company and its subsidiaries as at 31st December, 2008 are 6,495,455.

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