Edelweiss Capital Q3FY11 Profit after Tax of ₹ 62 cr up 16%
Total Income of ₹ 445 cr up 93%

Mumbai, 21st January 2011: Edelweiss Capital Limited, today declared a **Profit after Tax** of ₹ 62 cr for Q3FY11, an increase of 16% YoY.

Total Income for the quarter was at ₹ 445 cr, an increase of 93% YoY. The revenue mix reflects the diversified nature of Edelweiss' various businesses. Interest income, which includes the income from credit side of the business, at ₹ 238 cr (₹ 74 cr in Q3FY10 and ₹ 179 cr in Q2FY11) accounts for 53% of the total revenues. Agency Fee and Commission were at ₹ 135 cr (₹ 86 cr in Q3FY10 and ₹ 144 cr in Q2FY11) accounting for 30% of total revenues. Treasury Operations earned ₹ 64 cr (₹ 61 cr in Q3FY10 and ₹ 48 cr in Q2FY11).

Total Income for 9MFY11 was ₹ 1105 cr (₹ 715 cr in 9MFY10), up 54%, and the **Profit after Tax** was ₹ 190 cr (₹ 177 cr in 9MFY10), up 7%.

Declares an interim dividend of ₹ 0.25 per share (FV ₹ 1 per equity share).

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

"The strategy of de-risking our businesses and diversifying our revenue streams continues to bear fruit. Our major revenue streams– interest and fees and commissions have shown a significant growth during the quarter. The interest income from our credit business is now a significant revenue stream and is poised for a larger proportion in our total revenues. Our housing finance subsidiary has launched operations. Edelweiss Tokio Life Insurance, our JV with the Tokio Marine group has got initial regulatory approval. We hope to launch operations in FY12, post final clearances. This will further diversify our revenue base.

For us, this quarter has seen strong activity in investment banking and credit while the other businesses have performed in line with the markets. We are also happy to note that in a short span of time, Edelweiss has been able to garner a significant market share in the ECM businesses emerging as the leader in mid market ECM deals and IPO syndication in HNI category for CY2010."

Business Highlights:

* **Investment Banking** handled 14 transactions this quarter (16 in the previous quarter) across Equity Capital Markets, Advisory and Debt Capital Markets. Some of the notable deals of this quarter include:

    * IPO of Electrosteel Steels and IPO of ₹ 1237 cr by MOIL, a Mini Ratna Category I PSU
    * QIP for Parsvnath Developers and Usher Agro
    * Open Offer by SKIL Infrastructure to shareholders of Everonn Education
    * Acquisition of stake by Tanglin in Sical Logistics
    * Private Equity placement in a leading liquid logistic company of India, and
    * On the Debt Syndication side Edelweiss was the Arranger for four Bond issues of large PSUs including REC, PFC and IRFC

    The Coffee Day Resorts Private Equity Placement deal of ₹ 960 cr arranged by Edelweiss earlier in 2010 has been adjudged as the Best Deal of the Year by Asian Venture Capital Journal.

Edelweiss is ranked 1st in Equity Capital Markets (IPOs, FPOs, Rights and QIPs taken together) in the country by number of issues below ₹ 400 cr managed during the calendar year 2010 (as per Prime Database).

The Company's client segments span from Private to Public Sector, Mid caps to Large caps across industries and we offer a broad spectrum of products from ECM to Advisory to DCM to our clients. The deal pipeline continues to be strong.

* **Corporate Bonds Syndication** desk continues to be a leading player in debt markets and is ranked 3rd in both Commercial Papers issuance and Short Term Bonds placement with a market share of 10% and 9% respectively by amount mobilized in 9MFY11 (as per Prime Database).

* **Institutional Brokerage** business performance for the quarter has been in line with the markets. Edelweiss **Research** covers 185 stocks across 20 sectors, accounting for over 70% of the total market capitalization. During the quarter, we held our annual India Conference at Hong Kong and Singapore which facilitated close to 650 meetings among over 80 investors and 40 Indian corporates.

* Edelweiss continues to build its **Retail businesses,** both in retail broking and IPO distribution. In **Retail Broking** we now have a total client base of over 309,000 including those of Anagram Capital and through our portal **www.edelweiss.in**. The company has also launched mobile trading on NSE this quarter.

* In **IPO Distribution**, Edelweiss continues to be a major player and for the calendar year 2010 as well as 9MFY11 it is ranked 1st in HNI category with a 16% market share and is ranked 3rd in Retail category with a 9% market share in total amount mobilized in IPOs as a broker (as per Prime Database). Edelweiss was also ranked 1st in HNI as well as Retail procurement with a market share of 21% and 16% respectively in the IPO of MOIL Ltd.

* The Company's **Alternative Assets Management** business has AUMs/AUAs of US$ 348 million equivalent at the end of this quarter. Edelweiss **Asset Management** continues to manage 10 Funds across Equity, Debt and Liquid Schemes.

* The total loan book size as at the end of this quarter in the **Credit** business was ₹ 3027 cr. The wholesale and retail credit books comprise of loans granted against securities and are adequately collateralized.

* Edelweiss **Housing Finance** subsidiary has commenced operations in Mumbai during this quarter and would be launching its operations in Delhi and NCR in the fourth quarter.

Other Updates:

* Our JV with Tokio Marine for life insurance business received the initial R1 approval from IRDA recently. We hope to launch this business soon after receipt of final approvals.

* The Group net worth including minority interest now stands at ₹ 2,791 cr. The aggregate debt component as at the end of this quarter was ₹ 5387 cr, implying a leverage of 1.93x.

* EdelGive, the Group's social responsibility wing, has recently launched the selection process for the annual EdelGive Social Innovation Honours 2011 and has received 217 applications from across the country. As a part of the Edelweiss Employees Engagement Programme, currently about 100 Edelweiss employees are engaged in various activities with EdelGive.

About Edelweiss Capital

Edelweiss, with a group net worth of ₹ 2791 cr and a pre-tax profit of ₹ 286 cr for 9MFY11, has emerged as India's leading diversified financial services Group. Edelweiss offers a large range of products and services spanning across asset classes and consumer segments. Its businesses are broadly divided into Investment Banking, Brokerage Services, Asset Management and Financing. The group's research driven approach and proven history of innovation has enabled it to foster strong relationships across corporate, institutional and individual clients. The Mutual fund and Retail Broking businesses along with the acquisition of Anagram Capital have paved the way for Edelweiss to cater to the large retail client segment. Edelweiss' presence in India along with Anagram now covers 360 offices pan India.

Edelweiss Capital trades under the symbols NSE: EDELWEISS, BSE: 532922, Bloomberg: EDEL.IN. To learn more about the Edelweiss Group, please visit www.edelcap.com.

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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 regularly posts all important information at its website www.edelcap.com

Consolidated Financial Results for the Quarter and Nine Months Ended 31st December, 2010

(₹ in Crores)

	Particulars	Quarter Ended		Nine months Ended		Year Ended
		December 31, 2010 (Unaudited)	December 31, 2009 (Unaudited)	December 31, 2010 (Unaudited)	December 31, 2009 (Unaudited)	March 31, 2010 (Audited)
	Fee and commission income	135.31	85.92	372.42	233.20	350.40
	Income from treasury operations	64.26	60.73	168.69	211.52	245.46
	Income from investments and dividend	0.24	5.38	8.78	34.16	34.26
	Interest income	237.85	74.38	542.07	230.66	338.91
1	**Income from Operations**	**437.66**	**226.41**	**1,091.96**	**709.54**	**969.03**
2	Other Operating Income	7.08	3.80	12.92	5.84	8.77
3	**Total Income (1+2)**	**444.74**	**230.21**	**1,104.88**	**715.38**	**977.80**
	Expenditure					
	a. Operating cost	104.49	68.53	260.03	195.95	276.30
	b. Employees cost	60.76	37.23	171.22	115.70	162.17
	c. Interest and Finance charges	175.11	46.41	374.18	137.34	194.28
	d. Depreciation	6.34	2.65	13.66	8.32	12.25
4	**Total expenditure**	**346.70**	**154.82**	**819.09**	**457.31**	**645.00**
5	**Profit / (Loss) before tax (3-4)**	**98.04**	**75.39**	**285.79**	**258.07**	**332.80**
6	Tax expenses	33.44	17.46	86.85	69.52	87.92
7	**Net Profit / (Loss) after tax and before minority interest (5-6)**	**64.60**	**57.93**	**198.94**	**188.55**	**244.88**
8	Share of minority interest in profits	2.30	4.35	9.18	11.65	15.72
9	**Net Profit / (Loss) after minority interest (7-8)**	**62.30**	**53.58**	**189.76**	**176.90**	**229.16**
10	Paid-up equity share capital (Face Value of ₹ 1/- Per Share) (Refer note 4)	75.17	37.52	75.17	37.52	37.54
11	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					2,217.94
12	Earnings Per Share (EPS) in Rupees (Refer note 4)					
	- Basic (Not annualised)	0.83	0.71	2.53	2.36	3.06
	- Diluted (Not annualised)	0.80	0.69	2.43	2.28	2.94
13	Public shareholding (Refer note 4)					
	- Number of shares	466,008,990	46,466,124	466,008,990	46,466,124	46,500,324
	- Percentage of shareholding	61.99%	61.92%	61.99%	61.92%	61.94%

14	Promoters & promoter group shareholding (Refer note 4)					
	a) Pledged/ Encumbered					
	- Number of shares	32,100,000	Nil	32,100,000	Nil	2,760,000
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	11.23%	Nil	11.23%	Nil	9.66%
	- Percentage of shares (as a % of total share capital of the company)	4.27%	Nil	4.27%	Nil	3.68%
	b) Non-encumbered					
	- Number of shares	253,615,690	28,571,569	253,615,690	28,571,569	25,811,569
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	88.77%	100.00%	88.77%	100.00%	90.34%
	- Percentage of shares (as a % of total share capital of the company)	33.74%	38.08%	33.74%	38.08%	34.38%

Notes:

1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter and nine months ended 31 December 2010 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 21 January 2011.

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. 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 ₹ 3,250 crores. ICRA has assigned the rating 'LAA-' (pronounced 'L double A minus') to the Long Term Debt Programme of ECL for ₹ 450 crores, the rating 'LAA- pp' (pronounced 'L double A Minus Principal Protected') to the Long Term Equity Linked Debenture Programme of ECL for ₹ 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 ₹ 80 crores. The ratings as mentioned for these Programmes / Issues continue to remain in force. Further CRISIL had assigned the rating of 'P1+' (pronounced 'P one Plus') to the Short Term Debt Programmes of ECL for ₹ 300 crores on 20 December 2010, the rating had maturity date of 4 January 2011 and has been withdrawn as on date.

4 With effect from the Record Date of 11 August 2010, equity shares of the face value of ₹ 5 each of the Company had been sub-divided into equity shares of face value of ₹ 1 each. Also, 1 bonus share of face value of ₹ 1 each had been issued for every equity share of face value of ₹ 1 each held in the Company as on the Record Date. The previous period / year earnings per share numbers have been adjusted to take the effect of corporate actions.

5 During the quarter, the Company has granted 1,080,000 options under Employee Stock Option Scheme, 745,000 stock options have been exercised and 697,000 equity shares have been allotted. 92,279,420 stock options are outstanding as at the end of the quarter.

6 The Board of Directors, at its meeting dated 21st January 2011, has declared an interim dividend of ₹ 0.25 per share (on a face value of ₹ 1 per equity share) for the financial year 2010-11.

7 There were no investor complaints outstanding at the beginning of the quarter. During the quarter, the Company received 13 investor complaints and has resolved all of these, with no complaint pending as at the end of the quarter.

8 The previous period / year figures have been regrouped/reclassified wherever necessary to conform to current quarter's presentation.

9 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, 21 January 2011.