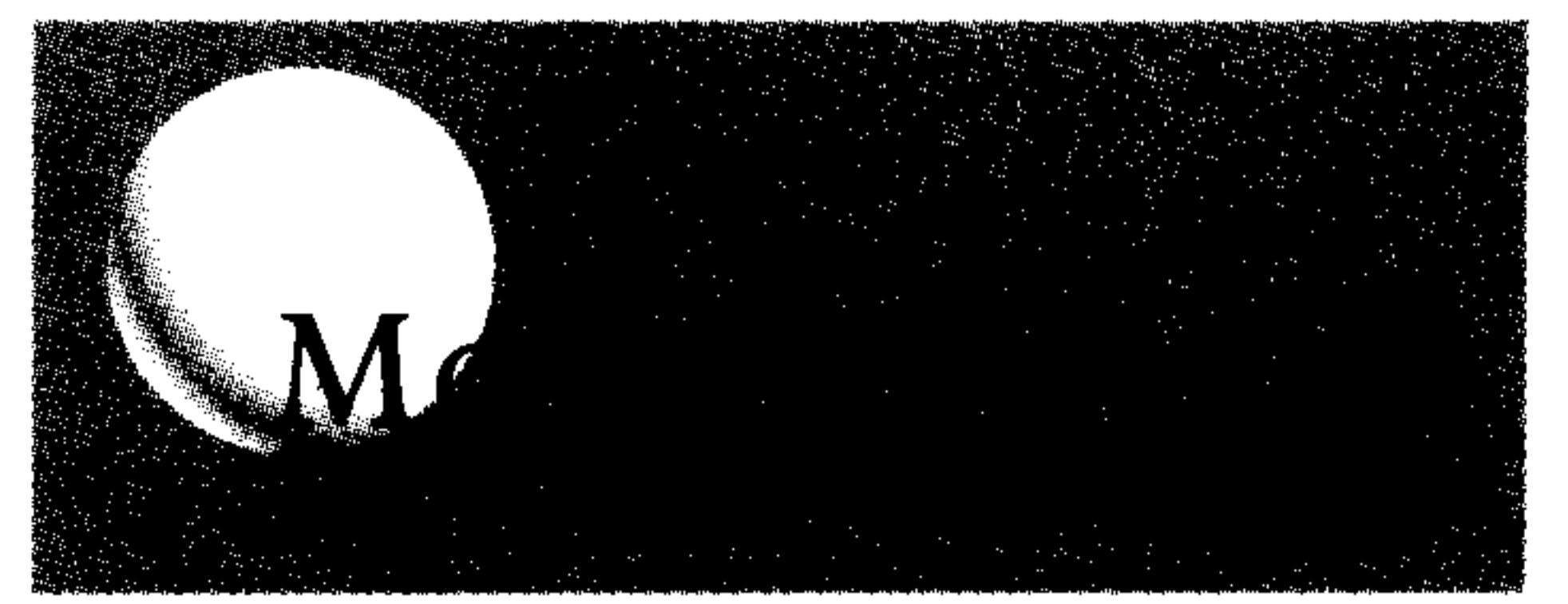




Motilal Oswal Financial Services Ltd.
Motilal Oswal Tower,
Behind Parel S. T. Depot,
Jn. of Gokhale Road & Sayani Road,
Prabhadevi, Mumbai - 400 025.
Board: +91 22 3049 1834 / 35

INVESTOR UPDATE

Motilal Oswal Financial Services reports Q1 FY14 Consolidated Revenues of ₹1.1 billion; Reported PAT of ₹185 million

Mumbai, July 27, 2013: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its results for the quarter ended June 30, 2013 post approval by the Board of Directors at a meeting held in Mumbai on July 27, 2013.

Performance Highlights

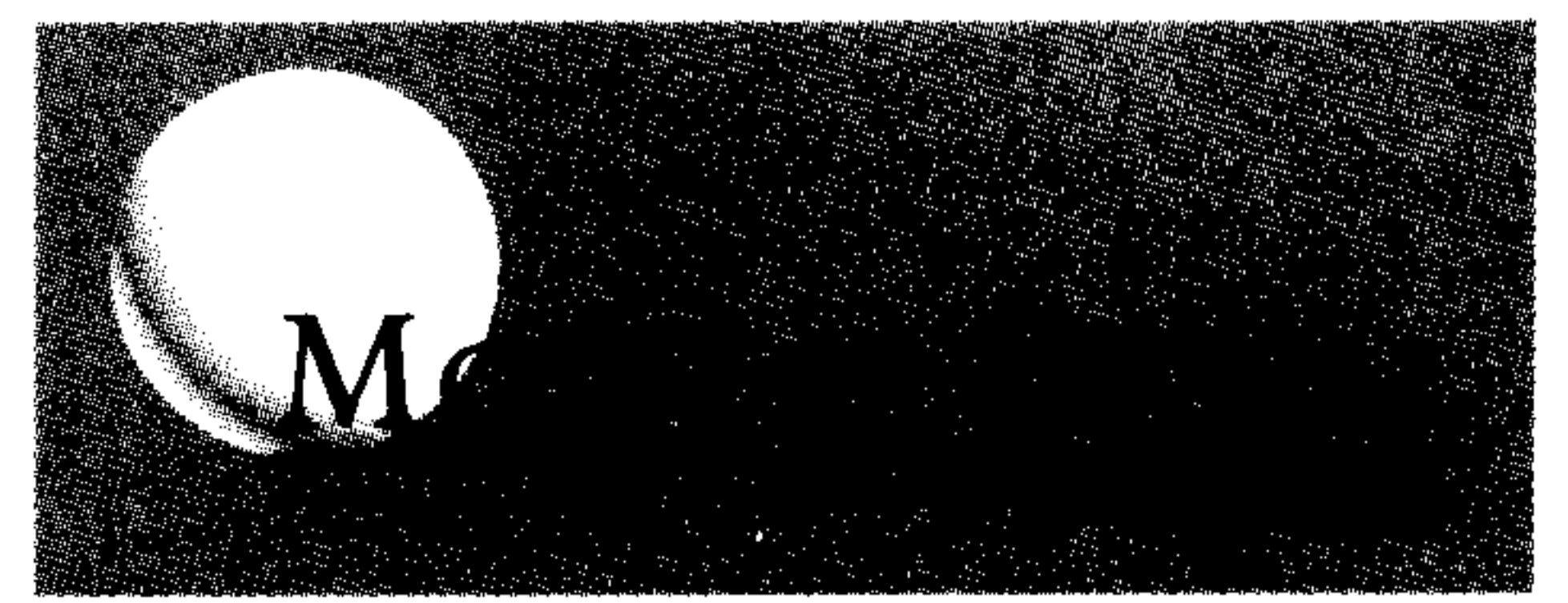
₹Million	Q1 FY14	Comparison (Q1 FY13)
Total Revenues	1,109	↑ 1%
EBIDTA	357	↓ 2%
Reported PAT	185	↓ 9%
EPS- ₹(FV of ₹1)	1.3	

Performance for the Quarter ended June 30, 2013

- Revenues in Q1 FY14 were ₹1.1 billion (down 17% QoQ and up 1% YoY)
- Reported PAT in Q1 FY14 was ₹185 million (down 50% QoQ and down 9% YoY). PAT for Q4 FY13 had included total amount of ₹39 million (post-tax) representing profit from sale of fixed assets and provision for doubtful advances / write offs
- EBITDA & Reported PAT margins for Q1 FY14 were 32% (42% in Q4 FY13) and 17% (27% in Q4 FY13) respectively
- The balance sheet had net worth of ₹12.4 billion and net cash of ₹1.3 billion as of June 30, 2013
- The Board of Directors at its meeting held on April 27, 2013 proposed the buyback of shares of the company. The Shareholders of the Company vide special resolution accorded their consent for the buyback, by way of postal ballot, the results of which were declared on June 21, 2013. The Company made a public announcement on June 25, 2013 for the buyback of maximum of 7.5 million fully paid-up Equity Shares of ₹1 each, upto buyback amount of ₹650 million, at a price not exceeding ₹90/- per share. The company has commenced buyback of shares from open market through stock exchange from July 8, 2013.

Speaking on the performance of the company, Mr. Motilal Oswal, CMD said.

After seeing positive returns in April, the markets saw significant stress in the last 2 months of the quarter on the back of currency and current account deficit worries which impacted investor interest in equities. Volumes in the high-yield cash delivery segment remained depressed, while the low-yield options segment continued to push up equity market



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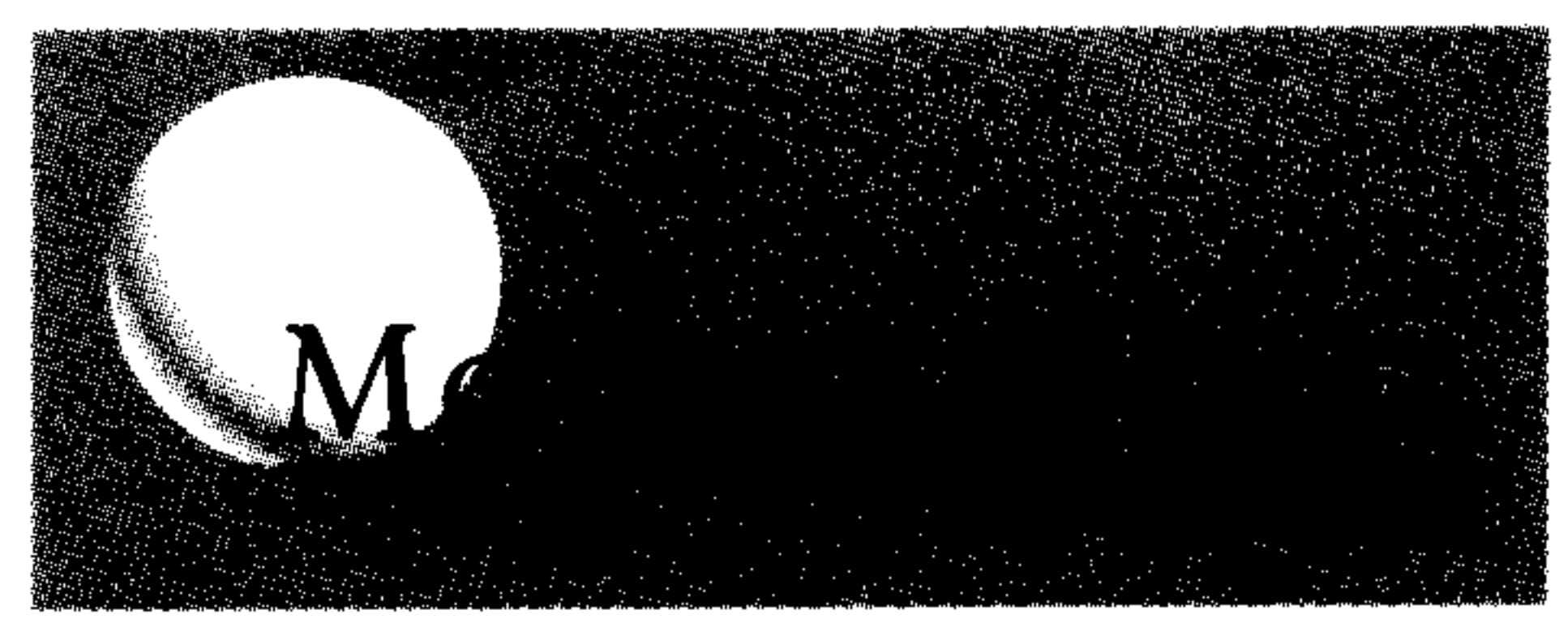
volumes this quarter. While April and May saw continued net inflows from FIIs, June saw net outflows on the back of certain newsflow. DIIs continued to see net outflows, although it was lower than that in earlier quarters. Primary market activities remained largely muted and growth in new investor accounts slowed down. Equity mutual funds remained out of investors' radar. Despite these challenging conditions, we continue to make sustained investments in people, technology and processes which we believe will lay the foundation for growth as market activity picks up."

Segment results for Q1 FY14:

- **Broking and related revenues** were ₹679 million in Q1 FY14, down 11% on a QoQ basis and down 3% on a YoY basis. Daily volumes in the equity markets reached a high of ₹1.9 trillion in Q1 FY14, led yet again by options which now comprise 78% of market volumes, up from 76% in the previous quarter. Cash volumes declined by 11% QoQ to ₹125 billion. It comprised 6.5% of market volumes in Q1FY14, down from 8% in the previous quarter. Cash delivery, in particular, saw a steeper fall of 16% QoQ to comprise 1.9% of market volumes, down from 2.5% in the previous quarter. Despite the market challenges, our overall equity market share held at 1.7% on a QoQ basis. We maintained our market share in the cash segment, including the delivery segment, which are our focus segments. However, the adverse change in the market mix towards F&O has resulted in our blended yield coming down to 3.4 bps in Q1FY14, from 4.0 bps in Q4FY13
- **Fund based income** was ₹267 million, down 29% from Q4 FY13 and up 28% from Q1 FY13. Q4 FY13 had included profit earned on partial exits in few investments of the Private Equity Fund in which MOFSL made sponsor commitments. The loan book was ₹4.4 billion, as of Jun 2013
- **Asset Management fee** were ₹128 million for Q1 FY14, down 25% QoQ and down 18% YoY. Q4 FY13 had included fees related to the closing of the new IBEF-II fund as well as PMS performance fee of ₹6.2 million
- **Investment banking fees** at ₹8 million was marginally up 2% from Q4 FY13, but down 69% YoY. Transaction closures remained impacted as multiple macro concerns continue to affect the investment mood in the economy
- **Other income** was ₹28 million in Q1 FY14

Business Highlights for Q1 FY14

- Total client base increased to 781,663 which includes 685,022 retail broking and distribution clients
- Pan-India retail distribution reach stood at 1,490 business locations across 501 cities
- Total Assets under Management for the Group were ~₹31.2 billion as of Jun 2013. Within this, mutual fund AUM was ₹4.6 billion, PE AUA was ₹13.8 billion and PMS AUM was ₹12.9 billion
- Wealth Management managed assets of ~₹23.2 billion, as of Jun 2013

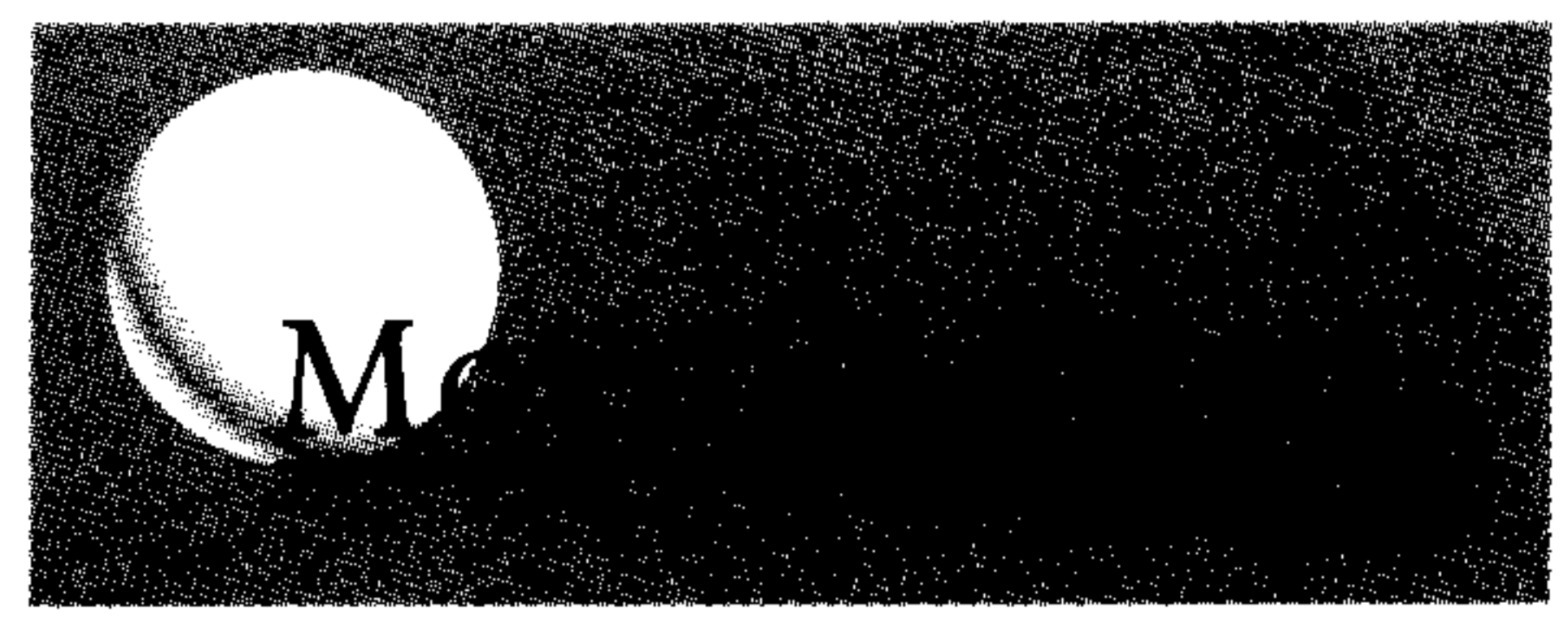


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- Depository assets were ₹112.5 billion, as of Jun 2013
- Following the fourth close of its 2nd growth capital PE fund - India Business Excellence Fund-II, Motilal Oswal Private Equity has received total commitments of ₹6.3 billion till date from both domestic and offshore investors. We continue to see good traction in commitments towards final closing
- Motilal Oswal Private Equity appointed Sharad Mittal as Head - Real Estate business. He brings with him rich experience in real estate investments and fund raising
- Motilal Oswal Asset Management conducted the 3rd MOST Shares ETF Conclave in June 2013, which included a panel discussion on 'Making Most of ETFs' and a presentation of global ETF trends by Deborah Fuhr (Partner and Co-Founder, ETFGI)
- Motilal Oswal Insurance Brokers has received in-principal approval for insurance broking license from IRDA

About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. (NSE: MOTILALOFSL, BSE: 532892, BLOOMBERG: MOFS IN) is a well-diversified, financial services company focused on wealth creation for all its customers, such as institutional, corporate, HNI and retail. Its services and product offerings include wealth management, retail broking and distribution, institutional broking, asset management, investment banking, private equity, commodity broking and principal strategies. The company distributes these products through 1,490 business locations spread across 501 cities and the online channel to over 781,663 registered customers. MOFSL has strong research capabilities, which enables them to identify market trends and stocks with high growth potential, facilitating clients to take well-informed and timely decisions. MOFSL has been ranked by various polls such as the Best Local Brokerage 2005, Most Independent Research - Local Brokerage 2006 and Best Overall Country Research - Local Brokerage 2007 in Asia Money Brokerage Polls for India. MOSL won 4 awards in the ET-Now Starmine Analyst Awards 2010-11, placing it amongst the Top-3 award winning brokers, was ranked No. 2 by AsiaMoney Brokers Poll 2010 in the Best Local Brokerage Category and won the 'Best Market Analyst' Award for 2 sectors at the India's Best Market Analyst Awards 2011. MOFSL won the 'Best Capital Markets and Related NBFC' award at the CNBC TV18 Best Banks and Financial Institutions Awards 2011. MOSL also won the 'Best Equity Broking House' award for FY11 at the Dun & Bradstreet Equity Broking Awards 2011. MOSL won the 'Best Performing National Financial Advisor Equity Broker' award at the CNBC TV18 Financial Advisor Awards 2012, for the 2nd year in a row. MOSL won 'Best Equity Broker' award at Bloomberg UTV Financial Leadership Awards 2012, 'Retailer of the Year (Banking & Financial Services)' award at Retail Excellence Awards 2012, and was ranked 2nd in the "Best Overall Brokerage" category by Asia Money in 2011. Motilal Oswal Private Equity won 'Best Growth Capital Investor-2012' award at the Awards for Private Equity Excellence 2013. MOSL was adjudged amongst the Top 20 innovators in BFSI for 'Leveraging on technology in enhancing customer experience' at the Banking Frontiers Finnovity Awards 2012, and won the 'Quality Excellence for Best Customer Service Result' award at National Quality Excellence Awards 2013



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Mr. Motilal Oswal
Chairman & Managing Director
Motilal Oswal Financial Services Limited