

Motilal Oswal Financial Services Ltd.
Regd. Office : Palm Spring Centre, 2nd Floor,
Palm Court Complex, New Link Road,
Malad (W), Mumbai - 400 064.
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INVESTOR UPDATE

Motilal Oswal Financial Services reports Q3 FY13 Consolidated Revenues of ₹1.1 billion, Adjusted PAT of ₹189 million

Mumbai, Jan 19, 2013: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its audited results for the quarter ended Dec 31, 2012 post approval by the Board of Directors at a meeting held in Mumbai on Jan 19, 2013.

Performance Highlights

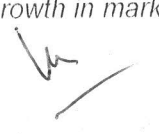
₹Million	Q3 FY13	Comparison (Q2 FY13)	Comparison (Q3 FY12)
Total Revenues	1,140	↑1%	↑3%
EBIDTA	378	↓6%	↓8%
Reported PAT	292	↑28%	↑12%
Adjusted PAT	189	↓17%	↓27%
EPS- ₹(FV of ₹1)	2.0		

Performance for the Quarter ended Dec 31, 2012

- Revenues for the quarter at ₹1,140 million is up 1% on a QoQ basis and up 3% on a YoY basis
- Reported PAT for Q3 FY13 at ₹292 million is up 28% on a QoQ basis and up 12% on a YoY basis
- Adjusted PAT for the quarter at ₹189 million is down 17% on a QoQ basis and down 27% on a YoY basis. Adjusted PAT for Q3FY13 excludes profit of ₹197mn pre-tax (₹133mn post-tax) from sale of an existing property in South Mumbai and settlement payment of ₹45mn pre-tax (₹30mn post-tax). Adjusted PAT in 9M FY12 excludes profit of ₹130mn pre-tax (₹88mn post-tax) from the sale of another South Mumbai property during Q2FY12
- EBITDA and Adjusted PAT margins were 33% (35% in Q2 FY13) and 17% (20% in Q2 FY13) respectively
- The balance sheet had net worth of ₹12.0 billion, debt of ₹524 million and total cash of ₹950 million, as of Dec 2012

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

"During Q3FY13, the Indian markets continued its momentum from the previous quarter. Reforms related news, lower-than-expected inflation and rate cut expectations positively impacted sentiments this quarter. FIIs continued net inflows into equities, but DIIs remained net sellers largely owing to equity fund redemptions. However, while overall sentiments have shown clear signs of improvement, the same has not translated into significantly higher activity in the secondary markets as yet. Markets are now at an interesting stage, poised for the next stage of growth. As investors await the outcome of the Budget and RBI review, the resolution of the US fiscal situation and deferment of GAA, should augur well for FII flows. The next phase of growth in market activity will happen once retail investors start



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participating. We continue to remain focused in putting our strategies and processes in place in order to capture the upside as market activity picks up."

Segment results for Q3 FY13:

- **Broking and related revenues** at ₹758 million were up 4% from Q2 FY13 and up 5% from Q3 FY12. Daily volumes in the equity markets grew 3% QoQ to ₹1.7 trillion in Q3 FY13. Options continue to comprise a hefty 76% of overall market volumes, although options grew by just 2% on a QoQ basis. Cash volumes grew by 10% QoQ to ₹137 billion. Within cash, the delivery segment grew by 9%. During this period, the proportion of cash within market volumes went up marginally from 7.6% to 8%, while the proportion of delivery to market volumes picked up from 2.3% to 2.4%. Our overall equity market share went up from 1.4% to 1.5% on a QoQ basis. Our blended yield marginally decreased from 5.0 bps to 4.8 bps QoQ
- **Fund based income** were ₹200 million, down 5% QoQ and up 12% on a YoY basis. It contributed 18% of total group revenues. The loan book was ₹5.0 billion as of Dec 2012.
- **Asset Management fees** at ₹145 million was up 7% QoQ and down 15% YoY.
- **Investment banking fees** at ₹20 million was down 13% from Q2 FY13, though up by 57% from Q3 FY12. Deal making remained subdued across the industry, due to delays in transaction closures. Further, companies continued to remain cautious with respect to capital raising activities, impacting the flow of new projects.
- **Other income** was ₹17 million in Q3 FY13.

Business Highlights for Q3 FY13

- Total client base increased to 756,159, which includes 663,050 retail broking and distribution clients
- Pan-India retail distribution reach stood at 1,482 business locations across 526 cities
- Total Assets under Management for the Group were ~₹32.4 billion as of Dec 2012. Within this, mutual fund AUM was ₹6.0 billion, PE AUA was ₹12.4 billion and PMS AUM was ₹14.1 billion
- Wealth Management managed assets of ~₹18.4 billion, as of Dec 2012
- Depository assets were ₹126.7 billion, as of Dec 2012
- The asset management business has been strengthened with the appointment of Aashish Somaiyaa as CEO. He was earlier with ICICI Prudential Asset Management as Head of Retail Business, where he played a significant role in growing the sales and distribution of its offerings through retail, banking and wealth management channels. Prior to this, he was managing relationships with corporate and institutional treasuries for their investments. Kishore Narne has joined Motilal Oswal Commodity Broker Pvt. Ltd. as Head of Commodity and Currency business. He was earlier the Head of Commodity and Currency Research at a local brokerage where he played a significant role in setting up their commodity division

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- Motilal Oswal Securities International Pvt. Ltd, a subsidiary of MOSL, received its US broker-dealer license from FINRA
- MOSL was ranked among Top 3 in 4 different categories in the AsiaMoney Brokers Poll 2012. It was ranked No. 2 in Best Local Brokerage, Best Overall Sales Service, Best for Events and/or Conferences, and No. 3 in Best for Most Independent Research Brokerage
- MOSL received the 'Depository Participant of the Year' award at the Money Today FPCIL Awards 2012
- MOSL was also awarded as one of BSE's Top Performers in the Mutual Funds segment in Nov, 2012
- The 17th Annual Motilal Oswal Wealth Creation Study seminar was held in December 2012. This year's study covered the theme of 'Economic Moats: Fountainhead of Wealth Creation'
- Motilal Oswal Asset Management hosted the 2nd edition of Value Investing Forum in October 2012. The topic of discussion was 'Sources of Margin of Safety & its Importance in Value Investing'

About Motilal Oswal Financial Services Limited

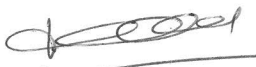
Motilal Oswal Financial Services Ltd. (NSE: MOTILALOFSL, BSE: 532892, BLOOMBERG: MOFS IN) is a well-diversified, financial services company focused on wealth creation for all its customers, such as institutional, corporate, HNI and retail. Its services and product offerings include wealth management, retail broking and distribution, institutional broking, asset management, investment banking, private equity, commodity broking and principal strategies. The company distributes these products through 1,482 business locations spread across 526 cities and the online channel to over 756,159 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. MOFSL won the 'Best Employer Brand' Award at the IPE Banking, Financial Services & Insurance Awards 2012. MOSL received the 'Depository Participant of the Year' award at the Money Today FPCIL Awards 2012 and was ranked among Top 3 in 4 categories in the AsiaMoney Brokers Poll 2012



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