

INVESTOR UPDATE

Motilal Oswal Financial Services reports Q1 FY15 Consolidated Revenues of ₹1.7 billion, up 36% QoQ; Adjusted PAT of ₹321 million, up 32% QoQ

Mumbai, July 19, 2014: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its results for the quarter ended June 30, 2014 post approval by the Board of Directors at a meeting held in Mumbai on July 19, 2014.

Performance Highlights

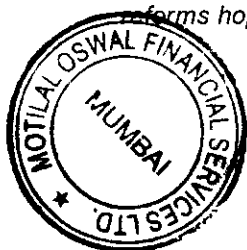
₹Million	Q1 FY15	Q4 FY14	Comparison (Q4 FY14)	Q1 FY14	Comparison (Q1 FY14)
Total Revenues	1,677	1,237	↑36%	1,109	↑51%
EBITDA	577	403	↑43%	357	↑62%
Reported PAT	321	126	↑155%	185	↑74%
Adjusted PAT	321	243	↑32%	185	↑74%
Diluted EPS - ₹(FV of ₹1)	2.3	0.9		1.4	

Performance for the Quarter ended June 30, 2014

- Revenues in Q1 FY15 were ₹1.7 billion, up 36% QoQ and up 51% YoY
- Reported PAT in Q1 FY15 was ₹321 million, up 155% QoQ and up 74% YoY
- Adjusted PAT in Q1 FY15 was ₹321 million, up 32% QoQ and up 74% YoY
- EBITDA and Adjusted PAT margins for Q1 FY15 were 34% (33% in Q4 FY14) and 19% (20% in Q4 FY14) respectively
- The balance sheet had net worth of ₹12.0 billion and net cash of ₹1.4 billion as of Jun 30, 2014
- The company closed its share buyback programme on Jun 9, 2014 and has bought back ~7.1 million shares, i.e. ~94% of the maximum offered 7.5 million shares, for a consideration of ~₹560 million (excl. brokerage and other charges)

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

"The benchmark index clocked sharp gains in May and Jun, as the majority numbers won by the new government raised expectations over the economic outlook. A positive feature has been that retail investors, who had gone into a cocoon in recent quarters, have shown initial signs of a come-back during these two months. Retail volumes in the secondary markets picked up, as did retail net inflows into equity mutual funds. With decision-making and policy reforms hopefully gaining steam eventually, it should bode well for capital raising and primary market activity, which



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could be a starting-point for new retail investors into the markets. It would also spell the return in ECM and M&A deal activity in the market. We remained committed to investing in technology, people and infrastructure during this challenging period, which should help us incrementally as market activity eventually picks up. Our new housing finance entity – Aspire Home Finance, received its approvals this quarter. Within a very short period of commencing business, it has already evinced high interest from customers across its points-of-presence.”

Segment results for Q1 FY15:

- **Broking and related revenues** were ₹1.2 billion in Q1 FY15, up 56% QoQ and up 72% YoY. Daily volumes in the equity markets ended Q1 FY15 at a high of ₹2.5 trillion, up 22% QoQ. It reached an all-time high of ₹3.3 trillion during the month of June. Both cash and futures showed spurts this quarter, pulling down the proportion of options within overall volumes from 77% to 70% QoQ. Cash ADTO spiked 64% QoQ to ₹226.1 billion. These are the highest-clocked quarterly cash volumes since Q2 FY10. Within cash, delivery volumes showed significant uptick, up 58% QoQ. A very encouraging feature this quarter was an initial comeback of retail volumes within the cash segment, which had been sluggish of late. This was up 70% QoQ. Our market share increased from 1.5% to 1.8% QoQ, and our market share in the high-yield cash segment also improved. Resultantly, our blended yield increased from 3.9 bps to 4.3 bps QoQ
- **Fund based income** was ₹203 million, up 1% from Q4 FY14 and down 25% from Q1 FY14. The loan book was ₹5.3 billion, as of Jun 2014
- **Asset Management fee** were ₹181 million for Q1 FY15, down 20% QoQ and up 44% YoY. During Q4 FY14, AMC revenues had included PMS performance fee of ₹69.9 million
- **Investment banking fees** at ₹79 million was up 309% on a QoQ basis. Deal closures gathered some momentum during the quarter
- **Other income** was ₹51 million in Q1 FY15

Highlights for Q1 FY15

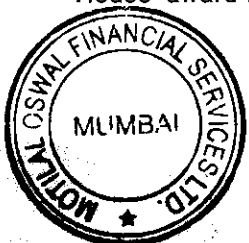
- Total client base increased to 808,912 which includes 710,101 retail broking and distribution clients
- Pan-India retail distribution reach stood at 1,590 business locations across 511 cities, as of Jun 2014
- Total assets under management/advice across mutual funds, PMS and private equity businesses was ₹47.5 billion. Within this, our mutual funds AUM was ₹9.6 billion, PE AUA was ~₹20.0 billion, while PMS AUM was ₹17.9 billion
- Wealth management business managed assets of about ₹30.0 billion
- Depository assets were ₹172.2 billion
- MOSL was awarded the Best Performing National Financial Advisor – Equity Broker at the UTI-CNBC TV18 Financial Advisor Awards for the 4th year in a row
- Motilal Oswal Private Equity made the second close of its 2nd real estate fund – India Realty Excellence Fund II (IREF II), raising total commitments of ₹2.9 billion till-date



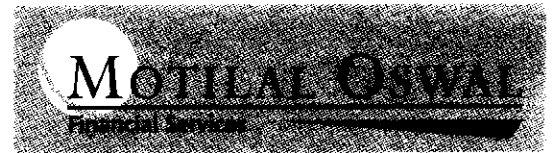
- MOAMC launched the Focused Multicap 35 Fund during Q1FY15. The fund's mandate is to invest across sectors and the market capitalization spectrum. Stock-picking will be through bottom-up fundamental research based on the QGLP (Quality-Growth-Longevity-Price) philosophy that MOAMC adheres to. The company has also complied with SEBI's minimum requirement for net worth of ₹500 million
- Aspire Housing Finance received its Certificate of Registration from NHB to commence the business; It has disbursed loans for 14 applications out of the 287 applications received as of Jun 2014
- During Q1 FY15, MOFSL has contributed approx ₹23 million (~₹20 million post-tax) for CSR initiatives in the field of Education
- As per the requirement of the Companies Act, 2013, the company has computed depreciation with reference to the useful life of respective assets specified in and in the manner prescribed in Schedule II of the Act. Consequently, depreciation for the quarter ended Jun 30, 2014 is higher by ~₹14.1 million, and an amount of ₹26.1 million has been charged to the opening balance of the retained earnings in respect of assets whose remaining useful life is Nil as at Apr 1, 2014
- Our investment in Motilal Oswal's mutual fund products stands at ₹2.34 billion, as of Jun 30, 2014. The unrealized gain on these investments is ₹297 million, as of Jun 30, 2014
- Our investment in Motilal Oswal's alternative investment products (private equity and real estate funds) stands at ₹1.01 billion, as of Jun 30, 2014

About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. (NSE: MOTILALOFS, 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 1,590 business locations spread across 511 cities and the online channel to over 808,912 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



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Financial Advisor Equity Broker' award at the CNBC TV18 Financial Advisor Awards 2012, for the 4th 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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Chairman & Managing Director
Motilal Oswal Financial Services Limited