

INVESTOR UPDATE

Motilal Oswal Financial Services reports Q1 FY12 topline of ₹ 1.1 billion, reported PAT of ₹212 million

Mumbai, July 22, 2011: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its audited results for the quarter ended June 30, 2011 post approval by the Board of Directors at a meeting held in Mumbai on July 22, 2011.

Performance Highlights

₹Million	Q1 FY12	Q4 FY11	Comparison (Q4 FY11)
Total Revenues	1,120	1,260	↓ 11%
EBIDTA	348	436	↓ 20%
PAT (before E & EOI[^])	212	243	↓ 13%
EPS- ₹(FV of ₹1)	1.5	1.7	

[^] E & EOI = Exceptional items & Extraordinary items

Performance for the Quarter ended June 30, 2011

- Revenues for the quarter at ₹1.1 billion is down 11% as compared to Q4 FY11.
- Reported PAT for Q1 FY12 at ₹212 million is down 13% compared to Q4 FY11.
- EBITDA and PAT margins for Q1 FY12 were 31% (35% in Q4 FY11) and 19% (19% in Q4 FY11), respectively
- Strong balance sheet as on June 30, 2011, with net worth of ₹10.8 billion, net cash of ₹1.6 billion.

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

"The Indian markets witnessed multiple challenges this quarter with volatile FII net flows, muted retail participation into equities, rising interest rates and slow down of M&A activity. Despite all the short-term headwinds, we believe that the long-term growth prospects of India hold strong and the consequent growth in discretionary income and savings will throw good opportunities for financial services firms. Our efforts remain focused to build our capabilities in order to grab a meaningful share of these opportunities."

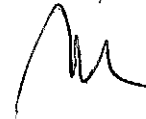


Segment results for Q1 FY 2012

- Broking and related revenues were ₹770 million this quarter, down 12% from Q4 FY11. The growth of options within the volume mix continued during this quarter as well. Our equity market share was 1.8% in Q1 FY12 versus 2% in Q4 FY11. However, our market share in the high-yield cash segment remains largely stable which is also reflected through an increase in our blended yield to 5.1 bps in Q1 FY12 from 4.6 bps in Q4 FY11
- Fund based income was ₹209 million, up 19% as compared to Q4 FY11. The loan book stood at ₹3.3 billion, as of June 30, 2011
- Asset Management fees were ₹103 million, down 25% as compared to Q4 FY11 (which included annual performance fees in PMS business amounting to ₹42.6 million)
- Investment banking fees were ₹22 million, down 60% as compared to Q4 FY11.
- Other income was ₹17 million in Q1 FY12

Business highlights for Q1 FY 2012

- Total customer base increased to 722,303, and distribution reach stood at 1,607 outlets across 586 cities, as of June 30, 2011
- Total Assets under Management for the Group were ~₹23.1 billion as of June 30, 2011, which includes assets under portfolio management, mutual funds and also assets under advice in private equity business. Within this, mutual funds AUM across the 3 ETFs was ₹3.1 billion and PMS AUM was ₹12.9 billion
- Wealth Management business - "Purple Client Group" managed assets of ~₹12.0 billion as of June 30, 2011
- Depository assets of ₹117 billion as of June 30, 2011
- Motilal Oswal Securities won the Best Market Analyst Award for the Infrastructure and Energy equity sectors respectively, at the 'India's Best Market Analyst Awards 2011 held in April 2011 and Mr. Raamdeo Agrawal, Co-Founder and Joint Managing Director, was honoured with an award for Special Contribution to Indian Capital Markets
- Motilal Oswal Asset Management organized the 1st edition of the Motilal Oswal MOST Shares ETF Conclave 2011 held in Mumbai in June 2011. With ETFs growing in prominence in India, the ETF conclave was held as part of Motilal Oswal's efforts in furthering customer education and awareness about the opportunity, trading strategies, advantages and outlook in the ETF space, and addressing popular myths and learnings from the global experience
- Motilal Oswal, in association with Zee Business, hosted its 1st seminar under its investors' education initiative - 'Investor Ki Kahani Usi Ki Zubani' in Mumbai in July 2011. Over 750 investors attended the session.
- Motilal Oswal Private Equity is currently working on raising its second growth capital fund, IBEF-II.

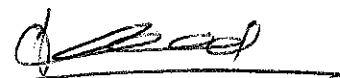


About Motilal Oswal Financial Services Limited

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 1,607 business locations spread across 586 cities and the online channel to over 722,303 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 the Asia Money Brokerage Polls for India. In the StarMine India Broker Rankings 2009 from Thomson Reuters, we won awards in 3 out of 4 categories and also bagged the No. 1 Broker Award in the ET Now - StarMine Analyst Awards 2009. We were adjudged as the 'Best Performing Equity Broker (National)' at the CNBC TV18 Financial Advisors Awards - 2010. MOSL won 4 awards in the ET-Now Starmine Analyst Awards 2010-11, placing it amongst the Top-3 award winning brokers, and was ranked No. 2 by AsiaMoney Brokers Poll 2010 in the Best Local Brokerage Category. Our mutual fund product, M-50 ETF bagged the 'Most Innovative Fund of the Year' award at the CNBC TV18 CRISIL Mutual Funds Awards 2011.

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Chairman & Managing Director
Motilal Oswal Financial Services Limited