

INVESTOR UPDATE**Motilal Oswal Financial Services reports Q2 FY12 topline of ₹1.1 billion,
up 2% QoQ; Adjusted PAT of ₹262 million, up 24% QoQ**

Mumbai, October 17, 2011: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its audited results for the quarter ended September 30, 2011 post approval by the Board of Directors at a meeting held in Mumbai on October 17, 2011.

Performance Highlights

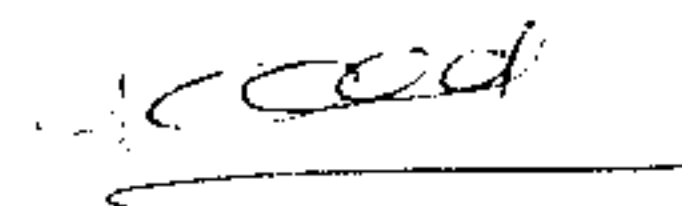
₹Million	Q2 FY12	Q1 FY12	Comparison (Q1 FY12)	Q2 FY11	Comparison (Q2 FY11)
Total Revenues*	1,143	1,120	↑ 2%	1,576	↓ 27%
EBIDTA	397	348	↑ 14%	554	↓ 28%
Reported PAT	350	212	↑ 65%	331	↑ 6%
Adjusted PAT	262	212	↑ 24%	318	↓ 18%
EPS- ₹ (FV of ₹1)	2.4	1.5		2.3	

Performance for the Quarter ended September 30, 2011

- Revenues for the quarter at ₹1.1 billion is up 2% as compared to Q1 FY12, but down 27% from Q2 FY11
- Reported PAT for Q2 FY12 at ₹350 million is up 65% from Q1 FY12 and up 6% from Q2 FY11
- Adjusted PAT for Q2 FY12 at ₹262 million is up 24% from Q1 FY12, but down 18% from Q2 FY11 (adjusted for profit from sale of fixed assets and investments)
- EBITDA and Adjusted PAT margins were 35% (31% in Q1 FY12) and 23% (19% in Q1 FY12), respectively
- Strong balance sheet with net worth of ₹11.2 billion, net cash of ₹1.7 billion and negligible debt, as of Sept 30, 2011

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

"The Indian markets continued to face headwinds from increasing interest rates, high inflation, slowdown in core sector growth and global financial concerns. These factors have adversely impacted investor sentiments and participation in the capital markets. Our focus on building a customer focused organization with low financial leverage has helped the company deliver robust performance in the current high interest rate climate. We believe in the long term opportunity in financial services and are committed to build a robust and profitable franchise that we believe will be able to garner a meaningful market share in the capital markets space."

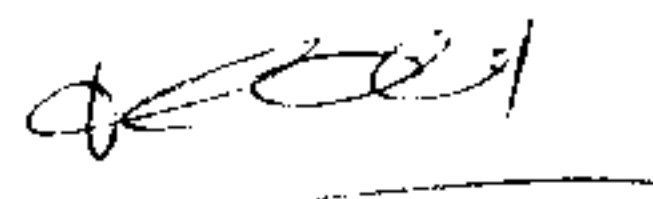


Segment results for Q2 FY12

- Broking and related revenues were ₹807 million this quarter, up 5% from Q1 FY12. The growth of options within the volume mix continued during this quarter. Equity market share went up from 1.8% in Q1 FY12 to 1.9% in Q2 FY12. However, blended yield declined from 5.1 bps in Q1 FY12 to 4.6 bps in Q2 FY12 on account of the rising proportion of options within the overall market volumes. However, yield pressures were not seen at an intra-segmental level and MOSL continues to enjoy a high market share in the high-yield cash segment. As on Sept 30, 2011, total client base has increased to 732,173 while Pan-India distribution reach stood at 1,538 business locations across 563 cities
- Fund based income was ₹198 million, down 5% from Q1 FY12 and up 38% from Q2 FY11. It contributed 17% of total revenues. The loan book stood at ₹3.0 billion as of Sept 30, 2011
- Asset Management fees were ₹100 million, down 3% from Q1 FY12. This segment contributed 9% of total revenues
- Investment banking fees were ₹14 million, down 34% as compared to Q1 FY12
- Other income was ₹23 million in Q2 FY12

Business highlights for Q2 FY12

- Total client base increased to 732,173, which includes 646,232 retail broking and distribution clients
- Pan-India retail distribution reach stood at 1,538 business locations across 563 cities
- Total Assets under Management for the Group were ₹22.6 billion as of Sept 30, 2011. This includes PMS AUM of ₹12.7 billion, mutual funds AUM of ₹2.4 billion and private equity assets under advice of ₹7.5 billion
- Wealth Management business - "Purple Client Group" managed assets of ₹11.9 billion, as of Sept 30, 2011
- Depository assets of ₹110.1 billion, as of Sept 30, 2011
- MOFSL won the 'Best Capital Markets & Related NBFC' award for FY11 at the CNBC TV18 India Best Banks and Financial Institutions Awards 2011 in Mumbai
- Motilal Oswal Securities won the 'Best Equity Broking House' award for FY11 at the Dun & Bradstreet Equity Broking Awards 2011 in Mumbai
- The Group also won two awards, 'Excellence in HR through Technology' and 'Excellence in Healthcare' at Asia's Best Employer Brand Awards 2011 in Singapore. Companies from 37 countries participated in these awards
- Institutional Equities hosted the 7th Annual Motilal Oswal - Global Investor Conference in August 2011 in Mumbai, where ~100 leading Indian companies interacted with over 500 institutional clients from across the world
- Motilal Oswal Securities, in association with Zee Business, held seminars of its investor education initiative - 'Investor Ki Kahani Usi Ki Zubani' in Mumbai, Ahmedabad, Kolkata, Delhi and Pune this quarter. These 5 seminars saw a total participation of over 2,600 investors
- Motilal Oswal Commodities Broker Pvt Ltd took up membership of the National Spot Exchange Ltd. This would allow it to trade gold and silver in demat form with no AMC charges, purity or security issues
- The Private Equity business is working on raising the second growth capital PE fund, India Business Excellence Fund (IBEF-II)



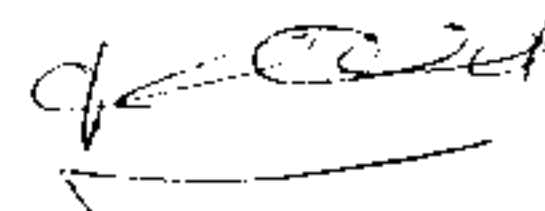
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About Motilal Oswal Financial Services Limited

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 1,538 business locations spread across 563 cities and the online channel to over 732,173 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, 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. 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. MOFSL won awards for Excellence in HR through Technology and Excellence in Healthcare at Asia's Best Employer Brand Awards 2011 in Singapore, and 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.

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