

INVESTOR UPDATE

Motilal Oswal Financial Services reports Q4 FY13 Consolidated Revenues of ₹1.3 billion, up 17% QoQ; Adjusted PAT of ₹328 million, up 67% QoQ Proposes final dividend of ₹1 per equity share (F.V. ₹1)

Mumbai, April 27, 2013: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its audited results for the quarter ended March 31, 2013 post approval by the Board of Directors at a meeting held in Mumbai on Apr 27, 2013.

Performance Highlights

₹Million	Q4 FY13	Comparison (Q3 FY13)	Comparison (Q4 FY12)
Total Revenues	1,341	↑17%	↑3%
EBIDTA	570	↑47%	↑39%
Reported PAT	367	↑26%	↑69%
Adjusted PAT	328	↑67%	↑50%
EPS- ₹(FV of ₹1)	2.6		

Performance for the Quarter ended March 31, 2013

- Revenues in Q4 FY13 were ₹1.3 billion (up 17% QoQ and up 3% YoY); FY13 revenue was ₹4.7 billion (flat YoY)
- Reported PAT in Q4 FY13 was ₹367 million (up 26% QoQ and up 69% YoY); ₹1.1 billion in FY13 (up 5% YoY)
- Adjusted PAT in Q4 FY13 was ₹328 million (up 67% QoQ and up 50% YoY); ₹969 million in FY13 (flat YoY).
Adjusted PAT for Q4 FY13 excludes total amount of ₹39 million representing profit from sale of fixed assets and provision for doubtful advances / write offs
- EBITDA and Adjusted PAT margins for Q4 FY13 were 42% (34% in Q3 FY13) and 24% (17% in Q3 FY13) respectively. For FY13, EBITDA margin was 37% (FY12: 34%), while Adjusted PAT margin was 20% (FY12: 21%)
- Proposed final dividend for FY13 is ₹1 per share (Face Value of ₹1 per share)
- The balance sheet had net worth of ₹12.2 billion, net cash of ₹2.1 billion as of Mar 31, 2013

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

After positive returns in the first three quarters of FY13, a 3% QoQ decline in the Sensex in Q4FY13 limited its annual returns to 8%. Equity market volumes continued to be boosted by options. However, cash volumes also picked up led by a 8% QoQ uptick in delivery volumes. Strong inflows from FIIs continued to be the major catalyst to participation levels, while DII activity was in complete contrast. While the Budget saw mixed reactions, stabilization in the WPI

since Jan has raised expectations of further interest rate cuts. This, along with sustenance of the reforms action, should help revive the investment cycle eventually and improve overall sentiments. Despite challenging market conditions we have made sustained investments in systems, process, technology, people and infrastructure which we believe will lay the foundation for growth as market activity pick up."

Segment results for Q4 FY13 and FY2013:

- **Broking and related revenues** were ₹763 million in Q4 FY13, down 1% on a QoQ basis and down 16% on a YoY basis. On a full year basis, broking revenues at ₹3.0 billion were down 8% as compared to the previous year. Daily volumes in the equity markets reached a high of ₹1.8 trillion in Q4 FY13, up 4% QoQ, pushed up by options. Options continue to comprise a hefty 76% of overall market volumes. Cash volumes grew 3% QoQ to ₹141 billion. The encouraging feature is that cash delivery volumes were up 8% QoQ. Also, delivery's proportion within overall market volumes picked up from 2.4% to 2.5% QoQ - both higher than the levels in the first two quarters of FY13. The main spurt in delivery volumes was during the month of Jan and Dec, thus proving the old adage that delivery volume normally see a disproportionate rise during periods of market uptick. Our overall equity market share rose from 1.5% to 1.7% on a QoQ basis. Our blended yield marginally decreased from 4.9 bps to 4.1 bps QoQ
- **Fund based income** was ₹377 million, up 89% from Q3 FY13 and up 67% from Q4 FY12. This includes profit earned on partial exits in few investments of the Private Equity Fund in which MOFSL made sponsor commitments. On a full year basis, fund based income at ₹997 million was up 21% over previous year. The loan book was ₹4.3 billion, as of Mar 2013
- **Asset Management fee** were ₹170 million for Q4 FY13, up 22% QoQ and up 31% YoY. Higher revenue in Q4 FY13 is attributable to the fees related to the third close of the new IBEF-II fund. AMC revenues also includes PMS performance fee of ₹6.2 million accrued in Q4 FY13 (Q4 FY12: ₹11.5 million). On a full year basis, asset management fees at ₹591 million were up 17% as compared to previous year
- **Investment banking fees** at ₹8 million was down 59% from Q3 FY13, and down 79% YoY. On a full year basis, fees at ₹78 million were down 11% as compared to previous year due to delays in closure of few deals which are in advanced stages
- **Other income** was ₹23 million in Q4 FY13 and ₹83 million in FY13

Business Highlights for Q4 FY13

- Total client base increased to 773,716, which includes 679,848 retail broking and distribution clients
- Pan-India retail distribution reach stood at 1,484 business locations across 527 cities
- Total Assets under Management for the Group were ~₹30.3 billion as of Mar 2013. Within this, mutual fund AUM was ₹4.6 billion, PE AUA was ₹13.1 billion and PMS AUM was ₹12.6 billion
- Wealth Management managed assets of ~₹20.2 billion, as of Mar 2013



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- Depository assets were ₹109.8 billion, as of Mar 2013
- During Q4FY13, our private wealth management business launched the new and improved advisory proposition with the motto 'Responsible Advisory' under the brand 'Motilal Oswal Private Wealth Management (MOPWM)'. The value proposition is based on what clients are really seeking – Comprehensive risk profiling leading to portfolio advice which can be objectively tracked for value addition basis which it can be rewarded. MOPWM launched India's first Advisory Index and several other indices which will help clients track the value addition by an advisor objectively - an Industry First. These initiatives aim to set a precedent in the way this business is run today
- Motilal Oswal Private Equity (MOPE) received commitments of ₹5.6 billion from both domestic and offshore investors following the third closing of its 2nd growth capital PE fund, India Business Excellence Fund-II
- MOPE 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 space for 'Leveraging on technology in enhancing customer experience' at the Banking Frontiers Finnovity Awards 2012.
- MOSL won the 'Quality Excellence for Best Customer Service Result' award at National Quality Excellence Awards 2013
- Currency trading has been started on the company's trading platform in USD, GBP, EUR and JPY, with a dedicated currency research desk

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 1,484 business locations spread across 527 cities and the online channel to over 773,716 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.

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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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