

INVESTOR UPDATE

Motilal Oswal reports a topline of ₹1,653 million and PAT of ₹421 million for Q3 FY11

Mumbai, Jan 28, 2011: Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its results for quarter ended December 31, 2010 post approval by the Board of Directors at a meeting held in Mumbai on January 28, 2011.

Performance Highlights

₹Million	Q3 FY11	Comparison (Q2 FY11)	Comparison (Q3 FY10)
Total Revenues	1,653	↑ 5%	↑ 4%
EBIDTA	693	↑ 25%	↑ 8%
PAT (before E& EOI[^])	421	↑ 27%	↑ 13%
EPS- ₹(FV Re 1)	2.9		

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

Performance for the Quarter ended December 31, 2010

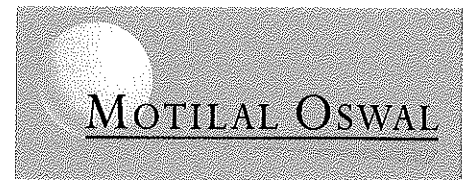
- Revenues for the quarter at ₹1,653 million, up 5% as compared to Q2 FY11 and up 4% as compared to Q3 FY10.
- Reported PAT for Q3 FY11 at ₹421 million, up 27% compared to Q2 FY11 and up 13% compared to Q3 FY10.

To facilitate better comparison of operational performance for Q3 FY11, the following items needs to be considered:

₹Million	Q3 FY11	Q2 FY11	Q3 FY10
PAT (before E& EOI) – Reported	421	331	371
Less : Unrealised gain of previous quarter booked in this quarter (post tax)	47	14	31
Add : Unrealised gain in arbitrage (post tax)	2	47	8
Add : Expenses incurred on launch of M-50 (post tax)	-	30	-
Less: Profit on sale of investments/Fixed assets and change in accounting policy for arbitrage	-	13	-
Adjusted PAT	376	381	349

Adjusted PAT for Q3 FY11 at ₹376 million is down 1% compared to Q2 FY11 and up 8% compared to Q3 FY10.

- Strong balance sheet with net-worth of ₹10,634 million and net cash of ₹2,456 million as on December 31, 2010.



Motilal Oswal Financial Services Ltd.
Hoechst House, 3rd Floor,
Nariman Point, Mumbai - 400 021.
Tel. : +91-22 3982 5500
Fax : +91-22 2282 3499

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

"After reaching new peaks in the first half of the quarter, markets have corrected sharply in the second half due to concerns of high inflation, interest rate, commodity prices and the US recovery pace affecting global allocations of FIIs. This has impacted market sentiments adversely resulting in a slowdown in market activity. Nevertheless, with corporate earnings showing good growth and companies in expansion and acquisition mode, the Indian growth outlook is fundamentally strong and will provide good investment opportunities from a medium to long term perspective. We continue to invest into all of our businesses and we believe that we would be able to benefit from the emerging opportunities in the financial services space. Our endeavor to provide high quality services were recognized at the CNBC TV18 Financial Advisor Awards 2010 where we won the Best Performing Equity Broker (National) Award. Also, the recent launch of our M100 ETF, India's first mid cap focused ETF, is testimony to our strategy to continuously bring innovative market access products to the investors."

Segment results

- Broking and related revenues were ₹1,214 million, up 7% compared to Q2 FY11 and up 10% compared to Q3 FY10.
- Fund based income was ₹276 million, up 93% as compared to Q2 FY11 and up 49% compared to Q3 FY10. This includes the unrealized gain of ₹70 million (pre tax). Post these adjustments fund based income in Q3 FY11 at ₹209 million was up 8% over Q2 FY11 and up 37% over Q3 FY10.
- Asset Management fees were ₹108 million, up 3% compared to Q2 FY11 and up 10% compared to Q3 FY10.
- Investment banking fees were ₹50 million, down 70% compared to Q2 FY11 and down 71% compared to Q3 FY10. The drop in this quarter's revenue is attributable to revenue booking on few deals in advanced stages of execution getting postponed to subsequent quarters. The deal pipeline remains robust and we continue to remain optimistic about the growth prospects in FY11.
- Other income was ₹5 million, down 84% compared to Q2 FY11 and down 77% compared to Q3 FY10.

Business highlights for Q3 FY 2011

- Retail Broking and Distribution business increased its customer base to 693,978 in December 2010 and distribution expanded to 1,568 outlets across 595 cities.
- Total Assets under Management for the Group were ~₹23 billion, which includes assets under portfolio management, mutual fund and also assets under advice in private equity business.
- M50 ETF, India's first fundamentally weighted ETF based on Nifty, has seen active investor interest and is the 3rd most traded Equity ETF listed in India. As of December 2010, with an AUM of ₹2.8 billion, it is ranked 2nd in terms of AUM amongst Equity ETFs listed in India.
- Wealth Management business - "Purple Client Group" managed assets of ~₹12 billion.
- Motilal Oswal Securities Ltd. (MOSL) was adjudged as the Best Performing Equity Broker (National) at the CNBC TV18 Financial Advisors Awards – 2010.

Motilal Oswal Financial Services Ltd.
Hoechst House, 3rd Floor,
Nariman Point, Mumbai - 400 021.
Tel. : +91-22 3982 5500
Fax : +91-22 2282 3499

- MOAMC launched its second fund - MOST Shares Midcap 100 ETF on 10th January, 2010. This is India's First Midcap ETF and is based on the CNX Midcap Index.
- 15th Wealth Creation Study was released with a theme of 'Unknown and Unknowable Investing' (UU Investing) on 15th December, 2010 at BSE.
- MOSL launched a new web service called "My Motilal Oswal" using a unique widget-based framework that allows users choose what information they want to see, where they want to see and how they want to see.
- MOAMC has also filed a draft scheme information document with SEBI for another fund - Motilal Oswal Most Shares NASDAQ – 100 ETF (Most Shares N100).

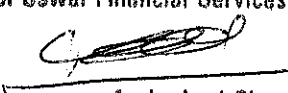
About Motilal Oswal Financial Services Limited

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 1,568 business locations spread across 595 cities and the online channel to over 693,978 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 also adjudged as the 'Best Performing Equity Broker (National)' at the CNBC TV18 Financial Advisors Awards – 2010.

For further details contact:

Mr. Hari Krishnan Motilal Oswal Financial Services Ph - +91-22-39825500 Mob- +91-9820520392	Mr. Sameer Kamath Motilal Oswal Financial Services Ph - +91-22-39825554 Mob- +91-9820130810	Mr. Anirudh Rajan / Alpesh Nakrani Paradigm Shift Public Relations Mob- +91-9892343828/ +91-9869121167 Tel- +91-22 22813797 / 98
--	--	---

For Motilal Oswal Financial Services Ltd.


Authorised Signatory