

PRESS RELEASE**Edelweiss records FY10 Total Income of INR 978 cr
Profit After Tax INR 229 cr**

Mumbai, May 21, 2010: Edelweiss Capital Limited, India's leading diversified financial services company, announced its audited consolidated financial results for the year ended March 31, 2010.

FY10 Consolidated Financial Highlights:

- **Total Revenues of INR 978 cr** (FY09:INR 900 cr)
- **Profit After Tax of INR 229 cr** (FY09:INR 186 cr)
- **Diluted EPS of INR 29.37** (FY09:INR 24.28)
- **PBT Margin 34%** (FY09:36%)
- **PAT Margin 23%** (FY09:21%)

Q4FY10 Consolidated Financial Highlights:

- **Total Revenues of INR 262 cr** (Q4FY09:INR 183 cr)
- **Profit After Tax of INR 52 cr** (Q4FY09:INR 41 cr)

The Board of Directors has recommended **final dividend of Rs. 3 per equity share** (on a face value of Rs. 5) for the financial year 2009-10. In addition, as the company is completing its fifteenth year, the Board of Directors on this occasion has also proposed a **special dividend of Rs. 5 per equity share** (on face value of Rs. 5). The payment of final and special dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

Earlier during the year, the company had declared and paid interim dividend of Rs. 2 per equity share (on face value of Rs. 5).

Performance Highlights:

- Fee and Commission Revenues for FY10 of INR 350 cr (FY09:INR 244 cr);
For Q4FY10 INR 117 cr (Q4FY09: INR 40 cr)
- Revenues from Treasury Operations for FY10 of INR 245 cr (FY09:INR 251 cr);
For Q4FY10 INR 34 cr (Q4FY09: INR 51 cr)
- Interest Revenues for FY10 of INR 339 cr (FY09:INR 331 cr);
For Q4FY10 INR 108 cr (Q4FY09: INR 78 cr)

Business Highlights:

- **Investment Banking closed 33 deals this year** (9 deals in FY09) indicating strong revival after the marked slowdown in FY09. ECM transactions (especially QIPs) and Debt Market transactions were strong. Some of the marquee deals closed this year include:

- QIPs for Orbit Corporation, PSL Limited, Parsvnath Developers, Allied Digital, DCB, Adhunik Metals, Bajaj Electricals, Usha Martin and Karnataka Bank
- QIP of NCDs along with Warrants for Electrosteel Castings
- IPOs of Man Infraconstruction and United Bank of India
- FPO of NMDC for Rs.9,930 cr, the largest public market offering for a public sector company and the third largest public market offering in India
- Private Equity placement of USD 200 mn in Coffee Day Resorts, and in Karaikal Port
- Sale of XCEL Telecom by Q Investments, Syndicated Term Loan for Bhorka Power and Project Finance Loan Syndication for Jal Power Corporation, and
- On the Debt Syndication side, Bond issues of SAIL, APSFC, Yes Bank, REC, PFC, Power Grid Corporation and State Bank of India

By number of deals, Edelweiss is ranked 2nd in QIPs and overall 3rd in ECM (QIPs, IPO/FPOs and Rights Issues) for FY10 as per Prime Database.

Our client segments now span from Private to Public Sector, Mid caps to Large caps across industries and we offer them a broad spectrum of products from ECM to Advisory to DCM. The deal pipeline continues to be strong.

- **Institutional Brokerage** business performance for the quarter has been in line with the levels of activity in the markets. Our **Research** now covers nearly 170 stocks across 18 sectors, accounting for about 70% of the total market capitalization.
 - During the fourth quarter, Edelweiss arranged its annual **India Conference 2010 – Opportunities Unlimited** which witnessed excellent response with participation of about 70 Indian corporates and 135 institutional investors facilitating over 2200 interactions through one-on-one and group meetings. Apart from company-investor interactions, a major highlight was the presence of the iconic economist, Dr. Nouriel Roubini, Chairman and Co-founder, Roubini Global Economics on both the days of the conference.
 - Edelweiss also unveiled its landmark Research Report “India 2020, Seeing Beyond” during this quarter and presented the first copy of the report to the Hon. Finance Minister Shri Pranab Mukherjee.
- Edelweiss continues to build its **Retail businesses**, both in retail broking and IPO distribution. For the year 2009-10, Edelweiss is ranked 2nd in HNI category by total amount mobilized in IPOs and is ranked 4th in Retail category by the number of applications procured in IPOs as per Prime Database.
- Our **Alternative Asset Management** business has AUMs/AUAs of US\$ 208 million equivalent at the end of this year. **Edelweiss Asset Management** now manages 10 Funds across Equity, Debt and Liquid Schemes including the Edelweiss Income Advantage Fund which was launched during the fourth quarter. The focus of this business continues to be to broad base the product portfolio and building track record.
- The scale-up of **Financing** business continued strongly this quarter with the total loan book size as on 31st March 2010 touching INR 1837 cr. The loan book comprises of loans granted against securities and is adequately collateralized.
- The **Treasury** operations deploy surplus funds of the Group in low risk strategies. The arbitrage yields continue to remain low given ample liquidity. The resources allocation to arbitrage book was lower during the fourth quarter with an increase in interest yielding assets in the treasury book. The focus in the business continues to be liquidity management and capital preservation.

Other Updates:

- Edelweiss has announced during the fourth quarter that it is acquiring Anagram Capital Limited, subject to necessary approvals. This, together with our organic retail broking business based on internet and call and trade model, would lead to enlarging our retail footprint.
- During this quarter, Edelweiss Housing Finance Limited, a wholly owned subsidiary of the Company has received the certificate of registration from the National Housing Bank to commence the business of a housing finance institution. Edelweiss continues to look to invest in other long term opportunities in adjacent markets in financial services.
- The Group net worth excluding minority interest now stands at INR 2327 cr. The aggregate debt component as on 31st March 2010 is INR 2714 cr, implying a leverage of 1.17x.
- EdelGive, Edelweiss' social responsibility wing, focuses on creating educational, employment and sustainable livelihood opportunities for the underprivileged. During the fourth quarter, it announced the winners of EdelGive Social Innovation Honours, which is a national awards programme along with Kubera Partners to reward innovative work in the social sector in the country. This year 5 NGOs were chosen for the awards from among 280 participants for innovative work in women empowerment.

Speaking on the occasion, Mr. Rashesh Shah, Chairman and CEO, Edelweiss Capital Limited said:

"The fourth quarter of the year continued to build on the momentum generated in the previous quarter in the capital markets on the back of rapid recovery and signs of stability. The Indian corporates also have refocused their attention to growth leading to improved capital raising activity and opportunities for financing. This has been reflected in the performance of our Investment Banking, Brokerage and Financing businesses during the quarter. The ample liquidity in the system continues to impact the yields and hence our earnings on the treasury and working capital assets.

While we scale up our existing businesses in Retail, Financing and Asset Management, we have announced our intentions to enter Life Insurance business and have also received the regulatory approval for Housing Finance business during the year. These new initiatives together with the acquisition of Anagram Capital would significantly enhance the retail footprint of Edelweiss and will also consolidate our status as a large diversified financial services group. We thus continue to look forward to capitalizing on the opportunities before us as we identify and build new businesses in financial services to diversify and generate future revenue growth."

About Edelweiss Capital

Edelweiss, with a group net worth of over INR 2300 crores and a pre-tax profit of INR 333 crores for FY10, has emerged as India's leading diversified financial services company. Edelweiss offers a large range of products and services spanning across asset classes and consumer segments. Its businesses are broadly divided into Investment Banking, Brokerage Services, Asset Management and Financing. The company's research driven approach and proven history of innovation has enabled it to foster strong relationships across corporate, institutional and individual clients. The Mutual fund and Retail Broking businesses along with the planned acquisition of Anagram Capital (subject to regulatory approvals) have paved the way for Edelweiss to cater to the large retail client segment. Edelweiss' presence in India along with Anagram now covers over 220 offices pan India.

Edelweiss Capital trades under the symbols NSE: EDELWEISS, BSE: 532922, Bloomberg: EDEL.IN. To learn more about the Edelweiss Group, please visit www.edelcap.com.

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This document may contain certain forward - looking statements based on current expectations of the management of Edelweiss Capital Limited or any of its subsidiaries and associate companies ("Edelweiss"). The results in future may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include, inter alia, the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Edelweiss as well as its ability to implement the strategy. Edelweiss does not undertake any obligation to update these statements.

This document is for information purposes only and any action taken by any person on the basis of the information contained herein is that person's responsibility alone and Edelweiss or its directors or employees will not be liable in any manner for the consequences of such actions.

The company regularly posts all important information at its website www.edelcap.com.

Consolidated Financial Results for the Quarter Ended 31st March, 2010
(Rs. in Crores)

	Particulars	Quarter Ended		Year Ended	
		March 31, 2010 (Unaudited)	March 31, 2009 (Unaudited)	March 31, 2010 (Audited)	March 31, 2009 (Audited)
	Fee and commission income	117.20	40.06	350.40	244.12
	Income from treasury operations	33.94	50.85	245.46	251.17
	Income from investments and dividend	0.10	11.13	34.26	69.74
	Interest income	108.25	78.04	338.91	331.46
1	Income from Operations	259.49	180.08	969.03	896.49
2	Other Operating Income	2.93	3.31	8.77	4.01
3	Total Income (1+2)	262.42	183.39	977.80	900.50
	Expenditure				
	a. Operating cost	80.35	58.24	276.30	252.94
	b. Employees cost	46.47	29.85	162.17	165.94
	c. Interest and Finance charges	56.94	21.62	194.28	134.93
	d. Depreciation	3.93	5.70	12.25	17.66
4	Total expenditure	187.69	115.41	645.00	571.47
5	Profit / (Loss) before tax (3-4)	74.73	67.98	332.80	329.03
6	Tax expenses	18.40	23.69	87.92	119.91
7	Net Profit / (Loss) after tax before minority interest (5-6)	56.33	44.29	244.88	209.12
8	Share of minority interest in profits	4.07	3.36	15.72	22.68
9	Net Profit / (Loss) after minority interest (7-8)	52.26	40.93	229.16	186.44
10	Paid-up equity share capital (Face Value of Rs 5/- Per Share)	37.54	37.47	37.54	37.47
11	Reserves excluding Revaluation Reserves			2,217.94	2,076.62
12	Earnings Per Share (EPS) in Rupees				
	- Basic (Not annualised)	6.96	5.46	30.56	24.88
	- Diluted (Not annualised)	6.69	5.33	29.37	24.28
13	Public shareholding				
	- Number of shares	46,500,324	46,361,586	46,500,324	46,361,586
	- Percentage of shareholding	61.94%	61.87%	61.94%	61.87%
14	Promoters & promoter group shareholding				
	a) Pledged/ Encumbered				
	- Number of shares	2,760,000	Nil	2,760,000	Nil
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	9.66%	Nil	9.66%	Nil
	- Percentage of shares (as a % of total share capital of the company)	3.68%	Nil	3.68%	Nil
	b) Non-encumbered				
	- Number of shares	25,811,569	28,571,569	25,811,569	28,571,569
	- Percentage of shares (as a % of total shareholding of promoter and promoter group)	90.34%	100.00%	90.34%	100.00%
	- Percentage of shares (as a % of total share capital of the company)	34.38%	38.13%	34.38%	38.13%

Notes:

- 1 The consolidated and standalone financial results of Edelweiss Capital Limited ("ECL" or "the Company") for the quarter and year ended 31 March 2010 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 21 May 2010.
- 2 The Company conducts its operations along with its subsidiaries and associates. The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standards (AS 21 and AS 23) prescribed by Companies (Accounting Standards) Rules, 2006. The financial statements of the holding company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances, transactions and resulting unrealised gains / losses. The investment in associates is accounted on "Equity Method". The consolidated financial statements are prepared by applying uniform accounting policies.
- 3 CRISIL has assigned the rating of 'P1+' (pronounced 'P one Plus') to the Short Term Debt Programmes of ECL for Rs.1,500 crores. ICRA has assigned the rating 'LAA-' (pronounced 'L double A minus') to the Long Term Debt Programme of ECL for Rs.450 crores, the rating 'LAA- pp' (pronounced 'L double A Minus Principal Protected') to the Long Term Equity Linked Debenture Programme of ECL for Rs.25 crores and the rating 'LAA- pn' (pronounced 'L double A Minus Principal Not Protected') to the Long Term Equity Linked Debenture Programme of ECL for Rs.80 crores. The ratings as mentioned for these Programmes / Issues continue to remain in force.
- 4 During the quarter, the Company has granted 5,000 options under Employee Stock Option Scheme, 29,550 stock options have been exercised and 34,200 equity shares have been allotted. 7,766,167 stock options are outstanding as at the end of the quarter.
- 5 During the year, the company had declared and paid interim dividend of Rs. 2 per equity share (on face value of Rs. 5).

The Board of Directors has recommended final dividend of Rs. 3 per equity share (on a face value of Rs. 5) for the financial year 2009-10. In addition, as the company is completing its fifteenth year, the Board of Directors on this occasion has also proposed a special dividend of Rs. 5 per equity share (on face value of Rs. 5). The payment of final and special dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

- 6 There were no investor complaints outstanding at the beginning of the quarter. During the quarter, the Company received 5 investor complaints and has resolved all of these, with no complaint pending as at the end of the quarter.
- 7 The previous financial year/period figures have been regrouped/reclassified wherever necessary to conform to current financial year/period presentation.
- 8 The standalone and consolidated results will be available on the Company's website - www.edelcap.com.

On behalf of the Board of Directors

Rashesh Shah
Chairman

Mumbai, 21 May 2010.