



Press release

For Immediate Publication

**Edelweiss and SBI Holdings of Japan to jointly sponsor Alternative Asset Management Fund**

**Mumbai, January 30, 2012:** EAAA LLC, Mauritius, a subsidiary of Edelweiss Financial Services Ltd (hereinafter “Edelweiss”) and Japan’s SBI Holdings, Inc. (hereinafter “SBIH”) have signed a definitive agreement to jointly sponsor an Alternative asset management fund called EW SBIH Crossover Fund in Mauritius, focused on investments in small/mid-cap listed companies in India.

The sponsors’ total capital commitment to the fund will be US \$100 million, of which SBIH’s commitment is 75% and Edelweiss’ commitment is 25%.

This is the second significant tie up that Edelweiss has entered into with a Japanese financial services major. It already has a joint venture --- Edelweiss Tokio Life Insurance -- with Tokio Marine Holdings.

Rashesh Shah, Chairman and CEO Edelweiss Financial Services Ltd, said, “India is the second fastest growing economy in the world and this growth story is best being captured by hundreds of small and mid-cap companies that are poised to create long term value. By combining Edelweiss’ unique understanding of the Indian markets with SBI Holdings global expertise, we hope to capitalize on this value creation opportunity for our investors.”

Yoshitaka Kitao, Representative Director & CEO of SBI Holdings said, “SBIH’s basic policy on developing the overseas asset management business is to establish joint operation systems with prominent local partners. Beginning with the first overseas fund established in 2005 with the Temasek Group, an investment arm of the Singapore government, we have been expanding our global network with prominent financial institutions and governmental investment institutions, such as Abu Dhabi’s Invest AD, Malaysia’s Permodalan Nasional Berhad and the Ministry of Finance Brunei Darussalam. Total number of overseas funds established with such partners amounts to 16. In growing its business in India, SBIH seeks not only attractive investment opportunities, but also further alliance with Edelweiss in fields other than the investment business.”

Edelweiss Financial Services Ltd. is one of India’s leading diversified financial groups with businesses spanning Credit, Capital Markets, Asset Management, Housing Finance and Life Insurance. The group has a balance sheet size in the excess of US \$2 billion and employs over 2,900 people in about 300 offices across India.

SBI Holdings, Inc. incorporated in Japan by Yoshitaka Kitao in 1999, has established a globally unique “Internet-based Financial Conglomerate” model with businesses spanning investment and the entire financial services space, such as securities, banking and insurance, and across Asian countries and other geographies like Russia, middle-east and Africa. In FY2010 (ended in 31 March 2011), the company had operating revenue of JPY 141 billion (US \$1.8 billion) and net income of JPY 4.5 billion (US \$58.8 million).

This press release is not an offer of securities for sale in the United States. Interests in EW SBIH Crossover Fund may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption from registration