



Motilal Oswal Financial Services Ltd.  
Hoechst House, 3<sup>rd</sup> Floor,  
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## INVESTOR UPDATE

**Motilal Oswal Financial Services reports Q3 FY12 topline of ₹1.1 billion, down 3% QoQ; Adjusted PAT of ₹261 million, flat on a QoQ basis; declares interim dividend of ₹1 per equity share (F.V. ₹1)**

**Mumbai, January 16, 2012:** Motilal Oswal Financial Services (MOFSL), a leading financial services company, announced its audited results for the quarter ended December 31, 2011 post approval by the Board of Directors at a meeting held in Mumbai on January 16, 2012.

### Performance Highlights

₹Million	Q3 FY12	Q2 FY12	Comparison (Q2 FY12)
Total Revenues	1,106	1,143	↓ 3%
EBIDTA	411	397	↑ 3%
Reported PAT	260	350	↓ 26%
Adjusted PAT	261	262	0%
EPS- ₹ (FV of ₹1)	1.8	2.4	

### **Performance for the Quarter ended December 31, 2011**

- Revenues for the quarter at ₹1.1 billion is marginally down by 3% as compared to Q2 FY12
- Reported PAT for Q3 FY12 at ₹260 million is down 26% from Q2 FY12
- Adjusted PAT for Q3 FY12 at ₹261 million is almost flat as compared to Q2 FY12
- EBITDA and Adjusted PAT margins have held firm at 37% (35% in Q2 FY12) and 24% (23% in Q2 FY12), respectively
- Declares interim dividend of ₹1 per equity share (Face value of ₹1 per equity share)
- Strong balance sheet with net worth of ₹11.5 billion, net cash of ₹1.4 billion and negligible debt, as of Dec 31, 2011

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

*"The Indian markets continued to face pressures from macro-economic and global financial concerns this quarter, which impacted investor sentiments. Participation remained muted across segments, and FIIs again saw net outflows from equities. The latest food inflation and IIP numbers have been encouraging. As the macro factors show sustained signs of easing out, it should give the markets a clearer visibility and bring back participation to earlier levels. Our focus to build a diversified financial services organization is on track with the launch of our new Gilt mutual fund and*



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*the first closing of the domestic leg of the second growth capital PE fund – IBEF II. We continue to believe in the long term opportunity in financial services and remain committed to build a robust and profitable franchise that will be able to garner a meaningful market share in the capital markets space.”*

### Segment results for Q3 FY12

- Broking and related revenues were ₹715 million this quarter, down 12% from Q2 FY12. Although market volumes dipped this quarter across all segments owing to weak sentiments, the proportion of options within the overall mix continued to increase. Equity market share declined from 1.9% in Q2 FY12 to 1.8% in Q3 FY12. However, blended yield has held firm at 4.7 bps over the same period, indicating that MOSL continues to maintain its strong market share in the high-yield cash segment. As on Dec 31, 2011, total client base has increased to 738,156 while Pan-India distribution reach stood at 1,563 business locations across 555 cities
- Fund based income was ₹190 million, down 4% as compared to Q2 FY12 and down 31% from Q3 FY11. It contributed 17% of total revenues. The loan book was ₹2.4 billion as of Dec 31, 2011
- Asset Management fees were ₹170 million, up 70% from Q2 FY12. This segment contributed 15% of revenues. The sequential growth in revenues is attributable to the first close of the domestic leg of the new IBEF-II fund.
- Investment banking fees were ₹13 million, down 10% as compared to Q2 FY12
- Other income was ₹18 million in Q3 FY12

### Business highlights for Q3 FY12

- Total client base increased to 738,156, which includes 650,272 retail broking and distribution clients
- Pan-India retail distribution reach stood at 1,563 business locations across 555 cities
- Total Assets under Management for the Group were ~₹22.3 billion as of Dec 31, 2011. This includes PMS AUM of ₹12.1 billion, mutual funds AUM of ₹2.8 billion and private equity assets under advice of ₹7.5 billion
- Wealth Management business - “Purple Client Group” managed assets of ~₹12.3 billion, as of Dec 31, 2011
- Depository assets were ₹99.8 billion, as of Dec 31, 2011
- Motilal Oswal AMC launched its 4th mutual fund product - MOST 10 Year Gilt Fund, which will invest in the 10 Year benchmark Government Bond. The fund saw good response during its NFO and mobilized ₹736 million
- Motilal Oswal Private Equity concluded the first closing of domestic fund- India Business Excellence Fund II (IBEF-II) in Oct, 2011. This will be MOPE's 2<sup>nd</sup> sector-agnostic growth capital fund, for which fund raising is currently underway
- In Oct 2011, Motilal Oswal Securities was felicitated by BSE for being Amongst the Top Five Performers in BSE Star – Mutual Fund and Amongst the Top Ten Performers in Equity segment for the period Nov 2010 - Sept 2011



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### About Motilal Oswal Financial Services Limited

Motilal Oswal Financial Services Ltd. (NSE: MOTILALLOFS, 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 1,563 business locations spread across 555 cities and the online channel to over 738,156 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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**Mr. Motilal Oswal**  
Chairman & Managing Director  
Motilal Oswal Financial Services Limited