

PRESS RELEASE

Religare Enterprises Limited reports strong revenue growth of 40% QoQ; 51% YoY

- **Total Income for Q2 FY 2011 at ₹6,274 million**
- **Investment in building out the pan Emerging Markets Investment Bank continues**

Consolidated financial review for the second quarter FY 2011

- **REL's total income saw a 51% growth YoY and an increase of 40% QoQ**
 - Further diversification of Revenue mix - Religare Finvest (our NBFC) contributing 45% of the revenue in Q2 FY11.
 - Loan book grows 166% YoY and 35% QoQ to ₹ 72.5 billion

New Delhi, October 19, 2010: Religare Enterprises Limited (REL), a global financial services group, today announced its second quarter results for FY11. The company reported a total Income of ₹ 6,274 million for Q2 FY 2011, an increase of 51% YoY.

Mr. Shachindra Nath, Group CEO, Religare Enterprises Limited said, *"The results of Q2 FY11 are testimony to fact that we continue to build a well-diversified integrated financial play in India alongside we also continue to stay focused on building out a pan Emerging Markets Investment Banking business model. We also remain committed to our global multi- boutique asset management platform*

Consolidated Business Highlights

The company has posted a strong revenue growth; 51% YOY and 40% QOQ. The revenue mix is increasingly diversified with lending business now beginning to lead the way by contributing 45% of the revenue mix. The overall portfolio is in build out mod as underlying performance continues to improve. The company has a tax provision of ₹ 399 million in spite of consolidated loss because REL's businesses are structured as separate legal entities. The company has also strengthened capital base which stands at ₹ 28.9 billion.

Segment wise Highlights:

Integrated Indian Financial Services Play:

- Indian growth story leading to deepening of financial services and rapid growth of profit pools
- Consolidating existing businesses: improving market share and other performance metrics

Equity Broking: Continuing to maintain market share, improving service delivery and improving activation rates

- Market wide average turnover for Q2 FY11 increased to ₹1273 billion in comparison to ₹ 1,086 billion in Q1 FY11.
- Religare's Average Daily turnover increased to ₹ 43 billion in Q2 FY11 from ₹37.7 billion.
- 6% QoQ growth in revenues to ₹1,729 million in Q2 FY11 from ₹ 1,638 million in Q1.
- Better Brokerage Yield realised: 4.16bps in Q2 FY11 vs. 4.08 bps in Q1 FY11.

Lending Business: Strong growth across Asset Finance and Capital Market Finance

- Asset Finance: Growth being delivered while maintaining portfolio quality
 - Book size increased by 50% to ₹ 39 billion as on September 30, 2010 from ₹ 26 billion in June 30, 2010.
 - On track to achieving book size of Rs.50-60 billion in FY11.
 - Disbursements grew to ₹11.1 billion as on September 30, 2010 from ₹9.7 billion as on June 30, 2010.
 - Secured assets now constitute 87% of the total portfolio
- Capital Market Lending: Achieved the FY11 target of Rs.25-30 billion in H1
 - Capital Market Lending book size grew 74% to ₹27.3 billion as on September 30, 2010 from ₹15.7 billion as on June 30, 2010.
 - Wholesale Finance has grown by 82% to ₹8.9 billion as on September 30, 2010 from ₹4.9 billion as on June 30, 2010.

Wealth Management: Focus on refining proposition and accelerating AUM growth, leading to improved quality of earnings

- Total Assets under Management for Religare Macquarie Wealth Management business stood at circa ₹15.6** billion in Q2 FY11 as compared to ₹11.1** billion in Q1 FY11 an overall increase of 41%.
- Total number of clients stood at 3,834 as on September 30, 2010 as compared to 3,161 on June 30, 2010.
- Change in leadership – senior Macquarie executive to drive the business

Life Insurance: Limited impact on capital requirement; focus on controlling operating expenses

- New Business Premium increased by 76% and stood at ₹749 million for Q2 FY11 as compared to ₹425 million for Q1 FY11.
- Total AUM for AEGON Religare Life Insurance stood at circa ₹2,541 million as on September 30, 2010 as compared to ₹1,800 million as on June 30, 2010.

Health Insurance

- Religare Health Insurance Limited intends to launch its products this fiscal year.
- Awaiting R1 license from the Insurance Regulatory and Development Authority (IRDA).

Emerging Market led Investment Bank:

- Rigorous execution of plan continues – build out progressing well and ahead of plan.
- Key Leadership in place across London (HQ), India and Asian markets.
- Aviate transaction announced last quarter, is progressing well –will provide significant fillip by creating access to leading FIIs.
- India research platform has been significantly strengthened and overall coverage has increased to ~150 stocks accounting for ca. 60% of market capitalization. Focus now on strengthening sales and trading capabilities.
- Announced the acquisition (subject to regulatory approval) of 50% equity stake in Bartleet Mallory Stock Brokers, a top-5 stock-broking firm in Sri Lanka, further increasing our presence in emerging markets

Investment Banking and Institutional Equities: Aggressively executing the business plan

- Entry into the Sri Lankan market through the announced acquisition of Bartleet Mallory Stockbrokers (BMS), a market leading brokerage firm in Sri Lanka.
- India Institutional Research covers ~150 stocks representing over 60% of India's market capitalization
*** excluding group business*

Global Asset Management Platform:

- Diligently executing inorganic strategy to build multi-boutique platform. Over a hundred opportunities evaluated to identify 3-4 targets
- All due processes on Northgate transaction completed -now awaiting regulatory approval
- Healthy pipeline of deals in multiple asset classes at different stages of diligence
- Overall progress slower than anticipated, as regulatory processes needed more time than initially anticipated –lessons institutionalized and processes strengthened

Asset Management: Focus on building portfolio of higher fee products such as PMS and offshore.

- Valuation losses of `242 mn in H1 FY11 fully absorbed
- AUM held steady at Rs.108 billion as on September 30, 2010 as compared to Rs.109 billion as on June 30, 2010.
- Number of Retail PMS clients stood at 3,123 as on September 30, 2010 as compared to 3,061 on June 30, 2010.

About Religare Enterprises Limited (Religare) –<http://www.religare.in>

Religare is a global financial services group with Indian parentage, listed at two leading stock exchanges of India - BSE and NSE; the group has presence across Asia, Africa, Middle East, Europe and the Americas. In India, Religare's largest market, the group offers a wide array of products and services ranging from insurance, asset management, broking and lending solutions to investment banking and wealth management. The group has also pioneered the concept of investments in alternative asset classes such as arts and films. With over 10,000 employees across multiple geographies, Religare serves over a million clients, including corporates and institutions, high net worth families and individuals, and retail investors. Globally, the firm is planning to build an Emerging Markets led Investment Bank and a Multi-boutique global asset management platform.

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