

PRESS RELEASE

For Immediate Release

JM Financial announces unaudited financial results for the quarter and half year ended September 30, 2011.

Murribal, October 24, 2011: The Board of Directors of JM Financial Limited, at its meeting held today, considered and approved the unaudited financial results for the quarter and half year ended September 30, 2011.

Consolidated Results - Key Highlights:

FY 2011/14* Compared to FY IT Q²

- > Total income stood at Rs 215.19 crore as compared to Rs 232.80 crore
- > Net operating profit before tax stood at Rs. 44.20 crore as compared to Rs 71.75 crore
- > Net profit after tax, minority interest and share of associates stood at Rs. 22.9 crore as compared to Rs. 57.51 crore.

The Earnings per Share (EPS) and the Diluted Earnings per share (DPS), for the *quarter* ended September 30, 2011 is Re 0.26 (not annualised).

FY 2011/14* Compared to FY 1:1 Hi

- > Total income stood at Rs. 42331 crore as compared to Rs. 425.83 crore
- > Net operating profit before tax stood at Rs. 79.97 crore as compared to Rs. 112.28 crore
- > Net profit after tax, minority interest and share of associates stood at Rs. 5130 crore as compared to Rs. 86.98 crore.

The EPS, for the half year ended September 30, 2011 is Re. 0.69 (not annualised) and DPS, for the said half year ended is Re.0.68 (not annualized).

Announcing the results, Mr. Nimesh Kampani, Chairman, JM Financial Group said, "The continuing stress and uncertainty in the global financial system combined with the domestic issues have contributed to a near standstill of the domestic financial markets. The trading volume in the secondary market has reduced substantially. Primary Market issuances have also been very few. Persisting high inflation has become the topmost priority for the policy makers and as a result, growth may be slow to pick up. Uncertainty prevails over the interest rate and exchange rate scenario. Given the state of prevailing market conditions, investors have decided to stay away from the equities and have moved to low risk investments such as bank deposits and fixed income securities. As a risk containment measure, we have decided not to increase our book size in several of our businesses. As a Group, we are following a strategy of "cost containment rather than maximizing Profits" _ At the same time, we remain committed to our focus on both fee based and fund based activities. We will very carefully watch the opportunities as they emerge."

Business Update

Investment banking and securities business:

The Investment banking business closed two deals during the quarter. These include initial public issues of L & T Finance Holdings Limited for Rs.1,245 crore and Tree House Education & Accessories Limited for Rs.112 crore.

The investment advisory and distribution business has continued to focus on the distribution of Equity and Fixed Income products. It continued to expand its franchisee network and 15 new franchisees were added during the quarter. With this, it has increased its presence to 144 cities across the country.

The Institutional Equities Business continues to work towards greater research coverage along with client additions.

Fund based activities:

In spite of increasing interest rates, we have been able to maintain our margins but at the same time, we have been selective *in* growing our loan portfolio. Our focus is to maintain loan book by managing credit risk of the portfolio.

The overall funding book stood at Rs. 1,969 crore as on September 30, 2011.

The treasury book for fixed income securities as on September 30, 2011 was at Rs. 306 crore.

During the quarter, the Asset Reconstruction business acquired new assets in the corporate as well as the retail space and continued to resolve the assets acquired. The NPAs in the banking system are expected to increase significantly considering the economic stress. However, primarily due to price expectation mis-match between the Banks and the ARCs, the acquisitions are expected to increase less than proportionately. We hope to achieve a significant market share in the ARC segment and consolidate our leadership position.

Alternative Asset Management:

At the end of the quarter, the combined AUM / AUA of the private equity fund, real estate fund and special situations group stands at around Rs.1,550 crore. As the Private Equity Fund has fully deployed its corpus, the fund will be seeking to maximize value for opportune exits at the appropriate time.

Asset Management:

The Mutual Fund AUM stood at Rs. 6296 crore as on September 30, 2011. The AUM under Equity schemes was at Rs. 687 crore and under the Debt Schemes was at Rs. 5,609 crore as on September 30, 2011.

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The unaudited financial *results* are attached. *Both, the press release and unaudited financial results are available on our website - www.jmfinancial.in*

About JM Financial

JM Financial is an integrated financial services group offering a wide range of capital marker services to Its corporate and individual clients. The Group's businesses include investment banking. Institutional equity soles. Trading, research and broking. private and corporate wealth management, equity braking, portfolio management. asset monagement, commodity braking, fixed income braking, non-banking finance products, private equity and asset reconstruction. For more information, log on to www.imfinanCi0.1

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Forward - Looking statements

This press release (' document') containing JM Financial Group's activities, projections and expectations for the future. may contain certain forward-looking statements based upon the information currently available with the Company or any of its subsidiaries and associate companies. The financial results in future may vary from the forward-looking statements contained in this document due to uncertainties and unforeseen events that may impact the businesses of the JM Financial Group. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements. on the basis of any subsequent developments, information or events.

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