

PRESS RELEASE
For Immediate Release

JM Financial's consolidated revenue is up by 65% and consolidated profit up by 97% for the quarter ended December 31, 2014. The Board of Directors declares interim dividend of Re.0.55 per share.

Mumbai, January 28, 2015: The Board of Directors of JM Financial Limited, at its meeting held today, considered and approved the unaudited financial results for the quarter and nine months ended December 31, 2014.

Consolidated Results – Key Highlights:

FY 15 – Q3 compared to FY 14 – Q3

- **Total income increased by 65%** to Rs. 366.56 crore from Rs. 221.93 crore
- **Profit before tax increased by 123%** to Rs. 137.33 crore from Rs. 61.65 crore
- **Net profit after tax, minority interest and share of associates increased by 97%** to Rs. 87.03 crore from Rs. 44.16 crore

FY 15 – 9 months compared to FY 14 – 9 months

- **Total income increased by 34%** to Rs. 1,010.18 crore from Rs. 751.51 crore
- **Profit before tax increased by 72%** to Rs. 358.46 crore from Rs. 209.00 crore
- **Net profit after tax, minority interest and share of associates increased by 58%** to Rs. 237.57 crore from Rs. 150.10 crore

The Earnings per share and Diluted Earnings per share, for the nine months ended December 31, 2014 is Rs. 3.10 and Rs. 3.06 respectively (not annualised).

The Board of Directors has declared an interim dividend of Re. 0.55 per share of the face value of Re. 1 each, which will result in cash outflow of Rs. 45.38 crore, including dividend distribution tax.

Commenting on the quarterly results, Mr. Nimesh Kampani, Chairman, JM Financial Group, stated, "During the quarter, we continued to drive profitability and revenue growth, with continuous efforts at strengthening all our businesses which remains the central focus of our endeavors. The group's fund based activities and Mutual Fund Asset management businesses have done well during the quarter. Our focus on asset quality and net interest margin provides a solid foundation to our growth in the fund based business. During the quarter, JM Financial was awarded the "Best M&A House in India" for 2014 by The Asset Magazine as part of its Triple A Country Awards.

By cutting the key policy rates, the Reserve Bank of India has set the tone for the broader fiscal consolidation efforts of the government. Going forward, we expect the momentum to pick up and foresee increase in the economic activity in 2015."

JM Financial Limited

Corporate Identity Number : L67120MH1986PLC038784

Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com

Business Update

Investment banking and securities business:

During the quarter under review our Investment banking business executed the following deals:

- Acted as managers to Qualified Institutional Placement by Ceat Ltd – Rs. 400 crore.
- Acted as managers to Future Group on investment by Premji Invest of Rs.175 crore.
- Acted as managers for the Open Offer to the shareholders of Network 18 Group – Rs.2,295 crore.

The pipeline of our investment banking business continues to remain healthy with several mandated transactions under execution.

The Institutional Equities Business has seen an improvement in traction with clients both overseas as well as on the domestic markets with active interaction by its research and sales divisions.

We held our India conference in Mumbai in the month of November 2014 which was well received by both investors and corporates alike. A total of 79 corporates & 110 funds attended the conference which was held over 2 days.

In the wealth management business, the assets under management stood at approximately Rs.20,188 Crore as on December 31, 2014.

In the distribution business, we have a large network of approximately 7,400 active Independent Financial Distributors (IFDs) who distribute various financial products across the country. We have presence in 256 locations spread across 111 cities through a network of branches and franchisees. During the quarter, we mobilized more than Rs.850 Crore in fixed deposit schemes and fixed income products of various companies.

Fund based activities:

We continued lending activities in the areas of loan against securities and loan against commercial real estate / properties. Loan against securities include products like Loan against shares, Sponsor Funding, Margin Funding, ESOP funding and IPO funding. We announced the infusion of funds in our real estate lending company through investment of Rs.540 crore from a Global Fund led by Mr. Vikram Pandit and the infusion of Rs.360 crore by JM Financial Limited to this business. The overall funding book stood at Rs. 4,856 Crore as on December 31, 2014. The treasury book as on December 31, 2014 for the fixed income securities stood at Rs. 643 Crore. We raised funds through various money market instruments, other medium to long term instrument and secured credit facilities from Banks.

Post the introduction of revised regulations by Reserve Bank of India, the asset acquisition activity by the asset reconstruction companies has seen a sharp decline. During the quarter, Banks continued to announce auctions for sale of non-performing assets. However, deal closure was low. We closed a few deals including acquisition of a fresh non-performing asset portfolio. During the quarter, we made recoveries from already acquired accounts majorly backed by recovery from sale of assets and restructured accounts.

The Indian banking system has a high level of non-performing and restructured assets. There is a continuous regulatory push on Banks from Reserve Bank of India to sell their non-performing assets to asset reconstruction companies. The following quarter is also the last quarter when Banks can take advantage of spreading the loss on sale of non-performing assets over a period of 2 years in terms of RBI's facilitation. Considering this, it is expected that the sale of non-performing assets will see an increase in the near term.

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Alternative Asset Management:

At the end of the quarter, the combined AUM/AUA of the private equity fund and real estate fund stood at around Rs.975 crore.

JM Financial India Fund (the Fund), our private equity fund partly exited one of its investments during this quarter. The Fund is working closely with its portfolio companies in helping them grow their businesses as well as to seek exit opportunities.

JM Financial Property Fund continues to focus on exploring exit opportunities from the residual investments. JM Financial Property Fund I exited investment and distributed the proceeds received from the same during the quarter. With this distribution, the scheme has made gross distributions of Rs 108.6 Crore, representing 50.5% of the capital contribution.

Asset Management:

The AUM of the Asset Management Business continued to grow during the quarter. The average AUM in our Mutual Fund as on December 31, 2014 stood at Rs. 14,240 crore. The average AUM under Equity schemes was at Rs. 7,128 crore and under the Debt Schemes was at Rs. 7,112 crore.

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The unaudited financial results are attached. Both, the press release and unaudited financial results are available on our website www.jmfl.com

About JM Financial

JM Financial is an integrated financial services group offering a wide range of capital market services to its corporate and individual clients. The Group's businesses include investment banking, institutional equity sales, trading, research and broking, private and corporate wealth management, equity broking, portfolio management, asset management, commodity broking, fixed income broking, non-banking finance products, private equity and asset reconstruction. For more information, log on to www.jmfl.com

For further information, please contact:

Manali Pilankar Corporate Communications Tel.: +91 22 6630 3475 Email: manali.pilankar@jmfl.com	Manish Sheth Group Chief Financial Officer Tel.: +91 22 6630 3460 Email: manish.sheth@jmfl.com
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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.

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 neither JM Financial Group nor any of their directors or employees will be liable in any manner for the consequences of such actions.

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