

PRESS RELEASE
For *Immediate* Release

JM Financial announces unaudited financial results for the quarter and half year ended September 30, 2010.

Mumbai, October 21, 2010: 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, 2010

Consolidated Results - Key Highlights:



- > Total income increased to Rs. 232.80 crore as compared to Rs. 174.67 crore
- > Net operating profit before tax stood at Rs. 71.75 crore as compared to Rs. 78.57 crore
- > Net profit after tax, minority interest and share of associates is marginally higher at Rs. 57.51 crore as compared to Rs. 56.93 crore.

The Earnings per Share (EPS), for the quarter ended September 30, 2010 is Re 0.77 (not annualised).

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- > Total income increased to Rs. 425.83 crore as compared to Rs. 297.41 crore
- > Net operating profit before tax stood at Rs. 112.28 crore as compared to Rs. 121.52 crore.
- > Net profit after tax, minority interest and share of associates at Rs. 86.98 crore as compared to Rs. 88.13 crore.

The Earnings per Share (EPS), for the half year ended September 30, 2010 is Rs 1.16 (not annualised).

Announcing the results, Mr. Nimesh Kampani, Chairman, JM Financial Group said, "With sustained improvement in the economy and market buoyancy, 2nd quarter saw increased momentum resulting in greater business activities. While our topline has increased by 33% as compared to Q2 of FY 10 despite intense competition in the industry, the bottomline is more or less in line with Q2 of FY 10, mainly on account of increase in provision of employee compensation.

Looking ahead, our long term view on the markets remains Cautiously optimistic and we are confident of consolidating our position as India's domestic premier financial services group. JM Financial, with its complete bouquet of products is committed to deliver quality services that bring value to our stakeholders."

Business Update

Investment banking and securities:

The Investment banking business had five deal closures during the quarter. These include public issues of Orient Green Power Company Limited for Rs. 900 crore, Career Point Infosystems Limited for Rs. 115 crore, QIPs of Indusind Bank for Rs.1,173 crore, Dhanlakhsmi Bank for Rs. 381 crore and a right issue of Trent Limited for Rs. 490 crore.

The investment advisory and distribution business has also gathered momentum in the distribution of Equity and debt products. With the increase in number of corporates accessing primary

market, the distribution business has done reasonably well. However, mutual fund distribution remain subdued.

The Institutional Equities Business picked up further momentum on addition of new clients taking the count of clients to 116. Research coverage has also been increased to 139 stocks.

Securities funding and fund based activities:

23 IPO's hit the market during the 2nd quarter of FY 11. Response from investors for investment in Initial Public Offerings (IPO) has been overwhelming in the month of August 10 & September 10. Good participation across various classes of investors was witnessed. The secondary markets have been on the rise and as a result margin financing book size is up at around Rs. 1,600 crore as on September 30, 2010.

Our fixed income operations continued to grow. The total book size as on September 30, 2010 was at around Rs 700 crore.

With expectation of sizeable proportion of loans restructured by Banks slipping into NPAs in the next 2 years coupled with incremental NPAs, the distressed assets business will offer interesting opportunities. During the 2nd quarter, our distressed assets business made good progress and saw enhancement in revenue and profitability due to resolution of assets. We also acquired some more distressed assets during the quarter.

Alternative Asset Management:

At the end of the quarter, the combined AUM / AUA of the private equity fund, real estate fund, and special situations fund stands at around Rs.1,725 crore. During the quarter, the private equity fund made a new investment in an integrated steel manufacturing company.

The real estate fund has made a new investment during the quarter in a residential project in Pune and has also invested further capital in one of its existing investments. The Fund has also initiated monetization process from some of its investments and hopes to complete the exit from these investments during the year.

Asset Management:

The Average AUM as on September 30, 2010 stood at around Rs. 6,524 crore. The AUM under Equity schemes was at Rs.1,643 crore and under Debt Schemes at Rs.4,881 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.jmfinancial.in*

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.imfinancial.in

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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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