

PRESS RELEASE
For Immediate Release

JM Financial announces unaudited financial results for the quarter and nine months ended December 31, 2010.

Mumbai, January 31, 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 nine months ended December 31, 2010

Consolidated Results — Key Highlights:

- > Total income increased to Rs. 276.37 crore as compared to Rs. 161.68 crore
- > Net operating profit before tax increased to Rs. 81.05 crore as compared to Rs. 47.00 crore
- > Net profit after tax, minority interest and share of associates rose to Rs. 59.50 crore as compared to Rs. 36.18 crore.

The Earnings per Share (EPS), for the quarter ended December 31, 2010 is Re 0.79 (not annualised).

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- 5 Total income increased to Rs. 702.20 crore as compared to Rs. 459.10 crore
- Net operating profit before tax increased to Rs. 193.33 crore as compared to Rs. 168.52 crore.
- > Net profit after tax, minority interest and share of associates increased to Rs. 146.48 crore as compared to Rs. 124.31 crore.

The Earnings per Share (EPS), for the nine months ended December 31, 2010 is. Rs 1.95 (not annualised).

Announcing the results, Mr. Nimesh Kamponi, Chairman, JM Financial Group said, "Our Q3 performance has been encouraging and our growth momentum is continuing. The group's Investment Banking and Securities businesses have done well during the quarter. The Institutional broking business is also growing with increasing volumes and client empanelment. While the environment remains challenging, we will continue to have a strong financial services franchise catering to our large client network. We are committed to providing quality advice and returns to all our stakeholders."

Business Update

Investment banking and securities:

The Investment banking business had three deal closures during the quarter. This includes public issues of BS Transcomm Limited of Rs. 190 crore and Claris Lifesciences Ltd of Rs. 300 crore and an advisory transaction for investment of USD 125 million in JSW Infrastructure Ltd.

The investment advisory and distribution business continued gathering momentum in the distribution of equity and fixed income products. The Company continued to expand its franchisee network. The distribution business has done reasonably well on account of surge in the IPO mobilisations. The investment advisory and distribution business is now present of 389 locations covering 134 cities.

The Institutional Equities Business continues to grow with addition of new clients. Research coverage has enhanced to total of 150 stocks under coverage. We held CA flagship India

Conference in Mumbai in November 2010. A total of 82 corporates and 12 eminent speakers attended the Conference hosted by us. A total of 94 funds and 277 investors also attended the 3 day conference.

Securities funding and fund based activities:

17 IPOs / FPOs hit the market during the quarter ended December 31, 2010. Response from investors for investment in Initial Public Offerings (IPO) & Follow on Public Offers (FPO) has been extremely good.

There has *been* an increase in the margin funding book size over the previous *quarter*. The overall margin financing book size has increased approximately by 14% to Rs. 1,869 Crore as on December 31, 2010 from Rs. 1,604 Crore as on September 30, 2010, The average book for the quarter ended December 31, 2010 was at Rs. 1,784 Crore.

Our fixed income operations continued to gain momentum. The total book size as on December 31, 2010 was at around Rs 574 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 continues to offer interesting opportunities. During the 3rd quarter, the Asset Reconstruction business made good progress and acquired more non performing assets. The quarter also saw enhancement in revenue and profitability due to resolution of assets by the said business.

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. The private equity fund is in its advanced stage of closing an investment transaction and with this, the funds will get fully deployed.

The real estate fund has executed term sheets for two new investments which are subject to final due diligence and documentations. The investments when made will complete the investment program of the domestic scheme. Further, Infinite India, the investment manager to the real estate fund sponsored by JM Financial Group, has finalized plans to launch a new real estate domestic fund for investments in income generating assets. In principle approval from SEBI for registration as Venture Capital Fund has been obtained.

Asset Management:

The Mutual fund business environment continues to be under stress. The average AUM as on December 31, 2010 stood at around Rs. 6,209 crore, as against Rs. 6,525 crore as on September 30, 2010. The average AUM as on December 31, 2010 under Equity schemes was Rs.1,287 crore and under Debt Schemes was Rs. 4,922 crore.

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The unaudited financial results are attached. Both press release and unaudited financial results are available on our website -

About JM Financial

group offering a wide range of corporate services to its
corporate and individual clients. The group's activities include investment banking, institutional equity sales,
advisory services, private equity management, equity portfolio management,

asset management commodity broldng, fixed income broldng, non-banking finance products, private equity and asset reconstruction. For more information, log on to www.imfinancialin.

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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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