

PRESS RELEASE

Religare records more than 50% increase in Revenue for Q2 FY10 over the corresponding quarter of the previous year

PROVISIONAL CONSOLIDATED FINANCIAL PERFORMANCE FOR THE SECOND QUARTER AND HALF YEAR:

FINANCIALS HIGHLIGHTS:

- Q2 FY10 Revenues of INR 4148 mn vs INR 2742 mn in Q2 FY09
- Q2 FY10 Profit After Tax of INR 299 mn vs INR (482) mn in Q2 FY09

- H1 FY10 Revenues of INR 7300 mn vs INR 5629 mn in H1 FY09
- H1 FY10 Profit After Tax of INR 433 mn vs INR (448) mn in H1 FY09

QUARTERLY HIGHLIGHTS:

- REL moved into its new integrated head offices in Delhi, NCR. The office space comprises 2.89 lacs sq feet in space with a capacity to house around 1800 employees. Mumbai remains the head office for the Asset Management Business, Life Insurance JV and Wealth Management JV.
- Retail distribution expanded its pan-India base. It now covers 1961 business locations across 537 cities as on September 30, 2009.
- Average daily equity broking turnover stood at Rs 36 bn in Q2 FY10.
- Average daily commodity broking turnover stood at Rs. 10.7 bn in Q2 FY10.
- The Lending book stood at Rs. 27.3 bn as at September 30, 2009.
- ICRA has maintained A1+ rating to the short term debt programme of Religare Finvest and enhanced the limit from Rs 18.5 bn to Rs 30 bn.
- As at September 1 2009, ICRA has assigned a LA+ rating to the Long term debt issuance programme of Religare Finvest for a sum of Rs 5 bn.
- Total Assets under management for our Mutual Fund business stood at Rs 138 bn.
- Religare Macquarie Wealth Management JV won the prestigious Private Banker International Global Wealth Awards 2009 for the “Most Exciting New Wealth Management Model”.

- The Assets under Management for Religare Macquarie Wealth Management as of September 30, 2009 stood at Rs 5.5 bn.
- CEO for Religare Hichens Harrison (RHH), Martin Newson has come on board. In his capacity as CEO, Martin would oversee the entire Investment Banking and Institutional Brokerage business across various geographies of emerging market including India.
- Life insurance achieved first year premium of circa Rs 240 mn with circa 9000 policies sold in the quarter. Two new products, Wealth Protect and Invest Maximizer were launched this quarter.

BUSINESS- WISE HIGHLIGHTS:

BROKING

Revenues from Broking Related Activities increased 48% in Q2 FY10 to Rs. 1.30 billion. In H1 FY10 revenues increased 38% to Rs. 2.4 billion as compared to the corresponding period last year.

Broking Related Activities comprises revenues from Equity Broking, Commodity Broking, Insurance Broking and Mutual Fund distribution.

Equity Broking Revenues increased 55% in Q2 FY10 to Rs 1.1 bn as compared to Q2 FY09. Revenues for H1 FY10 increased 41% to Rs 2.0 bn when compared to H1 FY09. Equity Broking customer base increased to ~623,579 in Q2 FY10 from 503,557 in Q2 FY09.

Equity Broking market share increased to 3.86% in Q2 FY10 as compared to 3.40% in Q2 FY09.

The business operates from 1500 plus business locations pan-India as at September 30, 2009.

Commodity Broking revenues increased 32% in Q2 FY10 to Rs 0.14 bn as compared to Q2 FY09. For H1 FY10, revenues increased 53% to Rs 0.26 bn when compared to H1 FY09. At the end of Q2 FY10, the number of cumulative client count in the commodity segment stood at 80,756 as compared to 43,433 in Q2 FY09.

Revenues in Insurance Broking segment were Rs 56 mn during Q2 FY10 versus Rs 67 mn in the corresponding period last year. For H1 FY10, revenues were Rs 87.9 mn versus Rs 120 mn in H1 FY09.

Mutual Fund distribution revenues increased 98% in Q2 FY10 to Rs 23 mn as compared to Q2 FY09. For H1 FY10, revenues increased 100% to Rs 42 mn when compared to H1 FY09.

LENDING

Revenues from Lending segment were Rs. 0.60 billion in Q2 FY10 versus Rs 0.57 billion in Q2 FY09. Revenues in H1 FY10 were Rs 1.13 billion as compared to Rs. 1.14 billion last year.

The Lending book size as at September 30 2009 was at Rs 27.3 billion as compared to Rs 20.8 billion as at September 30 2008. Lending segment includes Consumer Lending businesses and Loans against Securities businesses.

Revenues in the Consumer Lending businesses increased 35% in Q2 FY10 to Rs 0.29 bn versus Q2 FY09 and for H1 FY10 revenues grew 28% to Rs 0.54 bn when compared to H1 FY09. The contributions from Consumer Lending's three business lines, namely, Mortgage Loans, Commercial Assets and SME Loans, are 42%, 20% and 38% respectively, for Q2 FY10.

ICRA has maintained A1+ rating to the short term debt programme of Religare Finvest and enhanced the limit from Rs 18.5 bn to Rs 30 bn. As at September 1 2009, ICRA has assigned a LA+ rating to the Long term debt issuance programme of Religare Finvest for a sum of Rs 5 bn.

In Q2 FY 10, Religare holds 67% of the Consumer Lending book in the form of secured assets.

Income from Loan against securities was Rs 0.31 bn in Q2 FY10 as compared to Rs 0.36 bn in Q2 FY09. For H1 FY10, income was Rs 0.59 bn as compared to Rs 0.72 bn in H1 FY09.

ASSET MANAGEMENT

Asset Management (AMC) revenues were Rs 179 mn during Q2 FY10. Revenues for H1 FY10 stood at Rs. 294 million. REL's AMC business includes its wholly owned Mutual Fund's business and its alternative assets business including its Private Equity JV with the Milestone Group, its Arts initiative and Vistaar Religare Film Fund.

Religare's AMC revenue stood at Rs 171 mn in Q2 FY10. H1 FY10 revenues stood at Rs 278 mn. Number of folios stood at 1.96 lakhs and the number of branch offices at 30, as on September 30, 2009.

Based on Average Assets under Management for September 2009, Religare AMC has been ranked 14 out of 37 fund houses in India. We acquired Lotus Asset Management on December 04, 2008 with average AUM of Rs. 45 bn. At the time of purchase the Fund was ranked 20 out of 37. The AUM of the offshore funds that the AMC currently sub advises stands at a total value of more than US\$ 50 million.

During the quarter ended September 30, 2009, Religare AMC launched three new schemes – Religare Business Leader's Fund, Religare Credit Opportunities Fund and Religare PSU Equity Fund,

WEALTH MANAGEMENT

Religare Macquarie Wealth Management JV has launched family office services. In addition, the venture has introduced the Macquarie Global Investment Service to its Indian investors, giving them access to global investment opportunities based on Macquarie's partnerships around the world. Religare Macquarie won the prestigious Private Banker International Global Wealth Awards 2009 for the "Most Exciting New Wealth Management Model".

Religare Macquarie Wealth Management JV reported a business growth of 213% to Rs 47 mn in Q2 FY10 as compared to Q2 FY09. H1 FY10 revenues increased 183% to Rs 85 mn in comparison to H1 FY09.

The business operates from 7 major cities today with an employee strength of approximately 220 employees. Approximately 400 new client accounts were opened in the last quarter, with 140 opened in September 2009 alone.

INVESTMENT BANKING

The Investment Banking business revenues stood at Rs. 309 million for Q2 FY10. H1 FY10 revenues stood at Rs. 488 million. Investment Banking includes our Capital Markets business in India and Religare Hichens Harrison (RHH), in the U.K.

In a major M&A deal advised by Religare, Fortis Hospitals acquired Wockhardt Hospitals, for a transaction value of Rs 9 bn.

In the Institutional broking business within Religare Capital Markets, in Q2 FY10, number of analysts stood at 26, research coverage of companies stood at 170 and number of institutional clients stood at 132. Number of new clients added for Q2 FY10 amounted to 22, out of which 13 were FIIs.

CEO for Religare Hichens Harrison (RHH), Martin Newson, has come on board. In his capacity as CEO, Martin would oversee the Investment Banking and Institutional Brokerage business across various geographies in emerging markets. Martin has been in the European Equity market over the last 15 years. His equity market knowledge has been across EMEA, USA and the emerging markets. His last assignment was with Dresdner Kleinwort Investment Bank (DKIB), London, UK as Head - Global Equities & Head - Hedge Fund Solutions/Member, DKIB Executive Committee.

RHH has moved into the new head office on Cannon Street. Cannon Street is in the heart of the City of London. The office space comprises 22,000 sq feet of space with a capacity to house around 214 employees.

LIFE INSURANCE

AEGON Religare Life insurance business had total revenues of Rs. 315 million in Q2 FY10 from Rs. 51 million in Q2 FY 09. In H1 FY10 the total revenues were at Rs. 493 million from Rs 61 million in H1 FY09.

AEGON Religare is a JV between AEGON, Religare Enterprises Limited and Bennett Coleman with a paid-up capital of Rs. 3.9 bn as on September 30, 2009. Religare owns 44% of the JV. The Company now has 52 branches in total as of September 30, 2009 and had added approximately 1500 licensed advisors during Q2 FY10. The first year premium stood at circa Rs 240 million, with circa 9000 policies sold in the same quarter.

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About Religare Enterprises Limited (REL)

A diversified financial services group with a pan-India presence and presence in multiple international locations, Religare Enterprises Limited (“REL”) (NSE Code-RELIGARE, BSE Code-532915, Bloomberg Code-RELG IN) offers a comprehensive suite of customer-focused financial products and services targeted at retail investors, high net worth individuals and corporate and institutional clients.

REL, along with its joint venture partners, offers a range of products and services in India, including asset management, life insurance, wealth management, equity and commodity broking, investment banking, lending services, private equity and venture capital.

Religare has also ventured into the alternative investments sphere through its holistic arts initiative and film fund.

With a view to expand and diversify, REL operates in the life insurance space under 'Aegon Religare Life Insurance Company Limited' and has launched India's first wealth management joint venture under the brand name 'Religare Macquarie Private Wealth'.

REL, through its subsidiaries, has launched India's first holistic arts initiative – with a gallery – as well as the first SEBI approved film fund, which is an initiative towards innovation and spotting new opportunities for creation and maximization of wealth for investors.

REL operates from 7 domestic regional offices, 41 sub-regional offices, and has a presence in 537 cities and towns controlling 1,961 business locations all over India, as on September 30, 2009.

To make a mark in the global arena, REL acquired UK-based Hichens, Harrison & Co. in 2008 which was subsequently re-named as Religare Hichens Harrison PLC (“RHH”). Hichens, Harrison & Co. was incorporated in London in the year 1803 and is believed to be one of the oldest firms of stockbrokers in the City of London.

Pursuant to expansion of REL's business, the company has grown from largely an equity trading company into a diversified financial services company. With the addition of RHH, the REL group now operates out of multiple global locations, other than India.

“Religare Enterprises Limited proposes, subject to receipt of requisite approvals, market conditions and other considerations, to make a rights issue of its equity shares to its existing shareholders and has filed a draft letter of offer (“DLOF”) with the Securities and Exchange Board of India (“SEBI”). The DLOF is available on the website of SEBI at www.sebi.gov.in as well as on the websites of the lead manager at www.enam.com. Investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the section titled “Risk Factors” of the DLOF.”

For further information, please contact:

Varun Soni
Vice-President – Corporate Communications
Hand Phone: +91 9650148885
Fixed Line: +91 11 0120-3396174
Email: soni.varun@religare.in

ANNEXURE TO PRESS RELEASE

RELIGARE ENTERPRISES LIMITED						
Regd. Office : 19, Nehru Place, New Delhi -110019						
Provisional consolidated financial performance for the Quaterd Ended September 30, 2009						
(Rs in Million)						
Particulars	Consolidated Financials					
	Quarter Ended	Quarter Ended	Half Yr Ended	Half Yr Ended	Year To Date	
	30/9/2009	30/9/2008	30/9/2009	30/9/2008	31/3/2009	
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	a. Income from Operations	3,171.27	2,012.38	5,559.98	4,341.45	9,718.22
	b. Other Operating Income	569.30	240.05	971.92	422.57	982.15
	Total Income (a+b)	3,740.57	2,252.43	6,531.90	4,764.02	10,700.37
2	Expenditure					
	a. Commission & Brokerage	377.96	184.33	663.46	394.22	739.91
	b. Employee Cost	1,168.57	892.98	2,092.18	1,578.24	3,677.89
	c. Depreciation	163.08	127.98	319.35	207.96	526.48
	d. Filing Fees	3.28	3.49	4.47	8.84	26.53
	e. Bank Charges	7.18	7.93	13.76	10.10	22.12
	f. Other Expenditure	1,472.97	991.89	2,658.73	1,792.55	4,677.76
	Total	3,193.04	2,208.60	5,751.95	3,991.90	9,670.71
	Less - Adjustment /recovery for Net Expenditure of Joint Venture	234.68	-	414.24	-	616.41
	Less - Reversal loss on discontinuance of Joint Venture	-	-	-	-	16.24
	Balance of expenditure	2,958.36	2,208.60	5,337.71	3,991.90	9,038.05
3	Profit/(Loss) From Operations before Other Income , Interest & Exceptional Items (1-2)	782.21	43.82	1,194.19	772.12	1,662.32
4	Other Income	407.42	489.29	768.47	865.19	1,244.80
5	Profit/(Loss) before Interest & Exceptional Items(3+4)	1,189.63	533.12	1,962.66	1,637.31	2,907.12
6	Interest	606.62	1,035.98	1,040.80	1,896.42	3,031.02
7	Profit/(Loss) after Interest but before Exceptional Items(5-6)	583.01	(502.87)	921.85	(259.11)	(123.90)
8	Exceptional Items	-	(24.42)	-	39.36	-

9	Profit/(Loss) from Ordinary Activities before tax (7+8)	583.01	(478.44)	921.85	(298.46)	(123.90)
10	Provision for Taxation (including Deferred Tax, Fringe Benefit Tax and Taxes for Earlier Year etc.)	281.92	3.91	486.69	149.23	511.90
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	301.09	(482.36)	435.17	(447.69)	(635.80)
12	Share of Minority Interest	(1.96)	-	(1.90)	-	-
13	Net Profit/(Loss) for the period/year (11-12)	299.13	(482.36)	433.26	(447.69)	(635.80)