



Indiabulls Securities Limited

Earnings Update – Q3 FY08

Unaudited Results

January 17th, 2008

Indiabulls

The Board of Directors of Indiabulls Securities Limited at their meeting held on January 17th, 2008, took on record the unaudited results for the quarter and nine months ended 31st December 2007.

Indiabulls Securities Limited has been de-merged from Indiabulls Financial Services Limited and one share of Indiabulls Securities Limited was given for every share of Indiabulls Financial Services Limited held on the record date of 8th Jan, 2008.

Highlights:

First Nine months FY 08 compared to First Nine months FY 07

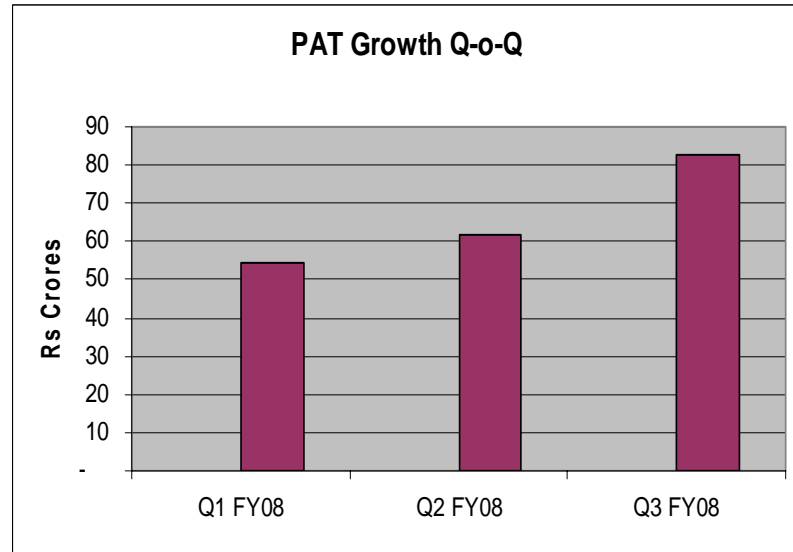
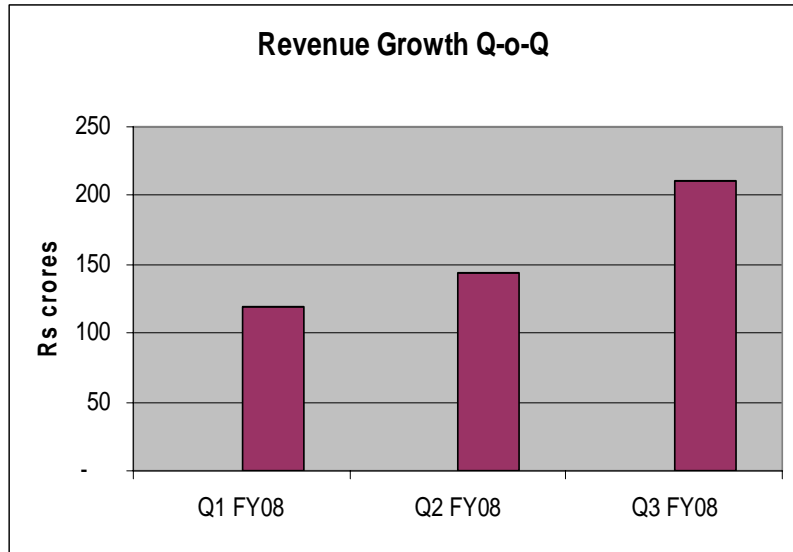
- Total Revenues up by 41.5% to 474.1 crore in first 9 months FY 08 from Rs. 335.1 crore in first 9 months of FY 07
- Profit After Tax up by 100.7% to Rs.198.3 crore in first 9 months FY 08 from 98.8 crore in first 9 months of FY 07
- Basic EPS of Rs. 7.82 per share for first 9 months of FY 08

Q3 FY 08 compared to Q3 FY 07(YoY)

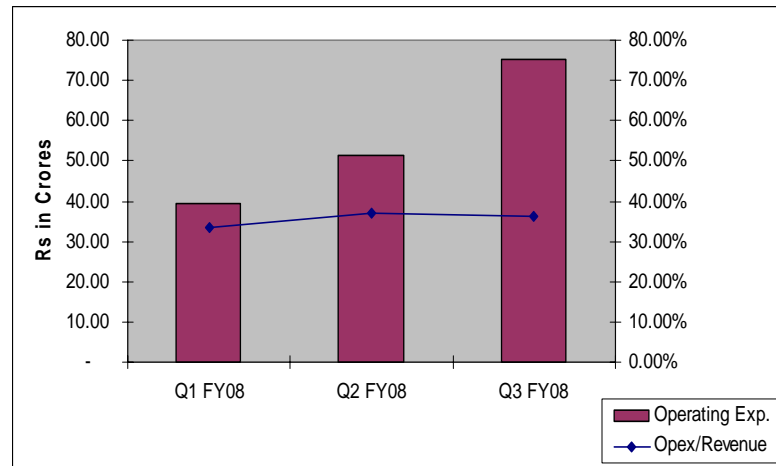
- Total Revenues up 101.6 % to Rs. 210.1 crore in Q3 of FY 08 from Rs.104.2 crore in Q3 of FY 07
- Profit After Tax up 316.6 % to Rs. 82.5 crore in Q3 of FY 08 from Rs. 19.8 crore in Q3 of FY 07
- Basic EPS of Rs. 3.25 per share for Q3 of FY 08

Q3 FY 08 compared to Q2 FY 08(QoQ)

- Total Revenues up 45.4 % to Rs. 210.1 crore in Q3 FY 08 from Rs. 144.5 crore in Q2 FY 08
- Profits After Tax up 33.9 % to Rs. 82.5 crore in Q3 FY 08 from Rs.61.6 crore in Q2 FY 08
- Basic EPS of Rs. 3.25 per share for Q3 of FY 08



Business has demonstrated strong revenue and profit growth and increased operating leverage with scale.



Consolidated Financials (in Rs. Crore)

	Nine months ended Dec-2007 (unaudited)	Nine months ended Dec-2006 (unaudited)	YoY change %	Q3 2008	Q3 2007	YoY change %
Operating Income	460.4	314.1	46.6%	206.3	106.9	93.0%
Other Income	13.6	21.0	-35.0%	3.9	(2.6)	-246.2%
Total Revenues	474.1	335.1	41.5%	210.1	104.2	101.6%
Profits before interest and taxes	304.9	153.3	98.8%	133.6	33.2	302.7%
Interest Expense	10.1	11.8	-14.4%	6.0	2.3	164.5%
Profits before taxes	294.8	141.6	108.2%	127.6	30.9	312.8%
Tax Expenses	96.5	42.8	125.6%	45.1	11.1	306.8%
Profits After tax	198.3	98.8	100.7%	82.5	19.8	316.2%

Business Highlights

- During the quarter, ISL's business grew 107.5% driven through addition of new clients, increase in client facing relationship managers and realignment of operations completed during the quarter. ISL was able to significantly exceed market growth rate during the quarter and thus continue its long term trend of increasing market share.
- Overall Equities environment is seeing increased activity driven by higher market volumes, increased volatility and increased retail customer participation. Average daily volumes on NSE – CM grew 54% for the nine months ended December 2007, as compared to the corresponding period last year, driving strong business growth.

Operating Highlights

- ISL's Internet Based Trading System (IBT) was concluded as being “**STRONG**” (highest possible rating) based on an audit conducted by Tata Consultancy Services for The National Stock Exchange, across the following parameters;
 - Risk Management
 - Security Policy & Implementation
 - Capacity Management
 - Disaster Recovery and Back-up
 - Vulnerability test.
- CRISIL has assigned a CRISIL BQ – 1 to ISL. This is an opinion on the quality of operations and service offered by Indiabulls Securities Limited. The grading is expressed on a five point scale BQ-1 to BQ-5, with BQ-1 being the highest.

Strategic Update

- De-merger of Indiabulls Securities Limited was declared effective on 24th December, 2007. As per the Scheme, every shareholder of Indiabulls Financial Services Limited as on 8th January, 2008 will receive a share of Indiabulls Securities Limited. The demerger has created a focused Securities business with the leading retail brokerage and transaction services franchise in the Securities market. Indiabulls Securities Limited is expected to list during late January / early February, 2008

New Business Update

- **Institutional Business**: Indiabulls Securities Limited is in discussions to set up an Institutional business by acquiring an experienced market facing team and incentivize them through Warrants and ESOP allocation. Indiabulls expects to be a significant player in the Institutional business in the near term.
- **Alternative Asset Management Business**: Indiabulls Securities Limited is sponsoring 2/20 fund entity to benefit from its market expertise and to benefit from the increased activity in the alternative asset management industry. This initiative would add to the earnings power of the company as well as increase the stability of earnings for the long term

Safe Harbor

This document contains certain forward-looking statements based on current expectations of Indiabulls management. Actual results may vary significantly from the forward-looking statements in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, and outside India, volatility in Securities markets, new regulations and government policies that might impact the business of Indiabulls in the Securities Business, the general state of the Indian economy and the management's ability to implement the company's strategy. Indiabulls doesn't undertake any obligation to update these forward-looking statements.

This document does not constitute an offer or recommendation to buy or sell any securities of Indiabulls or any of its subsidiaries or associate companies. This document also doesn't constitute an offer or recommendation to buy or sell any financial products offered by Indiabulls.

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