



India Infoline Ltd | Press Release | Financial Results: Q2FY11

Press Release

For immediate publication

Mumbai, India

October 27, 2010

IIFL Quarterly Consolidated Income and Net Profit up 11.1% and 25.5% qoq

Results (consolidated) for the quarter ended September 30, 2010

- Income at ₹3,399.1 mn, up 11.1 % qoq, 18.6% yoy
- EBIDTA margins at 39.9%, up from 35.6% of previous quarter and down from 43.9% of previous year
- Profit after Tax at ₹541.4 mn, up 25.5 % qoq, down 6.7% yoy

Summary consolidated financials

(₹Mn)

	Quarter ended Sep. 30, 2010	Quarter ended Jun. 30, 2010	Quarter ended Sep. 30, 2009	% Quarter- on- Quarter	% Year- on- Year	Half- year ended Sep. 30, 2010	Half- year ended Sep. 30, 2009	% Year- on- Year
Income	3,399.1	3,059.9	2,865.6	11.1	18.6	6,459.0	5,243.5	23.1
EBIDTA	1,357.6	1,090.3	1,257.1	24.5	8.0	2,447.8	2,215.2	10.5
Profit Before Tax	817.0	653.2	970.0	25.1	(15.8)	1,470.2	1,786.9	(17.7)
Profit After Tax	541.4	431.4	580.3	25.5	(6.7)	972.9	1,097.0	(11.3)

Mr Nirmal Jain, Chairman, IIFL, commenting on the financial results of Q2FY11 said, “During the quarter, IIFL has posted robust growth driven by higher insurance and financing income. The surge in FII inflows driven by continuing robust economic growth and good corporate numbers has led to significant uptrend in equities’ delivery volumes. This augurs well for the coming quarters.”



Equities and Commodities broking

The Indian capital markets seem firmly on the growth path on the back of record FII inflows and rising investor confidence. Our average daily equities' volumes increased to around ₹46 bn, a rise of 6.7% qoq and 39% yoy. However, our equities, broking and related income which stood at ₹1,634 mn was down yoy due to a change in the product mix in favor of futures and options segment, which have a lower yield.

Market share on the NSE for the quarter under review was 3.9% which was a shade lower as compared to the last quarter. Average daily volumes in our commodities business stood at ₹6.55 bn during the quarter ending September 30, 2010, up 79.9% yoy and 25.8% qoq.

Our in-depth, thematic research has been very well-received. Our recent research reports include 'Property 'R' Us' - A detailed survey and analysis of Singapore's property market, 'India Coal - Black Diamond' - A detailed analysis of India's coal industry and 'India Telecom' - A detailed rundown on India's telecom sector.

Launch of new Trader Terminal

Trader Terminal, our proprietary online trading platform has always been very popular among our clients. This quarter we launched the latest version of our Trader Terminal which has a lightning fast execution speed, world class user interface and a single-click access to our world-class research. The new terminal offers the facility to trade in cash, derivatives, mutual funds, IPOs, currencies and commodities all in one screen. Besides investors can now trade from their desktop, over the web and using their mobile. We have also recently launched mobile trading on the BSE in September 2010 and hope to soon launch the same on the NSE.

Life Insurance distribution

The Life Insurance industry has gone through a challenging phase in the last few quarters. The changes made by the regulator will benefit the insurance sector and strengthen the fundamentals of the industry in the long term. We expect more changes from the regulator with the objective of making the products and the pricing more transparent.

During the quarter under review, our insurance business witnessed strong growth. Our first premium mobilization stood at around ₹ 660 mn, up 61.5% yoy. The relative share of pension products fell from 32% to 18%.

Finance and Lending

The loan portfolio increased to over ₹25 bn as on September 30, 2010. Our loan book largely comprises secured lending with mortgages contributing to 43% and capital market products contributing to 55%. Our unsecured loan book has fallen to less than 2% of the total book. Net NPAs on our overall portfolio are less than 1%.



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Wealth Management

The Wealth Management business continues to grow. Mr. Karan Bhagat, Head of the Wealth Management business, has now been appointed as the Managing Director and Mr. Yatin Shah has been appointed as the Executive Director of IIFL Wealth Management Ltd.

Assets under advisory are over ₹100 bn. During the quarter we received in-principle approval from DIFC – Dubai, to set-up a Category 4 company – that can advise clients on purchase and sale of shares and units.

About IIFL (Bloomberg: IIFL)

IIFL (India Infoline group), comprising the holding company, India Infoline Ltd (NSE: INDIAINFO, BSE: 532636) and its subsidiaries, is one of the leading players in the Indian financial services space. IIFL offers advice and execution platform for the entire range of financial services covering products ranging from Equities and derivatives, Commodities, Wealth management, Asset management, Insurance, Fixed deposits, Loans, Investment Banking, Govt bonds and other small savings instruments. It owns and manages the website, www.indiainfoline.com, which is one of India's leading online destinations for personal finance, stock markets, economy and business.

IIFL has been awarded the 'Best Broker, India' by FinanceAsia and the 'Most improved brokerage, India' in the AsiaMoney polls. IIFL was also adjudged as 'Fastest Growing Equity Broking House - Large firms' by Dun & Bradstreet. A forerunner in the field of equity research, IIFL's research is acknowledged by none other than Forbes as 'Best of the Web' and '...a must read for investors in Asia'. IIFL research is available not just over the Internet but also on international wire services like Bloomberg, Thomson First Call and Internet Securities where it is amongst one of the most read Indian brokers.

A network of over 2,700 business locations spread over more than 500 cities and towns across India facilitates the smooth acquisition and servicing of a large customer base. All our offices are connected with the corporate office in Mumbai with cutting edge networking technology. The group caters to a customer base of about a million customers, over a variety of mediums viz. online, over the phone and at our branches.

IIFL/ India Infoline refer to India Infoline Ltd and its group companies.

The press release, results and presentation for analysts/press for the quarter and half year ended September 30, 2010, is available under the 'Investors' Corner' section on our website www.indiainfoline.com.

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