



Indiabulls Securities Limited

Earnings Update – Q2 FY 08-09

Unaudited Results

October 21st, 2008

Indiabulls

The Board of Directors of Indiabulls Securities Limited at their meeting held on October 21st, 2008, took on record the unaudited results for the quarter and six months ended 30th September 2008.

Highlights:

First Six months FY 08-09 compared to First Six months FY 07-08

- Total Revenues down by 1% to 242.5 crore in first 6 months FY 08-09 from Rs. 245.0 crore in first 6 months of FY 07-08
- Profit After Tax down by 26% to Rs.75.1 crore in first 6 months FY 08-09 from 101.0 crore in first 6 months of FY 07-08
- Basic EPS Rs 2.95 in first 6 months FY 08-09

Q2 FY 08-09 compared to Q2 FY 07-08(YoY)

- Total Revenues down by 13% to Rs. 119.2 crore in Q2 of FY 08-09 from Rs.137.6 crore in Q2 of FY 07-08
- Profit After Tax down by 34% to Rs. 37.6 crore in Q2 of FY 08-09 from Rs. 56.6 crore in Q2 of FY 07-08
- Basic EPS Rs 1.48 in Q2 of FY 08-09

Q2 FY 08-09 compared to Q1 FY 08-09(QoQ)

- Total Revenues down by 3% to Rs. 119.2 crore in Q2 of FY 08-09 from Rs.123.3 crore in Q1 of FY 08-09
- Profit After Tax up by 0.3% to Rs. 37.6 crore in Q2 of FY 08-09 from Rs. 37.5 crore in Q1 of FY 08-09
- Basic EPS up 0.7% to Rs. 1.48 in Q2 FY 09 from Rs. 1.47 in Q1 FY 09
- Total Expenses to Total Revenue down to 52.8% in Q2 of FY 08-09 from 54.4% in Q1 of FY 08-09

Business Highlights

- Brokerage & Capital Market related Income was Rs 193.22 crore (79.7% of total revenues) during the six months ended Sep'08, roughly flat in Q1 and Q2 of 08-09. This segment was down only 8% from last year first six months despite significant declines in market activity (trading volumes) as ISL gained market share in retail brokerage.
 - Sequential increase in Profits after tax despite market turmoil through strong cost controls.
 - During the quarter, the Board of Directors has authorized the Company at its meeting held on 23rd September, 2008 to subscribe to 24.5% of the paid up share capital of Indiabulls Life Insurance Company Limited (ILICL), a joint venture of Indiabulls Financial Services Limited (IBFSL) and Sogecap of France. IBFSL will continue to own 49.5% and Sogecap will own 26% of the life insurance business.
 - During the quarter, the final dividend of Rs. 7.50 per equity share (375% on the face value of Rs. 2/- per equity share) amounting to Rs.19,007.02 lakhs (excluding corporate dividend tax) approved at the Annual General Meeting of the Company held on September 05, 2008 and was paid by the Company on September 09, 2008 into the Dividend Account.
 - Networth of the company as on 30th September 2008 is Rs. 434.2 crores, as compared to Rs. 359.4 crores on March 31, 2008. Book Value per share as on 30th September 2008 is Rs. 17.14.
 - During the quarter, the company has launched its Trading Platform for trading in the Currency Derivatives Segment on National Stock Exchange.
 - ISL's Internet Based Trading System (IBT) was concluded as being **“STRONG”** 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.
- This is the highest grading for the audit - the other's being Medium and Weak.
- CRISIL has assigned a CRISIL BQ – 1 to ISL. This is an opinion on the quality of operations and service offered by the graded broker. The grading is expressed on a five point scale BQ-1 to BQ-5, with BQ-1 being the highest.

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.

Investor Contacts:

*Divyesh Shah
Chief Executive Officer
Indiabulls Securities Limited*

*Tel: +91 22 39895555
Fax: +91 22 22812440
Email Investor.relations@indiabulls.com*

Media Contact:

*Kubeir Khera
Vice President
Indiabulls Securities Limited*

*Tel: +91 22 67430957
Fax: +91 22 67430989
Email Investor.relations@indiabulls.com*