

The logo for Indiabulls, featuring the word "Indiabulls" in a white, bold, sans-serif font, centered within a solid green rectangular background.

**Indiabulls Financial Services Limited**

*Earnings Update – Q3 FY07*

*Unaudited Results*

*January 31, 2007*

## **Indiabulls**

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The Board of Directors of Indiabulls Financial Services Limited at their meeting held on 31<sup>st</sup> January, 2007 took on record the unaudited results for the quarter and the 9 months ended 31<sup>st</sup> December, 2006.

### **Highlights:**

#### **Interim dividend of 100%**

- Interim dividend of Rs 2 per share, 100% on the face value of Rs 2 per share.

#### **Nine months FY 07 compared to Nine months FY 06**

- Consolidated Total Revenues up 97.7% to Rs 8,256.2 million in nine months FY07 from Rs 4,176.7 million in nine months FY06.
- Consolidated Profit After Tax up 63.9% to Rs 2,834.7 million in nine months FY07 from Rs 1,729.8 million in nine months FY06.

#### **Third Quarter FY 07 compared to Third Quarter FY 06**

- Consolidated Total Revenues up 103.5% to Rs 3,345.3 million in Q3 FY07 from Rs 1,643.7 million in Q3 FY06.
- Consolidated Profit after Tax up 55.9% to Rs 1,117.6 million in Q3 FY07 from Rs 716.9 million in Q3 FY06.
- Consumer Finance business saw quantum jump in overall disbursements in Q3FY07 fuelled by high growth in secured loans portfolio and small business loans. Loans Outstanding loans grew 1,547 % YoY to Rs 12, 401.9 million as on December 31, 2006 from Rs 752.8 million as of 31<sup>st</sup> December, 2005, and grew by 146 % QoQ from Rs 5,044.5 million of Loans Outstanding as of 30<sup>th</sup> September, 2006. Annualized yield on all Loans Outstanding in Consumer Finance portfolio is 25%.
- Total Provisions of Rs 639.2 million provided against Rs 12,401.9 million total loans outstanding, including general provisions of Rs 334.4 million. Provisioning is primarily driven by anticipated credit performance of unsecured loans, and to a lesser extent by the secured loan portfolio.
- Indiabulls branch network was 640 branches across the Group as on December 31, 2006, the largest branch office network in the private financial services sector in India.
- The Hon'ble High Court of Delhi, New Delhi, on Nov 24, 2006, gave its approval to the Scheme of Arrangement (the Scheme) for demerger of the Company's Real Estate Business to Indiabulls Real Estate Ltd (IBREL), which would be a separately traded public company. As per the Scheme, every shareholder, holding one share of Indiabulls Financial Services Limited on the record date of Jan 09, 2007, will be entitled to receive one share of IBREL.
- The shares of IBREL are expected to start trading in the month of February 2007 subject to all regulatory filings and approvals.

## Indiabulls

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### Consolidated Financials

#### Revenues (in Rs Millions)

	Nine months FY07	Nine months FY06	Growth (%) YoY	Q3 FY07	Q3 FY06	Growth (%) YoY	FY 06
<b>Brokerage and capital markets related Income</b>	3,116.4	2,210.3	41.0%	1,026.3	846.2	21.3%	3,097.5
<b>Financing Income</b>	4,139.4	1,701.3	143.3%	1,812.8	643.0	181.9%	2,604.0
<b>Other Income</b>	1,000.4	265.1	277.4%	506.2	154.5	227.6%	430.1
<b>Total</b>	8,256.2	4,176.7	97.7%	3,345.3	1,643.7	103.5%	6,131.6

#### Profit (in Rs Millions except EPS)

	Nine months FY07	Nine months FY06	Growth (%) YoY	Q3 FY07	Q3 FY06	Growth (%) YoY	FY 06
<b>Profit before Interest and Tax</b>	4,585.1	2,811.9	63.1%	1850.8	1,133.5	63.3%	4,048.7
<b>Interest Expense</b>	436.3	226.9	92.3%	184.9	74.0	149.9%	314.9
<b>Profit before Tax</b>	4,148.8	2585.0	60.5%	1,665.9	1,059.5	57.2%	3,733.7
<b>Profit after Tax</b>	2,834.7	1,729.8	63.9%	1,117.6	716.9	55.9%	2,533.7
<b>EPS (basic) Rs</b>	14.716	10.910	34.9%	5.474	3.930	39.3%	15.610

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### 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 contained 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 interest rates and in securities markets, new regulations and government policies that might impact the business of Indiabulls in either Financial Services or Real Estate, the general state of the Indian economy and demand for new real estate by commercial and residential users, and management's ability to implement the company's strategy. Indiabulls doesn't undertake any obligation to update these 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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