

Press Release

For Immediate Publication

IL&FS Investsmart announces half yearly results

Mumbai, October 30, 2006: IL&FS Investsmart Ltd., (IIL) India's financial multiplex providing broking, distribution and financial management solutions, today announced its financial results for the half year ended September 30, 2006

Highlights of Consolidated results for the half year ended September 30, 2006

- **Income** stood at **Rs. 117.49 crores** as compared to **Rs. 90.76 crores** for the corresponding period last year
- **Profit after tax** stood at **Rs. 27.94 crores** as compared to **Rs. 27.47 crores** for the corresponding period last year
- **Earnings per share** stood at **Rs. 4.02** for the period ending September 30, 2006; as against **Rs. 7.14** as on September 30, 2005

Developments in the Company in Q2

- The restructuring exercise undertaken by the Company to have a focused approach to the securities related businesses was completed. IL&FS Investsmart Securities Limited (IISL); a wholly owned subsidiary, set up to undertake broking and other related services commenced its broking related operations with effect from July 1, 2006.
- IIL was chosen as the **Best Performing National Financial Advisor**, in the retail category at the **CNBC-TV18 Financial Advisor Awards 2006** held in Mumbai recently. Recognising the critical role that financial advisors play in the wealth creation process, Prudential ICICI Mutual Fund - the chief presenters of the awards, ICRA –who powered the evaluation & assessment processes and CNBC-TV 18 presented India's first and most authoritative evaluation and awards, which recognized the best financial advisors. IIL was honoured with this prestigious award from a large list of applicants, who were evaluated on stringent qualitative & quantitative parameters.
- IIL has also ramped up its retail presence taking the total number of outlets to 259 in 124 cities as on September 30, 2006

About IL&FS Investsmart Limited

ILL is one of India's leading financial services organization providing varied range of Financial Services for corporates and individuals. IIL has a strong presence across wide range of products and operates in the areas of Investment Management and Advisory Services, Broking services, Merchant Banking, Project Syndication, Equity and Debt Broking, Commodity Broking and Distribution of Financial Products. IIL has an all India presence through its network of branches and franchisees across over 124 cities. Following a successful IPO, IIL is listed on both NSE & BSE. IIL has also completed its maiden offering of Global Depository Shares (GDSs) in the month of December 2005 and the same have been listed on Luxembourg Stock Exchange.

*IIL leverages on its pedigree of IL&FS, which is a financial institution known for its innovative and pioneering initiatives in the areas of Infrastructure and Corporate Finance. Softbank Asia Infrastructure Fund L.P. (SAIF) through its wholly owned subsidiary, SAIF Investment Company limited, Mauritius has made strategic investment in IIL. E*TRADE FINANCIAL Corporation, through its indirectly wholly-owned subsidiary E*TRADE Mauritius Limited, has recently increased its ownership stake in IIL. E*TRADE FINANCIAL Corporation is a S&P 500 company providing financial services including trading, investing, banking and lending for retail, corporate and institutional customers.*

Leveraging their technology & operations expertise will give IIL the competitive edge to achieve the efficiency and growth inherent in an electronic global trading platform.

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