

Date: 31 March 2008  
On behalf of: Eredene Capital plc (“Eredene” or the “Company”)  
Embargoed until: 0700hrs

## **Eredene Capital PLC**

### **Construction starts on Eredene Capital’s low-income mass housing project near Mumbai**

**London, 31 March 2008** – Eredene Capital PLC (AIM: ERE), the AIM quoted investor in Indian infrastructure and real estate, today announces that construction has begun on its joint venture low-income housing project near Mumbai following a ground breaking ceremony at the first of its greenfield sites. This is the first phase in the planned construction of approximately 185,000 affordable homes within commuting distance of the city over the next 10 years.

Matheran Realty Pvt. Ltd (“MRPL”), a Mumbai-based real estate development company in which Eredene is investing up to INR 1,312 million (£16.40 million) for a stake of up to 55%, performed the ‘Bhoomi Puja’ ceremony and started construction work on the site at Karjat, southeast of the city, on 26 March.

A total of 10,000 homes will be built on the 100-acre site in an integrated township with units ranging in size between 300 and 500 square feet and selling at INR 999 (£12.50) per square foot. The first units are scheduled to be ready in May 2008, and it is planned to complete 2,300 units by the end of the year.

Over the next 10 years, MRPL plans a phased land acquisition to build and sell around 185,000 low-cost residential units on a number of sites on or close to the suburban railway network and within commuting distance of the Mumbai Metropolitan Region (“MMR”) to meet the rising demand for affordable housing for the city’s blue collar workforce. Surveys have identified an acute shortage of affordable housing for the estimated 30% of the MMR’s 18 million people who earn £1,250 per annum or less.

MRPL has awarded Sterling Construction Systems Ltd (“SCS”) the contract to build the units using its fast, low-cost construction method based on prefabricated Hardiflex fibre cement boards which has been successfully applied in housing projects in the Philippines, Australia, Jordan, Vietnam, and in India.

The township at Karjat is being master-planned by SKM Australia and it will have integrated facilities such as schools, hospitals, theatres and retail outlets.

#### **Mr Alastair King, Eredene’s founder and Chief Executive, said:**

*“This is an important landmark for Eredene and for our investment in MRPL. We are pleased that construction is starting on schedule and we look forward to reporting further key developments as the building progresses and we start to market and sell these new homes to Mumbai’s increasingly prosperous blue collar workforce.”*

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**Notes to Editors****About Eredene Capital PLC**

Eredene Capital PLC is a UK-based company which invests in infrastructure projects and real estate development in India. It focuses primarily but not exclusively on logistics, distribution warehouses and port services. The Eredene Group has made five joint venture investments in India to date - four in logistics and infrastructure and one in a residential development. Three of its investments are revenue generating. Current investment commitments total up to £36.5 million which represents 66% of the net funds Eredene raised in April 2006. Eredene trades on the Alternative Investment Market (AIM) of the London Stock Exchange. [www.eredene.com](http://www.eredene.com)

**About Matheran Realty Pvt. Ltd**

Matheran Realty Pvt. Ltd is a Mumbai-based real estate development company whose core focus is building affordable housing in India. MRPL plans the phased acquisition of land to develop some 80 million square feet of affordable housing in and around Mumbai over a 10 year period, with a target of supplying around 20,000 affordable homes per annum with western quality infrastructure and services.

**About SCS Ltd**

Sterling Construction Systems is a pioneer in rapid, reliable and cost effective housing construction. Using prefabricated James Hardie Hardiflex fibre cement boards, the SCS system has been tried, tested and implemented across three continents in countries such as Australia, Jordan, Oman, Qatar, the Philippines, Vietnam and India. The boards are bonded together to make panels which are delivered to site and are slotted together and, after ducting and wiring, they are grouted with ready-mix cement.  
[www.scs-world.com](http://www.scs-world.com)