

Date: 30 June 2009
On behalf of: Eredene Capital PLC ("Eredene" or "Eredene Group")

Eredene Capital PLC Preliminary Results for the fifteen month period to 31 March 2009

Eredene Capital PLC (AIM: ERE), the AIM quoted investor in Indian infrastructure developments, is pleased to announce its preliminary results for the fifteen month period to 31 March 2009*.

Highlights

- Eredene Capital PLC reports continued progress in its nine investments in India
- Significant milestones achieved in transforming greenfield sites into revenue generating businesses
- Three investee companies are revenue generating and a fourth is taking sales deposits
- One investee company paid its first dividend to Eredene less than 2 years after construction began on its greenfield site
- All investee companies are forecast to be revenue generating by the end of 2010
- Cash balances of £26.2m at 31 March 2009 (2007: £48.6m)
- Cash balances equate to 10.7p per share (2007: 19.9p)
- No debt at Eredene Capital PLC level and only non-recourse to Eredene Capital PLC debt at Indian investee company level
- Loss for the 15 month period of £6.4m (2007: profit of £0.2m) includes non-cash movement of £5.1m following revaluations
- Net Asset Value attributable to equity shareholders of 21.9 pence per share as at 31 March 2009 (2007: 24.1p)

* Eredene changed its accounting reference date from 31 December to 31 March. This change was to align Eredene's accounting reference date with the accounting reference date for the Eredene Group's subsidiary and investee companies in India.

A briefing for analysts will be held at 09:30hrs today at Redleaf Communications, 11-33 St Johns Street, London, EC1M 4AA

Commenting on the Company's results, David Coltman, Non-Executive Chairman, said:

"In challenging market conditions, I am pleased to report continued progress towards achieving our medium term goal of transforming all nine of our investments in India into revenue generating businesses. During the period, Eredene received its first dividend from an investment company, Sattva Vichoor CFS, which was paid less than two years after the start of construction. We are confident that we have developed our investee companies in India to a stage where we can expect all of them to be earning revenue by the end of 2010."

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Publication quality photos are available from Redleaf Communications

Notes to Editors

About Eredene Capital PLC

- Eredene Capital PLC is a UK-based company which invests in infrastructure projects in India. It focuses primarily on port services, logistics and distribution warehouses.
- The Eredene Group has made nine investments in India – seven in port services, logistics and distribution warehouses, one in IT offices and one in a large scale, affordable housing development. Three of its investments are revenue generating and a fourth is taking sales deposits.
- Eredene trades on the Alternative Investment Market (AIM) of the London Stock Exchange.

Chairman's Statement

Summary

In challenging market conditions, I am pleased to report continued progress towards achieving our medium term goal of transforming all nine of our investments in India into revenue generating businesses. During the period, Eredene received its first dividend from an investment company, Sattva Vichoor CFS, which was paid less than two years after the start of construction. We are confident that we have developed our investee companies in India to a stage where we can expect all of them to be earning revenue by the end of 2010.

The Eredene Group specialises in investing in India's infrastructure, and has made investments in three Container Freight Stations ("CFS"), an Inland Container Depot ("ICD"), a Third Party Logistics ("3PL") warehousing and distribution operation, two Logistics Parks, an IT office infrastructure complex and a mass low-cost housing project.

Three of the investments are generating revenue and a fourth is taking sales deposits. Of the remainder, all are expected to be revenue generating by the end of 2010.

The investment portfolio is concentrated on the Eredene Group's expertise in ports, maritime services, logistics and warehousing, but it is also diversified to a prudent degree with urban infrastructure projects comprising an affordable housing project and a modern IT office infrastructure project. The portfolio is also spread strategically across India's major economic centres and geographic zones.

Eredene has established strong local partnerships in India, including an exclusive joint venture partnership in nine eastern States with shipping and tea conglomerate Apeejay Surrendra Group, with whom we have made two joint investments. The Eredene Group has also made second investments with its partners in Gujarat State, Contrans Logistic, and with Eredene's partners in Tamil Nadu State, the Sattva Business Group – testament to the strength of these relationships.

Looking ahead, Eredene has identified a pipeline of additional investments, both with its existing partners and with other potential joint venture partners.

The Eredene Group has sufficient cash in hand to progress all of its current investments. Going forward, one of the options to grow Eredene is for it to manage third party funds. Work continues in Europe, the Gulf and Asia to raise a second and independent private fund which would be managed by Eredene, to invest in the pipeline of additional investments that have been identified and evaluated by our team in Mumbai.

India's political outlook is increasingly stable following the May 2009 parliamentary elections, which consolidated the Congress Party coalition's hold on power. With healthy growth rates, India remains an attractive investment destination in the current global economic climate.

Financial highlights

The Company changed its accounting reference date from 31 December to 31 March during the period. This change was made to align the Company's accounting reference date with those of its subsidiaries and investee companies in India. During the 15 month period to 31 March 2009, Eredene made a loss of £6.4m (2007: profit of £0.2m) representing 2.61p per share (2007: gain of 0.08p per share). As at 31 March 2009, the Group had cash balances of £26.2m (2007: £48.6m) representing 10.7p per share (2007: 19.9p) and a

Net Asset Value ("NAV") attributable to equity shareholders of £53.7m (2007: £59.0m) representing 21.9p per share (2007: 24.1p).

As an investment company, Eredene's performance is primarily judged by the change in its net asset value per share. Eredene's NAV per share has fallen by 9% in the 15 months to 31 March 2009, primarily due to unrealised fair value adjustments. Ernst & Young India performed an independent, fair-value valuation exercise on Eredene's non-consolidated investments in India as at 31 March 2009 which led to a downwards fair value adjustment of £5.1m (2007: gain of £1.8m). Much of that adjustment was caused by the decline in value of Matheran Realty due to falling land prices in Mumbai. Whilst the fall in NAV is disappointing, it compares favourably to the fall in indices such as the FTSE 100 which declined by 39% over the same period.

Significant milestones

Although there is still much work to be done, Eredene has achieved significant milestones in its goal of transforming each of its investments from green field sites into revenue generating businesses. During the year under review:

- The CFS at Vichoor near Chennai in Tamil Nadu State, Eredene's first joint venture with the Sattva Business Group, paid its maiden dividend in March 2009.
- Land was acquired near Ennore Port, also in Tamil Nadu State, for a second joint venture CFS with the Sattva Business Group.
- Eredene's joint venture CFS at Pipavav in Gujarat State with Contrans Logistic has been revenue earning since mid-2008 and achieved record traffic in March 2009.
- Land was acquired and an operating licence granted for an Inland Container Depot at Baroda, also in Gujarat State, a second project with Contrans Logistic.
- Construction started at Eredene's two Logistics Parks in east India, both part of a joint venture with Apeejay Surrendra Group. First revenues are expected by the end of 2009.
- In Q3 2009, MJ Logistic is set to open the first phase of its sophisticated 549,000 square feet warehousing operation featuring cold storage, automated cargo handling and computer controlled racking at Palwal near Delhi.
- In the first phase of Matheran's project to build low-cost homes near Mumbai, over 3,000 apartments are under construction of which more than 80% have already been pre-sold.
- A 77,000 square feet office tower in Bangalore, a joint venture with Sribha Infrastructure Solutions (formerly named Symcon), is nearing completion.

Economic and Political Outlook

India's economy has inevitably been affected by the global economic crisis, but while much of the world has plunged into recession, India's has fared far better. GDP grew at 6.7% for the fiscal year 2008-09 while much of the world was experiencing negative growth.

Container traffic, one of the primary profit drivers for Eredene's ports services businesses, is forecast to continue to grow in 2009-10, albeit the growth rate is not expected to be as high as in previous years. Total cargo handling capacity of Indian ports is forecast to increase to 1.5 billion tonnes by 2012 from the present 0.8 billion tonnes.

The Indian political landscape looks increasingly stable following the parliamentary elections in the world's largest democracy in May 2009. The Congress Party, led by Dr Manmohan Singh, fought the elections on a manifesto of development and poverty alleviation. The result consolidated the Congress Party's hold on power and increased its majority in the lower house. This gives the Prime Minister a solid mandate for completing his economic liberalisation and development agenda, much of which was left incomplete in the last Government due to the conflicting agendas of his coalition partners.

Immediately after the elections, the new Government announced that investment in infrastructure and policy initiatives to encourage private investment in infrastructure will be among the top priorities. According to Government estimates, India needs to invest some \$500 billion in its infrastructure by 2012 – primarily in roads, rail, ports, airports and energy - in order to remain competitive.

Indian stocks rose in a post-election market rally on expectations that the ruling coalition's decisive victory would lead to further economic liberalisation, more privatisations, financial sector reforms and increased infrastructure spending.

Project pipeline

Among possible future projects, the Eredene Group is part of a consortium bidding to build and operate a major new container terminal at the southern port of Ennore. Eredene is bidding for the project with Spain's leading port operator, Barcelona-based Grup Marítim TCB SL, Spanish construction group Obrascón Huarte Lain SA and GE Mauritius Int Holdings, a subsidiary of America's GE Equipment Services. Eredene would hold a 22% interest in the consortium, if the bid is successful.

There are four other port projects in the pipeline, one potential airport deal, and opportunities to invest in existing CFS operations at two of India's busiest ports. The Eredene Group is also exploring several options to invest in Logistics Parks including one on a railway which would link into India's planned new rail Dedicated Freight Corridor.

As Eredene has allocated most of the funds that it raised in 2006 to its existing investments, an exercise is under way to raise capital to invest in these new opportunities. One of several options being explored is to raise an independent second fund to finance these and other future investments which would be managed by Eredene.

Conclusion and Outlook

The year has seen a number of our investments move into the revenue generating stage and we were particularly pleased to receive our first dividend from an investee company. Sattva Vichoor CFS delivered a dividend within two years of construction first starting at its CFS. Looking forward, we anticipate that by the end of 2010 all our investee companies will be revenue generating.

Finally, I would like to take this opportunity to thank our shareholders for their continued confidence in the Eredene Group, and I would also like to convey my thanks to our employees and advisers for their dedicated work and loyalty during the past year.

David Coltman

Non-Executive Chairman
30 June 2009

Review of Investments

Sattva Vichoor CFS

Container Freight Station near Chennai pays first dividend

Eredene's first investment with the Sattva Business Group, a Container Freight Station at Vichoor near Chennai, progressed from a greenfield site to paying its first dividend in less than two years.

The investee company declared a 5% interim dividend during the period and significantly exceeded its budget for the period, handling a total of over 25,000 TEUs (20-foot equivalent units) in container volume.

Sattva Vichoor provides a full range of CFS services – 75,000 square feet of bonded warehousing for exports and imports, secured and paved stacking areas for containers, a facility for assembly from kit parts, stacking cranes, computer-driven tracking systems and prime office facilities.

The 25-acre facility is situated in the industrial hinterland of two large ports, 17 kilometres from Chennai and 12 kilometres from Ennore.

A second container terminal at Chennai Port is planned to start operations this year and the port has also recently announced plans to build a third container terminal. The third terminal, called Chennai's mega

container terminal, is planned to have a 5 million TEU capacity with a quay length of 2 kilometres and a berth of 22 metres, India's deepest.

The Eredene Group has invested £850,000 for a 49% stake in Sattva CFS & Logistics Pvt Ltd, the company operating Sattva Vichoor CFS (www.sattva.in).

Amount invested	£0.85m
Current ownership stake	49%
Sector	Container Logistics
Location	Chennai, Tamil Nadu, South East India
Progress to date	Revenue generating & dividend paying

Sattva Conware CFS

Work started on new Container Freight Station for Ennore Port

Eredene's second investment with the Sattva Business Group is another CFS in the southern State of Tamil Nadu, which is currently under development and will serve the port of Ennore.

The Sattva Conware CFS is located on a State Highway near the town of Ponneri to the north of Ennore, with an initial area of 34 acres.

The site will serve initially as a large-scale warehousing operation to meet existing demand for storage and transport and it is targeting its first open storage revenue by mid 2010. It is expected to be converted into a fully fledged CFS and expanded to 60 acres in time for the opening of Ennore's new container terminal scheduled for 2012.

Ennore Port, 24 kilometres north of Chennai, was set up to ease the congestion at Chennai Port. Ennore Port began operations in 2001 and a tender process is currently underway - with the Eredene Group engaged in one of the bids - for the construction of a new 1,000-metre container terminal with an estimated capacity of 1.5m TEUs per annum.

The Chennai-Ennore region is the centre of India's automobile industry and a major manufacturing and light industry hub. Major global car manufacturers in the region include BMW, Hyundai, Ford, Renault and Nissan.

The Eredene Group has allocated up to £5 million for this investment and had a stake of 90% as at 31 March 2009. This stake will be reduced to 74% provided Sattva Conware achieves certain milestones with the final milestone being the payment of the first dividend to Eredene.

Amount allocated to investment	£5m
Amount invested to 31 March 2009	£2.1m
Ownership stake at 31 March 2009	90%
Sector	Container Logistics
Location	Ennore, Tamil Nadu, South East India
Progress to date	Land acquisition phase

Contrans Logistic
Project One: Pipavav CFS

Container Freight Station at Pipavav ends first year of business strongly

The dedicated Container Freight Station at the port of Pipavav in the western state of Gujarat handled over 11,000 TEUs in its first financial year to March 2009. After a slow start, volumes have risen steadily, with a record container throughput in March 2009.

The CFS is one of two projects being developed with Eredene by Contrans Logistic Pvt Ltd (formerly Box-Trans Logistics Pvt Ltd), the other being the Baroda ICD project. Eredene has invested £4.0 million for a stake of 49% as at 31 March 2009 in the Contrans Logistic holding company.

A total of 79 acres of land has been acquired for the CFS on a site just 700 metres from the port. Phase 1 of the CFS has a 96,000 square feet bonded warehouse equipped to handle both imports and exports and a paved container stacking yard of 21 acres.

Pipavav, located in the Saurashtra region of Gujarat, is a major gateway to the Northern and Western industrial regions. The Port has good road connections and is linked to the National Rail Network by a 380 kilometre broad-gauge railway.

Maersk Line, which owns and operates Pipavav, is investing in the port for aggressive expansion, with plans to double container volumes and triple bulk volumes in 2009-10. The approach channel is being dredged to accommodate larger vessels with 14.5 metre drafts and, in April 2009, Maersk added Pipavav to its Middle East, Mediterranean and Europe service. Pipavav Port provides one of the shortest sailing times to European ports from India.

Gujarat was the first State in India to open its ports to the private sector, with Pipavav being the first of them, and its 1,600 kilometre coastline, situated on the Arabian Gulf, is a hub of development activity. Gujarat now accounts for around 20% of India's total import and export activity.

Eredene's partners in Contrans Logistic have a successful track record in the CFS and shipping sectors and have been operating a CFS at the Port of Mundra in the north of Gujarat State since 2003.

Contrans Project One	Pipavav CFS
Sector	Container Logistics
Location	Pipavav, Gujarat, North West India
Progress to date	Operational & revenue generating

Contrans Logistic
Project Two: Baroda ICD

Land acquired and licence granted for new Inland Container Depot

The second project being developed by Contrans Logistic is an Inland Container Depot near Baroda, also located in Gujarat State. The planned 135-acre site is on an 800-metre wide land corridor next to the two primary transport routes from Delhi to Mumbai - National Highway 8 and the main north-south rail line, which carries the largest amount of freight traffic in India.

The ICD licence has been granted and logistics consultancy firm British Maritime Technologies is working on a master plan for the site which will include a railway siding for loading and unloading rail freight. Indian Railways is planning a Dedicated Freight Corridor between Mumbai and Delhi which will be adjacent to the Baroda ICD. More than 120 acres of land has been acquired and is in the process of being registered by the company. The ICD plans to open for its first customers in 2010.

An ICD provides broadly the same facilities as a CFS – warehousing, packaging and re-packaging, assembly from kits, customs clearance, logistics and transport. A CFS is normally located near a port whereas an ICD is normally located next to a railway line.

The Eredene Group has a 49% stake in Contrans Logistic and has allocated up to £7.9m in total to the Contrans holding company – which also owns and operates the Pipavav CFS.

Contrans Project Two	Baroda ICD
Sector	Container Logistics
Location	Baroda, Gujarat, North West India
Progress to date	Land acquisition phase

Amount allocated to Contrans in total	£7.9m
Amount invested in Contrans in total to 31 March 2009	£4.0m
Ownership stake at 31 March 2009	49%

**Apeejay Infra-Logistics
Project One: Haldia Logistics Park**

Construction starts on Logistics Park in joint venture with Apeejay Surrendra

Construction is underway at a new 90-acre Logistics Park near the port of Haldia, West Bengal, one of Eredene's two joint ventures with tea, shipping and hospitality conglomerate Apeejay Surrendra Group (www.apeejaygroup.com).

The Logistics Park, which is being built and operated by the joint venture company Apeejay Infra-Logistics Pvt Ltd, is planned to have eight acres of open storage available from Q4 2009. Apeejay Infra-Logistics, in which Eredene has a 50% stake, is also developing a second logistics park at Kalinganagar.

Construction of the facility is underway with more than 90% of the boundary wall completed. The total open storage area is expected to increase to 10 – 15 acres by the end of 2009 and 130,000 square feet of bonded and domestic-use racked warehousing are due to be constructed in 2010.

Haldia, a port on the confluence of the Haldi and Hoogly Rivers opening onto the Bay of Bengal and 90 kilometres downstream from Kolkata, is one of West Bengal's fast emerging industrial centres with a concentration of Petroleum, Chemical and Petrochemical plants.

The Logistics Park will provide dedicated space for storage, packaging, transport, light processing workshops, offices and other key support services to Haldia's more than 350 industrial units.

The Eredene Group has allocated a total of £7.9m to the Apeejay Infra-Logistics joint venture to allow it to complete the construction of the two Logistics Parks at Haldia and Kalinganagar.

Apeejay Infra-Logistics Project One	Haldia Logistics Park
Sector	Logistics Park
Location	Haldia, West Bengal, East India
Progress to date	Construction phase

**Apeejay Infra-Logistics
Project Two: Kalinganagar Logistics Park**

Construction underway at Kalinganagar Logistics Park

Construction is also underway at Eredene's second project with Apeejay Surrendra Group, a 30-acre Logistics Park to serve the Kalinganagar industrial complex, a fast growing steel hub in Orissa State's Jajpur district.

The site is being levelled and five to seven acres of open storage facilities are expected to be available from March 2010. A bonded and domestic-use racked warehouse of 112,000 square feet is planned to be constructed in 2010. The park is being built and operated by the joint venture company Apeejay Infra-Logistics Pvt Ltd.

Orissa State, in eastern India, is undergoing rapid industrialisation. The State Government has identified 13 sites along its coastline for development of various ports, and a large steel complex is under development close to the new Logistics Park.

The Logistics Park is expected to be the first fully purpose-built transport and warehouse facility to service the Kalinganagar region and it will specifically target the in-bound and out-bound cargo centred on the steel industry.

The location is well connected by road and rail - 129 kilometres from the major port at Paradip and 86 kilometres from the newly built Dhamra Port, which will be the deepest port in India with a draft of 18 metres when it opens for commercial traffic in 2010. A new railway line linking Daitari and Banshapani will enable access from the Logistic Park to the rail network via a proposed siding.

Apeejay Infra-Logistics Project Two	Kalinganagar Logistics Park
Sector	Logistics Park
Location	Kalinganagar, Orissa, East India
Progress to date	Construction phase

Amount allocated to Apeejay Infra-Logistics in total	£7.9m
Amount invested in Apeejay Infra-Logistics in total to 31 March 2009	£1.9m
Ownership stake	50%

MJ Logistic Services

A state-of-the-art 3PL business for northern India

A brand new hub warehousing facility for Eredene's MJ Logistic's Third Party Logistics business in northern India is expected to open for its first customers in Q3 2009 (www.mjls.com).

The state-of-the-art storage facility at Palwal, strategically located on the Delhi-Agra highway, will be linked in a hub-and-spoke operation to warehouses in Punjab and Uttaranchal to cover India's entire northern industrial heartland.

The first phase comprises 200,000 square feet with computer controlled racked shelving and 20,000 pallet positions of ambient storage and 1.05 million cubic feet of temperature controlled chambers from -25° to +10° centigrade, all under one roof.

MJ Logistic Services Ltd, a 3PL solutions provider in which Eredene has a stake that will scale down to 74% from its current 90% in line with agreed performance targets, is targeting growing demand for 3PL services in India.

On project completion, MJ Logistic is planned to have total dry warehousing space of over 600,000 square feet and cold storage facility of over 200,000 square feet.

Incorporated in 2005, MJ Logistic built its business by providing storage, transportation and distribution services in 500,000 square feet of traditional leased warehousing to customers such as Philips, Bosch, Colgate and ITC.

A 2009 study by the Associated Chambers of Commerce and Industry of India, forecast a rapid growth in 3PL business in India as companies seek better and more cost effective management of their supply chain processes.

The Eredene Group has allocated up to £11 million in MJ Logistic and had a stake of 90% as at 31 March 2009.

Amount allocated to investment	£11m
Amount invested to 31 March 2009	£7.9m
Ownership stake at 31 March 2009	90%
Sector	Warehousing & Third Party Logistics
Location	Delhi region, North India
Progress to date	Operational & revenue generating

Sribha Infrastructure Solutions

A high-end IT office building in Bangalore

Sribha Tower, a 77,000 square feet high-end office development in the southern city of Bangalore, is nearing completion and is scheduled to be ready for occupancy in late 2009.

The tower is one of two 'plug and play' IT offices planned to be developed by Sribha Infrastructure Solutions Company Pvt Ltd (formerly Symcon Global Technologies) with a second tower planned for Chennai.

Sribha's sister company, SGT Global, a leading provider of IT, business process outsourcing, call centres and engineering services, has agreed to lease approximately half the space in the first tower (www.sgtglobal.com).

Designed to accommodate more than 800 people, the tower is located off the Bangalore-Hosur National Highway, adjacent to the Electronics City IT precinct.

A second, similar development is planned in Bangalore and also two further IT office towers in Chennai.

The Eredene Group has invested £2.1 million for a 36.5% stake in Sribha Infrastructure Solutions Company Pvt Ltd.

Amount invested	£2.1m
Ownership stake	36.5%
Sector	Office Infrastructure
Location	Bangalore and Chennai
Progress to date	Construction phase

Matheran Realty and Gopi Resorts

New Township with low-cost housing near Mumbai

A total of 73 apartment buildings with retail and commercial units are under construction at Matheran Realty's mass affordable housing project at Tanaji Malusare City, Karjat, near Mumbai (www.tmcity.in).

The new township is being constructed by Matheran Realty's subsidiary Gopi Resorts and is the first of a number of projects to develop affordable homes on a large scale for Mumbai's increasingly prosperous blue collar workers.

It is proposed to develop the township in partnership with the Mumbai Metropolitan Region Development Authority ("MMRDA") and a letter of intent has been received from the MMRDA.

Work is taking place on about 80 acres with 5.7 million square feet of residential buildings, retail and commercial units planned. The project also includes provision of associated infrastructure for the township, including internal roads, water and sewage treatment plants, street lighting, and water and electricity supply.

The 73 buildings under construction are at various stages of completion. At the end of May 2009, all the foundations were laid and 35 of the buildings were at first or second floor level. Three others were at third floor level and one was at the fourth floor.

More than 2,500 units were sold following the inaugural sales launch and the township is expected to be sufficiently developed for first residents to move in by the end of 2009.

Amount allocated in total to Matheran Realty & Gopi Resorts	£16.4m
Amount invested in total to 31 March 2009 in Matheran Realty & Gopi Resorts	£12.7m
Ownership stake at 31 March 2009	<ul style="list-style-type: none">• 63.3% - Matheran Realty Pvt Ltd – total of direct & indirect stakes• 32.2% - Gopi Resorts Pvt Ltd (MRPL subsidiary) – direct stake
Sector	Urban development
Location	Mumbai region, Maharashtra, West India
Progress to date	Construction and pre-sales phase

**Consolidated Income Statement
for the period ended 31 March 2009**

	Note	15 months ended 31 March 2009 £'000	Year ended 31 December 2007 £'000
Portfolio return and revenue			
Change in fair value of equity investments	7	(5,125)	1,788
Gain on disposal of subsidiary		-	1,142
Other portfolio income		23	-
		<u>(5,102)</u>	<u>2,930</u>
Revenue from services		1,461	-
Cost of sales for services		(1,326)	-
Gross profit		<u>135</u>	<u>-</u>
Gross profit and net portfolio return		<u>(4,967)</u>	<u>2,930</u>
Administrative expenses			
Other		(3,451)	(2,758)
Contract termination costs		-	(2,830)
		<u>(3,451)</u>	<u>(5,588)</u>
Finance income		2,020	2,855
(Loss)/profit before taxation		<u>(6,398)</u>	<u>197</u>
Taxation	4	(4)	7
(Loss)/profit after taxation		<u>(6,402)</u>	<u>204</u>
Attributable to:			
Equity holders of the company		(6,384)	204
Minority interest		(18)	-
		<u>(6,402)</u>	<u>204</u>
(Loss)/earnings per share			
Basic and diluted	6	<u>(2.61)p</u>	<u>0.08p</u>

**Consolidated Balance Sheet
at 31 March 2009**

	Note	31 March 2009 £'000	31 December 2007 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		11,216	32
Investments held at fair value through profit or loss	7	18,279	10,158
Intangible assets		1,043	233
Deferred income tax asset		43	-
Other receivables		23	-
		<u>30,604</u>	<u>10,423</u>
CURRENT ASSETS			
Trade and other receivables		647	250
Cash and cash equivalents		26,235	48,639
		<u>26,882</u>	<u>48,889</u>
TOTAL ASSETS		<u>57,486</u>	<u>59,312</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		(716)	(262)
NON-CURRENT LIABILITIES			
Borrowings		(2,000)	-
TOTAL LIABILITIES		<u>(2,716)</u>	<u>(262)</u>
TOTAL NET ASSETS		<u>54,770</u>	<u>59,050</u>
EQUITY			
Share capital		24,473	24,473
Special reserve		32,826	32,826
Foreign exchange reserve		740	-
Retained (deficit)/earnings		(4,361)	1,751
Capital and reserves attributable to equity shareholders of the company		<u>53,678</u>	<u>59,050</u>
Minority interest in equity		1,092	-
TOTAL EQUITY		<u>54,770</u>	<u>59,050</u>

**Consolidated Statement of Changes in Equity
for the period ended 31 March 2009**

	Share capital £'000	Share premium £'000	Special reserve £'000	Foreign exchange reserve £'000
Year ended 31 December 2007				
As at 1 January 2007	<u>24,473</u>	<u>35,146</u>	<u>-</u>	<u>-</u>
Cancellation of share premium account	-	(35,146)	32,826	-
Profit for the year and total income and expenses recognised for the year	-	-	-	-
Share based payment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December 2007	<u>24,473</u>	<u>-</u>	<u>32,826</u>	<u>-</u>
Fifteen months ended 31 March 2009				
As at 1 January 2008	<u>24,473</u>	<u>-</u>	<u>32,826</u>	<u>-</u>
Amounts recognised directly in equity:				
Exchange differences arising on translation of foreign operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>740</u>
Net income recognised directly in equity	-	-	-	740
Loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total income and expenses recognised for the period	-	-	-	740
Share based payment	-	-	-	-
Minority interest on acquisition of subsidiary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 March 2009	<u>24,473</u>	<u>-</u>	<u>32,826</u>	<u>740</u>

	Retained earnings/ (deficit) £'000	Share holders equity £'000	Minority interest £'000	Total equity £'000
Year ended 31 December 2007				
As at 1 January 2007	<u>(1,039)</u>	<u>58,580</u>	<u>-</u>	<u>58,580</u>
Cancellation of share premium account	2,320	-	-	-
Profit for the year and total income and expenses recognised for the year	204	204	-	204
Share based payment	266	266	-	266
As at 31 December 2007	<u>1,751</u>	<u>59,050</u>	<u>-</u>	<u>59,050</u>
Fifteen months ended 31 March 2009				
As at 1 January 2008	<u>1,751</u>	<u>59,050</u>	<u>-</u>	<u>59,050</u>
Amounts recognised directly in equity:				
Exchange differences arising on translation of foreign operations	<u>(2)</u>	<u>738</u>	<u>82</u>	<u>820</u>
Net income recognised directly in equity	(2)	738	82	820
Loss for the period	<u>(6,384)</u>	<u>(6,384)</u>	<u>(18)</u>	<u>(6,402)</u>
Total income and expenses recognised for the period	(6,386)	(5,646)	64	(5,582)
Share based payment	274	274	-	274
Minority interest on acquisition of subsidiary	-	-	1,028	1,028
As at 31 March 2009	<u>(4,361)</u>	<u>53,678</u>	<u>1,092</u>	<u>54,770</u>

**Consolidated Cash Flow Statement
for the period ended 31 March 2009**

	Fifteen months ended 31 March 2009 £'000	Year ended 31 December 2007 £'000
Cash flow from operating activities		
(Loss)/profit before taxation	(6,398)	197
Adjustments for:		
Finance income	(2,020)	(2,855)
Dividend income	(23)	-
Profit on sale of subsidiary	-	(1,142)
Unrealised loss/(gain) on investments held at fair value	5,125	(1,788)
Share based payment charge	274	266
Depreciation	45	4
Amortisation	31	12
Negative goodwill	(12)	-
(Increase)/decrease in trade and other receivables	(309)	126
Increase in trade and other payables	288	61
Decrease in provisions	-	(27)
Taxation paid	(54)	(99)
Net cash used in operating activities	<u>(3,053)</u>	<u>(5,245)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,208)	(36)
Purchase of intangible asset	-	(245)
Purchase of investments	(13,245)	(11,094)
Cash acquired with subsidiary net of purchase cost	156	-
Proceeds from sale of subsidiary	-	12,082
Interest received	2,126	2,986
Dividends received	23	-
Net cash (used in)/generated from investing activities	<u>(22,148)</u>	<u>3,693</u>
Cash flows from financing activities		
Proceeds from borrowings	2,000	-
Repayment of borrowings	(24)	-
Net cash generated from financing activities	<u>1,976</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(23,225)</u>	<u>(1,552)</u>
Cash and cash equivalents at the beginning of the period	48,639	50,191
Exchange differences on translation of foreign operations	821	-
Cash and cash equivalents at the end of the period	<u><u>26,235</u></u>	<u><u>48,639</u></u>

Notes for the period ended 31 March 2009

1. Status of financial information

The financial information contained in this announcement is extracted from but does not constitute the Group's statutory accounts for the period ended 31 March 2009 or the year ended 31 December 2007 as defined in Section 240 of the Companies Act 1985. The financial statements for the period ended 31 December 2007 have been delivered to the Registrar of Companies. The financial statements for the period ended 31 March 2009 will be delivered following the company's Annual General Meeting. The auditors have reported on those financial statements; their reports were unqualified, did not include references to any matters to which the auditors draw attention by way of emphasis without qualifying their reports and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

2. Accounting policies

Eredene Capital PLC (the "Company") is a company incorporated and domiciled in the United Kingdom and quoted on the London Stock Exchange's AIM market. The consolidated financial statements of the Company for the period ended 31 March 2009 comprise the Company and its subsidiaries (together referred to as the "Group").

Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted for use in the EU ("IFRS"). The Company has elected to prepare its parent Company financial statements in accordance with UK GAAP.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

The financial statements are presented in pounds sterling. They have been prepared on the historical cost basis, except for the revaluation of certain investments.

Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and its subsidiary undertakings. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The results of any subsidiaries sold or acquired are included in the Group income statement up to, or from, the date control passes. Intra-Group sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary, all of the subsidiary's separable, identifiable assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date. On disposal of a subsidiary, the consideration received is compared with the carrying cost at the date of disposal and the gain or loss is recognised in the income statement. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets is recorded as goodwill. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Subsidiaries' accounting policies are amended where necessary to ensure consistency with the policies adopted by the Group.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets and allocated from the acquisition date to each of the Group's cash generating units ("CGU") that are expected to benefit from the business combination. Goodwill may be allocated to CGUs in both the acquired business and in the existing business. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Acquired intangible assets

Intangible assets, other than goodwill, that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. The pipeline of investments acquired is amortised over the period in

which gains or losses on the investments made from the pipeline are expected to be realised of ten years. The amortisation charge for the period is included within administrative expenses.

Impairment of intangible assets (including goodwill)

Goodwill is not subject to amortisation but is tested for impairment annually and whenever events or circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment when events or a change in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use. For the purposes of assessing impairments, assets are grouped at the lowest levels for which there are identifiable cash flows (i.e. cash generating units).

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and impairment. Depreciation on property plant and equipment is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. It is calculated at the following rates:

Fixtures and fittings	- 18-20% per annum straight line & reducing balance basis
Office equipment	- 14-33% per annum straight line & reducing balance basis
Leasehold improvements	- 25% per annum reducing balance basis
Motor vehicles	- 26% per annum reducing balance basis

Financial assets

- Investments held at fair value through profit or loss

Investments in which the Group has a long-term interest and over whose operating and financial policies it exerts significant influence, but which are held as part of an investment portfolio, the value of which is through their marketable value as part of a basket of investments, are not regarded as joint ventures or associated undertakings. The treatment adopted is in accordance with IAS39 'Financial Instruments: Recognition and Measurement' and the exemptions applying to venture capital organisations in IAS28 'Investments in Associates' and IAS31 'Interests in Joint Ventures'.

These investments are measured at fair value through profit or loss. Gains and losses arising from changes in the fair value of these investments, including foreign exchange movements, are included in profit or loss for the period.

Unquoted investments are valued using appropriate valuation methodologies, based on the International Private Equity and Venture Capital Guidelines, which reflect the amount for which an asset could be exchanged between knowledgeable, willing parties on an arm's length basis.

- Loans and receivables

Other receivables

Other receivables are recognised and carried at amortised cost less an allowance for any uncollectible amounts. Unless otherwise indicated, the carrying amount of the group's financial assets are a reasonable approximation to their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits.

- Financial liabilities held at amortised cost

Trade and other payables

Trade payables and other payables are recognised and carried at amortised cost and are a short term liability of the Group.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the income statement.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the date the fair value was determined.

On consolidation, the assets and liabilities of the Group's overseas subsidiaries are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and translated to a foreign exchange reserve. Foreign exchange gain/losses resulting from the retranslation of monetary assets and liabilities are recognised in the Income Statement.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of the instruments are recognised immediately in the income statement.

Portfolio return and revenue

Change in fair value of equity investments represents revaluation gains and losses on the Group's portfolio of investments.

Dividends receivable from equity shares are included within other portfolio income and recognised on the ex-dividend date or, where no ex-dividend date is quoted, are recognised when the Group's right to receive payment is established.

Revenue from services comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. This is primarily the provision of storage and transportation services, for which revenue is recognised on provision of services and dispatch of goods. Revenue is shown net of value-added tax, returns, rebates and discounts.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Where equity instruments are granted to persons other than employees, the income statement is charged with fair value of goods and services received. If it is not possible to identify the fair value of these goods or services provided, the income statement is charged with the fair value of the options granted.

Deferred tax

Deferred tax expected to be payable or recoverable on differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that at the time of the transaction, affects neither the taxable profit nor the accounting profit. Deferred tax is calculated at the rates of taxation enacted or substantively enacted at the balance sheet date.

Pension costs

The Company contributes to directors' and employees' personal money-purchase pension schemes. Contributions are charged to the income statement in the period in which they become payable.

National Insurance on share options

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted under unapproved schemes, provision for any national insurance contributions has been made based on the prevailing rate of national insurance. The provision is accrued over the performance period attaching to the award.

Operating leases

Operating lease rentals are charged to the income statement on a straight-line basis over the term of the lease.

3. Critical accounting judgements and estimates

The preparation of the Group's financial statements requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial statements.

Value of investments

The Group's investments held at fair value through profit or loss are valued based on the International Private Equity and Venture Capital Guidelines. An independent valuer, Ernst & Young India, was engaged to value the investments under those Guidelines. The valuations are made based on market conditions and information about the investment. These estimates are subjective in nature and involve uncertainties and matters of significant judgement (e.g interest rates, volatility and estimated cash flows).

Impairment of goodwill

The Group is required to test whether goodwill has suffered any impairment on at least an annual basis. The recoverable amount is determined using value in use calculations. The use of this method requires the estimation of future cash flows and the selection of a suitable discount rate in order to calculate the present value of these cash flows.

Share-based payments

The charge for share-based payments is calculated using a share option valuation model which requires highly subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yields, risk-free interest rates and expected staff turnover. The directors draw on external sources to aid them in the determination of the appropriate data to use in such calculations.

4. Taxation

	15 months ended 31 March 2009 £'000	12 months ended 31 December 2007 £'000
Recognised in the income statement:		
<i>Current tax expense</i>		
UK corporation tax	-	-
Adjustment for overprovision in prior period	-	(7)
<i>Deferred tax</i>		
Movement in deferred tax asset	4	-
Income tax charge/(credit)	4	(7)

The tax assessed for the period differs from the standard rate of corporation tax in the UK applied to the Group profit/(loss) before tax. The differences are explained below:

	15 months ended 31 March 2009 £'000	12 months ended 31 December 2007 £'000
(Loss)/profit on ordinary activities before tax	(6,398)	197
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK for the period of 28.4% (2007: 30%)	(1,817)	59
Effects of:		
Expenses not deductible for tax purposes	103	429
Capitalised expenses deductible for tax purposes	3	-
Depreciation less than/(in excess of) capital allowances	3	(2)
Non-taxable losses/(gains) on investments and disposal of subsidiary	1,455	(879)
Non-UK recoverable overseas losses	300	-
Non-taxable dividend income	(7)	-
Tax losses (utilised)/carried forward	(36)	404
Non-taxable finance income	-	(11)
Adjustment for overprovision in prior period	-	(7)
Tax charge/(credit) for period	4	(7)

5. Dividends

The Board does not recommend the payment of a dividend for the year (2006 - £Nil).

6. Loss per share and net assets per share

The calculation of the basic and diluted loss per share is based on the loss for the period attributable to equity shareholders of £6,384,000 (2007 profit: £204,000) and the weighted average number of shares in issue during the period of 244,728,000 (2007: 244,728,000). The effect of all potential ordinary shares under option is non-dilutive due to the loss for the period.

The calculation of net asset value per share is based on the net assets attributable to equity shareholders of £53,678,000 (2007: £59,050,000) and the number of shares in issue at the period end of 244,728,000 (2007: 244,728,000).

7. Investments held at fair value through profit or loss

The Group has the following investments held at fair value through profit or loss, all of which are incorporated in India:

	Class of shares held	Net Assets/ (liabilities) £'000	Profit/(loss) before tax £'000	Date of financial statements	% held 31 March 2009	% held 31 December 2007
Apeejay Infra-Logistics Pvt Ltd	Ord.	1,962	-	31/3/08	50%	-
Matheran Realty Pvt Ltd	A	10,485	(221)	31/3/08	63%	55%
Gopi Resorts Pvt Ltd	A & B	(49)	(33)	31/3/08	32%	-
Contrans Logistic Pvt Ltd	Ord.	2,271	(64)	31/3/08	49%	40%
Sattva CFS & Logistics Pvt Ltd	Ord.	1,054	36	31/3/08	49%	49%
Sribha Infrastructure Solutions Company Pvt Ltd	Ord.	303	(63)	31/3/08	37%	-

The Group's investment in Matheran Realty Pvt Ltd ("Matheran") at 31 March 2009 is held through a direct holding of 45% in Matheran and an indirect holding of 18% via the Group's 44% holding in Alibante Developments Ltd which itself held 42% of Matheran. Matheran also has a holding of 68% in Gopi Resorts Pvt Ltd.

At 31 March 2009 the cost and valuation of the Group's investments was as follows:

	Cost at 31/3/09 £'000	Unrealised gain/(loss) 1/1/08 – 31/3/09 £'000	Fair value at 31/3/09 £'000
Apeejay Infra-Logistics Pvt Ltd	1,937	229	2,166
Matheran Realty Pvt Ltd	10,128	(5,504)	4,988
Gopi Resorts Pvt Ltd	2,542	1,748	4,290
Contrans Logistic Pvt Ltd	4,002	(1,706)	2,782
Sattva CFS & Logistics Pvt Ltd	880	611	2,430
Sribha Infrastructure Solutions Company Pvt Ltd	2,126	(503)	1,623
	21,615	(5,125)	18,279

At 31 December 2007 the cost and valuation of the Group's investments was as follows:

	Cost at 31/12/07 £'000	Unrealised gain 1/1/07 – 31/12/07 £'000	Valuation at 31/12/07 £'000
Matheran Realty Pvt Ltd	5,992	363	6,355
Sattva CFS & Logistics Pvt Ltd	647	939	1,586
Contrans Logistic Pvt Ltd	1,731	486	2,217
	8,370	1,788	10,158

The investments were independently valued at 31 March 2009 by Ernst & Young India. The investments are valued using appropriate valuation methodologies, in accordance with the International Private Equity and Venture Capital Guidelines endorsed by the British & European Venture Capital Associations, which reflect the amount for which an asset could be exchanged between knowledgeable, willing parties on an arm's length basis. The companies in which the Group has invested are at various stages of development. The methodologies used in the valuation of these investments include Earnings Multiples, Net Assets, Discounted Cash Flow and Price of Recent Investment.

Price of Recent Investment - where the investment being valued was itself made recently, its cost will generally provide a good indication of fair value. Where there has been a recent investment in the investee company then the price of that investment can provide an indication of the valuation.

Earnings Multiple – this methodology involves the application of an earnings multiple to the earnings of the business being valued in order to derive a value for the business. This methodology is appropriate where the business has an identifiable stream of continuing earnings that can be considered to be maintainable. A number of earnings multiples may be used including price/earnings and enterprise value/earnings before interest, tax, depreciation and amortisation.

Net Assets – this methodology involves deriving the value of a business by reference to the value of its assets. The assets and liabilities may be adjusted to reflect the fair value of those assets and liabilities as at the valuation date.

Discounted Cash Flow – this methodology involves deriving the value of a business by calculating the present value of expected future cash flows. The cash flows and the terminal value are those of the underlying business rather than from the investment itself. A suitable discount rate is estimated based on the weighted average cost of capital of the business.

The actual methodologies used vary from investment to investment with the independent valuers applying an appropriate methodology based on the particular circumstances of the underlying business.

The movements in non-current investments were as follows:

	£'000
Carrying value at 31 December 2006	13,882
Disposals on sale of subsidiary	(13,882)
Purchases, at cost	8,370
Unrealised gains on investments	1,788
Carrying value at 31 December 2007	<u>10,158</u>
Purchases, at cost	13,246
Unrealised losses on investments	(5,125)
Carrying value at 31 March 2009	<u>18,279</u>

At 31 March 2009, the Group had a commitment to invest a further £361,000 in Contrans Logistic Pvt Ltd and that investment was completed in April 2009.

8. Post balance sheet events

The Group invested a further £361,000 in Contrans Logistic Pvt Ltd in April 2009 and a further £175,000 in Apeejay Infra-Logistics Pvt in June 2009. Both investments were in line with the expected phasing of investment tranches.

9. Forward-looking statements

This document may contain forward-looking statements with respect to certain of the plans and current goals and expectations relating to the future financial condition, business performance and results of Eredene Capital PLC. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of Eredene Capital PLC including, amongst other things, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates, foreign exchange rates, inflation, the impact of competition, delays in implementing proposals, the timing, impact and other uncertainties of future investments, the impact of tax or other legislation and other regulations in the jurisdictions in which Eredene Capital PLC and its affiliates operate. As a result, Eredene Capital PLC's actual future condition, business performance and results may differ materially from the plans, goals and expectations expressed or implied in these forward-looking statements.

10. Report and Financial Statements

Copies of the Report and Financial Statements will be posted to shareholders by 10 August 2009 and will also be available from www.eredene.com. The Annual General Meeting to approve the Report and Financial Statements will be held on 8 September 2009.