



# Eredene Capital PLC

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Interim Results Presentation for the six months ended 30 September 2009

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## Financial Highlights

- Eredene Capital PLC (“Eredene”) reports progress in its investments in India and a successful share placing
- £7.1 million (before expenses) raised in a placing at 20p per share in August 2009
- Loss for the six month period of £4.3m (2008: loss of £1.8m) includes non-cash movement of £1.9m following fair value adjustments
- Net Asset Value of 20.0 pence per share as at 30 September 2009 (30 September 2008: 23.5 pence, 31 March 2009: 21.9 pence)
- No debt at Eredene Capital PLC level and only non-recourse debt at Indian investee company level
- Three of Eredene's investments are revenue generating, a fourth is taking sales deposits and the remainder are on their way to becoming revenue earning
- Investee companies starting to attract major international customers such as TATA Motors, steel-maker ArcelorMittal, Indo Lloyd Freight and ZIM Integrated Shipping Services
- Healthy pipeline of infrastructure projects spread across India including public tenders at three Indian state-owned ports.

## Net Asset Value (NAV)

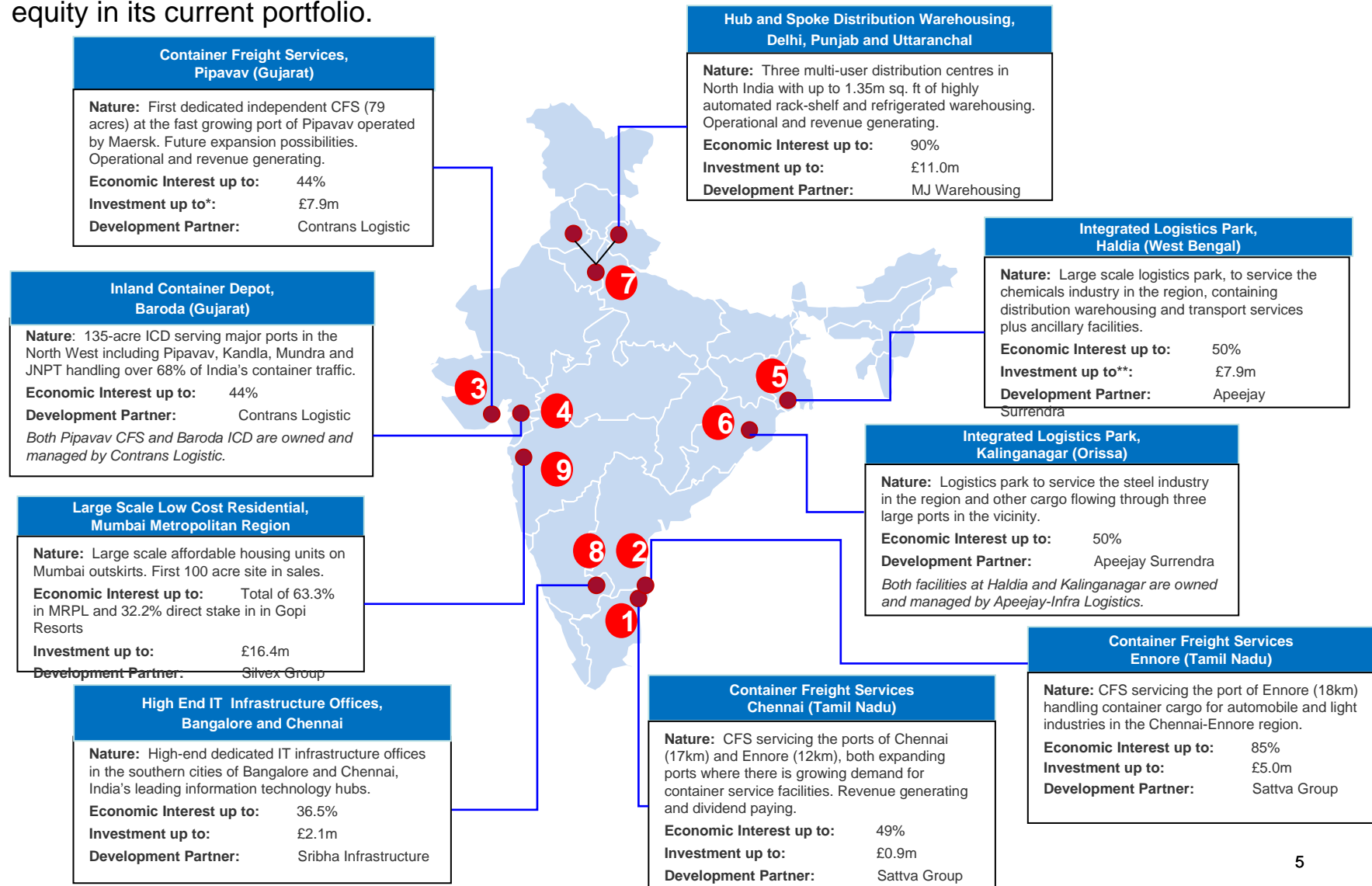
NAV attributable to equity shareholders has fallen by 8.7% to 20.0p per share (from 21.9p at 31/3/09). The table below sets out the factors behind that reduction.

Movement in NAV per share reconciliation	GBP	NAV per share p
<b>NAV per share at 31/3/09</b>		<b>21.9</b>
1. Fair Value adj Investments - pre-FX loss (non-cash, unrealised)	-1,013,624	-0.3
2. FX loss on Investments (non-cash, unrealised)	-915,395	-0.3
3. FX loss on USD deposits (non-cash, unrealised)	-1,084,188	-0.4
4. FX loss on translation of subsidiaries (non-cash, unrealised)	-431,668	-0.2
5. Dilutionary effect of placing at 20p (non-cash, unrealised)	-796,642	-0.3
6. Total other expenses (net of income)	-1,287,206	-0.4
Total NAV movement	-5,528,723	-1.9
<b>NAV per share at 30/9/09</b>		<b>20.0</b>

- The two largest downward adjustments in fair value were made to Eredene's investments in Sribha Infrastructure, which is building an IT office complex in Bangalore, and in the Matheran Group, which is developing a low cost housing project near Mumbai
- Eredene's other investments have risen in value by £0.7m in aggregate in the period.

# Current Investment Portfolio of Eredene Capital PLC

Eredene has made nine investments in key locations around the country, so far committing £51m of equity in its current portfolio.



\* Investment in Contrans Logistic which owns and manages Pipavav CFS and Baroda ICD; \*\* Investment in Apeejay-Infra Logistics which owns and manages the two logistics parks.

## Operational Highlights

- **MJ Logistic** opened its high-tech distribution and warehousing hub at Palwal, near Delhi, for business in October 2009
  - The brand new facility has computerised rack shelving and is being fitted with both ambient and cold storage units
  - First customers include Spanish olive company Acenorca, Indo Lloyd Freight and TATA Motors
- **Sattva CFS** increased throughput by 64% in the six months to September 2009 to 18,300 TEUs from 11,191 TEUs in the same period in 2008
  - New customers included steel-maker ArcelorMittal, India's leading tyre manufacturer MRF, and Israel's ZIM Integrated Shipping Services
- **Pipavav CFS** experienced growth in 2009 following a major upgrade of Pipavav port by its owners Maersk, which included dredging to deepen the draft to 14.5 metres
  - Container volumes are steadily increasing at the CFS led by agriculture commodities
  - More vessels are now calling at the port with aggressive marketing of the port by Maersk
- **Apeejay-Infra Logistics**, signed a joint marketing MoU with Gateway Rail Freight Ltd (a subsidiary of the Bombay Stock Exchange quoted Gateway Distriparks Limited) for transporting road and rail cargo to and from its facility at Kalinganagar
  - Apeejay-Infra Logistics is Eredene's JV with Apeejay Surrendra Group developing two logistics parks at Haldia and Kalinganagar in East India with both expected to start generating open storage business in 2010.

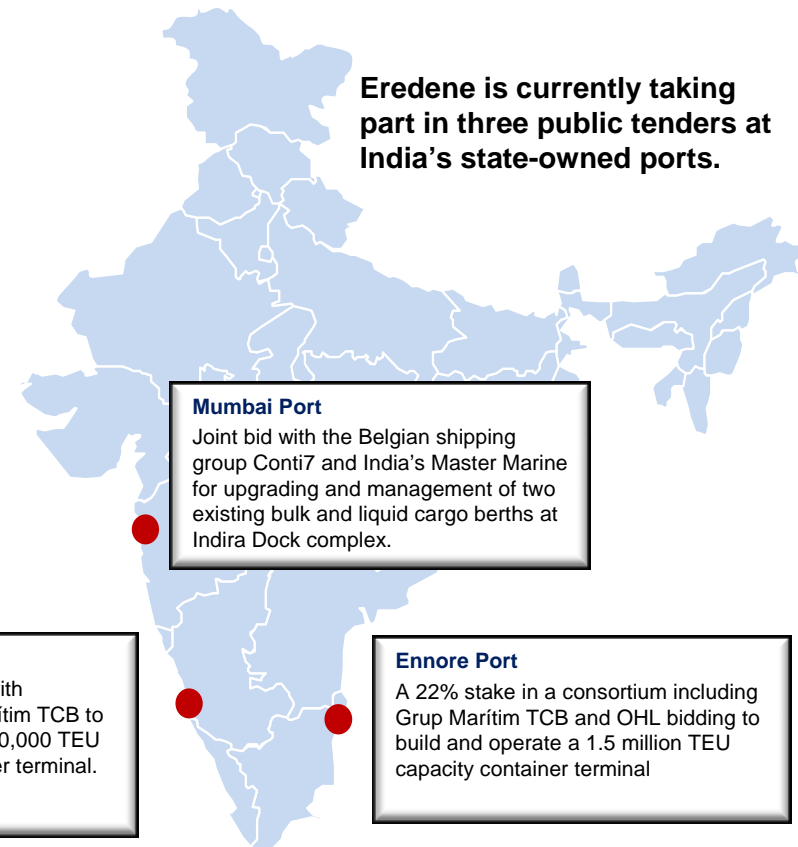
## Macro Economic Update on India

- Recovery in Indian economy is gathering pace with latest GDP growth rate of 7.9% in the quarter ending 30 September 2009 beating expectations
- Even with a drop in exports and amid a sharp decline in world trade, cargo volumes at India's 12 state owned ports increased by 3.6% in the period from April to October 2009 compared to the same period in 2008
- The Indian Government forecasts investment of \$550 billion on infrastructure over the next five years including \$18 billion in ports over the next five to seven years
- The Indian Government says it plans to double cargo-handling capacity at Indian ports from 750 million tonnes to 1.5 billion tonnes by 2012
- India's logistics market will reach \$125 billion by 2010, from \$105 billion in 2009, according to a forecast by Associated Chambers of Commerce and Industry of India
- India currently spends around 13% of its GDP on logistics compared with Europe and North America where logistics cost as a percentage of GDP is in the range of 8% to 10%.

## Deal pipeline

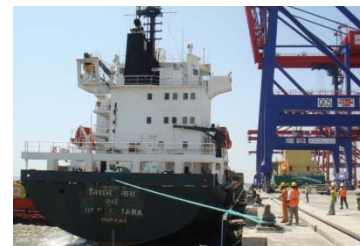
- Eredene is currently working on a strong deal pipeline with proposed equity commitments of up to £200m
- The pipeline comprises of potential investments in operating and greenfield businesses, both with Eredene's existing partners and with other potential joint venture partners
- The current pipeline consists of 4 Ports; 5 Logistics & Warehousing and 2 Transportation projects.

Eredene is currently taking part in three public tenders at India's state-owned ports.



## Outlook

- The Indian economy rebounded strongly during the second quarter of the financial year growing at 7.9 per cent, far exceeding expectations from all quarters
- Eredene is confident that the Indian economy will continue to grow at a strong and steady pace; as the world's second fastest major growing economy, India remains a highly attractive investment case
- Eredene continues to build its project pipeline through its team of specialists in India whose connections and expertise continue to provide an excellent source of pipeline projects, as well as overseeing existing developments
- Eredene Capital PLC raised £7.1 million (before expenses) in a placing in August 2009 supported by a number of Eredene's largest shareholders in addition to new shareholders
- Among the options available to Eredene to finance pipeline projects are to use the newly raised capital to seed a new private fund, which would be managed by a wholly owned Eredene subsidiary, or to invest it directly through Eredene
- Whichever route is taken, the new capital will finance projects in Eredene's current deal pipeline primarily in ports and port services, logistics and warehousing and transportation.



# EREDENE CAPITAL PLC

Investing in India's Infrastructure



# Appendix

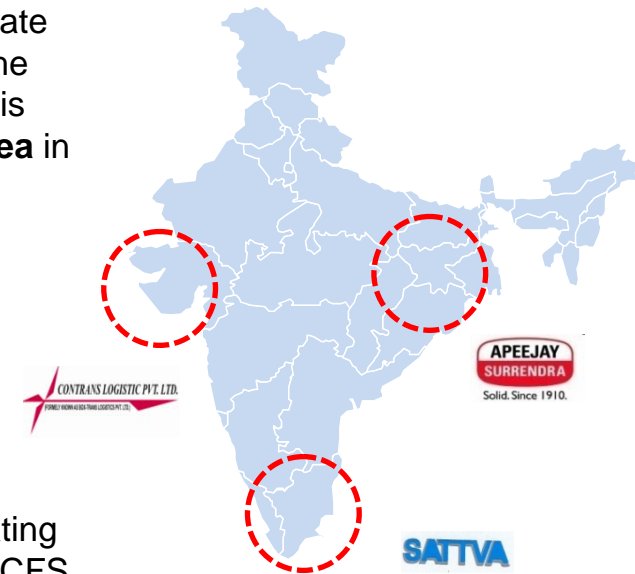
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## Investment Partners

Eredene will continue to work with blue-chip investment partners, with many of which it now has long standing relationships

### **Apeejay Surrendra Group, East India**

- Apeejay Surrendra Group is a leading Indian business conglomerate with interests in tea, hospitality, shipping, real estate and retail. The company was founded in 1910 to import steel into India. Apeejay is one of the largest producers of tea in India (it acquired **Typhoo Tea** in 2006)
- Eredene has an exclusivity agreement in relation to Apeejay Surrendra's infrastructure projects in nine states in Eastern India. Eredene has already completed two investments with Apeejay – Haldia Logistics Park and Kalinganagar Logistics Park



### **Contrans Logistic, West India**

- Contrans is an established CFS operator in Gujarat with an operating CFS serving the Maersk-owned Pipavav port and a profit making CFS serving DP World-owned Mundra International Container Terminal at Mundra Port. Eredene has already completed two investments with Contrans – a CFS at Pipavav and an ICD at Baroda

### **Sattva Business Group, South India**

- Sattva is an established CFS operator in south India managing two container handling facilities at Chennai and one in Pondicherry. Eredene has already completed two investments with Sattva – a profit making and dividend paying CFS serving Chennai port and a proposed CFS to serve Ennore port.

## **Executive Team and Advisers**

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## Experienced Executive Team

### **Mr Alastair King**, Chief Executive

- Qualified solicitor - Baker & McKenzie
- Former MD of Galahad Capital PLC
- Founded Eredene Capital PLC in January 2005

### **Mr Nikhil Naik**, Managing Director, Mumbai

- Former Regional Director of P&O in India
- Former CEO of Mundra International Container Terminal
- A successful record in sourcing and managing large infrastructure projects throughout South Asia

### **Mr Gary Varley ACA**, Executive Director

- Chartered Accountant with PricewaterhouseCoopers
- Former Finance Director of Nicholas King Homes plc
- Member of Eredene team since its formation in January 2005

### **Mr Ranveer Sharma**, Principal

- Former Analyst with ING Vysya Bank in India and Citigroup in India and US
- Member of Eredene team since 2005
- MBA from London Business School

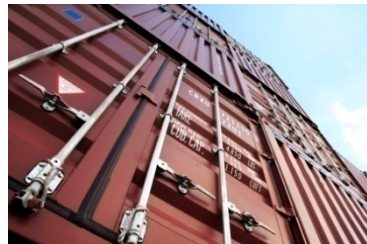
## Specialist Advisers

### Mr DT Joseph,

- Former Secretary, Department of Shipping, Ministry of Shipping, Road Transport & Highways from 2003 to 2005 and Director-General of Shipping from 1999 to 2003

### Mr Sarvjit Singh,

- Former Chairman of CWC, the largest Pan-India warehousing company with over 450 warehouses
- President of MJ Logistic, an Eredene Group company which provides integrated logistics services in North India



## Experienced Executive Team in Mumbai

### **Mr Arun Altekar**, Director

- Civil Engineer
- Responsible for design and construction of ports and port services along with related infrastructure projects all over India
- Formerly with P&O Ports' construction subsidiary Bovis India

### **Srushti Barde**, Associate

- Finance MBA
- Eight years of experience with international firms

### **Nirav Shah**, Associate

- Finance MBA
- Ex Merrill Lynch, with infrastructure experience in the US and India

### **Swati Agarwal**, Analyst

- Chartered Accountant
- Formerly with Deutsche Bank in India

## Non-Executive Team

**Mr David Alexander Coltman**, Non-Executive Chairman

David Coltman has over 40 years of international experience in major and complex logistics projects, including recently in India. After 14 years at British Airways (BA), he moved to British Caledonian where he became Chief Executive. After its acquisition by BA he moved to United Airlines, where from 1995 to 2001 he was Chief Marketing Officer and Executive Officer of the UAL Corporation, based in Chicago. Mr Coltman is the Chairman of Edinburgh Worldwide Investment Trust PLC, and the Senior Independent Director of John Menzies PLC, a leading international logistics company with significant interests in India.

**Sir Christopher Benson**, Non-Executive Director

Sir Christopher Benson has been involved in real estate investment and development throughout his career. He gained significant development experience with Arndale, which was followed by his appointment as Managing Director of MEPC. He has previously been Chairman of MEPC, Royal and Sun Alliance, Boots the Chemist, Costain, Albright & Wilson and the London Docklands Development Corporation.

**The Hon. Charles Cayzer**, Non-Executive Director

Charles William Cayzer is an Executive Director of Caledonia Investments plc, one of the largest Investment Trusts listed on the London Stock Exchange. Having gained experience of merchant banking, commercial banking and corporate and project finance with Baring Brothers, Cayzer Irvine & Co and Cayzer Ltd, Charles was appointed a director of Caledonia in 1985, where he has responsibility for Caledonia's real estate investments. He is also a director of The Varun Shipping Company Limited in India and several private companies.

## Advisers and Contact Details

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