

Date: 3 December 2008
On behalf of: Eredene Capital PLC (“Eredene”, the “Group” or the “Eredene Group”)
Embargoed until: 0700hrs

EREDENE CAPITAL PLC

UNAUDITED INTERIM RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

Eredene Capital PLC (AIM: ERE), the AIM quoted investor in Indian infrastructure developments, is pleased to announce its interim results for the nine month period ended 30 September 2008.

Highlights

- Eredene has made nine investments in India to date
- The Group has committed up to £51 million, or 92% of funds raised in 2006
- Three investee companies are revenue generating and a fourth has started taking sales deposits
- Net loss of £1.8 million for the nine months to 30 September 2008 (six months to 30 June 2007: loss of £2.1m)
- Eredene has no significant debt on the balance sheet and holds cash balances of £31.2 million at 30 September 2008 (30 June 2007: £56.7m, 31 December 2007: £48.6m)
- Net Asset Value of 23.5 pence per share as at 30 September 2008 (30 June 2007: 23.2 pence, 31 December 2007: 24.1 pence)
- The Group is currently a key member of a substantial international consortium bidding to build two container terminals in India at Ennore Port near Chennai and at Jawaharlal Nehru Port Trust (“JNPT”) in Mumbai
- The Group has identified further investment opportunities of up to £200 million primarily in Indian ports and port services, logistics, distribution warehouses and transport

A briefing for analysts will be held at 09:30hrs today at Numis Securities, The London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT.

Commenting on the Company’s results, Alastair King, Chief Executive and founder of Eredene, said:

“I am pleased to announce that Eredene has achieved its initial objective of building a high-quality investment portfolio in India. The Group has invested 92% of funds raised, primarily in infrastructure where we see opportunity for sustained growth. Three of our investments are generating revenue and a fourth is taking sales deposits.

“The companies in which we have invested are making steady progress and they have matured sufficiently to warrant in-depth analysts’ reports, which are being published this week.

“While no sector can remain totally immune from a major downturn in world markets, we are confident that with our considerable infrastructure experience within the Group, our strategy of investing in Indian infrastructure will continue to provide solid opportunities for future sustainable growth.

“The Indian investment case remains compelling and infrastructure provides an excellent way to benefit from stable long-term growth in an otherwise turbulent global economy.”

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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.
- Current investment commitments total up to £51 million which represents 92% of the net funds Eredene raised in April 2006.
- Eredene trades on the Alternative Investment Market (AIM) of the London Stock Exchange.

Chairman's Statement

Financial Highlights

The nine months to 30 September 2008 was a period of continued expansion in our strategy of investing in Indian infrastructure. The Eredene Group completed a further five investments and finalised a sixth shortly after the period closed.

During the nine month period, the Eredene Group made a loss after taxation of £1.8 million (six months to 30 June 2007: loss of £2.1m) representing a loss per share of 0.75 pence (30 June 2007: 0.85 pence). The Eredene Group had a Net Asset Value (NAV) of £57.6 million at 30 September 2008 (30 June 2007: £56.7m, 31 December 2007: £59.0m) representing 23.5 pence per share (30 June 2007: 23.2 pence, 31 December 2007: 24.1 pence).

Summary

The Group has now made a total of nine investments in India with commitments of up to £51 million, which represents 92% of the net funds raised in 2006.

The Group has invested in:

- three Container Freight Stations
- an Inland Container Depot
- a large scale warehousing and distribution operation
- two Logistics Parks
- an IT office complex
- a large-scale affordable housing development

I am pleased to report good progress in all nine of the Group's investments in India; three of them are generating revenue and a fourth is taking sales deposits. Three of the recent investments are second investments with established and existing local partners – a testament to the strength and depth of our business relationships in India.

Eredene is in the strong position of having no significant debt on the balance sheet and having cash balances at 30 September 2008 of £31.2 million.

The Group has identified further investment opportunities of up to £200 million primarily in Indian ports and port services, logistics, distribution warehouses and transport. A capital raising exercise led by a major international investment bank is under way. One option being explored is to raise an independent second fund to finance these and other future investments in the project pipeline. This second fund would be in the form of a Limited Partnership with Eredene being the 100% owner of the General Partner.

During the period, the Group also strengthened its presence in India by appointing two Special Advisors with expertise in ports, logistics and transport.

Most recently, in November 2008 Eredene appointed Numis Securities Limited as its new Nominated Adviser and Broker.

These results are the first to include the results of Eredene's 90% owned subsidiary, MJ Logistic Services. As the Eredene Group has a controlling stake of more than 50%, it has accounted for MJ Logistic as a subsidiary rather than an investment and MJ Logistic's results for the period and net assets are consolidated into Eredene's group accounts. MJ Logistic accounts for all of the Revenue and Cost of Sales and £219,000 of the Administrative Expenses in the Income Statement for the nine month period ended 30 September 2008.

New Investments

New investment commitments completed in the period totalled approximately £26 million:

- Up to £5.25 million for a 50% stake in a joint venture developing a 90-acre Logistics Park in Haldia, West Bengal, to serve the chemical industry complex near Haldia Port. This was the first project in the joint venture with the Apeejay Surrendra Group.

- Up to £2.6 million for a 50% stake in a project to develop a 30-acre Logistics Park in the eastern State of Orissa to serve the Kalinganagar industrial complex, one of the centres of India's steel industry. This project will be developed by the same 50:50 joint venture company that is developing the Haldia Logistics Park.
- Up to £5 million in a project to develop a Road and Rail Inland Container Depot ("ICD") near Baroda in Gujarat State, northwest India. This was the second investment into Contrans Logistic.
- Up to £2.1 million for a 36.5% stake in Symcon, a company developing high-end dedicated IT offices in the southern cities of Bangalore and Chennai.
- Up to £11 million for an initial 90% stake in an already operational warehousing and distribution business serving India's industrial north.

The post balance sheet investment announced in October 2008 was:

- Up to £5 million for an initial 85% stake in a company developing a new Container Freight Station ("CFS") close to the rapidly expanding Indian port of Ennore in the southern State of Tamil Nadu. This was the second investment in partnership with the Sattva Business Group.

Progress in Investments

There was significant progress and important milestones were reached in our existing investments. The following are of particular note:

- Sattva CFS Vichoor, which became operational in October 2007, exceeded its revenue targets throughout the period and its two 15,000 square feet warehouses have reported 100% occupancy. Post 30 September 2008, Sattva CFS completed construction of a third warehouse of 30,000 square feet which is now operational.
- Contrans Logistic's CFS at Pipavav began revenue generating operations in January 2008. The CFS has a 96,000 square feet warehouse and is currently handling agricultural products, granite, marble and metals.
- MJ Logistic Services has almost completed construction of its primary 'hub' near Delhi and is aiming to start operations at the new 550,000 square feet warehouse in March 2009.
- Apeejay Infra-Logistics has purchased the land for both of its Logistics Parks at Haldia and Kalinganagar.
- Matheran Realty has started mass construction of low-cost housing units at Karjat, near Mumbai and, following a launch campaign which produced 65,000 applicants for the first 5,000 units, it has begun taking sales deposits.

The Indian economy has, however, not been immune to the slowdown in the global economy and this has affected the current fair value of certain of the Group's investments. The investments were revalued by the Directors at 30 September 2008 using the International Private Equity and Venture Capital Valuation Guidelines.

The investment in Sattva Vichoor CFS was revalued upwards as it had significantly exceeded both its profit and revenue targets for 2008 to date. For the month of September 2008, volumes were 42% higher than forecasted, revenue was 59% higher and gross profit was 89% higher.

The investment in Matheran Realty was revalued downwards due to the general fall in residential real estate prices in the Mumbai region during the course of 2008.

The investment in Pipavav CFS was revalued downwards due to volumes and revenue at the CFS for 2008 to date being less than originally forecasted. Volumes at the Pipavav CFS are believed to be lower due to the lower than forecast container volumes at Pipavav Port itself. Maersk controlled Pipavav Port has however recently announced that it will soon commence additional dredging of the port channel to increase the draft from 12.5m to 14.5m which would allow larger Post-Panamax sized vessels to access the port. It is forecast that this would increase the port's throughput and therefore increase traffic levels at Pipavav CFS.

The total net effect of the revaluations is a downwards adjustment of £1.5 million in the fair value of investments in the Group's consolidated balance sheet as at 30 September 2008. We remain confident however that, as a long-term investor in Indian infrastructure, the value of our investments will rise in the future given the shortage of quality infrastructure facilities in India.

Special Advisors

Eredene announced in August 2008 that it had appointed two Special Advisors with extensive high-level experience in Indian shipping, transport and warehousing to help source, evaluate and advise on investments:

- Mr DT Joseph, former Director-General of Shipping from 1999 to 2003 and Secretary, Department of Shipping, Ministry of Shipping, Road Transport & Highways, from 2003 to 2005.
- Mr Sarvjit Singh, former Chairman of CWC, the largest Pan-India warehousing company with over 450 warehouses, and President of MJ Logistic, an Eredene Group company which provides integrated logistics services in North India.

New Opportunities

The Eredene Group's project team in India has identified a number of potentially exciting opportunities which would involve additional investments of up to £200 million.

Among the possible future projects, the Eredene Group is part of a consortium bidding to build and operate two container terminals in India – one at the southern port of Ennore and the other at JNPT Port in Mumbai.

Eredene is bidding for the projects with Spain's leading port operator, Barcelona-based Grup Marítim TCB SL (www.gruptcb.com), Spanish construction group Obrascón Huarte Lain SA (www.ohl.es) and GE Mauritius Int Holdings, a subsidiary of America's GE Equipment Services (www.ge.com). Eredene holds a 22% interest in each consortium. The Eredene Group is included in these consortia because of the deep experience and expertise that its team has in the ports sector.

A capital raising exercise led by a major international investment bank is under way. One option being explored is to raise an independent second fund to finance these and other future investments in the project pipeline. This second fund would be in the form of a Limited Partnership with Eredene being the 100% owner of the General Partner. The Eredene Group would receive a management and performance fee in return.

Conclusion and Outlook

The Eredene Group has performed well in 2008 having invested 92% of funds raised and having achieved positive progress with those investments. While no sector can remain totally immune from a major downturn in world markets, we are confident that our strategy of investing primarily in Indian infrastructure will continue to provide solid opportunities for sustainable growth. The Board believes that the Indian economy will continue to grow – albeit perhaps not at recent rates – and there will be a continuing need for the type of projects in which Eredene is investing.

David Coltman

NON-EXECUTIVE CHAIRMAN

3 December 2008

Post 30 September 2008 Investment

Sattva Conware

Container Freight Station for Ennore Port

Eredene has committed up to £5 million for an initial 85% equity stake in a special purpose vehicle, Sattva Conware, to develop and operate a Container Freight Station ("CFS") on a site 18 kilometres from the port of Ennore.

The investment is the second investment in partnership with the Sattva Business Group with which Eredene has already invested in a separate revenue producing CFS at Vichoor, serving the nearby port of Chennai. Eredene's stake in the Ennore CFS will be reduced to 74% provided the company achieves certain milestones, the final milestone being the payment of Sattva Conware's first dividend to Eredene.

The new CFS will be located on a State Highway, near the town of Ponneri to the north of Ennore. The site will be developed initially as a large-scale warehousing operation to meet existing demand for warehousing services and will be converted into a fully fledged CFS in time for the opening of the new Ennore Container Terminal, scheduled for 2011.

Container Freight Stations are normally located close to ports and are designed to help de-congest them by moving cargo and customs-related activities outside the port gates. A CFS typically provides value added services such as bonded warehousing, customs clearance, long-term storage, units for re-assembly of machinery and vehicles, warehouses for packing and unpacking containers, and rail and road transport services.

Ennore Port, 24 kilometres north of Chennai, was set up to ease the congestion at Chennai Port. Ennore Port began operations in 2001 and the Eredene Group is currently taking part in a tender process for the construction of a new, 1,000-metre container terminal with an estimated capacity of 1.5 million 20 foot equivalent unit containers (TEUs) per annum.

Eredene is bidding for the project in an international consortium together with Spain's leading port operator, Barcelona-based, Grup Marítim TCB SL (www.gruptcb.com), Spanish construction group Obrascón Huarte Lain SA (www.ohl.es), and GE Mauritius Int Holdings, a subsidiary of America's GE Equipment Services (www.ge.com). Eredene holds a 22% interest in the consortium.

The Grup Marítim-led consortium is one of six short-listed for the project to build and operate the facility at Ennore on the basis of relevant technical and infrastructure experience from an initial field of 22 bidders. Financial submissions are due before the end of 2008 and the winning bid will be announced in Q1 2009.

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, General Motors, Hyundai and Ford. Renault and Nissan are together setting up a manufacturing facility to export around 200,000 cars every year through Ennore port.

www.sattva.in

Amount committed	£5m
Amount invested to date	£2.1m
Ownership stake (after 2 nd tranche)	85%
Sector	Container Logistics
Location	Ennore, Tamil Nadu, South East India
Date investment announced	30 October 2008
Progress to date	Land acquisition phase

Pre 30 September 2008 Investments

MJ Logistic Services

Warehousing and distribution business for India's industrial North

MJ Logistic is developing a state of the art 'hub and spoke' storage and distribution business to service key industrial centres in northern India. Eredene is investing up to £11 million in the business and has taken an initial 90% stake. As the Eredene Group has a controlling stake of more than 50%, it has accounted for MJ Logistic as a subsidiary rather than an investment and MJ Logistic's results for the period and net assets are consolidated into Eredene's group accounts.

MJ Logistic currently manages over 500,000 square feet of leased warehousing space serving clients including Philips, ITC, Asian Paints, Colgate Palmolive, Ranbaxy and Coca Cola.

In partnership with the Eredene Group, it is now building over one million square feet of brand new, high quality, computer-controlled warehousing space across three multi-user logistics centres.

Construction of the hub on a 22-acre site at Palwal at the intersection of two major highways, 70 kilometres south of Delhi, is nearing completion. That facility is forecast to become operational in March 2009.

The 550,000 square feet warehouse at Palwal will be one of the first purpose built logistics centre of its kind in Northern India. Orders have been placed for everything from the refrigeration and racks, to the stacking machines and the software to manage it all and link up directly with customers. Approximately one third of the space will be for cold storage and two thirds for ambient storage.

"We have made no compromise with quality because we are aiming to provide storage and distribution services at the top end of the market," says Managing Director Anil Arora. "What will differentiate us will be our level of efficiency and automation."

The sites for the two spokes in the Northern States of Uttaranchal and Punjab have been identified and construction at them is scheduled to commence in 2009.

www.mjlsl.com

Amount committed	£11m
Amount invested to date	£7.9m
Current ownership stake	90%
Sector	Warehousing
Location	Delhi region, North India
Date investment announced	21 December 2007
Progress to date	Operational

Haldia Logistics Park

Joint Venture with Apeejay Surrendra Group to develop a Logistics Park for Haldia Port

The Eredene Group is investing up to £5.25 million for a 50% stake in a joint venture company, Apeejay Infra-Logistics Pvt Ltd, to develop a large integrated Logistics Park in Haldia, West Bengal, which is a growing trading port and commercial hub for the East Indian city of Kolkata.

Eredene has made the investment with Apeejay Surrendra Group, the owners of Typhoo Tea and a global Indian business which employs more than 40,000 people in real estate, tea, hospitality, shipping and retail. Eredene has an exclusive agreement to source new projects with Apeejay Surrendra in nine States in Eastern India. Eredene has now made two co-investments with Apeejay Surrendra Group.

Haldia, a port on the confluence of the Haldi and Hooghly Rivers opening onto the Bay of Bengal and 90 kilometres downstream from Kolkata, is one of West Bengal's fast emerging industrial centres and is in the process of being designated a Petroleum, Chemical and Petrochemicals Investment Region. It boasts Tata Chemicals, Mitsubishi Chemicals, Hindustan Unilever and a host of other oil, chemical and industrial plants.

The Logistics Park will provide dedicated space for storage, packaging, transport, light processing workshops, offices and other key support services to Haldia's 388 industrial units. The land has been purchased and the boundaries staked off. The 90-acre plot, which borders a National Highway and a State road, has been zoned for industrial use by the Haldia Development Authority (www.hdaindia.com) and construction on the site will commence in 2009.

Abdul Wahid, an experienced manager of logistics operations, is CEO of Apeejay Infra-Logistics which will build and operate the Logistics Park. He is also managing the Eredene Group's second joint venture with Apeejay Surrendra – a Logistics Park to serve the Kalinganagar industrial complex.

"Talking to potential customers in both Haldia and Kalinganagar we have established a very clear picture," says Abdul. "There is demand in both these places for dedicated parks which can provide space and facilities for logistics services."

www.apeejaygroup.com

Amount committed	£5.25m
Amount invested to date	£1.9m
Current ownership Stake	50%
Sector	Logistics Park
Location	Haldia, West Bengal, East India
Date investment announced	5 November 2007
Progress to date	Pre-construction phase

Kalinganagar Logistics Park

30-acre site to serve Kalinganagar Industrial Complex in Orissa State

Land has been purchased and a boundary wall is being built around what is planned to be the first purpose-built logistics, transport and warehouse facility to serve the Kalinganagar industrial region in the eastern State of Orissa, which is emerging as one of India's major steel producing centres.

The Eredene Group is investing up to £2.6 million in the 30-acre Logistics Park in Orissa State's Jajpur district. It is being developed and managed by Apeejay Infra-Logistics Pvt Ltd, the joint venture company with which the Eredene Group is also developing an integrated Logistics Park in Haldia, West Bengal.

As with the Haldia joint venture, the Eredene Group has an equal 50% stake with Apeejay Surrendra Group. The joint venture company has taken an 80-year lease on the land from the Orissa State Government. The site is in the village of Khurunti which is close to the 13,000-acre Kalinganagar industrial complex.

Large steel projects under implementation in the vicinity include India's Tata Steel's 6 million tonnes ("MT") plant and South Korean Posco's 12MT plant. ArcelorMittal, the world's largest steel producer, is developing a US\$9 billion integrated steel plant in the nearby district of Keonjhar with a total annual capacity of 12MT. Other leading iron and steel producers in the area include Jindal Stainless Steel, Nilanchal Ispat Nigam and Mesco Steel.

The boundary wall is scheduled to be completed by the end of December 2008. A tender for the project master plan is out and a suitable consultant is expected to be short-listed by December 2008 with a brief to design the Logistics Park to include warehousing and storage facilities, industrial buildings, transportation and service facilities and commercial office space. Full construction is scheduled to start in the first half of 2009 with operations targeted to begin by the end of 2009.

www.apeejaygroup.com

Amount committed	£2.6m
Amount invested to date	£0.1m
Current ownership stake	50%
Sector	Logistics Park
Location	Kalinganagar, Orissa, East India
Date investment announced	7 May 2008
Progress to date	Pre-construction phase

Contrans Logistic

Container Freight Station at Pipavav Port

The Eredene Group has invested £2.9 million for a currently 49% stake in a Container Freight Station which serves the Maersk-operated Port of Pipavav in the western State of Gujarat. The CFS has been revenue producing since January 2008.

The CFS is one of two projects being developed by Contrans Logistic (formerly Box-Trans Logistics), which is managed and part owned by established local operators in logistics and port warehousing.

The CFS is on a 72-acre green-field site a few hundred metres from the port gates. There is also an option to acquire additional land for use as a 'Free Trade Warehousing Zone'.

Gujarat is one of the fastest growing economies in India. The State's ports and rail and road networks serve a vibrant local industry and are also gateways to India's industrial north.

Incoming goods handled by Contrans Logistic's CFS at Pipavav include granite, marble and metals. Much of the outgoing cargo processed through its 96,000 square feet warehouse is local agricultural produce such as ground nuts and cotton.

Trade through Pipavav Port is expected to expand rapidly after completion of dredging in the channel leading to the port. This is scheduled for completion in 2009 and will increase the draft at the berths from 12.5 to 14.5 metres – sufficient for most large container vessels. A second container berth was opened at the port in March 2008.

www.contrans.in

Amount committed	£2.9m
Amount invested to date	£2.9m
Current ownership stake	49%
Sector	Container Logistics
Location	Pipavav, Gujarat, North West India
Date investment announced	8 October 2007
Progress to date	Operational

Contrans Logistic

Inland Container Depot near Baroda

Eredene is investing up to £5 million in a Road and Rail Inland Container Depot in Gujarat State, northwest India - a strategically located facility designed to handle the forecast growth in India's containerised freight traffic.

This is Eredene's second investment with Contrans Logistic with which Eredene owns and operates a CFS at Pipavav Port.

The planned 105-acre site is on an 800-metre wide land corridor near Baroda between the two primary transport routes from Delhi to Mumbai - National Highway 8 and the main north-south rail line, which carries the highest freight traffic in India. The site will have 1,800 metres parallel to the railway line - sufficient to berth a full length freight train - and there will also be access to the adjacent national highway.

India's western ports, including those of Gujarat, account for more than two thirds of the country's container traffic, feeding the most industrialised states of Gujarat and Maharashtra. Gujarat itself accounts for 13.2% of India's industrial production and 20% of India's exports.

Inland Container Depots provide broadly the same facilities as Container Freight Stations at seaports. They help de-congest the railways and roads, and provide secure sites for loading and un-loading cargo and containers, warehousing space, packaging and factory space for assembly of kit parts.

www.contrans.in

Amount committed	£5m
Amount invested to date	£0.6m
Current ownership stake	49%
Sector	Container Logistics
Location	Baroda, Gujarat, North West India
Date investment announced	26 August 2008
Progress to date	Land acquisition phase

Sattva CFS Vichoor

Container Freight Station for the port of Chennai in the South Indian State of Tamil Nadu

The Eredene Group has made two investments in CFSs in the southern State of Tamil Nadu with an established local operator, the Sattva Business Group.

The Sattva Group is a significant regional logistics operator and has been operating a CFS in Chennai since 2000.

The first CFS is located at Vichoor about 12 kilometres from Ennore and 17 kilometres from Chennai, both expanding ports where there is growing demand for container service facilities. This CFS became operational in October 2007, and has since consistently exceeded revenue and volume targets. Its two 15,000 square feet warehouses have reported 100% occupancy. Post 30 September 2008, Sattva CFS Vichoor completed construction of a third warehouse of 30,000 square feet which is now operational.

The Eredene Group has invested £850,000 in the Vichoor CFS for a 49% stake.

Chennai is the second largest container port in India after JNPT port on the outskirts of Mumbai. Chennai's container terminal is owned and operated by Dubai Ports World (formerly P&O Ports), and a planned second container terminal will boost capacity to 1.5 million TEUs by 2010. Ennore's container terminal is in development and is forecast to become operational in 2011.

www.sattva.in

Amount committed	£0.85m
Amount invested to date	£0.85m
Current ownership stake	49%
Sector	Container Logistics
Location	Chennai, Tamil Nadu, South East India
Date investment announced	28 September 2007
Progress to date	Operational

Symcon Global Technologies

Developing dedicated high-end IT offices in Bangalore and Chennai

Construction is well under way on the Eredene Group's investment in an IT office tower in the southern Indian city of Bangalore.

The tower is being built by Symcon Global Technologies Pvt Ltd, a company developing high-end dedicated IT infrastructure offices in the southern cities of Bangalore and Chennai.

Symcon, in which Eredene has a 36.5% stake, plans to develop up to 270,000 square feet of ready-to-use IT space in the two cities. The first 70,000 square feet office tower in Bangalore is fast taking shape and is expected to be ready by Q1 2009. A further 70,000 square feet is planned for Bangalore and in total up to 130,000 square feet in Chennai.

Symcon aims to provide captive space to its sister company, SGT Global, as well as to third party IT companies. At least half of the tower under construction in Bangalore will be taken up by SGT Global, which is a leading global provider of Information Technology, business process outsourcing, call centres and engineering services.

www.sgtglobal.com

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

Matheran Realty

Building affordable homes for Mumbai's blue collar workers

Eredene has committed to invest up to £16.4 million in Matheran Realty Private Limited ("MRPL"), a Mumbai-based development company whose core focus is building affordable housing in India.

Mass construction has started and sales deposits are being taken at the MRPL Group's first low-cost housing development near Mumbai.

More than 65,000 people applied for the first 5,000 units following an advertising campaign to launch the project. Demand was so high that a lottery was required so that all applicants had an equal chance. Each applicant paid 100 Rupees (£1.20) to take part in the lottery and they were then assigned a randomly generated number to go onto the waiting list for a studio, a one-bedroom or two-bedroom apartment

"There is a large pent up demand for this type of housing in India," says Mark Taylor, Chairman of Sterling Construction which pioneered the low cost building method being used for the project. "The demand is so high that you have to win a lottery to buy a house. We are clearly in the right market and with the right product."

The price per square foot starts at 999 Rupees (£12.30) which makes the properties within reach of Mumbai's blue collar workforce. Construction of the first prototype block on the first 100-acre site is complete and mass construction has now started with the planned roll out of the first 5,000 units.

Matheran Realty Private Limited and its subsidiary Gopi Resorts are marketing the first phase as Tanaji Malusare City. Over the next 8-10 years, there are plans to develop similar sites with more low-cost housing within commuting distance of Mumbai.

www.tmcity.in

Amount committed	£16.4m
Amount invested to date	£12.7m
Current ownership stake	63% - Matheran Realty Pvt Ltd – total of direct & indirect stakes 32.25% - Gopi Resorts Pvt Ltd (MRPL subsidiary) – direct stake
Sector	Affordable housing
Location	Mumbai region, Maharashtra, West India
Date investment announced	31 July 2007
Progress to date	Construction and pre- sales phase

Eredene Capital PLC
Consolidated Income Statement
for the nine month period ended 30 September 2008

	Unaudited Nine months ended 30 September 2008 £'000	Unaudited Six months ended 30 June 2007 £'000	Audited Year ended 31 December 2007 £'000
Note			
Gains and losses on investments held at fair value through profit or loss			
Unrealised (losses)/gains	(1,465)	-	1,788
Profit on disposal of subsidiary	-	1,142	1,142
	<u>(1,465)</u>	<u>1,142</u>	<u>2,930</u>
Revenue	849	-	-
Cost of sales	(776)	-	-
Administrative expenses			
- ongoing	(2,022)	(1,688)	(2,758)
- contract termination costs	-	(2,830)	(2,830)
Total administrative expenses	<u>(2,022)</u>	<u>(4,518)</u>	<u>(5,588)</u>
Finance income	1,578	1,304	2,855
(Loss)/profit before taxation	<u>(1,836)</u>	<u>(2,072)</u>	<u>197</u>
Taxation	5	-	7
(Loss)/profit after taxation	<u>(1,831)</u>	<u>(2,072)</u>	<u>204</u>
Attributable to:			
Equity holders of the company	(1,826)	(2,072)	204
Minority interest	(5)	-	-
	<u>(1,831)</u>	<u>(2,072)</u>	<u>204</u>
(Loss)/earnings per share			
Basic and diluted	3 <u>(0.75)p</u>	<u>(0.85)p</u>	<u>0.08p</u>

Eredene Capital PLC
Consolidated Statement of Changes in Equity
for the nine month period ended 30 September 2008

	Share capital £'000	Share premium £'000	Special reserve £'000	Foreign exchange reserve £'000
Nine months ended 30 September 2008				
Unaudited				
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	-	-	-	(239)
Loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total income and expenses recognised for the period	-	-	-	(239)
Share based payment	-	-	-	-
Minority interest on acquisition of subsidiary	-	-	-	-
As at 30 September 2008	<u>24,473</u>	<u>-</u>	<u>32,826</u>	<u>(239)</u>
Six months ended 30 June 2007				
Unaudited				
As at 1 January 2007	<u>24,473</u>	<u>35,146</u>	<u>-</u>	<u>-</u>
Loss for the period and total income and expenses recognised for the period	-	-	-	-
Share based payment	-	-	-	-
As at 30 June 2007	<u>24,473</u>	<u>35,146</u>	<u>-</u>	<u>-</u>
Year ended 31 December 2007				
Audited				
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	-	-	-	-
As at 31 December 2007	<u>24,473</u>	<u>-</u>	<u>32,826</u>	<u>-</u>

	Retained earnings/ (deficit) £'000	Share holders equity £'000	Minority interest £'000	Total equity £'000
Nine months ended 30 September 2008				
Unaudited				
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	-	(239)	(27)	(266)
Loss for the period	<u>(1,826)</u>	<u>(1,826)</u>	<u>(5)</u>	<u>(1,831)</u>
Total income and expenses recognised for the period	(1,826)	(2,065)	(32)	(2,097)
Share based payment	117	117	-	117
Minority interest on acquisition of subsidiary	-	-	485	485
As at 30 September 2008	<u>42</u>	<u>57,102</u>	<u>453</u>	<u>57,555</u>
Six months ended 30 June 2007				
Unaudited				
As at 1 January 2007	<u>(1,039)</u>	<u>58,580</u>	<u>-</u>	<u>58,580</u>
Loss for the period and total income and expenses recognised for the period	(2,072)	(2,072)	-	(2,072)
Share based payment	206	206	-	206
As at 30 June 2007	<u>(2,905)</u>	<u>56,714</u>	<u>-</u>	<u>56,714</u>
Year ended 31 December 2007				
Audited				
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>

Eredene Capital PLC
Consolidated Balance Sheet
As at 30 September 2008

	Unaudited 30 September 2008 £'000	Unaudited 30 June 2007 £'000	Audited 31 December 2007 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	3,200	-	32
Investments held at fair value through profit or loss	21,480	-	10,158
Intangible assets	823	245	233
	<u>25,503</u>	<u>245</u>	<u>10,423</u>
CURRENT ASSETS			
Trade and other receivables	1,229	512	250
Cash and cash equivalents	31,196	56,682	48,639
	<u>32,425</u>	<u>57,194</u>	<u>48,889</u>
TOTAL ASSETS	<u>57,928</u>	<u>57,439</u>	<u>59,312</u>
CURRENT LIABILITIES			
Trade and other payables	(309)	(619)	(262)
Current tax liabilities	-	(106)	-
	<u>(309)</u>	<u>(725)</u>	<u>(262)</u>
NON-CURRENT LIABILITIES			
Borrowings	(64)	-	-
TOTAL LIABILITIES	<u>(373)</u>	<u>(725)</u>	<u>(262)</u>
NET ASSETS	<u>57,555</u>	<u>56,714</u>	<u>59,050</u>
EQUITY			
Share capital	24,473	24,473	24,473
Share premium	-	35,146	-
Special reserve	32,826	-	32,826
Foreign exchange reserve	(239)	-	-
Retained earnings/(deficit)	42	(2,905)	1,751
Capital and reserves attributable to equity shareholders of the company	<u>57,102</u>	<u>56,714</u>	<u>59,050</u>
Minority interest in equity	453	-	-
TOTAL EQUITY	<u>57,555</u>	<u>56,714</u>	<u>59,050</u>

Eredene Capital PLC
Consolidated Cash Flow Statement
for the nine month period ended 30 September 2008

	Unaudited Nine months ended 30 September 2008 £'000	Unaudited Six months ended 30 June 2007 £'000	Audited Year ended 31 December 2007 £'000
Cash flow from operating activities			
(Loss)/profit before taxation	(1,836)	(2,072)	197
Adjustments for:			
Finance income	(1,578)	(1,304)	(2,855)
Profit on sale of subsidiary	-	(1,142)	(1,142)
Unrealised loss/(gain) on investments held at fair value	1,465	-	(1,788)
Share based payment charge	117	206	266
Depreciation	19	-	4
Amortisation	14	-	12
(Increase)/decrease in trade and other receivables	(758)	(18)	126
(Decrease)/increase in trade and other payables	(114)	418	61
Decrease in provisions	-	(27)	(27)
Exchange differences on translation of foreign operations	(266)	-	-
Taxation paid	(2)	-	(99)
Net cash used in operating activities	<u>(2,939)</u>	<u>(3,939)</u>	<u>(5,245)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	(3,165)	-	(36)
Purchase of intangible asset	-	(245)	(245)
Purchase of investments	(12,786)	(2,725)	(11,094)
Purchase of subsidiary	(4,969)	-	-
Cash acquired with subsidiary	4,801	-	-
Proceeds from sale of subsidiary	-	12,083	12,082
Interest received	1,575	1,317	2,986
Net cash (used in)/generated from investing activities	<u>(14,544)</u>	<u>10,430</u>	<u>3,693</u>
Cash flows from financing activities			
Repayment of borrowings	(24)	-	-
Net cash used in financing activities	<u>(24)</u>	<u>-</u>	<u>-</u>
Net (decrease)/ increase in cash and cash equivalents	(17,507)	6,491	(1,552)
Cash and cash equivalents at the beginning of the period	48,639	50,191	50,191
Cash and cash equivalents at the end of the period	<u>31,132</u>	<u>56,682</u>	<u>48,639</u>

Eredene Capital PLC
Notes to the Interim Statement

1. Basis of preparation

The interim financial information for the periods ended 30 September 2008 and 30 June 2007 has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The statutory accounts for the year ended 31 December 2007, which were prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS, have been delivered to the Registrar of Companies. The auditors' opinion on those accounts was unqualified, did not include any references to any matters to which the auditors drew attention without qualifying their report, and did not contain a statement made under Section 237(2) or Section 237(3) of the Companies Act 1985.

The financial information in this report comprises the Group balance sheets as at 30 September 2008, 31 December 2007 and 30 June 2007 and related statements of Group income, cash flow, changes in equity and related notes for the period then ended ("financial information"). The financial information has been prepared in accordance with the Group's principal accounting policies as set out in the Annual Report for the year ended 31 December 2007. It has been prepared on the historical cost basis, except for the revaluation of certain investments.

The endorsed IFRS that will be effective (or available for early adoption) in the financial statements for the 15 month period ending 31 March 2009 are still subject to change and to additional interpretation and therefore cannot be determined with certainty. Accordingly, the accounting policies for the period will only be determined finally when the consolidated financial statements are prepared for the period ending 31 March 2009.

As permitted, the group has not applied IAS34 'Interim Reporting' in preparing this interim report.

2. 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 measurement of fair value of the Group's investments held at fair value through profit or loss constitutes the principal area of judgement exercised by the directors in the preparation of these interim results. These investments are valued based on the International Private Equity and Venture Capital Guidelines. Valuations are 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, estimated cash flows, etc.) and therefore, cannot be determined with certainty.

3. Loss per share and net asset value 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 £1,826,000 and the weighted average number of shares in issue during the period of 244,728,000. The effect of all potential ordinary shares under option is anti-dilutive. The calculation of net asset value per share is based on the total consolidated net assets of £57,555,000 and the number of shares in issue at the period end of 244,728,000.

4. 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.

5. Interim Results

Copies of the Interim Results will be posted to shareholders and will also be available from www.eredene.com.