

EVOLVENCE INDIA HOLDINGS PLC

(“EIH” or the “Company”)

Interim Results

The Company announces its interim results for the 6 months ended 30 June 2008, which are set out below.

About Evolvence India Holding (EIH):

EIH is promoted by Evolvence Capital Ltd (“Evolvence Capital”), a leading alternative assets management company that focuses on the Middle East and South Asia. The company manages assets of approximately US\$ 1.5 billion across three core asset classes of private equity, real estate and alternative capital markets.

Contacts:

Evolvence India Holdings plc
Khaled Al Muhairy, Chairman

+ (971) 4 315 81000

Evolvence Capital
Shilpa Mathai, Communications Director

+ (971) 4 315 81000
shilpa@evolvence.com

Seymour Pierce
Jonathan Wright, Director, Corporate Finance

+ (44) 20 7107 8050

Fairfax I.S. PLC (Broker)
Ewan Leggat, Director, Equities

+ (44) 20 7598 5368

Chairman’s Statement

Evolvence India Holding has produced results that reflect the effects of challenging market conditions. The fall in NAV reflects the decline in capital markets in India; but despite the volatility in capital markets and a global slowdown, the country’s long term macro-economic fundamentals remain intact. However, short term borrowing costs are expected to remain firm and we believe this has increased the attractiveness of private equity funding for Indian companies. We will continue to selectively capitalise on the range of opportunities available in the Indian private equity market.

Khaled Al Muhairy

Chairman

30 September 2008

Income Statement (Unaudited)

	For the period from 01 January 2008 to 30 June 2008 US\$ millions	For the period from 10 November 2006 (date of incorporation) to 30 June 2007 US\$ millions
Income		
Interest income on cash balances	0.18	0.59
Interest income on short-term loans	0.02	-
Realised gains on available-for-sale financial assets	0.11	-
Other income	0.02	-
Total income	0.33	0.59
Expenses		
Management fees	(0.10)	-
Administrative expenses	(0.18)	(0.17)
Legal and other professional fees	(0.15)	(0.05)
Bad & Doubtful debts (provision)	(0.63)	-
Total operating expenses	(1.06)	(0.22)
Profit before tax	(0.73)	0.37
Income tax expense	-	-
Profit after tax	(0.73)	0.37
Balance brought forward	2.25	-
Dividend paid	(1.95)	-
Retained profit for the period	(0.43)	0.37

Note

Reclassification has been done for some account heads post 30 June 2007. The financials of 30 June 2007 have therefore been re-instated as per the revised classification.

The accompanying notes form an integral part of these financial statements.

Balance Sheet
as at 30 June 2008
(Unaudited)

	30 June 2008	30 June 2007
	US\$ millions	US\$ millions
Non-current assets		
Available-for- sale financial assets	42.49	32.47
Total non-current assets	42.49	32.47
Current assets		
Trade and other receivables	0.70	0.02
Short-term loans	7.46	4.50
Cash and cash equivalents	9.14	31.53
Total current assets	17.30	36.05
Total assets	59.79	68.52
Equity		
Issued share capital	1.27	1.27
Share premium	58.58	58.86
Revaluation reserve	(0.73)	7.99
Retained earnings	(0.44)	0.37
Total equity	58.68	68.49
Liabilities		
Trade and other payables	1.11	0.04
Total current liabilities	1.11	0.04
Total liabilities	1.11	0.04
Total equity & liabilities	59.79	68.52

Note

Reclassification has been done for some account heads post 30 June 2007. The financials of 30 June 2007 have therefore been re-instated as per the revised classification.

The accompanying notes form an integral part of these financial statements.

CASH FLOW STATEMENT (Unaudited)

	For the period from 01 January 2008 to 30 June 2008	For the period from 10 November 2006 (date of incorporation) to 30 June 2007
	US\$ millions	US\$ millions
<i>Cash flow from operating activities</i>		
Operating profit/ (loss) before Tax	(0.73)	0.37
<i>Adjustments:</i>	-	-
Realised gains on available for sale financial assets	(0.11)	-
Interest Income on Cash Balances	(0.18)	(0.58)
Interest Income on Short term loans	(0.02)	-
Provision for Bad & Doubtful Debts	0.63	-
Operating Loss before Working Capital changes	(0.41)	(0.21)
Decrease in trade & other receivables	0.17	-
Increase in trade & other payables	0.02	0.04
Cash used in operations	(0.22)	(0.17)
Interest Received	0.06	0.56
Net Cash Generated from operating activities (A)	(0.16)	0.39
Purchase of Financial Assets	(2.71)	(28.99)
Repayment received against short term loan	2.86	-
Realised Gain on distributions received	0.11	-
Capital Distribution received	0.17	-
Net cash generated from financing activities (B)	0.43	(28.99)
Proceeds from Issue of shares	-	65.00
Share Issue Cost	-	(4.87)
Dividend Paid	(1.95)	-
Net cash flow from financing activities (C)	(1.95)	60.13
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1.68)	31.53
Cash and cash equivalents at the beginning of the period	10.82	-
Cash and cash equivalents at the end of the period	9.14	31.53

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1 The Company

Evolve India Holdings plc ("EIH" or the "Company") was incorporated and registered in the Isle of Man under the Isle of Man Companies Act 1931-2004 on 10 November 2006 as a public company with registered number 118297C.

The principal investment objective of the Company is to make investments in Indian private equity funds and Direct Investments in a wide range of industry sectors in India.

The Company's agents and the Manager perform all significant functions. Accordingly, the Company itself has no employees.

Duration

The Company currently does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, at the annual general meeting of the Company in 2012 a resolution will be proposed that the Company ceases to continue as presently constituted. Shareholders holding at least fifty one per cent of the shares must vote in favour of this resolution for it to be passed. If the resolution is not passed, a similar resolution will be proposed at every third annual general meeting of the Company thereafter. If the resolution is passed, the Directors will be required, within 3 months of the resolution, to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up.

2 Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historic cost convention, as modified by the revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.2 Available-for-sale financial assets

The Company has designated its investments as available-for-sale financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

2.3 Loans and receivables

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

2.4 Foreign currency translation

US Dollar is the functional currency and the presentation currency. Monetary assets and liabilities denominated in foreign currencies as at the date of these financial statements are translated to US Dollars at exchange rates prevailing on that date. Expenses are translated into US Dollars based on exchange rates on the date of the transaction. All resulting exchange differences are recognised in the profit and loss.

2.5 Interest income and dividend income

Interest income is recognised on a time-proportionate basis using the effective interest rate method.

Dividend income is recognised when the right to receive payment is established.

2.6 Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

2.7 Segment reporting

The Company has one segment focusing on maximising total returns through investing in an Indian private equity portfolio of investments. No additional disclosure is included in relation to segment reporting, as the Company's activities are limited to one business and geographic segment.

3 Net Asset Value per Share

The net asset value per share as at 30 June 2008 is US\$0.903 per share based on 65,000,002 ordinary shares in issue as at that date.

4 Available-for-sale financial assets

The Company holds four investments that have been classified as available-for-sale. The objective of the Company is to make indirect investments in Indian private equity funds and companies via Mauritian based investment funds and to also co-invest directly in certain portfolio companies of the underlying funds. As at 30th June 2008, the investment portfolio comprised the following assets:

4.1 Evolvence India Fund PCC (EIF)

Evolvence India Fund PCC, a Protected Cell Company formed under the laws of Mauritius having limited liability, is a private equity fund of funds with a co-investment pool, focusing primarily on investments in India. The fund size of EIF is US\$250 million, of which approximately sixty percent will be invested in different private equity funds (including growth capital, mezzanine and real estate funds) with significant focus on India and the balance, not more than forty percent, will be invested in co-investment opportunities, primarily in Indian companies or companies with significant operations in India.

4.2 Evolvence India Life Sciences Fund (EILSF)

EILSF is a private equity fund formed under the laws of Mauritius having limited liability with the Investment strategy of investing in the life sciences space in India. The fund size of EILSF as at 30 June 2008 is approximately US\$89 million and has made two investments.

4.3 EIF Co Invest VII

EIF has invested US\$6,969,600 in RSB Group through as Special Purpose Vehicle (SPV), EIF Co Invest VII. RSB Group is a leading manufacturer of automotive components and construction aggregates.

4.4 EIF Co Invest X

EIF invested US\$4,510,000 in Gland Pharma Limited through an SPV, EIF Co Invest X. Gland Pharma Limited is a Hyderabad based pharmaceutical company.

The fair value of the Company's investments has been estimated by the Directors with the advice of the Investment Manager.

5 Short-term loans

5.1 Aqar Holdings

The Company advanced US\$7,820,000 to Aqar Holdings (a Mauritian incorporated private company) in 2007, out of which US\$2,860,000 has been repaid and US\$4,960,000 was still outstanding on 30 June 2008. The loan is unsecured and carries an interest rate of 10% per annum. The remaining outstanding amount of US\$4,960,000 has been subsequently realised in full with interest of 10% p.a. on 09 September 2008.

5.2 Katra Holdings Limited

The Company advanced US\$2,500,000 to Katra Holdings Limited in June 2007, a Mauritian incorporated private company and is repayable within 12 months from the commencement of the loan, is secured and carries an interest rate of 15% extendable to 30% per annum. As no payments have been received till date, the complete amount of interest accrued on the loan amount till 30 June 2008 amounting to US\$702,218 has been reversed and a provision of 25% (US\$625,000) has been made against the principal amount.

6 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions.

- Mr Khaled Al-Muhairy is a Director of the Evolence India Fund PCC ("EIF"), a public protected cell company formed under the laws of Mauritius. The Company has invested in EIF.
- Mr Ezaldeen-El-Araj is a Director of Evolence India Advisors Inc (EIA, The Investment Managers of the Company) and EIF Managers Limited, the Investment Managers of EIF. The Company has invested in EIF.
- Mr. Jegannathan Venkatarajan who was Managing Director and CEO of the Company was also a Director of Evolence India Advisors Inc. (The Investment Managers of the Company) and EIF Managers Limited (The Investment Managers of EIF). Mr. Jegannathan Venkatarajan resigned from all the above positions in 2008.

Save as disclosed above, none of the Directors had any interest during the period in any material contract for the provision of services which was significant to the business of the Company.