

29 September 2014

**EIH PLC**  
**("EIH" or the "Company")**

**Interim Results**

The Company announces its interim results for the six months from 1 January 2014 to 30 June 2014. A copy of this announcement will shortly be available for inspection at [www.eihplc.co.uk](http://www.eihplc.co.uk).

**Chairman's Statement**

The unaudited net assets of EIH as at 30 June 2014 were valued at US\$49.9 million and therefore net asset value ("NAV") per share at that date was 77.3 cents based on 64,500,002 ordinary shares in issue (31 December 2013 NAV per share: 74.7 cents).

The NAV per share increased by 3.4% in the period under review.

After the period end, on 1 August 2014, the Company made a capital distribution to shareholders of 26 cents per share, equivalent to approximately US\$16.8m, after the sale of the investments in Gland Pharma Limited ("Gland") and the receipt of distributions amounting to US\$17.5m from EIF Co Invest X and Evolve India Fund PCC ("EIF")

Total operating costs during the period were US\$0.25m, or 3% below the comparable prior year figure. In addition, EIH paid certain annual management fees and expenses to EIF in respect of its commitments to that fund. These costs are embedded in the capital account of EIF and do not appear in the profit or loss for EIH.

The Company's investment portfolio comprises the following (based on unaudited values as at 30 June 2014):

<b>Table 1. Investments</b>	<b>Capital Commitment</b>	<b>Capital Invested</b>	<b>Capital Distribution</b>	<b>Fair value Adjustment</b>	<b>Fair Value</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Fund Investments (equity)</b>					
Evolve India Fund PCC	45,120	44,601	(16,402)	1,106	29,305
<b>Direct Investments (equity)</b>					
EIF Co Invest VII (RSB Group)	6,970	6,970	(29)	17	6,958
EIF Co Invest X (Gland Pharma Limited)	4,510	4,510	-	8,525	13,035
	<b>56,600</b>	<b>56,081</b>	<b>(16,431)</b>	<b>9,648</b>	<b>49,298</b>

Further details on the Company's investment portfolio are set out below and in Note 5 to the interim financial statements.

## **EIF**

EIF has now drawn down 100% of its committed capital. As at 30 June 2014, 1.15% remained undrawn and has now been adjusted against distributions received, such that EIF is now fully drawn down.

During the period under review the BSE SENSEX and BSE MIDCAP Indian stock market indices advanced by 20.0% and 39.9% respectively in local currency. The currency picture was relatively stable in the period under review and it is also noted that the Indian Rupee ("INR") strengthened by 2.9% against the US Dollar during the period.

EIF's underlying private equity funds performed well such that on the basis of beginning and end period fair values, and adjusting for drawdowns and distributions made during the period, the fair value of EIF's underlying funds increased by approximately 10.4% in US Dollar terms, while their value increased by approximately 14.4% in INR terms. On the same basis of measurement, the aggregate value of EIF's direct investments increased by approximately 5.7% in US Dollar terms, while in INR terms this increase was approximately 9.6%.

Both EIF's underlying funds and its direct investments hold exposure to listed equities and EIF's overall weighting was approximately 6% at the period end, concentrated in the underlying funds.

The majority of EIF's ten underlying private equity funds have fully drawn down their committed capital from EIF. During the period under review, EIF received net distributions from all but one of its funds although these were lower than the comparable prior year figure. The multiples achieved on exits at the underlying fund level continue to be attractive.

As at 30 June 2014 the Company had US\$28.2m invested in EIF (capital called of US\$44.6m, less refund of capital contributions of US\$16.4m), equivalent to 43.7 cents per share. At the reporting date the Fair Value (unaudited) of the Company's investment in EIF was US\$29.3m, equivalent to 45.4 cents per share.

The Directors have reviewed certain underlying financial information provided to us by EIF's Investment Manager and we remain confident that as EIF's underlying portfolio matures and further realisations are achieved, further cash distributions will be received.

## ***Gland Pharma Limited ("Gland")***

On 27 November 2013, the Company announced that its investee company, EILSF Co-Invest I, had entered into an agreement with KKR Floorline Investments Pte. Ltd, an affiliate of Kohlberg Kravis Roberts & Co L.P, for the sale of its shareholding in Gland. Having now received all the necessary clearances, this transaction closed shortly after the period end and cleared funds were received shortly after closing.

Post the period end, and through the unwinding of the co-investment structures through which the Gland interest was held, and certain retentions made at the EILSF Co-Invest I level, the costs of obtaining certain insurances against indemnity and transaction costs, the Company received approximately US\$11.7m directly in cash and a further US\$5.8m representing its share of the Gland proceeds received by EIF.

On a “look through” basis EIH retains an approximate US\$1.9m interest in EILSF Co-Invest I (held through EIF Co Invest X and EIF) representing its share of the Gland proceeds retained to address any potential contingencies.

### **RSB Group (“RSB”)**

RSB is a large automotive components group based in Pune with a multi-product portfolio comprising of propeller shafts, gears, axles, machined engine components, trailers and construction equipment parts. The Company’s direct investment in RSB is held through EIF Co Invest VII. The shareholders in EIF Co Invest VII are the Company and EIF, which invested US\$7.0m and US\$10.0m respectively, for a total investment of US\$17.0m. No fees are payable on the Company’s investment in EIF Co Invest VII, while the Company’s indirect investment in RSB (through its interest in EIF) attracts standard management and carried interest fee arrangements. Through the above arrangements, and on a look-through basis, the Company has a total of US\$8.8m invested in RSB (at cost) compared to the US\$7.0m invested in RSB through EIF Co Invest VII.

Through the above arrangements, and on a look-through basis, the fair value of the Company’s total interest in RSB is 13.6 cents per share; while the fair value of the Company’s direct interest in RSB (held through EIF Co Invest VII) is 10.8 cents per share. These values represent a 1.0 times multiple over cost. The Fair Value of the Company’s interest in RSB is based on a valuation performed by EIF’s investment manager.

<b>Table 2. Investments (Fair Values)</b>	<b>As per LP reports</b>	<b>RSB (EIF)</b>	<b>Gland (EIF)</b>	<b>Pro-forma</b>
	<b>US\$’000</b>	<b>US\$’000</b>	<b>US\$’000</b>	<b>US\$’000</b>
<b><i>Fund Investments</i></b>				
EIF (PE funds)	14,496			14,496
EIF (direct investments)	14,505	(1,791)	(6,534)	6,180
EIF (other)	304			304
<b><i>Direct Investments</i></b>				
RSB Group	6,958	1,791		8,749
Gland Pharma Limited	13,035		6,534	19,569
	<b>49,298</b>	<b>-</b>	<b>-</b>	<b>49,298</b>

Table 2 extracts the Company’s “look through” interests in the Gland and RSB (from EIF) and adds them to the Company’s direct interests in Gland and RSB (held by EIF Co Invest X and EIF Co Invest VII respectively). On this basis, 57.4% of the Company’s Financial Assets at Fair Value (US\$28.3m, equivalent to 43.9 cents per share), is accounted for by its interests in Gland and RSB on an underlying pro-forma basis.

Table 2 further shows that 29.4% of the Company’s Financial Assets at Fair Value is accounted for by its interests in EIF’s ten PE fund investments, and a further 12.5% by its interests in EIF’s direct investments (excluding Gland and RSB).

***Other matters***

At the date of this report, net cash balances held by the company amount to US\$1.7m.

Our objective remains to realise assets at the appropriate time and value, and to return the proceeds less expenses to our shareholders.

On behalf of the Board of Directors, I thank all Shareholders for their support.

Respectfully yours,

Rhys Cathan Davies

29 September 2014

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**EIH PLC**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	Note	For the period from 1 January 2014 to 30 June 2014 US\$'000	For the period from 1 January 2013 to 30 June 2013 US\$'000
<b>Income</b>			
Fair value movement on investments at fair value through profit or loss	5	1,909	4,735
<b>Net investment income</b>		<b>1,909</b>	<b>4,735</b>
<b>Expenses</b>			
Administrative expenses		(113)	(142)
Legal and other professional fees		(112)	(89)
Audit fees		(26)	(19)
Other expenses		-	(9)
<b>Total operating expenses</b>		<b>(251)</b>	<b>(259)</b>
<b>Profit before taxation</b>		<b>1,658</b>	<b>4,476</b>
Income tax expense		-	-
<b>Profit after taxation for the period</b>		<b>1,658</b>	<b>4,476</b>
<b>Basic and fully diluted earnings per share (US cents)</b>	7	<b>2.57</b>	<b>6.94</b>

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

**EIH PLC**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	Note	As at 30 June 2014 US\$'000	As at 31 December 2013 US\$'000
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	5	49,298	47,841
<b>Total non-current assets</b>		<b>49,298</b>	<b>47,841</b>
<b>Current assets</b>			
Trade and other receivables		28	65
Cash and cash equivalents		578	402
<b>Total current assets</b>		<b>606</b>	<b>467</b>
<b>Total assets</b>		<b>49,904</b>	<b>48,308</b>
<b>Equity</b>			
Issued share capital		1,265	1,265
Share premium	6	43,365	43,365
Retained earnings		5,235	3,577
<b>Total equity</b>		<b>49,865</b>	<b>48,207</b>
<b>Current liabilities</b>			
Trade and other payables		39	101
<b>Total current liabilities</b>		<b>39</b>	<b>101</b>
<b>Total liabilities</b>		<b>39</b>	<b>101</b>
<b>Total equity and liabilities</b>		<b>49,904</b>	<b>48,308</b>

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

**EIH PLC**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 January 2013	1,265	44,655	967	46,887
<b>Total comprehensive income</b>				
Profit for the period	-	-	4,476	4,476
<b>Transactions with owners of the company recorded</b>				
Return of capital	-	(1,290)	-	(1,290)
<b>Balance at 30 June 2013</b>	<b>1,265</b>	<b>43,365</b>	<b>5,443</b>	<b>50,073</b>
Balance at 1 January 2014	1,265	43,365	3,577	48,207
<b>Total comprehensive income</b>				
Profit for the period	-	-	1,658	1,658
<b>Transactions with owners of the company recorded directly in equity</b>				
Return of capital	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>1,265</b>	<b>43,365</b>	<b>5,235</b>	<b>49,865</b>

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

**EIH PLC**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS TO 30 JUNE 2014**

	Note	For the period from 1 January 2014 to 30 June 2014 US\$'000	For the period from 1 January 2013 to 30 June 2013 US\$'000
<b><i>Cash flows from operating activities</i></b>			
Profit before taxation		1,658	4,476
<i>Adjustments:</i>			
Fair value movement on investments at fair value through profit or loss	5	(1,909)	(4,735)
<b>Operating loss before working capital changes</b>		<b>(251)</b>	<b>(259)</b>
Decrease/(increase) in trade and other receivables		37	(5)
(Decrease)/increase in trade and other payables		(62)	37
<b>Net cash used in operations</b>		<b>(276)</b>	<b>(227)</b>
<b>Net cash used in operating activities</b>		<b>(276)</b>	<b>(227)</b>
<b><i>Cash flows from investing activities</i></b>			
Capital distribution received	5	452	904
<b>Net cash generated by investing activities</b>		<b>452</b>	<b>904</b>
<b><i>Cash flows from financing activities</i></b>			
Return of capital	6	-	(1,290)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(1,290)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>176</b>	<b>(613)</b>
Cash and cash equivalents at 1 January		402	840
<b>Cash and cash equivalents at 30 June</b>		<b>578</b>	<b>227</b>

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

## ***Notes to the Unaudited Interim Results***

### ***For the six months ended 30 June 2014***

#### **1 The Company**

EIH PLC (formerly Evolve India Holdings plc) 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. On 23 March 2011 the Company re-registered under the Isle of Man Companies Act 2006.

Pursuant to a prospectus dated 19 March 2007 there was a placing of up to 65,000,000 Ordinary Shares of £0.01 each. The number of Ordinary Shares in issue immediately following the placing was 65,000,002. The shares of the Company were admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM") following the close of the placing on 23 March 2007.

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

#### **2 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 2015 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.

#### **3 Significant accounting policies**

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

##### **3.1 Basis of presentation**

These interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34: Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2013. The interim financial statements are unaudited.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2013.

## ***Notes to the Unaudited Interim Results***

***For the six months ended 30 June 2014 (continued)***

### **3.2 Investments at fair value through profit or loss**

Investments are designated as financial assets at fair value through profit or loss. They are measured at fair value with gains and losses recognised through profit or loss.

The fair value of investments at fair value through profit or loss in unlisted equity investments is estimated by the Directors, with input from Evolvence India Advisors Inc. In estimating the fair value of the Company's investments in private equity funds consideration is taken of the valuations of underlying investments performed by the directors and managers of those funds. The valuation of the unlisted holdings in the co-investments and underlying funds investments are performed by using the most appropriate valuation techniques, including the use of recent arms' length market transactions, use of market comparables, use of discounted cash flows, recent financial statements or any other valuation technique that provides a reliable estimate. Under the discounted cash flow method, free cash flows have been discounted using an appropriate weighted cost of capital.

Listed holdings in the co-investments and underlying funds are valued based upon prevailing market prices as of the date of valuation. Exited investments are valued using the respective exited multiples.

### **3.3 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.

## **4 Net asset value per share**

The unaudited net asset value per share as at 30 June 2014 is 77.3 cents per share based on 64,500,002 ordinary shares in issue as at that date (31 December 2013: 74.7 cents per share based on 64,500,002 ordinary shares).

## Notes to the Unaudited Interim Results

For the six months ended 30 June 2014 (continued)

### 5 Financial assets at fair value through profit or loss

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 30 June 2014, the investment portfolio comprised the following assets:

Investments (Unlisted)	Capital Commitment	Capital Invested	Capital Distribution	Fair value Adjustment	Fair Value
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Fund Investments (equity)</b>					
Evolve India Fund PCC	45,120	44,601	(16,402)	1,106	29,305
<b>Direct Investments (equity)</b>					
EIF Co Invest VII (RSB Group)	6,970	6,970	(29)	17	6,958
EIF Co Invest X (Gland Pharma Limited)	4,510	4,510	-	8,525	13,035
	<b>56,600</b>	<b>56,081</b>	<b>(16,431)</b>	<b>9,648</b>	<b>49,298</b>

The fair value of the Company's investments has been estimated by the Directors with the input from Evolve India Advisors Inc. The movement in investments during the period was as follows:

	30 June 2014 US\$'000	31 December 2013 US\$'000
Fair value brought forward	47,841	46,093
Capital distributions	(452)	(1,355)
Movement in fair value	1,909	3,103
<b>Fair value at period/year end</b>	<b>49,298</b>	<b>47,841</b>

The outstanding capital commitment as at 30 June 2014 is US\$0.5m (31 December 2013: US\$0.5m).

#### Evolve India Fund PCC (EIF)

Evolve 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\$250m, of which approximately two-thirds have been invested in different private equity funds (including growth capital, mezzanine and real estate funds) with significant focus on India and the balance has been invested in co-investment opportunities, primarily in Indian companies or companies with significant operations in India. The fund investments of EIF include Baring India Private Equity Fund II, IDFC Private Equity Fund II, India Value Fund II (Formerly GW Capital), Leverage India Fund, New York Life Investment Management India Fund II, Ascent India Fund, JM Financial India Fund I, HI-REF International LLC Fund, NYLIM Jacob Ballas India Fund III and IDFC Private Equity Fund III.

## **Notes to the Unaudited Interim Results**

**For the six months ended 30 June 2014 (continued)**

### **5 Financial assets at fair value through profit or loss (continued)**

#### **Evolve India Fund PCC (EIF) (continued)**

##### **Valuation basis**

The fair value of the investment in EIF is based on the Company's share of the net assets of EIF at 30 June 2014 per its unaudited financial statements. The financial statements of EIF are prepared under IFRS, with all investments stated at fair value. The valuation of the investment portfolio of EIF has been performed by its investment manager at 30 June 2014. The investment portfolio comprises investments in private equity funds, where fair value is based on reported net asset values, and co-investments in private companies where fair values are based on valuation techniques.

##### **EIF Co Invest VII**

EIF has invested US\$7m in RSB Group through a Special Purpose Vehicle (SPV), EIF Co Invest VII. RSB Group is a leading manufacturer of automotive components and construction aggregates. The valuation in RSB Group which is unlisted, is based on a valuation performed by EIF's investment manager.

##### **EIF Co Invest X**

EIF has invested US\$4.5m in Gland Pharma Limited through a SPV, EIF Co Invest X. Gland Pharma Limited is a Hyderabad based pharmaceutical company. The underlying valuation of Gland Pharma, which is unlisted, is based on the agreement between EILSF Co-Invest I (a subsidiary undertaking of Co Invest X) and KKR Floorline Investments Pte. Ltd, an affiliate of Kohlberg Roberts & Co. L.P, for the sale of EILSF Co-Invest I's shareholding in Gland Pharma Limited.

Post the period end, and through the unwinding of the co-investment structures through which the Gland interest was held, and certain retentions made at the EILSF Co-Invest I level, the costs of obtaining certain insurances against indemnity and transaction costs, the Company received approximately US\$11.7m directly in cash and a further US\$5.8m representing its share of the Gland proceeds received by EIF.

### **6 Return of capital**

On 1 August 2014, the Company made a capital distribution of 26 cents per share.

**Notes to the Unaudited Interim Results**

**For the six months ended 30 June 2014 (continued)**

**7 Earnings per share**

Basic and fully diluted earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period:

	30 June 2014 '000	30 June 2013 '000
Profit attributable to equity holders of the Company (US\$)	1,658	4,476
Weighted average number of ordinary shares in issue	64,500	64,500
<b>Basic earnings per share (cents per share)</b>	<b>2.57</b>	<b>6.94</b>

There is no difference between the basic and fully diluted earnings per share for the period.