

30 September 2015

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

**Interim Results**

The Company announces its interim results for the six months from 1 January 2015 to 30 June 2015. 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 2015 were valued at US\$32.2 million and therefore net asset value ("NAV") per share at that date was 49.9 cents based on 64,500,002 ordinary shares in issue (31 December 2014 NAV per share: 49.8 cents).

The NAV per share increased by 0.2% in the period under review.

Total operating costs during the period were US\$0.22m, or 11% below the comparable prior year figure. In addition, EIH paid certain annual management fees and expenses to Evolve India Fund PCC ("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 2015):

<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	45,120	(23,970)	779	21,929
<b>Direct Investments (equity)</b>					
EIF Co Invest VII (RSB Group)	6,970	6,970	(29)	(25)	6,916
EIF Co Invest X (Gland Pharma Limited)	466	466	-	885	1,351
	<b>52,556</b>	<b>52,556</b>	<b>(23,999)</b>	<b>1,639</b>	<b>30,196</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 2015 the Company had US\$21.1m invested in EIF (capital called of US\$45.1m, less refund of capital contributions of US\$24.0m), equivalent to 32.7 cents per share. At the reporting date the Fair Value (unaudited) of the Company's investment in EIF was US\$21.9m, equivalent to 34.0 cents per share, representing a 1.03 x multiple over cost.

During the period under review the BSE SENSEX and BSE MIDCAP Indian stock market indices advanced by 1.0% and 3.0% 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") weakened by 0.7% 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 1.1% in US Dollar terms, while their value increased by approximately 1.8% in INR terms. On the same basis of measurement, the aggregate value of EIF's direct investments increased by approximately 5.4% in US Dollar terms, while in INR terms this increase was approximately 6.1%.

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.

EIF's private equity fund exposure is weighted towards funds with vintages of 2006 and later. The four funds of these vintages comprise 71.7% of EIF's private equity fund weighting. The remaining six funds, with a 28.3% weighting, are all 2004 and 2005 vintages. EIF's three largest funds constitute 65.4% of EIF's private equity fund weighting. These funds are Jacob Ballas India Fund III (Growth / PIPE category), JMF India Fund I (Growth category) and HI-REF International LLC (Real Estate category). The majority of EIF's ten underlying private equity funds have fully drawn down their committed capital from EIF, and EIF's remaining commitments are concentrated in one fund, HI-REF International LLC Fund. During the period under review, EIF received net distributions from all but three of its funds at a rate of more than double the comparable prior year figure.

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.

### **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\$8.7m 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 13.5 cents per share; while the fair value of the Company’s direct interest in RSB (held through EIF Co Invest VII) is 10.7 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>Fund Investments</b>				
EIF (PE funds)	12,722			12,722
EIF (direct investments)	8,557	(1,789)	(677)	6,091
EIF (other)	650			650
<b>Direct Investments</b>				
RSB Group	6,916	1,789		8,705
Gland Pharma Limited	1,351		677	2,028
	<b>30,196</b>	<b>-</b>	<b>-</b>	<b>30,196</b>

Table 2 extracts the Company’s “look through” interests in Gland Pharma Limited (“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, 35.5% of the Company’s Financial Assets at Fair Value (US\$10.7m, equivalent to 16.6 cents per share), is accounted for by its interests in Gland and RSB on an underlying pro-forma basis.

Table 2 further shows that 42.1% 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 20.2% 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\$2.2m.

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 2015

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**FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Note	For the period from 1 January 2015 to 30 June 2015 US\$'000	For the period from 1 January 2014 to 30 June 2014 US\$'000
<b>Income</b>			
Fair value movement on investments at fair value through profit or loss	5	293	1,909
<b>Net investment income</b>		<b>293</b>	<b>1,909</b>
<b>Expenses</b>			
Administrative expenses		(94)	(113)
Legal and other professional fees		(108)	(112)
Audit fees		(23)	(26)
Other expenses		1	-
<b>Total operating expenses</b>		<b>(224)</b>	<b>(251)</b>
<b>Profit before taxation</b>		<b>69</b>	<b>1,658</b>
Income tax expense		-	-
<b>Profit after taxation for the period</b>		<b>69</b>	<b>1,658</b>
<b>Basic and fully diluted earnings per share (US cents)</b>			
	6	<b>0.11</b>	<b>2.57</b>

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

**EIH PLC**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

	Note	As at 30 June 2015 US\$'000	As at 31 December 2014 US\$'000
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	5	30,196	30,626
<b>Total non-current assets</b>		<b>30,196</b>	<b>30,626</b>
<b>Current assets</b>			
Trade and other receivables		28	21
Cash and cash equivalents		2,027	1,539
<b>Total current assets</b>		<b>2,055</b>	<b>1,560</b>
<b>Total assets</b>		<b>32,251</b>	<b>32,186</b>
<b>Equity</b>			
Issued share capital		1,265	1,265
Share premium		26,595	26,595
Retained earnings		4,345	4,276
<b>Total equity</b>		<b>32,205</b>	<b>32,136</b>
<b>Current liabilities</b>			
Trade and other payables		46	50
<b>Total current liabilities</b>		<b>46</b>	<b>50</b>
<b>Total liabilities</b>		<b>46</b>	<b>50</b>
<b>Total equity and liabilities</b>		<b>32,251</b>	<b>32,186</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 2015**

	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Total US\$'000
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</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>
Balance at 1 January 2015	1,265	26,595	4,276	32,136
<b>Total comprehensive income</b>				
Profit for the period	-	-	69	69
<b>Transactions with owners of the company recorded directly in equity</b>				
Return of capital	-	-	-	-
<b>Balance at 30 June 2015</b>	<b>1,265</b>	<b>26,595</b>	<b>4,345</b>	<b>32,205</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 2015**

	Note	For the period from 1 January 2015 to 30 June 2015 US\$'000	For the period from 1 January 2014 to 30 June 2014 US\$'000
<b><i>Cash flows from operating activities</i></b>			
Profit before taxation		69	1,658
<i>Adjustments:</i>			
Fair value movement on investments at fair value through profit or loss	5	(293)	(1,909)
<b>Operating loss before working capital changes</b>		<b>(224)</b>	<b>(251)</b>
(Increase)/decrease in trade and other receivables		(7)	37
Decrease in trade and other payables		(4)	(62)
<b>Net cash used in operations</b>		<b>(235)</b>	<b>(276)</b>
<b>Net cash used in operating activities</b>		<b>(235)</b>	<b>(276)</b>
<b><i>Cash flows from investing activities</i></b>			
Capital distribution received	5	723	452
<b>Net cash generated by investing activities</b>		<b>723</b>	<b>452</b>
<b><i>Cash flows from financing activities</i></b>			
Return of capital		-	-
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>488</b>	<b>176</b>
Cash and cash equivalents at 1 January		1,539	402
<b>Cash and cash equivalents at 30 June</b>		<b>2,027</b>	<b>578</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 2015**

#### **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 2018 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 for the year ended 31 December 2014. 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 2014.

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

**For the six months ended 30 June 2015 (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 Company's investments at fair value through profit and loss comprise funds and co-investment vehicles, where fair value is estimated by the Directors to be the Company's share of net asset value per latest financial results reported by the underlying fund administrator.

### **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 2015 is 49.9 cents per share based on 64,500,002 ordinary shares in issue as at that date (31 December 2014: 49.8 cents per share based on 64,500,002 ordinary shares).

### **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 2015, the investment portfolio comprised the following assets:

<b>Investments (Unlisted)</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	45,120	(23,970)	779	21,929
<b>Direct Investments (equity)</b>					
EIF Co Invest VII (RSB Group)	6,970	6,970	(29)	(25)	6,916
EIF Co Invest X (Gland Pharma Limited)	466	466	-	885	1,351
	<b>52,556</b>	<b>52,556</b>	<b>(23,999)</b>	<b>1,639</b>	<b>30,196</b>

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

### **For the six months ended 30 June 2015 (continued)**

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

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

	30 June 2015 US\$'000	31 December 2014 US\$'000
Fair value brought forward	30,626	47,841
Disposal of investment at fair value	-	(11,707)
Capital calls	-	519
Capital distributions	(723)	(7,297)
Realised gain	-	7,663
Movement in fair value	293	(6,393)
<b>Fair value at period/year end</b>	<b>30,196</b>	<b>30,626</b>

The outstanding capital commitment as at 30 June 2015 is US\$nil (31 December 2014: US\$nil).

#### **Evolvence 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.

#### **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 2015 per its results as reported by the underlying fund administrator. 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 2015. 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.

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

**For the six months ended 30 June 2015 (continued)**

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

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

EIH 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 fair value of the investment in Co Invest VII is based on the Company's share of the net assets of Co Invest VII at 30 June 2015 per its financial results as reported by the underlying fund administrator. The financial statements of EIF Co Invest VII are prepared under IFRS, with all investments stated at fair value. The underlying valuation of RSB Group, which is unlisted, is based on the trading multiples of RSB's comparable group and the application of a liquidity discount thereto.

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

EIH has invested US\$0.5m 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 investment in Co Invest X is based on the Company's share of the net assets of Co Invest X at 30 June 2015 per its financial results as reported by the underlying fund administrator. The financial statements of EIF Co Invest X are prepared under IFRS, with all investments stated at fair value. The underlying valuation of Gland Pharma Limited, 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.

### **6 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 2015 '000	30 June 2014 '000
Profit attributable to equity holders of the Company (US\$)	69	1,658
Weighted average number of ordinary shares in issue	64,500	64,500
<b>Basic earnings per share (cents per share)</b>	<b>0.11</b>	<b>2.57</b>

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