

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

Interim Results

The Company announces its interim results for the six months ended 30 June 2013. A copy of this announcement will shortly be available for inspection at www.eihplc.co.uk.

Chairman's Statement

The unaudited net assets of EIH as at 30 June 2013 were US\$50.1 million and therefore net asset value ("NAV") per share at that date was 77.6 cents based on 64,500,002 ordinary shares in issue (31 December 2012 NAV per share: 72.7 cents).

On 15 March 2013, the Company made a capital distribution of 2 cents per share.

Adjusting for the 15 March 2013 capital distribution, the NAV increased by 9.5% in the period under review.

Total operating costs during the period were US\$0.26m, or 3% above 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 2013):

Table 1. Investments	Capital Commitment	Capital Invested	Capital Distribution	Fair value Adjustment	Fair Value
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Fund Investments (equity)					
Evolve India Fund PCC	45,120	44,601	(15,499)	124	29,226
Direct Investments (equity)					

EIF Co Invest VII (RSB Group)	6,970	6,970	(29)	47	6,988
EIF Co Invest X (Gland Pharma Limited)	4,510	4,510	-	9,200	13,710
	56,600	56,081	(15,528)	9,371	49,924

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 98.85% of its committed capital, with 1.15% remaining undrawn. However, EIF's managers have informed us that this unfunded commitment will likely continue to be adjusted against future distributions, such that no further cash calls are likely to be made by EIF.

During the period under review the BSE SENSEX and BSE MIDCAP Indian stock market indices declined by 0.16% and 16.15% respectively in local currency. The currency picture was volatile in the period under review and it is also noted that the Indian Rupee ("INR") declined by 8.99% against the US Dollar during the period.

Against this challenging environment EIF's underlying private equity funds performed reasonably well. On the basis of period beginning and end fair values, and adjusting for drawdowns and distributions made during the period, the fair value of EIF's underlying funds decreased by approximately 6.1% in US Dollar terms, while their value increased by approximately 2.3% in INR terms. On the same basis of measurement, EIF's direct investments outperformed its underlying funds, driven by increases in the fair values of Gland and RSB; in aggregate their value increased by approximately 9.2% in US Dollar terms, while in INR terms this increase was approximately 19.0%.

Both EIF's underlying funds and its direct investments hold exposure to listed equities and EIF's overall weighting was approximately 7% 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, and EIF's remaining commitments are concentrated in one fund, HI-REF International LLC Fund. During the period in review, EIF received net distributions from most of its mature funds and these were substantially higher than the comparable prior year figure.

As at 30 June 2013 the Company had US\$29.1m invested in EIF (capital called of US\$44.6m, less refund of capital contributions of US\$15.5m), equivalent to 45.1 cents per share. At the reporting date the Fair Value (unaudited) of the Company's investment in EIF was US\$29.2m, equivalent to 45.3 cents per share, representing a 1.0 times multiple over cost.

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")

Gland is a specialised generic pharmaceuticals company based in Hyderabad. Gland has delivered strong compound revenue growth and stable EBITDA margins over the past four years and continues to deliver very strong revenue growth and stable EBITDA margins driven by sales to regulated markets. Moreover, it has a promising pipeline of US FDA approved products.

The Company's direct investment in Gland is held through EIF Co Invest X. The shareholders in EIF Co Invest X are the Company and EIF, which invested US\$4.5m and US\$12.5m respectively, for a total investment of US\$17.0m. Furthermore, EIF Co Invest X is, in turn, an investor in EILSF Co-Invest I, the entity through which EILSF ("Evolence India Life Sciences Fund") invested US\$12.5m in Gland. No fees are payable on the Company's investment in EIF Co Invest X, while the Company's indirect investment in Gland (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\$6.8m invested in Gland (at cost) compared to the US\$4.5m invested in Gland through EIF Co Invest X.

Through the above arrangements, and on a look-through basis, the fair value of Company's interest in Gland is 31.9 cents per share; while the fair value of the Company's interest in Gland held through EIF Co Invest X is valued at 21.2 cents per share (see Table 2, below). These values represent a 3.0 times multiple over cost. The Directors have reviewed certain underlying financial information pertaining to Gland and the valuation basis employed in the fair valuation calculation thereof.

RSB Group ("RSB")

RSB is an automotive component manufacturer based in Pune. 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 interest in RSB is US\$8.8m or 13.6 cents per share, while the fair value of the Company's interest in RSB held through EIF Co Invest VII is valued at 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.

Table 2. Investments (Fair Values)	As per LP reports	RSB (EIF)	Gland (EIF)	Pro-forma
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Fund Investments</i>				
EIF (PE funds)	14,266			14,266
EIF (direct investments)	14,108	(1,799)	(6,873)	5,436
EIF (other)	852			852
<i>Direct Investments</i>				
RSB Group	6,988	1,799		8,787
Gland Pharma Limited	13,710		6,873	20,583
	49,924	-	-	49,924

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, 58.8% of the Company's Financial Assets at Fair Value (US\$29.4m, equivalent to 45.5 cents per share), is accounted for by its interests in Gland and RSB on an underlying pro-forma basis.

Table 2 further shows that 28.6% 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 10.9% 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\$0.07m.

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

26 September 2013

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EIH PLC
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Note	For the period from 1 January 2013 to 30 June 2013 US\$'000	For the period from 1 January 2012 to 30 June 2012 US\$'000
Income			
Fair value movement on investments at fair value through profit or loss	5	4,735	(2,180)
Net investment income/(expense)		4,735	(2,180)
Expenses			
Administrative expenses		(142)	(146)
Legal and other professional fees		(89)	(85)
Audit fees		(19)	(18)
Other expenses		(9)	(2)
Total operating expenses		(259)	(251)
Profit/(loss) before taxation		4,476	(2,431)
Income tax expense		-	-
Profit/(loss) after taxation for the period		4,476	(2,431)
Basic and fully diluted earnings/(loss) per share (US cents)	7	6.94	(3.77)

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

EIH PLC
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	As at 30 June 2013 US\$'000	As at 31 December 2012 US\$'000
Non-current assets			
Financial assets at fair value through profit or loss	5	49,924	46,093
Total non-current assets		49,924	46,093
Current assets			
Trade and other receivables		23	18
Cash and cash equivalents		227	840
Total current assets		250	858
Total assets		50,174	46,951
Equity			
Issued share capital		1,265	1,265
Share premium	6	43,365	44,655
Retained earnings		5,443	967
Total equity		50,073	46,887
Current liabilities			
Trade and other payables		101	64
Total current liabilities		101	64
Total liabilities		101	64
Total equity and liabilities		50,174	46,951

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 2013

	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 January 2012	1,265	46,590	3,372	51,227
Total comprehensive income (Loss) for the period	-	-	(2,431)	(2,431)
Transactions with owners of the company recorded				
Return of capital	-	(1,935)	-	(1,935)
Balance at 30 June 2012	1,265	44,655	941	46,861
Balance at 1 January 2013	1,265	44,655	967	46,887
Total comprehensive income Profit for the period	-	-	4,476	4,476
Transactions with owners of the company recorded directly in equity				
Return of capital	-	(1,290)	-	(1,290)
Balance at 30 June 2013	1,265	43,365	5,443	50,073

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 2013

	Note	For the period from 1 January 2013 to 30 June 2013 US\$'000	For the period from 1 January 2012 to 30 June 2012 US\$'000
<i>Cash flows from operating activities</i>			
Profit/(loss) before taxation		4,476	(2,431)
<i>Adjustments:</i>			
Fair value movement on investments at fair value through profit or loss	5	(4,735)	2,180
Operating loss before working capital changes		(259)	(251)
(Increase)/decrease in trade and other receivables		(5)	13
Increase/(decrease) in trade and other payables		37	(21)
Net cash used in operations		(227)	(259)
Net cash used in operating activities		(227)	(259)
<i>Cash flows from investing activities</i>			
Capital calls		-	(3,021)
Capital distribution received	5	904	1,627
Net cash generated by/(used in) investing activities		904	(1,394)
<i>Cash flows from financing activities</i>			
Return of capital	6	(1,290)	(1,935)
Net cash used in financing activities		(1,290)	(1,935)
Net (decrease) in cash and cash equivalents		(613)	(3,588)
Cash and cash equivalents at 1 January		840	4,653
Cash and cash equivalents at 30 June		227	1,065

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 2013

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 2012. 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 2012.

Notes to the Unaudited Interim Results

For the six months ended 30 June 2013 (continued)

3.1 Basis of presentation (continued)

The Company has adopted the following new standards with a date of initial application of 1 January 2013.

- IFRS 13 Fair Value Measurement

Fair Value Measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by IFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. The change has no significant impact on the measurements of the Company's assets and liabilities.

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 Evolve 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.

Notes to the Unaudited Interim Results

For the six months ended 30 June 2013 (continued)

4 Net asset value per share

The unaudited net asset value per share as at 30 June 2013 is 77.6 cents per share based on 64,500,002 ordinary shares in issue as at that date (31 December 2012: 72.7 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 2013, 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
Fund Investments (equity)					
Evolve India Fund PCC	45,120	44,601	(15,499)	124	29,226
Direct Investments (equity)					
EIF Co Invest VII (RSB Group)	6,970	6,970	(29)	47	6,988
EIF Co Invest X (Gland Pharma Limited)	4,510	4,510	-	9,200	13,710
	56,600	56,081	(15,528)	9,371	49,924

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 2013 US\$'000	31 December 2012 US\$'000
Fair value brought forward	46,093	46,603
Disposal of investment at cost	-	-
Capital calls	-	3,022
Capital distributions	(904)	(1,627)
Movement in fair value	4,735	(1,905)
Fair value at period/year end	49,924	46,093

The outstanding capital commitment as at 30 June 2013 is US\$0.5m (31 December 2012: US\$0.5m).

Notes to the Unaudited Interim Results

For the six months ended 30 June 2013 (continued)

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

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. EIF was 98.85% drawn down as at 30 June 2013. Moreover, EIF has distributed 35% of its drawn capital.

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 2013 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 2013. 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 and is based on an average valuation multiple of comparable companies.

EIF Co Invest X

EIF has invested US\$4.5m in Gland Pharma Limited through a Special Purpose Vehicle, EIF Co Invest X. Gland Pharma Limited is a Hyderabad based pharmaceutical company. The valuation in Gland Pharma Limited which is unlisted, is based on a valuation performed by EIF's investment manager and is based on an average valuation multiple of comparable companies.

6 Return of capital

On 15 March 2013, the Company made a capital distribution of 2 cents per share.

Notes to the Unaudited Interim Results

For the six months ended 30 June 2013 (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 2013 '000	30 June 2012 '000
Profit/(loss) attributable to equity holders of the Company (US\$)	4,476	(2,431)
Weighted average number of ordinary shares in issue	64,500	64,500
Basic earnings/(loss) per share (cents per share)	6.94	(3.77)

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

This information is provided by RNS
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