

Ishaan Real Estate plc

Interim Report

For the six months ended 30 September 2007

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Highlights

- 100% of investment in the initial portfolio completed. £133.2 million invested in eight projects across Mumbai, Hyderabad, Pune and Bangalore.
- Adjusted NAV per share* increased 31% to 146.85p as at 30 September 2007. Reported NAV per share at 96.23p.
- Initial portfolio increases in value to £601million, giving an increase of 12% after adjusting for development expenditure.
- 15 % increase in the estimated area for development of the Initial Portfolio from 15.3 million sq.ft. to 17.6 million sq. ft. as a result of strong demand.
- 1.8 million sq ft of pre-letting secured (including 0.9 million sq ft under option) representing 11% of the increased estimated lettable area of the initial portfolio. Rentals in line with or ahead of expectations.

Since September 2007

- Additional investment of £26.2 million made in an IT SEZ project in Navi Mumbai

Ian Henderson, Chairman of Ishaan, said "We are pleased with the progress made on the asset portfolio since the IPO last year. Investment in the initial portfolio has been completed in line with the objectives set out during the IPO and we are delighted to have announced the new investment in the Navi Mumbai project. We are encouraged by the letting activity for these projects and the ongoing progress being made in their construction. The increased Adjusted NAV reflects the robust demand for our properties and the evidence of strong fundamentals of the Indian real estate market. We are delighted to have such high quality assets in the Ishaan portfolio and will continue to work with our development advisers to progress the successful delivery of these exciting projects".

** Reported NAV per share is not considered the best method of evaluating performance as it excludes any valuation surpluses attributable to the investments. Adjusted NAV per share includes investments at current valuations in proportion to the Group's shareholdings.*

Chairman's Statement

I am pleased to report the Group's results for the six months ended 30 September 2007.

Portfolio

We have now completed the entire investment of £133.2 million in the Initial Portfolio comprising eight projects across Mumbai, Hyderabad, Bangalore and Pune.

During the period under review, the Company acquired 40% stakes in Sundew Properties Private Limited, Intime Properties Private Limited and Genext Hardware and Parks Private Limited, the SPV developing Vivarea, the premium residential project in central Mumbai for a total consideration of £56.9 million.

Details of Investments made by Ishaan in the initial portfolio are given below:

| Project | SPV | Investment at 31/03/07 (£m) | % shareholding at 31/03/07 | Up to 30/09/07 (£m) | Shareholding at 30/09/07# |
|---|--------|-----------------------------|----------------------------|---------------------|---------------------------|
| Inorbit | Trion | 23.9 | 40% | 23.9 | 40% |
| Mindspace | Serene | 38.6 | 40% | 38.6 | 40% |
| Mindspace | Sundew | - | | 26.0 | 40% |
| Mindspace | Intime | - | | 10.7 | 40% |
| Commerzone | Magna | 13.9 | 40% | 13.9 | 40% |
| Vivarea | Genext | - | - | 20.2 | 40% |
| Total | | 76.4 | - | 133.2 | - |
| Investment as a % of initial portfolio | | 57% | | 100% | |

includes future conversion rights of Ishaan

Since the period end, the Company has made an investment in an IT SEZ (Special Economic Zone) in Navi Mumbai, on which a development of up to 4.5 million sq ft of commercial space is planned. Ishaan has acquired a 40% stake in the SPV developing this property, Newfound Properties and Leasing Private Limited ("Newfound"), for a consideration of £26.2 million.

Navi Mumbai is a satellite city of Mumbai, located approximately 35 kilometres from central Mumbai. This project site is in an area undergoing significant regeneration, and is close to existing and planned transport systems, the city centre of Navi Mumbai and large residential areas. This investment is consistent with Ishaan's objective to invest in a portfolio of high quality, strategically positioned assets across India.

This investment increases our total investment in the Indian real estate development projects to £159.4 million from £133.2 million. We expect to further invest approximately £23 million of additional funds to complete the investment objectives set out at the time of the admission.

Results for the six months ended 30 September 2007

Loss before tax for the period amounted to £546,000, arising from investment advisory fees and provision for promote fees payable to the investment adviser, offset by interest income on deposits held, pending investment in development projects. Cash funds at the period end amounted to £67.1 million, of which £26.2 million has since been used to invest in Newfound Leasing and Properties Private Limited

Valuation

The properties in the Initial Portfolio have been valued by Cushman & Wakefield (India) Pvt. Limited at 30 September 2007. I am pleased to report that the updated valuation of the entire initial portfolio shows an increase of £77 million to £601 million, giving an uplift of approximately 12% since 31 March 2007, after adjusting for expenditure incurred in the period to 30 September 2007, of this increase 5% is due to currency translation gains. In accordance with our accounting policies this valuation is not reflected in our balance sheet as our investments are carried at cost on a pro rata basis. A 40% interest in these properties is now valued at £241 million, against £210 million at 31 March 2007 and £178 million as at Admission.

This increase in value has largely been driven by a buoyant real estate market and more efficient development plans that have contributed to an increase in areas for development as well as the progress achieved on existing sites.

A comprehensive review of all projects in the initial portfolio has been undertaken. Based on this review, certain projects have been expanded and the schedules revised. These revisions have been taken into account in the valuation.

Net Asset Value per Share

The net asset value per share is 96.23p at 30 September 2007. The net asset value per share is calculated based on the group's net assets of £199.2 million at the period end divided by the number of shares in issue at the balance sheet date of 207 million shares.

The adjusted net asset value per share is 146.85p at 30 September 2007. The adjusted net asset value per share is calculated by adjusting the group's net assets of £199.2 million at the period end to reflect the fair value of the properties held by the Group's investment in its associates as determined by Cushman & Wakefield (India) Pvt Ltd in proportion to our shareholding. The Group's adjusted net assets are £304 million after allowing for an increase in the value of the properties as if they were held at fair value by £104.8 million. The adjusted net asset value per share of 146.85p is therefore calculated using adjusted group net assets of £304 million divided by the number of shares in issue at 30 September 2007 of 207 million shares. A further adjustment has been made to eliminate a provision required under IFRS to provide for the cost of the land for the Vivarea project, which is being paid for by constructing the agreed built up area for the vendor of the land. The costs of construction of the agreed area have been provided for in arriving at the valuation prepared by our valuers. On the basis that the accounting policy for properties under development is to hold them at cost, adjusted net asset value per share does not represent a measure that is extracted directly from the Group's accounts.

Dividend

In accordance with the dividend policy set out in the Admission Document, which stated that it was not anticipated that dividends would be paid in the foreseeable future, as initially the projects are and will be highly capital intensive, the Board is not declaring a dividend this period. The Board will consider the payment of dividends when it becomes commercially prudent to do so.

Project Progress

Overall progress on the projects in the initial portfolio has been good.

A substantial increase is planned in the area for development in certain projects backed by the strong demand for these properties. The aggregate area for development in the initial portfolio is planned to be increased to approximately 17.6 million sq. ft., a 15% increase over the 15.3 million sq. ft. of area originally planned.

Pre-lettings in the projects under the Initial Portfolio have been progressing well. An aggregate area of approximately 1.8 million sq. ft. (including 0.9 million sq. ft. under option) has been pre-let out of the aggregate increased lettable area of approximately 16 million sq. ft. The aggregate area that has been pre-let now represents 11% (including 6% under option) of the increased lettable area. Rentals for the lease pre-lets signed to date are in line with expectations and in certain cases significantly higher than those estimated at the time of admission in November 2006.

The overall average construction cost per square foot is estimated to increase in the range of 5-10% largely on account of higher cost for green buildings, significant upgrading of the Vivarea residential project, higher interest cost and extension of completion dates of projects. However these costs should be more than offset by the anticipated increase in development areas and rentals that have been established so far.

Progress on the individual projects included in the Initial Portfolio is as follows:

Mindspace IT parks in Navi Mumbai and Hyderabad

Airoli, Navi Mumbai

Located in Airoli, Navi Mumbai, a satellite city of Mumbai, this project involves development of a 3.9 million sq. ft. IT Park. The project is currently progressing ahead of schedule, with construction work in progress on five of the proposed thirteen buildings.

Pre-lettings with large multinational and IT/ITES companies have been secured for approximately 650,000 sq. ft., representing 17% of the area planned for development. Rentals are in line with and in some cases higher than those anticipated at the time of Admission. Being a prime location in proximity to transport systems and residential areas, the demand for this property is strong and negotiations are in progress with various other multinational and IT/ITES companies for further pre-letting.

Hyderabad

This project is located in Pocharam, east of Hyderabad, an upcoming nucleus of development in proximity to proposed transport systems. The project is a 3.8 million sq. ft. SEZ IT Park. Construction of two of the twelve buildings has begun ahead of schedule, with excavation work nearing completion for one of the buildings and super-structure work having commenced on the other.

Mindspace IT parks in Cyberabad, Hyderabad (Sundew and Intime)

The Mindspace IT parks to be developed by Sundew and Intime are on adjacent plots in Cyberabad, a district of Hyderabad in southern India.

Sundew development

At the Sundew Mindspace IT Park, a substantial increase in the development area is planned driven by strong demand for this property. The estimated increase in area for development is approximately 1.7 million sq. ft., a 59% increase over the originally planned development of 2.9 million sq. ft. The revised area for development is now estimated to be approximately 4.6 million sq. ft. This increase is expected to significantly augment the returns on this project.

Pre-letting has been secured with a large multinational consulting firm for approximately 540,000 sq. ft. (12% of the revised development area), at rentals higher than those estimated at the time of admission.

Super-structure work is in progress in one of the buildings, excavation work is underway in another and sub-structure work is on going in a third. The increase in the size of the development is expected to extend the project completion date by approximately 18 months.

Intime development

Similar to the Sundew Mindspace IT Park development, the area for development is planned to be increased by approximately 0.3 million sq. ft., a 22% increase over the original development of 1.4 million sq. ft.

A letter of Intent has been signed with a multinational offshore consulting firm for the letting of 246,000 sq. ft. (15% of the revised development area).

Construction work is on schedule with super-structure work in progress on one building and excavation and sub-structure work on the other two buildings.

Inorbit shopping malls in Pune and Hyderabad (Trion)

Hyderabad

This mixed use development consists of plans to develop a 668,000 sq. ft. shopping centre with 298,000 sq. ft. of commercial space and 1,000 car spaces, aggregating 966,000 sq. ft. of planned development.

The area planned for development in Hyderabad is estimated to increase by approximately 110,000 sq. ft. to 1.08 million sq. ft., an increase of 12% over the originally planned development.

This increase in the size of the development is expected to result in extension of the project completion to Q1 2009. Sub-structure and super-structure work is in progress.

Letters of Intent have been signed for pre-letting of 261,000 sq. ft., representing 34% of the revised retail space planned for development.

Pune

This mixed use development consists of plans to develop a 489,000 sq. ft. shopping centre with 195,000 sq. ft. commercial space and 800 car spaces in the city of Pune in western India.

Project completion is likely to be extended approximately twelve months mainly on account of a delay in receiving the necessary permissions for the development to proceed. All these permissions have now been obtained and demolition of the existing structures on the site and excavation work for the shopping centre has been completed.

Letters of Intent have been signed for pre-letting of 89,000 sq. ft., representing 18% of retail space planned for development.

Vivarea, Mumbai

This premium residential development in central Mumbai was planned to involve development of a total area of around 1.1 million sq ft constituting over 400 residential apartments in four towers, of which Genext's saleable area is approximately 0.75 million sq. ft.

The aggregate area for development is now estimated to increase to approximately 1.5 million sq. ft. of which Genext's saleable area will be is approximately 0.86 million sq. ft., a 15% increase over the previous saleable area. Further, one of the residential towers is being considered for conversion into commercial use and there have been significant upgrades to the project's structure (such as an increase in floor height and construction of a podium) and amenities with the object of obtaining higher sale values.

These changes to the project designs and plans mean that project completion is now expected to be extended by a quarter. However these changes are also expected to considerably enhance the returns Ishaan will receive from its investment in the Vivarea project.

Pre-launch sales of the apartments began at the end October 2007 and has evidenced strong demand.

Sub-structure work is now in progress in the three residential towers.

Commerzone IT park, hotel and retail, Bangalore (Magna)

The project site is located at Whitefield, Bangalore with a proposal to develop a 250 room hotel and 150 serviced apartments, a shopping centre and an IT Park, with a total area of approximately 900,000 sq. ft. The project is being designed by Smallwood, Reynolds, Stewart & Stewart.

With a view to enhancing returns, the aggregate area for development is planned to be increased by approximately 120,000 sq. ft, a 13% increase over the originally estimated development. This has necessitated changes to the designs, plans and project schedule, resulting in an extension to the planned completion date by approximately twelve months.

Excavation work at the project site is in progress and discussions are at an advanced stage with a major hotel operator for the management of the hotel.

Financing

Necessary financing for the Indian SPVs needed to date has been arranged. Since admission, interest rates in India have increased substantially. Our Indian SPVs have obtained borrowings at interest rates in the region of an initial 12% p.a., albeit this is marginally above the rates anticipated at the time of the IPO. Future debt rates will depend on the level of bank lending rates in India. All building contracts placed to date have been in line with projected cost estimates at admission.

Special Economic Zones (SEZ)

All SEZ projects in the initial portfolio (Mindspace – Airoli, Navi Mumbai, Mindspace – Hyderabad (SEZ development) and Mindspace – Pocharam, Hyderabad), have been approved and notified as SEZs. The IT Park in Juinagar, Navi Mumbai, in which Ishaan made its recent investment, has also been approved as an SEZ.

Notified SEZs in India enable our projects to benefit from various tax incentives including:

- a) Income tax deduction of 100% of profits from developing an SEZ for 10 consecutive years out of the first 15 Years from the date of notification.
- b) Exemption from Dividend Distribution Tax
- c) Exemption (100%) from customs & excise duty for all capital goods and other goods during setting-up of SEZ
- d) Exemption from service tax

In addition tenants also receive additional benefits.

It should be noted that none of our sites that qualify for SEZ status are on agricultural land, and are therefore not affected by recent announcements reducing the benefits of SEZ status for agricultural land.

Environment

All the commercial buildings in the company's portfolio are now planned to be compliant with LEED Certified Green buildings criteria. The commercial developments in the portfolio will be high-performance, sustainable buildings with a minimised impact on the environment. Procedures to ensure that the commercial buildings qualify for certification at completion are being introduced.

Outlook

India's economic outlook continues to be positive. India's GDP growth of approximately 8% over the last two years is expected to remain at a similar level over the next three years.

Strong economic fundamentals, robust consumption driven growth and healthy corporate balance sheets have so far helped the Indian economy to be resilient against the impact of the credit crisis.

While many real estate markets across the world have felt the impact of the sub-prime crisis in the past few months, the Indian real estate market appears so far to have been relatively insulated from its impact. Measures taken by the Central Bank of the country have kept a check on lending by banks to the real estate sector by tightening capital adequacy norms including an increased emphasis on risk weighting and restricting lending for land acquisitions. Healthy GDP growth has acted as a positive stimulus on the Indian real estate market. The real estate market in India is reported to be growing relatively strongly across all sectors especially in South and West India's major commercial centres (including Mumbai, Hyderabad, Bangalore and Pune) for the Grade A projects of the type in which Ishaan is investing.

With this background we look forward with confidence to the successful development of the projects in our portfolio with one of the best teams of development advisers in India. We shall continue with our current investment strategy to locate projects that comply with our investment criteria and that will give a sufficiently high return in order to produce an IRR of approximately 20% to the Company after deducting the Group's costs, including any taxation, on a leveraged basis.

Ian Henderson
Chairman

Consolidated Income Statement For the six months ended 30 September 2007

| | | Unaudited From 1 April 2007 to 30 September 2007 | Unaudited From 11 August 2006 to 30 September 2006 | Audited From 11 August 2006 to 31 March 2007 |
|---|-------|--|---|---|
| | Notes | £'000 | £'000 | £'000 |
| Administrative expenses | 4 | (3,280) | - | (1,469) |
| Share of post tax losses of associates | 5 | (72) | - | (28) |
| Group operating loss from continuing operations | | (3,352) | - | (1,497) |
| Net finance income | | 2,806 | - | 3,225 |
| (Loss)/Profit from continuing operations before tax | | (546) | - | 1,728 |
| Taxation | | - | - | - |
| (Loss)/Profit for the period from continuing operations attributable to equity holders of parent | | (546) | - | 1,728 |
| Basic and diluted earnings per share attributable to the equity holders of the parent during the period (expressed as pence per share) | | | | |
| Basic earnings per share | 7 | (0.263) | - | 1.52 |
| Diluted earnings per share | 7 | (0.263) | - | 1.52 |

The notes on pages 11 to 14 form an integral part of these financial statements.

Consolidated Balance Sheet As at 30 September 2007

| | | Unaudited 30 September 2007 | Unaudited 30 September 2006 | Audited 31 March 2007 |
|--|-------|--------------------------------|--------------------------------|--------------------------|
| | Notes | £ 000's | £ 000's | £ 000's |
| Assets | | | | |
| Non-current assets | | | | |
| Investment in associates | 5 | 160,834 | - | 85,047 |
| | | 160,834 | - | 85,047 |
| Current assets | | | | |
| Trade and other receivables | | 479 | - | 992 |
| Cash and short term deposits | | 67,117 | - | 154,063 |
| | | 67,596 | - | 155,055 |
| Total assets | | 228,430 | - | 240,102 |
| Equity and liabilities | | | | |
| Equity attributable to shareholders of the parent company | | | | |
| Share capital | | 2,070 | - | 2,070 |
| Share premium | | 195,481 | (9) | 195,481 |
| Retained earnings | | 1,643 | - | 1,739 |
| Total equity | | 199,194 | (9) | 199,290 |
| Current liabilities | | | | |
| Trade and other payables | | 97 | 9 | 32,130 |
| Non-current liabilities | | | | |
| Financial liabilities | | 29,139 | - | 8,682 |
| Total equity and liabilities | | 228,430 | 9 | 240,102 |

The notes on pages 11 to 14 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity For the six months ended 30 September 2007

| | Share capital £'000 | Share premium £'000 | Retained earnings £'000 | Total equity £'000 |
|--|------------------------|------------------------|----------------------------|-----------------------|
| Balance at 11 August 2006 | - | - | - | - |
| Share issue expenses | | (9) | | (9) |
| Balance at 30 September 2006 | - | (9) | - | (9) |
| Shares issued in the period | 2,070 | 204,930 | - | 207,000 |
| Share issue expenses | - | (9,440) | - | (9,440) |
| Share based payment charge | - | - | 11 | 11 |
| Retained profit for the period | - | - | 1,728 | 1,728 |
| Balance at 31 March 2007 | 2,070 | 195,481 | 1,739 | 199,290 |
| Retained loss for the period | - | - | (546) | (546) |
| Foreign currency translation reserve – Associates | - | - | 442 | 442 |
| Share based payment charge | - | - | 8 | 8 |
| Balance at 30 September 2007 | 2,070 | 195,481 | 1,643 | 199,194 |

The notes on pages 11 to 14 form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the six months ended 30 September 2007

| | Unaudited From 1 Apr 2007 to 30 September 2007 | Unaudited From 11 Aug 2006 to 30 September 2006 | Audited From 11 Aug 2006 to 31 March 2007 |
|---|---|--|---|
| | £ 000's | £ 000's | £ 000's |
| Notes | | | |
| Operating activities | | | |
| Profit before tax from continuing operations | (546) | - | 1,728 |
| Adjustments for: | | | |
| Interest income | (2,806) | - | (3,225) |
| Share of losses of associate | 72 | - | 28 |
| Share based payment charge | 8 | - | 11 |
| Investment adviser performance fee | 1,892 | - | |
| Operating loss before working capital changes | (1,380) | - | (1,458) |
| Decrease/(increase) in trade and other receivables | 513 | - | (992) |
| (Decrease)/increase in trade and other payables | (32,033) | 9 | 239 |
| Net cash flows from operating activities | (32,900) | 9 | (2,211) |
| Investing activities | | | |
| Interest received | 2,806 | - | 3,225 |
| Investment in associates | (56,852) | - | (44,502) |
| Net cash flows from investing activities | (54,046) | - | (41,277) |
| Financing activities | | | |
| Proceeds from issue of share capital | - | (9) | 197,551 |
| Intragroup loan | - | - | - |
| Net cash flows from financing activities | - | (9) | 197,551 |
| Net movements in cash and cash equivalents | (86,946) | - | 154,063 |
| Cash and cash equivalents at the beginning of period | 154,063 | - | - |
| Cash and cash equivalents at 30 September 2007 | 67,117 | - | 154,063 |
| Represented by: | | | |
| Cash and short term deposits | 67,117 | - | 154,063 |
| | 67,117 | - | 154,063 |

The accompanying notes on pages 11 to 14 form an integral part of these unaudited consolidated financial statements

Notes to the Consolidated Financial Statements for the six months ended 30 September 2007

1 The Company

The Company was incorporated in the Isle of Man on 11 August 2006 as a public company under the Isle of Man Companies Acts 1931 to 2004 with registered number 117470C. The Company's Ordinary Shares are traded on AIM.

The principal activity of the Company and its subsidiaries is that of investment holding.

The consolidated financial statements of Ishaan Real Estate plc comprises of the company and its subsidiaries (together referred to as the "Group").

This unaudited interim financial information for the period ended 30 September 2007 is unaudited and does not constitute statutory accounts within the meaning of the Companies Acts 1931 to 2004.

The statutory accounts for the period from 11 August 2006 to 31 March 2007 which were prepared in accordance with International Financing Reporting Standards, as endorsed by the European Union (IFRS), have been filed and copies can be obtained from the Registered Office of the Company at Top Floor, 14 Athol Street, Douglas, Isle of Man. The auditors' report on those accounts was unqualified. This unaudited interim financial information includes the results of the Company and its wholly owned subsidiaries for the period under review.

2 Significant Accounting Policies

(a) Basis of accounting

The condensed financial statements have been prepared under historical cost convention.

(b) Basis of preparation

The condensed financial statements have been prepared using accounting policies that are consistent with those followed in preparation of the Group's annual financial statements for the period 11 August 2006 to 31 March 2007. The consolidated financial statements have been prepared in pounds sterling.

(c) Adviser fees

The Investment Adviser is entitled to a performance fee in respect of each Mauritian SPV which is designed to encourage the Investment Adviser to seek the highest returns on the underlying projects. Pursuant to the performance fee arrangements, if the Mauritian SPVs achieve an SPV level IRR in respect of the partial or total realisation of an investment in excess of 10%, then the investment will be entitled to a performance fee of 20% of the realised proceeds which exceeds the proceeds required to achieve a 10% SPV level IRR (with such participation increasing to 30% of that portion of the realised proceeds from an investment which exceeds the proceeds required to achieve a 20% SPV level IRR).

(d) Other financial liabilities – Adviser fees

The provision for performance fees payable to the Investment Adviser represents the directors estimate of the present value of the future cash flows payable, discounted using the Directors' estimate of the risk adjusted value of money. These fees are considered to be directly attributable to the acquisition by the Group of its investment in its associates and the amount provided has been included in the cost of the Group's investment in associates. Subsequent to the date of acquisitions, revisions to these provisions are charged to the Income Statement.

3 Segment Reporting

The directors consider the Group to be operating in one geographic segment and one business segment since all investments are in India and all the operations in India are concerned with property development. Consequently no segmental disclosures have been presented.

Notes to the Consolidated Financial Statements Continued

4 Administrative expenses

| | Unaudited From 1 April 2007 to 30 September 2007 | Unaudited From 11 August 2006 to 30 September 2006 | Audited From 11 August 2006 to 31 March 2007 |
|------------------------------------|--|---|--|
| | £ | £ | £ |
| | 000's | 000's | 000's |
| Directors' fees and expenses | 38 | - | 31 |
| Secretarial and administration | 85 | - | 109 |
| Audit fees | - | - | 190 |
| Professional fees | 1,026 | - | 1,083 |
| Other expenses | 231 | - | 45 |
| Investment adviser performance fee | 1,892 | - | - |
| Share based payment charge | 8 | - | 11 |
| | 3,280 | - | 1,469 |

5 Investments in associates

| | Unaudited 30 September 2007 | Unaudited 30 September 2006 | Audited 31 March 2007 |
|---|--------------------------------|--------------------------------------|--------------------------|
| | £ | £ | £ |
| | 000's | 000's | 000's |
| Unquoted | | | |
| Balance at the beginning of the period | 85,047 | - | - |
| Additions | 56,852 | - | 76,393 |
| Performance fees payable to the investment adviser | 18,565 | - | 8,682 |
| Share of post-acquisition losses | (72) | - | (28) |
| Foreign currency translation | 442 | - | - |
| Balance at the end of the period | 160,834 | - | 85,047 |

Notes to the Consolidated Financial Statements Continued

Summarised financial information extracted from the interim financial statements of associates for six month period ended 30 September 2007 is given below:

| | Genext | Trion | Serene | Magna | Sundew | Intime |
|---|------------|------------|------------|------------|------------|------------|
| | £ 000's | £ 000's | £ 000's | £ 000's | £ 000's | £ 000's |
| Share of the associates balance sheet: | | | | | | |
| Total assets | 48,211 | 6,551 | 7,724 | 3,934 | 5,228 | 3,327 |
| Total liabilities | 44,166 | 4,004 | 3,189 | 1,054 | 2,076 | 252 |
| Share of the associates results: | | | | | | |
| Total revenue | - | - | - | - | - | - |
| (Loss)/profit for the period | (14) | 6 | (56) | (39) | 1 | 31 |

Details of the investments in associates are as follows:

| Investee company | Country of Incorporation | Type of Shares | % Holding |
|--|--------------------------|----------------------|----------------|
| Trion Properties Private Limited | India | Equity | 40% |
| Serene Properties Private Limited | India | Equity | 40% |
| Magna Warehousing and Distribution Private Limited | India | Equity | 40% |
| Genext Hardware and Parks Private Limited | India | Equity Preference | 38.80% 100% |
| Intime Properties Private Limited | India | Equity Preference | 39.89% 100% |
| Sundew Properties Private Limited | India | Equity Preference | 39.87% 100% |

The principal activity of all associates is to do business in real estate.

6 Share capital and share premium

| | Number of ordinary shares of £0.01 each | £ 000's |
|-------------------------------------|---|------------|
| Authorised: | | |
| 30 September 2007 | 400,000,000 | 4,000 |
| Allotted, called up and fully paid: | | |
| 30 September 2007 | 207,000,000 | 2,070 |

Notes to the Consolidated Financial Statements Continued

7 Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equitable holders of the parent by the weighted average number of Ordinary Shares outstanding during the year, plus the weighted average number of ordinary Shares that would be issued on the conversion of all the dilutive potential Ordinary Shares into Ordinary Shares.

| | Unaudited 30 September 2007 | Unaudited 30 September 2006 | Audited 31 March 2007 |
|--|--------------------------------|-----------------------------------|--------------------------|
| Profit attributable to equity holders of the company (£'000) | (546) | - | 1,728 |
| Weighted average of number of Ordinary Shares in issue (thousands) | 207,000 | - | 113,717 |
| Dilution in respect of employee share option schemes (thousands) | 480 | - | 242 |
| Weighted average of number of Ordinary Shares in issue (diluted) (thousands) | 207,480 | - | 113,959 |
| Basic earnings per share (pence) | (0.263) | - | 1.52 |
| Diluted earnings per share (pence) | (0.263) | - | 1.52 |

9. Post balance sheet events

The Group made the following investment in the period since 30 September 2007

I-7 Company (Mauritius) Limited

Subscription for 565 Ordinary Shares and 240 Preference Shares in Newfound Properties and Leasing Private Limited for a consideration of £ 6,190,869 on 13 November, 2007

Acquisition of 3,517 Ordinary Shares in Newfound Properties and Leasing Private Limited for a consideration of £ 20,043,918 on 23 November, 2007. These shares are in the process of being transferred from Mr Ravi C. Raheja and Mr Neel C. Raheja.

CORPORATE INFORMATION

| | |
|---|--------------------------------------|
| Registered office: | Bankers |
| Top Floor | Royal Bank of Scotland International |
| 14 Athol Street | Isle of Man Branch |
| Douglas | PO Box 151 |
| Isle of Man | 2 Victoria Street |
| IM1 1JA | Douglas |
| British Isles | Isle of Man |
| | IM99 1NJ |
| Registered number: | Auditors |
| Registered in the Isle of Man | Ernst & Young LLC |
| No: 117470C | Rose House |
| | 51-59 Circular Road |
| | Douglas |
| | Isle of Man |
| | IM1 1AZ |
| Company secretary: | |
| Anne Elizabeth Couper Woods | |
| Directors: | Solicitors |
| Ian James Henderson (Chairman) | Lovells |
| Rajendra Prabhakar Chitale | Atlantic House |
| Vittorio Radice | Holborn Viaduct |
| Neel Chandru Raheja | London |
| Timothy Graham Walker | EC1A 2FG |
| Stephen John Roland Vernon | |
| Investment adviser | Administrator and registrar |
| Neerav Investment Advisory Services (Cyprus) Private Limited | Simcocks Trust Limited |
| 48 Themistoklis Dervis | Top Floor |
| Centennial Building | 14 Athol Street |
| 7 th floor, Office 701 | Douglas |
| Nicosia | Isle of Man |
| Cyprus | IM1 1JA |
| Nominated adviser and broker | |
| Deutsche Bank AG, London | |
| 1 Great Winchester Street | |
| London | |
| EC2N 2DB | |
| Broker | |
| J P Morgan Cazenove | |
| 20 Moorgate | |
| London | |
| EC2R 6DA | |