

Yatra Capital Limited announces its Seventh investment in Real Estate in India

YATRA CAPITAL LIMITED

- **Commitment to invest €4.88 million for a 20% holding in a hotel development**
- **80.5% of initial funds raised in December 2006 now committed**

Yatra Capital Limited ("Yatra") the first Euronext quoted company with a focus to invest in Indian real estate, is pleased to announce its seventh investment, following a commitment of €4.88 million in equity for a 20% holding in the joint venture, 'Alliance Hospitality Services Private Limited', to develop a premium star category hotel and serviced apartments in Pune, Maharashtra.

Yatra has now committed €80.5 million of the initial €100 million raised in December 2006.

On the 19th October 2007 the company announced that it has successfully raised a further €120 million to be invested into Indian real estate.

The approximately 290,000 square feet ("sq ft") hotel and serviced apartment is located on a prime site on Nagar Road, a key arterial road into Pune city, and is surrounded by mid to high end housing, as well as prominent office buildings and technology parks, housing multi-national corporations. The hotel forms part of the 1.5 million sq ft 'Market City' retail development where Yatra recently acquired a 24% stake. This investment underlines Yatra's stated strategy of diversifying into different asset classes where the Board believes there is opportunity to deliver shareholder value.

The property, targeted to be completed by late 2009, will be positioned as a premium star category hotel offering an estimated 319 rooms and 96 serviced apartments catering

primarily at business travellers due to its location near a large number of global organisations such as Accenture, Mahindra British Telecom and IBM.

Yatra's joint venture partner, Atlas Hospitality Company Private Limited ("AHPL"), is part of the Ruia group [promoters of The Phoenix Mills Limited ("Phoenix"), a leading Indian real estate developer].

Accelerated business growth by both Indian and international companies is driving the need for additional hotel rooms in Pune, which is currently lacking high-end hotel accommodation. According to the Cris Infac Hotels Annual Business Review (2006), the average annual occupancy for hotels in Pune is 84%, and, at present only 1020¹ rooms are available in the luxury segment in the city. It is further estimated that only an additional 470² rooms will be developed over the next two years falling well short of the estimated demand.

The hospitality sector in India is forecast to grow at 8.8% per annum over the next 10 years, and it is anticipated that 100,000 rooms will be required in the next five to seven years with average room rates rising by 20-25% over the next two to three years. A number of international hotel chains are working to increase their presence in India. With rapidly increasing business and leisure travel and growing disposable incomes characterising the Indian market, Yatra has identified this sector as a significant investment opportunity.

Following this investment, Yatra Capital Limited will have invested €80.5 million of the €100 million that it raised in December 2006.

Commenting on this investment, Sir Nigel Broomfield, Chairman, Yatra Capital Limited, said: "The strategic investment Phoenix continues to provide us with opportunities across a range of sectors. This marks our entry into the Indian hospitality sector and, more specifically, in the market for business travellers, which we believe is a growth market being driven by a widening gap between demand and supply. "

¹ Knight Frank, Hotel Review – Quarter II 2007

² HVS International

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Mr. Atul Ruia, Director, AHPL, added: "This investment further underlines our confidence in Yatra as a business partner and our belief in Pune as a location with solid fundamentals which will support our investment. I am sure that this will not be the last time we work together and I look forward to strengthening this partnership".

Mr. Ajoy Veer Kapoor, Saffron Capital Advisors, also commented: "With this investment we are entering a new real estate asset class which is in line with our commitment to building a strong, diversified portfolio of quality assets. Our investments for Yatra have the potential to deliver across a variety of sectors and locations and we will continue to seek opportunities that will maximise returns to Yatra's shareholders.

Pune

Pune, located south east of Mumbai is the eighth largest city in India with a population of around 4.5 million (as per 2001 census). It is referred to as "The Cultural Capital of Maharashtra", "The Queen of Deccan" and "The Oxford of Maharashtra". All the above have been some of the key reasons why Pune has seen substantial annual growth over the last few years.

Pune is known for its pleasant climate, skilled human resource, large industrial base, defence establishment and software technology. It is now one of the fastest growing cities in India receiving both state and central government support to significantly improve its infrastructure. Earlier focused on industrial activities, Pune is fast becoming the top information technology destinations in India. HSBC, IBM, Aviva, Accenture are just some of the multinationals with a large presence in Pune. Software exports from Pune increased by 48% touching US\$ 2 billion.

The city is also the automotive hub of western India, with Daimler Chrysler and Tata Motors, amongst others establishing operations there in recent years.

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Notes to Editors:

Yatra Capital

- In December 2006, Yatra raised €100m to invest in Indian real estate. Yatra was the first company listed on Euronext, Amsterdam with a strategy to invest in the Indian real estate market.
- This is the seventh investment to be announced by Yatra. As a result of this announcement Yatra will have €80.5 million invested in Indian real estate.
- Yatra invests in India through the advice it receives from the investment committee of K2, a subsidiary of Yatra and Saffron Capital Advisors.
- Saffron is one of the leading Indian real estate advisory fund managers and has a highly experienced and talented team specializing in Indian real estate investments. Yatra, through its subsidiary K2, entered into an investment advisory agreement with Saffron Capital Advisors in August 2006.
- Yatra focuses on investing in opportunities that create high value for its shareholders with a focus on tier 2 and tier 3 cities. Yatra also considers investments into tier 1 cities, subject to value based acquisitions.
- Yatra trades on Euronext, ticker: YATRA, and has a current capitalization of €---- million.
- Exchange rate assumed as on 30 November 2007 – 1 Euro = INR 58.5
- Further information on Yatra is available from the website www.yatracapital.com.
- On the 19th October 2007 the company announced that it has successfully raised a further €120 million to be invested into Indian real estate.

NOTE – All figures regarding development sizes are approximations and all figures relating to investment size are accurate on the date of this news release and may change subject to exchange rates.

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