

## **Yatra invests Euro 28.01 million in two new joint venture projects in Bangalore**

- **Yatra Capital announces its 10th and 11th investments in Indian real estate:**
  - Yatra has invested Euro 17.86 million in Palladium Constructions Pvt. Ltd. for a 30% stake in a mixed use development.
  - Yatra has invested Euro 10.15 million in Platinum Hospitality Services Pvt. Ltd for a 30% stake in a hospitality development.
  - The total value of these investments is Euro 28.01 million.
- **With these investments, Yatra has till date committed Euro 146.34 million of the Euro 220 million of the capital raised.**

Yatra Capital Limited ("Yatra"), the first Euronext quoted company investing in Indian real estate, is pleased to announce its 10th and 11th investments. It has committed Euro 17.86 million for a mixed use development in Palladium Constructions Pvt. Ltd., and Euro 10.15 million in Platinum Hospitality Services Pvt. Ltd. for a 30% stake in each of these joint venture companies.

Yatra's joint venture partner in both developments is The Phoenix Mills Ltd. ("Phoenix"). In 2007, Yatra made a strategic investment of Euro 3.73 million in Phoenix for 0.47% equity stake to enable the company to participate in the Indian real estate sector with an experienced and quality player. Yatra has previously invested in two projects with Phoenix: a mixed use and a hospitality development.

Both developments will come up at Yeshwantpur in Northern Bangalore. The total size of the developments would be approximately 3.5 million square feet.

### **Projects**

Palladium Constructions Pvt. Ltd. will develop a 1.9 million square feet of mixed use complex of retail and residential buildings. The development will comprise 1.4 million square feet of retail space and 0.5 million square feet of residential space. The project cost of the development, including the cost of land and construction is estimated Euro 152.2 million.

Platinum Hospitality Services Pvt. Ltd. will develop a 0.5 million square feet hotel property, including serviced apartments. The hotel will be built at a cost of estimated Euro 64.42 million.

Construction on both properties is expected to begin in the last quarter of 2008 with the entire project expected to be completed in five years.

**Commenting on the transaction, Sir Nigel Broomfield, chairman of Yatra Capital Limited said,** "We are happy to announce Yatra's presence in Bangalore. With these two investments Yatra would have a presence across asset classes in a key investment destination in India. These investments also underscore the value of our strategic partnership with Phoenix."

#### **Yatra Capital Limited**

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**Mr. Ajoy Veer Kapoor, Director, Saffron Capital Advisors, added,** "Bangalore offers tremendous opportunities for real estate players looking for investments with good risk-reward profiles. Our present investments also fit in well with our strategy of being present in high growth locations and sectors."

## **Bangalore**

Spread over 741 square kilometers, Bangalore is one of India's major economic hubs. Though for long it has been known as India's Silicon Valley, the city's economic base over the years has diversified with several bio-tech and FMCG companies establishing themselves here. It is a major manufacturing centre for apparels and is located close to one of India's largest auto and auto ancillary clusters at Hosur.

The city has a population of 6.5 million people with a literacy rate of 83%, the second highest after Mumbai. This gives businesses in the city access to a large and continuous talent pool.

A recent survey by Ernst & Young ranked Bangalore as the third most prosperous city in India, after Delhi and Mumbai. It has over 10,000 dollar millionaires and contributed 33% of India's IT exports in 2006-07.

In the coming years, the city's infrastructure is set to undergo a major upgrade as several initiatives by the government such as the new International Airport (expected to be fully operational by April 2008) and the proposed metro rail system take off. This is expected to improve the city's economic competitiveness significantly.

With large integrated townships being implemented by the city administration, Bangalore's real estate sector is set to witness further growth over the next decade. Most of the demand in the city is spurred by internal demand as multinational corporations continue to seek a presence in the city. The recent years have seen Fortune 500 companies such as Microsoft, Dell, IBM and Google as well as financial sector firms such as UBS and several venture capital firms setting up offices in Bangalore.

Yeshwantpur, where Yatra's latest projects in the city are located, is a premium locality surrounded by pockets of middle and high income residences. It has a mix of industries and residential colonies as well as several educational institutions, including India's premier institute for scientific research, The Indian Institute of Science.

The project site is about 5 kilometers from the central business district of M G Road, 10 kilometers from the main railway station and 25 km from the new airport at Devenahalli.

Industries in the Yeshwantpur area include established firms such as Bharat Heavy Electronics Limited (BHEL), Mysore Lamps, Chandan Chemical Corporation, Mafatlal Plywood, Suryodaya Industries and Kirloskar Batteries.

The area is well planned with the industries grouped together on one side of the locality and the residential areas being clubbed together at the other end, enhancing the quality of life.

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The employees of these units are potential catchment for the proposed residential and retail development.

Among the existing residential areas that would serve as a catchment for the project are the BEML township, Basaveshwaranagar, Cunningham Road, the Bangalore Cantonment, HMT Township, Malleswaram, Rajajinagar, RMV Extension, R.T. Nagar, Sadashivanagar, Sanjaynagar and Vijayanagar. The locality currently faces a shortage of organised retail.

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Yatra also announces termination of its existing term sheet commitment for a hospitality development project on the Outer Ring Road in Bangalore with Tangerine Developers Pvt. Ltd. This term sheet transaction was part of the portfolio that Yatra acquired from Eredene Capital, UK, in June 2007.

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## Notes to Editors:

- In December 2006, Yatra raised Euro 100 million to invest in Indian real estate. Yatra is the first company listed on Euronext, Amsterdam with a strategy to invest in the Indian real estate market.
- Yatra announced a successful follow on fund raising of Euro 120 million on 19 October, 2007.
- Yatra invests in India through the advice it receives from the investment committee of its wholly owned subsidiary K2, and Saffron Capital Advisors Limited.
- Saffron is an Indian real estate advisory fund manager and has an experienced team specialising in Indian real estate investments. Yatra, through 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 in tier 1 cities, subject to value based acquisitions.
- Exchange rate assumed as on 24 March 2007 – 1 Euro = INR 61.036
- Further information on Yatra is available from the website [www.yatracapital.com](http://www.yatracapital.com).

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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