

BOARDS STATEMENT

The Board of Yatra Capital refers to the statement about its strategic review made at the company's AGM on 21 October.

The Board wishes to give the following update.

The Board is convinced that the most reliable and lasting way of closing the gap between the share price and NAV is for the assets in the group's portfolio to show good performance. It will continue to focus on this with its Fund Manager.

Distributions

At the AGM the board stated its intention to return the proceeds from realisations within K2 to Yatra shareholders, subject to working capital and other operational cash requirements as they become available to the company.

Following a thorough examination of the business plan, the Board intends, subject to market conditions prevailing at the time and applicable law, to make an initial distribution in the last quarter of 2012.

Share price and liquidity

Following the appointment of LCF Edmond de Rothschild as its broker and the completion of the merger between Saffron Capital Advisors Ltd and IIAL on 15 November 2010 as the fund manager, a number of significant new investors have been added to the share register.

The share price now stands at EUR 5 which represents a 25% increase over the past 12 months.

Share buy-back

The Board also believes that a carefully managed share buy-back programme has the potential to play an important role in enhancing long term shareholder value. It will therefore be bringing such a scheme to investors for approval.

Other measures to improve shareholder value

The Board will continue to keep under review the location of the listing of the company's shares bearing in mind the possible advantages of a change balanced against the related costs.

Governance

In promoting efficiency and good governance the Board will be applying to the authorities in Mauritius to grant permissions which will have the effect of introducing substantial symmetry

in the memberships of the Boards of Directors for Yatra and K2, while also taking into account requirements in Mauritius. The Board believes that this will improve decision making and the focus on value creation at this important stage in the Fund's development.

As these initiatives are put into effect the Board will continue to maintain an open and positive dialogue with its investors whose support is essential to the success of the company.