

Company News

Date: 07 September 2007

YATRA CAPITAL LIMITED

€10.40

Market Cap: €104 million

Yatra Capital Limited announces its fifth investment in Indian Real Estate

Yatra Capital Limited ("Yatra") the first Euronext quoted Indian Real Estate company is pleased to announce its fifth investment, following a commitment of €6.75 million in equity for a 50% holding in a joint venture, to develop a 590,000 sq ft shopping mall in Bhavnagar, Gujarat in Western India.

The proposed mall will be located just 1km from the City's central business, the university and prime residential areas. The site has a frontage of approximately 480 feet along the city ring road, and is to be surrounded by a proposed residential development. Approximately 30% of the shopping mall has already been pre-leased to leading retail brands Pantaloons, Globus, Big Bazaar and Adlabs (multiplex theaters).

Yatra's joint venture partner is Modi Build-Well Limited. ("MBL"), a subsidiary of the Himalaya Group based in Ahmedabad, Gujarat. Established in 1991, MBL focuses on retail projects, and recently completed the development of a shopping mall, with a drive-in theater near Gurukul, Ahmedabad, comprising of 340,000 sq ft of rentable space. Additionally MBL has several other projects under construction in the state of Gujarat and Rajasthan.

The growth in the retail sector is one of the key stories driving the future growth of Indian real estate. At present organised retail sector accounts for approximately 4% of the overall retail industry. However, the organised segment is expected to grow from about US\$8-10 billion currently to more than US\$100 billion in the next few years, with an annual growth rate of more than 34%, thereby requiring an estimated 500 million sq ft of planned retail space (as per the estimates of ICICI Property Services and KSA Technopak).

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Bhavnagar, like Pune, where Yatra has also invested in retail space, currently has a large unorganised retail market and therefore provides significant opportunities to create destination properties to cater to India's growing consumer demand.

This investment underlines Yatra's stated strategy of investing in fast growing Indian cities where the Board believes there is the greatest opportunity to deliver growth and subsequent shareholder value.

Saffron Capital Advisors Limited ("Saffron"), sourced, evaluated and advised on this joint venture using its experienced team which specialises in Indian real estate investments. Yatra, through its subsidiary K2 entered into an Investment Advisory Agreement with SCAL in August 2006.

Following this investment, Yatra will have invested €79.32 million of the €100 million that it raised in December 2006.

Commenting, Sir Nigel Broomfield, Chairman, Yatra Capital Limited, said: "This is our first investment in the state of Gujarat and a tier III city. In Yatra, we are developing a portfolio diversified by geography, and asset class. We are also delighted to be partnering with Modi Build-well and continuing with our strategy of partnering experienced local developers who are best placed to successfully deliver quality projects and, in turn, shareholder value."

Commenting, Ajoy Veer Kapoor, Director, Saffron Asset Advisors, said: Bhavnagar fits perfectly with our stated investment strategy and we will continue to focus on such tier III cities. It has a growing economy, which is creating demand across all segments of real estate to satisfy an increasingly affluent population, which demands a higher quality of living than is currently available. Bhavnagar has the added advantage that its growth is also underpinned by its longstanding relationship with the maritime and diamond industries.

Bhavnagar

Bhavnagar, a tier III city (population c. 600,000), is the administrative capital of Bhavnagar district. With a population of approximately 1.25 million, it is the fifth-largest city in Gujarat and is situated approximately 200 km south of Ahmedabad, the largest city in the state.

Bhavnagar is an important centre for the diamond industry. The local government has additionally proposed to develop a Gems and Jewellery park within the city, which will make the city the capital of the diamond industry in the region. Around 6000 manufacturing units currently operate from the district employing approximately 300,000 people.

Bhavnagar's commercial importance is enhanced by its close proximity to the Gulf of Cambay and the Arabian Sea, and home to Alang, the biggest ship breaking yard in the world, recycling about 50% of all ships salvaged each year in India. This has also helped to develop ancillary industries, such as bottling plants, re-rolling mills and induction furnaces. The city is also a prominent trading post for cotton products.

YATRA CAPITAL

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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 transaction was part of the term sheet deals announced in the trading statement released on 23 August 2007.
- This is the fifth investment to be announced by Yatra. As a result of this announcement Yatra will have €79.32 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 €104 million.
- Further information on Yatra is available from the website 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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