PROMETHEAN

INDIA

Interim Results for the
period ended 29 February 2008

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Chairman's Statement

The past six months have been relatively quiet for your company, primarily because of external circumstances. For both public and private companies, vendors' price expectations reached levels at which we believed did not represent value. For public companies, the problem was compounded by the Securities and Exchange Board of India's (SEBI) restriction on the issuance of "P Notes", the route by which Promethean India plc previously invested in public companies. We reviewed a number of investment opportunities but our only investments were modest follow-on investments in Mahindra Forgings Limited and in Nitco Tiles Limited. However, we were very pleased to receive Foreign Institutional Investor (FII) approval from SEBI, thus allowing us to invest directly rather than through the P Note mechanism.

At the half year date our investment portfolio was showing an unrealised gain to date of £5.3 million, representing an uplift of 31.2% on cost. However our caution has been vindicated by the subsequent fall in the Indian market since 29 February 2008 which has reduced the unrealised gains by £2.5 million to £2.8 million as at 29 April 2008. In spite of these circumstances, I remain satisfied with the quality and performance of the companies in which we are invested.

The Indian market remains very volatile but we are hopeful that there will be more opportunities in both the public and private markets in the coming year.

In short, it has been a very quiet half year. Although the lack of opportunity has been challenging, we are pleased that we did not allow the money to burn a hole in our corporate pocket.

More details on each investment are given in the Investment Managers' review.

Sir Peter Burt
Chairman
6 May 2008

PROMETHEAN INDIA

Investment Manager's Review

Overview

As at 29 February 2008 the Group had net assets of £54.0 million, equivalent to 108p per share (31 August 2007: £48.7 million equivalent to 97p per share) and a portfolio of four investments. During the six month period, there was a 10.9% uplift in Promethean India plc's net asset value due to our public market investments rising. This increase was in part driven by the volatility in emerging markets, and in particular, the Indian market.

While we were pleased with the valuations our investee companies commanded, it did not make it easy for us to build our position in those companies, or indeed in other new prospects. As we are long term investors, it becomes more complicated to execute our added-value strategy.

During the period the Manager successfully executed the merger of Mahindra Forgings Mauritius Limited (which in turn owned 100% of Schoneweiss & Co. GmbH, one of the leading private forging companies in Germany), with Mahindra Forgings Limited, a company listed on the Bombay Stock Exchange. Promethean India plc is now a shareholder in the Indian listed entity and Mohit Burman sits on the board of the company.

During the period Promethean India plc invested a total of £2.5 million, of which £1.4 million was a follow-on investment in Nitco Tiles Limited and £1.1 million was a follow-on investment in Mahindra Forgings Limited. Further to this, Gaurav Burman was appointed to the board of Nitco Tiles Limited.

Investments in the current portfolio are still relatively immature and we expect to see continued capital growth in these investments over the next two years. In addition we are actively working with the companies in order to generate shareholder value and improve investment returns.

To date, the Manager has invested £16.9 million in four investments.

Investment Strategy

The Company was established in order to execute a value activist investment strategy in both public and private businesses, building a concentrated portfolio of investments in which the Manager and Advisor can act as a catalyst for change and value creation.

All investments, whether in public or private companies, are preceded by extensive due diligence to assess risks and opportunities in any one investment. This will include an overview of the target's market, management, business model, financial track record, prospects and the likely realisation strategy.

Portfolio

As at 29 February 2008, the portfolio was as follows:

Company	Sector	Cost £'000	Valuation* £'000	Gain/(Loss) £'000
Mahindra Forgings Limited **	Automotive	3,544	3,406	(138)
Obopay Inc	Mobile Banking Services	729	729	–
Nitco Tiles Limited	Building Materials	5,502	6,313	811
EIH Limited	Hospitality	7,131	11,731	4,600
		16,906	22,179	5,273

* The valuations are in accordance with IFRS / IPEVCA guidelines. Valuation of listed investments is based on the closing bid price as at 29 February 2008. Unlisted investments are held at fair value, which for a limited period is cost. All investments are recognised at the transaction date.

** The investment in Mahindra Forgings Ltd made by Promethean India Investments Fund 1 is held via an intermediary holding company.

Mahindra Forgings Limited

In May 2007 Promethean India plc secured exclusivity to purchase a 10% stake in Mahindra Forgings Mauritius Limited (MFML). MFML in turn owned 100% of Schoneweiss & Co. GmbH. (Schoneweiss), one of the leading private forging companies in Germany with 140 years of experience allowing it to become one of the leading axle beam manufacturers in the world, specialising in suspension, power train and engine parts.

The Mahindra group is one of the best known industrial groups in India and a leader in the automotive sector with over US$4.0 billion per year in revenues. The Mahindra group had decided that the automotive components sector has significant growth potential and is key to their automotive strategy. As a result they have adopted a buy and build strategy in this sector.

We invested alongside them in MFML which purchased Schoneweiss. During the period MFML was merged into Mahindra Forgings Limited, an Indian listed business, in an all share transaction. As a result we are now shareholders in the Indian listed business which has been created as a result of multiple acquisitions in the automotive component space. We are pleased with the company's performance and continue to be involved in the strategy going forward. Mohit Burman is on the board of the company and we have an excellent working relationship with the Mahindra family.

Obopay Inc.
In June 2007 the Advisor was introduced to Obopay Inc., a privately held Californian based company. After initial due diligence on the company and its management the Advisor was impressed by their comprehensive mobile payment technology. The Obopay service allows an individual to instantly obtain, spend, and send money anywhere, anytime with anyone using their mobile phone. Given India is home to over 200 million mobile subscribers and this base is growing rapidly, the Advisor approached Obopay to discuss the possibility of helping them scale their operations in India.

During the period we have helped the company establish their operations in India. We have made a number of introductions both in the banking industry and with a number of mobile service providers with whom we have good relationships. Although we are disappointed that the company does not seem to be willing to allow us to fund its India business as a stand-alone entity, we take some comfort from the fact that the business is successfully executing its strategy and has signed a number of partner relationships. The company has signed an agreement with Centurion Bank and Yes Bank in India, and is rolling out a trial of the product with Citibank in Boston and Chicago.

We continue to work closely with the management of Obopay and are beginning to witness plenty of interest in the business globally, especially amongst the cellular service provider network in India due to the company's ability to offer inclusive banking in a country with relatively little banking infrastructure.

Nitco Tiles Limited
The Advisor first became interested in Nitco Tiles Limited in June 2007. It was clear to the Advisor that Promethean India plc should participate in the significant real estate growth in India, but the question was how to do this given the high valuations the private and listed real estate businesses in India were commanding. As a result the Advisor started to look at businesses that it felt would benefit from the significant amount of commercial, residential and retail construction in India. Nitco was interesting for a number of reasons, the first and foremost being that the company since being founded in 1956 has grown to become the second largest tile manufacturer in India producing in excess of 250 million square feet of floor tiles per year. Over and above this, the Advisor was very impressed by the management team and their ambitions for the future growth of the business.

Nitco had also recently announced that they were moving their production out of the Mumbai region to take advantage of the tax subsidies that some of the less industrial states in India were offering to businesses that set up manufacturing units in those regions. As a result some of the valuable real estate that the company owned would be released and potentially developed into lucrative residential or commercial use.

During the period we increased our stake in Nitco by purchasing shares in the open market. We also started working with the management to help them begin to separate their tile business and their property business into two separate reporting entities. Shortly after we increased our stake, Gaurav Burman joined the board of the company. We also helped the company raise a qualified institutional placement (QIP) of approximately US$40 million from a number of large investors such as Merrill Lynch and Citibank, which was completed at a premium to the valuation at which we invested. We continue to be excited about the progress the business is making and we are working closely with management to create value.

EIH Limited
The Advisor had for some time been looking at East India Hotels, one of the largest branded hospitality businesses in India. Given the growth in domestic and international tourism and the growth in the aviation sector which has resulted in both Indian and foreign visitors having access to air travel, we are witnessing a period of major growth in the hospitality and catering industries. The hospitality sector in India historically has suffered from significant under investment and as a result there are less 5 star luxury hotel rooms in India than there are in Manhattan. The Advisor believes they have found an asset which, despite being one of the best portfolio of properties in India, has been undervalued by the public markets. The Advisor believes this undervaluation may change in the medium term and has identified ways in which Promethean India plc can act as a catalyst for this change.

During the period we continued to look to starting a dialogue with the management of the business. This became more difficult as the share price of the company started to rise very quickly after we had started building our stake and at one point had effectively doubled from the price we paid. This appreciation happened without any major changes to the manner in which the business was being managed. Although we are pleased the market is starting to realise the true value of the asset, we are still working to engage with the management to encourage them to divest some of their non-core assets and increase shareholder value. While we believe there is plenty of work to be done, we are encouraged by some of the recent announcements and actions. We continue to believe the asset is still considerably undervalued.

Events after the Balance Sheet Date

Since 29 February 2008, the Indian stock market has seen a fall in price levels, and as such the accumulated £5.3 million unrealised gain as at 29 February 2008 relating to listed investments had reduced by £2.5 million to £2.8 million as at 29 April 2008. A detailed summary is contained within the notes to the accounts.

On 24 April 2008, the company invested a further £0.5 million in Obopay Inc. Our investment was part of a fourth round of funding, raising an additional US$20.0 million. This round values the company at US$220 million, an uplift of 2.5 times cost on our original investment of £0.7 million made in May 2007.

In March 2008 one new investment of £1.3 million was made in "Project Einstein", an undisclosed listed company. As at 29 April 2008, there had been a slight uplift in the valuation.

Outlook

The Manager is pleased with the progress we have made in terms of investing capital and the progress we are making with our investee companies. We have achieved this in a relatively short amount of time. We continue to be encouraged by the opportunities we are seeing and although we are heading toward a period of economic difficulty, we continue to believe that India will grow faster than most other economies and feel this is the right environment to be buying assets and investing the capital that our discipline has allowed us to protect.

Gaurav Burman
on behalf of
Promethean Investments LLP
6 May 2008

All statements of opinion and/or belief contained in the Investment Manager's review and all views expressed and all projections, forecasts or statements relating to expectations regarding future events of the possible future performance of the Company represent Promethean Investments LLP's own assessment and interpretation of information available to it as at the date of this report. As a result of various risks and uncertainties, actual events or results may differ materially from such statements, views, projections or forecasts. No representation is made or assurance given that such statements, views, projections or forecasts are correct or that the objectives of the Company will be achieved.

Independent review report to Promethean India plc

Introduction
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 29 February 2008 which comprises the unaudited Group Income Statement, the unaudited Group Balance Sheet, the unaudited Company Balance Sheet, the unaudited Statement of changes in equity, the unaudited Group Cash Flow Statement and notes 1 to 4. We have read the other information contained in the half yearly financial report which comprises only the Chairman's Statement and Investment Manager's Review and considered whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors.

As disclosed in Note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 29 February 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Grant Thornton

Grant Thornton
Chartered Accountants
Isle of Man
6 May 2008

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Promethean India plc

Group Income Statement for the period to 29 February 2008

	Unaudited Period 1 Sept 2007 to 29 Feb 2008 £'000	Unaudited Period 1 Sept 2006 to 29 Feb 2007 £'000	Audited Period 16 May 2006 to 31 Aug 2007 £'000
Revenue			
Investment and other income	1,024	–	885
Realised and unrealised gain on financial investments	4,929	–	344
	5,953	–	1,229
Management expenses	(630)	–	(779)
Profit before finance costs and taxation	**5,323**	**–**	**450**
Finance costs	(5)	–	(1)
Profit before tax from trading operations	5,318	–	449
Income tax expense	–	–	–
Group profit after tax from trading operations	**5,318**	**–**	**449**
Attributable to:			
Equity holders of the parent	5,318	–	449
	5,318	**–**	**449**
Earnings per share – (basic and diluted)	**10.6p**	**–**	**0.9p**

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Promethean India plc

Group Balance Sheet as at 29 February 2008

	Unaudited 29 Feb 2008 £'000	Audited 31 Aug 2007 £'000
Non-current assets		
Investments held at fair value through profit or loss	22,179	14,718
Non current loans	3,708	3,766
	25,887	18,484
Current assets		
Trade and other receivables	838	947
Cash and cash equivalents	28,503	32,920
	29,341	33,867
Total assets	**55,228**	**52,351**
Current liabilities		
Trade and other payables	1,208	3,650
Net assets	**54,020**	**48,701**
Equity		
Share capital	500	500
Share premium	47,752	47,752
Unrealised investment revaluation reserve	5,281	352
Retained earnings	487	97
Equity attributable to equity holders of the parent	**54,020**	**48,701**
Net asset per share	**£1.08**	**£0.97**

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Promethean India plc

Company Balance Sheet as at 29 February 2008

	Unaudited 29 Feb 2008 £'000	Audited 31 Aug 2007 £'000
Non-current assets		
Investments held at fair value through profit or loss	20,735	18,985
Current assets		
Trade and other receivables	757	431
Cash and cash equivalents	28,389	29,854
	29,146	30,285
Total assets	**49,881**	**49,270**
Current liabilities		
Trade and other payables	308	342
Net assets	**49,573**	**48,928**
Equity		
Share capital	500	500
Share premium	47,752	47,752
Retained earnings	1,321	676
Equity attributable to equity holders of the parent	**49,573**	**48,928**

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Promethean India plc

Group Statement of changes in equity for the period ended 29 February 2008

Unaudited

	Share Capital £'000	Share Premium £'000	Unrealised investment revaluation reserve £'000	Retained Earnings distributable £'000	Total £'000
Balance as at 31 August 2007	500	47,752	352	97	48,701
Profit for the period	–	–	–	5,319	5,319
Unrealised gains reserve transfer	–	–	4,929	(4,929)	–
Balance as at 29 February 2008	**500**	**47,752**	**5,281**	**487**	**54,020**

Audited

	Share Capital £'000	Share Premium £'000	Unrealised investment revaluation reserve £'000	Retained Earnings distributable £'000	Total £'000
Balance as at 16 May 2006	–	–	–	–	–
Issue of share capital	500	–	–	–	500
Premium on shares issued	–	49,500	–	–	49,500
Expenses relating to the issue of shares	–	(1,748)	–	–	(1,748)
Profit for the period	–	–	–	449	449
Unrealised gains reserve transfer	–	–	352	(352)	–
Balance as at 31 August 2007	**500**	**47,752**	**352**	**97**	**48,701**

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Promethean India plc

Group Cash Flow Statement for the period ended 29 February 2008

	Unaudited 1 Sept 2007 to 29 Feb 2008 £'000	Unaudited 1 Sept 2006 to 29 Feb 2007 £'000	Audited 16 May 2006 to 31 Aug 2007 £'000
Cash flows from operating activities			
Profit after taxation	5,318	–	449
Adjustments for:			
Interest income	(1,024)	–	(885)
Unrealised investment losses/(gains)	(4,929)	–	(344)
Exchange loss	5	–	–
Decrease/(increase) in trade and other receivables	110	–	(947)
(Decrease)/increase in trade and other payables	(2,442)	–	3,650
	(2,962)	**–**	**1,923**
Income tax paid	**–**	**–**	**–**
Cash flows from investing activities			
Purchase of investments	(2,537)	–	(18,715)
Proceeds from sale of investments	–	–	4,341
Interest received	1,024	–	885
Net cash used in investing activities	**(1,513)**	**–**	**(13,489)**
Proceeds from issue of share capital	–	–	48,252
Issue of loans	58	–	(3,766)
Net cash used in financing activities	**58**	**–**	**44,486**
Net (decrease)/increase in cash and cash equivalents	**(4,417)**	**–**	**32,920**
Cash and cash equivalents at beginning of period	**32,920**	**–**	**–**
Cash and cash equivalents at end of period	**28,503**	**–**	**32,920**

Note 1 – General Information
The information for the six month period ended 29 February 2008 and the period 1 September 2006 to 29 February 2007 does not constitute statutory accounts as referred to in section 9 of the Companies Act 1982. Comparative figures for the period 16 May 2006 to 31 August 2007 are taken from the full statutory accounts, which contain an unqualified audit report.

Note 2 – Basis of accounting
This statement has been prepared using accounting policies and presentation consistent with those applied in the preparation of the accounts for the Company for the period ended 31 August 2007, and in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Note 3 – Valuation of listed investments
Listed investments are valued at closing bid prices in accordance with IPEVCA and IFRS guidelines. Where two exchanges exist, the closing bid price is obtained from the exchange which demonstrates the largest transaction volumes.

Note 4 – Events after the Balance Sheet Date
Subsequent to the period end, there has been a fall in the value of the Indian stock markets. This has reduced the unrealised gains reported by £2.5 million, resulting in the following valuations:

- EIH Limited: £10.4 million (29 February 2008: £11.7 million)
- Nitco Tiles Limited: £5.4 million (29 February 2008: £6.3 million)
- Mahindra Forgings Limited: £3.1 million (29 February 2008: £3.4 million)

On 24 April 2008, the Company invested a further £0.5 million in Obopay Inc. Our investment was part of a fourth round of funding, raising an additional US$20.0 million. This round values the company at US$220 million, an uplift of 2.5 times cost on our original investment of £0.7 million made in May 2007.

In March 2008 one new investment of £1.3 million was made in "Project Einstein", an undisclosed listed company. As at 29 April 2008, there had been a slight uplift in the valuation.

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