

12 July, 2006

We are pleased to inform the acquisition of Bouvet Ladubay SAS, a Company in France engaged in manufacture of wines. This acquisition has been made by Asian Opportunities and Investments Limited, our wholly owned subsidiary in Mauritius. The acquisition involved the purchase of entire share capital of Bouvet Ladubay SAS for a consideration of Euro 14.75 Million. Necessary Agreements in this regard had been entered into for the conclusion of the transaction.

Consequent to the above, Bouvet Ladubay SAS and its wholly owned Subsidiary, Chapin Landais SAS have become wholly owned subsidiaries of Asian Opportunities and Investments Limited and to that of the Company.

Bouvet Ladubay is a long established Winery, set up in 1851 in the Loire Valley of France, a noted Wine Growing region.

The state-of-the-art winery producing sparkling wine by using the traditional "Methode Champenoise", produces a distinctive and superior quality of wines, which are well received at premium prices in France, Germany, UK, USA, etc. Sales of over 3 million bottles last year resulted in revenue of Euro 12 Million, on which the Company produced an EBITDA of over Euro 1 Million.

McDowell sees in this acquisition, the opportunity to:

1. Introduce high quality wines (both bottled in origin, in France and bulk imported to be bottled locally) to the emerging wine connoisseur in India.
2. To assimilate leading edge viticulture from the Home of Wines on wine making, into India.
3. To take advantage of established distribution in Europe and US to push other products from its portfolio in the Western markets.

McDowell has funded this acquisition which cost about Euro 15 Million, from the proceeds of GDR issue/Internal accruals. No additional borrowing has been taken for this purpose.

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Sunita Budhiraja

Corporate Vice President- Media and Communications
The UB Group