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PRESS RELEASE

GEM India Advisors invests Rs15 crores (\$3.5 million) in Sula Vineyards

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GEM India Advisors today announced that it has invested Rs 15 Crores (\$3.5 million) for a significant minority stake in Sula Vineyards. This transaction is the first of its kind in India, with an international private equity firm taking a stake in an Indian wine company. GEM India shall invest through a preferential allotment of optionally convertible participating preference shares. The Samant family will continue to retain majority control. GEM India will appoint two directors, Deepak I. Shahdadpuri and Alok Sama, on the board of Sula.

Sula Vineyards has emerged in recent years as India's leading premium wine brand. The fast-growing Nashik-based company, which sold its first bottle in 2000, will sell over a million bottles of wine this year, making it the second largest wine company in India, with a 20% share of the market. Apart from the premium Sula Vineyards label, the company also produces the popular Madera range of table wines. It has also leveraged its nationwide sales and marketing network to import and distribute leading wine brands from around the world, including Hardys, Ruffino and Two Oceans. Sula now covers all the country's major wine markets, and exports its wines to the US, UK, France and Italy.

GEM India Advisors ("GIA") is a new India focused private equity firm and part of the Global Emerging Markets ("GEM") Group. GIA manages the GEM India Fund, a \$100M fund focusing on industries benefiting from the growth in domestic consumer demand and is looking to make investments in the healthcare, leisure, FMCG, entertainment, media, retail and education sectors. Global Emerging Markets ("GEM") was founded in 1993 and has advised on \$1.9 billion in transactions. GEM is headquartered in New York with offices in London and Paris. GEM has completed 155 private placements of publicly listed companies in 20 different countries and 6 leveraged buyouts. Each GEM office is staffed by local investment professionals who understand the business culture and local legal practices of their respective geographies.

Commenting on the transaction Mr. Rajeev Samant, CEO of Sula Vineyards said, "Sula is today one of a handful of Indian alcoholic beverage brands that is perceived as a premium brand. Our intense focus on quality and branding is now reaping rewards. We are uniquely placed to capitalize on the wine boom that is taking place in India, as well as the tremendous export potential for Indian wine. We aim to place Sula and India firmly on the global wine map. Our efforts in this direction are further strengthened by this investment by GIA, who share our vision."

"GEM India is seeking to make investments in market leading companies in consumer related sectors where we see positive macro and micro trends," explained Deepak I. Shahdadpuri, Founder and Director of GEM India Advisors. "We identified the Indian wine industry and Sula in particular, as offering significant growth opportunities, and having a visionary entrepreneur. The Indian wine industry is poised for growth and is still at a nascent stage of its development. The industry has grown 22% annually over the last decade and is forecast to grow 25% pa this decade. We were very impressed by the management team at Sula, particularly the CEO Rajeev Samant, who has played a large part in making the Indian wine industry what it is today. Rajeev possesses the vision, courage and determination we seek in our entrepreneurs to change an industry and to take it global. We see ourselves as long term value added investors, real partners, in helping build India's most successful winery and play a part in taking Indian wines global. We are confident that Sula will become the dominant player in the Indian wine market."

"GEM India is very close to announcing its second deal in India, and we are actively looking for other investment opportunities," adds Deepak.

GEM India was advised by Trilegal, Axis Risk Consulting and Aventus. Sula was advised KPMG and Desai & Diwanji.