Elephant Capital plc and its subsidiaries

Unaudited condensed consolidated interim financial statements for the six month period ended 29 February 2012

Contents

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Chairman's Statement

Results

As at 29 February 2012, NAV was GBP 23.5 million or 49p per share; compared to GBP 25.5 million or 51p per share as at 31 August 2011. The components of the decline in NAV are GBP 0.8 million fall in the value of the unlisted investment portfolio, including an exchange loss of GBP 0.2 million, a GBP 0.5 million fall in the listed investment portfolio, including an exchange loss of GBP 0.3 million, purchase of the Company's shares for cancellation of GBP 0.2 million and the excess of expenses over income of GBP 0.5 million.

Unlisted Investment Portfolio

A further write down of GBP 0.5 million was made against the investment in ClinTec based on the continued shortfall in ClinTec's performance against its budget, valuing the investment at GBP 1.1 million at 29 February 2012 compared to GBP 1.6 million at 31August 2011.On 13 March 2012 a claim was issued against ClinTec's founders for breach of warranty and misrepresentation under the original share purchase agreement.

Efforts continue to realise Elephant Capital's investment in Global Cricket Ventures, Mauritius ("GCV"). The investment in GCV has been valued at GBP 1.7 million based on the estimated net asset value of GCV attributable to Elephant Capital's shareholding.

ACK has bought back 70,457 equity shares, representing 15% of existing paid up capital of the company, at a purchase price equal to what Future Ventures India Limited (FVIL) and Elephant Capital paid in the second round of investment. This should lead to higher earnings per share and enhanced return on equity and capital employed. The business continued to perform satisfactorily. Elephant Capital's stake in ACK was valued at GBP 3.9 million on 29 February 2012.

Air Works has been performing satisfactorily. The company is in the process of raising additional equity capital to finance its future growth strategy and has received significant interest from prospective investors. Elephant Capital's stake in Air Works was valued at GBP 2.8 million (including the second tranche investment made during the period under review) on 29 February 2012.

Full details of the Company's unlisted investments are included in the Investment Manager's report.

Listed Investment Portfolio

The Indian stock markets have been very volatile during the period rising and falling within a 10% band finishing up circa 6% by the end of the period. Mahindra Forgings was our only listed stock which performed in line with the market with a circa 10% increase in stock price. The other two listed investments – EIH and Nitco declined during the period, albeit the EIH stock price fell by circa 3%; Nitco was down circa 10%.

Full details of the Company's listed investments are included in the Investment Manager's report.

Since the issue of our last report, we have, as announced, been trying to dispose of our listed holdings. Disposals to date have realised only GBP 0.17 million. Our efforts have been impeded by the poor liquidity of our 3 listed investments which, in current market conditions, can only be disposed of at significant discounts.

Further Return of Capital

The Board will initiate a return of capital to the shareholders when the disposal of the listed portfolio has progressed sufficiently. This disposal may take some time to achieve. We are very aware of the need to balance our strategy of returning capital to shareholders with the achievement of disposal values which are in our shareholders' interest.

Board Changes

As previously announced, Pramath Raj Sinha stepped down as a Director of the Company at its AGM on 23 March 2012. The board has expressed its thanks to Pramath for his wise counsel during a very difficult time in the Company's history.

Outlook

The increasing level of concern about the euro's stability, coupled with domestic headwinds in India (such as governance and the Vodafone tax claw back) combine to create a particularly uncertain outlook for the Indian market over the rest of 2012. Foreign Institutional Investors (FII) are again increasingly adopting a "risk off" attitude to emerging markets generally, and as part of this process, we are seeing them begin to withdraw funds from India again. Since FII interest typically drives market demand in India, the markets have traded sideways since this process started, and we see this sideways trend continuing, with substantial downside risk in case the euro crisis worsens.

Vikram Lall
25 May 2012

Investment Manager's Review

Introduction

During the period Elephant Capital plc ("Elephant Capital" or the "Company") made no new investments. Only an additional investment of GBP 0.5 million was made in Air Works India (Engineering) Private Limited ("Air Works") as the second tranche to the initial investment in the company.

Elephant Capital made investments via its Mauritian based fund vehicles Tusk Investments 1 Limited and Tusk Investments 2 Limited (individually the "Fund", collectively the "Funds") into businesses that are established or operating primarily in India.

The Funds are managed by Elephant Capital LLP (the "Investment Manager" or "Elephant"), a limited liability partnership which in turn is advised by Elephant India Advisors Private Limited (the "Advisor"), of which the senior executives in India are all members.

The Investment Manager and the Advisor's investment team, led by Gaurav Burman and Mohit Burman, include all the senior executives of the Advisor, all of whom have extensive experience within the private equity and the financial services industry.

Investment strategy

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

As the Company has previously announced Elephant Capital will no longer be making any new investments and has adopted a policy of managing and realising its current portfolio, and actively looking to return cash to its shareholders.

The Company executed a tender offer last year and will return further capital to its shareholders when sufficient realisations have been made.

Investment activity

During the 6 month period to 29 February 2012, the Investment Manager made no new investments. The focus was on managing its existing portfolio, and a follow on investment was made in Air Works. This investment was declared as a post balance sheet event in the latest annual report. Elephant Capital continues to face challenges with further write-down in the value of its investment in ClinTec. Given the significant continued underperformance of the business as against targets and forecasts, Elephant Capital decided to issue a claim against the founders of ClinTec in respect of breach of a warranty that Elephant Capital had negotiated as part of its purchase of shares in ClinTec from the founders. The Investment Manager believes this claim was in the best interests of Elephant's shareholders.

The Investment Manager's goal is to create value for its shareholders from the portfolio that has been created by exiting investments and returning cash to its shareholders, pursuant to the Board's strategy for making no future investments and focusing on liquidating the portfolio.

In its last two reports (interim and annual), Elephant Capital had successively written down the value of its investment in ClinTec. However, due to continuing below budget performance, the Company has decided to further write down its investment in ClinTec by GBP 0.5 million. The Investment Manager remains cautious regarding the near term prospects of the business, but is engaging with ClinTec management to position the company for improved performance in future.

The Indian markets witnessed significant volatility during the 6 month period as it moved within an overall 10% band. While the Sensex as a whole gained circa 6% during the review period, less liquid stocks suffered including EIH and Nitco, which both lost circa 3% and 10% during the period, while Mahindra Forgings gained circa 10%.

The Board has initiated a programme for disposal of the Company's listed portfolio, and will continue this programme subject to market conditions and liquidity

During the review period, Elephant Capital announced a second tranche investment of GBP 0.5 million in Air Works, as per its commitment under the original shares subscription cum purchase agreement.

Portfolio Review

Air Works

Air Works is a leading independent provider of aviation MRO (maintenance, repair and overhaul) services in India. The MRO market in India has experienced rapid growth in recent years, with increasing demand for new aircraft driven by demand from both the commercial and the business aviation sectors.

Founded in 1951, Air Works has successfully transformed itself from a family run business focused on providing maintenance services to business aircraft, into a professionally managed organisation providing a full suite of services to business as well as commercial aircraft in India, the UK, the Middle East and South East Asia. The company has a first mover advantage in the domestic market, and has built up strong relationships with aircraft OEM’s (original equipment manufacturers), including Gulfstream, Bombardier, Honeywell and AgustaWestland.

In May 2011, Elephant Capital invested GBP 2.5 million, for a 4.8% stake in Air Works. The company acquired the MRO business of an established competitor, InterGlobe General Aviation (“IGGA”) during the same time as the investment by Elephant Capital. In November 2011, an additional GBP 0.5 million was invested for 0.7% stake in the company on a fully diluted basis, as the second tranche to the initial funding.

The company has been performing satisfactorily and is in the midst of raising another round of equity funding at a premium to the last round in which Elephant Capital invested. The capital raised will be used to execute the company’s growth plans, both organic and inorganic. The Investment Manager will update the market once the funding has been closed.

Amar Chitra Katha Private Limited

ACK is one of the leading children’s media companies in India, with a catalogue of over 750 print and digital products, and 25 major (and 50+ minor) proprietary characters with India-wide recognition. ACK’s origins are in children’s books and comics, with “Amar Chitra Katha”, the number 1 children’s comic book series dating back to 1967. Other key brands include Tinkle, the number 1 English magazine for children, and Karadi Tales, the number 1 audio books company. Elephant Capital became interested in ACK, because it recognised that in India, where under-18s represent 40% of the billionplus population, and against a background of rising middle class disposable income, the children's education and entertainment sector offered a huge growth opportunity. ACK, with its strong portfolio of intellectual property rights, is well-positioned in this market.

In recent years, ACK has sought to diversify its product offering to digital media platforms including films, TV, online, mobile, and other new media platforms. The company's focus areas include creating new content and merchandise and expanding e-commerce (direct to consumer and indirect channels). Elephant Capital has always been a proponent of focusing on the core values of the business and crafting a strategy that will allow the company to take its unique and rich library to a larger audience using a digital distribution strategy, and upgrading its products to build a larger print business. With the arrival of Future Ventures India Limited ("FVIL") as the controlling shareholder (see below), they have articulated a shared vision for the business. The new management team led by Vijay Sampath has been working hard to execute the company's growth strategy. Elephant Capital is positive on ACK's growth prospects and is supportive of the company's future strategy and feels that ACK now has the team to harness the opportunity.

Elephant Capital invested GBP 3.2 million in ACK in a primary transaction, in June 2010. In April 2011, it announced a further investment of GBP 0.9 million in a second funding round, led by FVIL. Elephant Capital's stake in ACK is 22% post this investment. The transaction was completed at a premium to Elephant Capital's initial investment. Further, in July 2011, FVIL acquired an additional 30% stake from the promoters of ACK in a secondary transaction at the same price as the last round of investment. Post this acquisition, FVIL has become the majority shareholder of ACK with a 56% stake in the company.

ACK has announced and subsequently purchased back 70,457 of its own shares representing 15 % of existing paid up capital of the company, at the purchase price FVIL and Elephant Capital paid in the second round. Neither Elephant Capital nor its co-investors participated in this buy back and hence Elephant's shareholding in the business has increased to 26%

ClinTec

Established in 1997, ClinTec is a full service global clinical research organisation ("CRO"), providing clinical research outsourcing services to pharmaceutical, biotechnology, and medical device companies internationally. With regional presence in over 35 countries, ClinTec's strategic offering comprises clinical research and resourcing services in both developed and emerging markets, which use local experience but work to global standards. This allows it to capitalise on the most attractive geographies for conducting clinical trials in an environment where clients demand rapid clinical development at a competitive cost base. The majority of ClinTec's revenues are contributed by its global clinical resourcing division under which it places clinical management staff with the in-house research and development teams of pharmaceutical companies.

Elephant Capital invested GBP 8.0 million in ClinTec in a secondary transaction in August 2010 for a 28.57% stake. ClinTec's performance rapidly fell short of budget in the months following Elephant Capital's investment due to which the value of the investment was initially written down by GBP 2.5 million in the interim financials (as of 28 February 2011) and again by GBP 3.9 million in the latest annual report(as of 31 August 2011). The company has again reported underperformance for the period ended 31 December 2011 compared to the revised 31 December 2011 budget, resulting in the further write down of the value of Elephant Capital's investment in ClinTec by GBP 0.5 million.

In the Company's recent annual report, it was stated that the Investment Manager was considering various remedies that were available to Elephant Capital. On 13 March 2012, a claim was issued against ClinTec's founders for breach of warranty and misrepresentation under the original share purchase agreement.

Global Cricket Ventures Limited, Mauritius

In November 2009, Elephant Capital announced an investment of GBP 5.95 million in a primary transaction in GCV, a cricket-focused, digital media and broadcasting company. At the time of its investment, GCV was the exclusive licensee of key internet and mobile rights to the Indian Premier League ("IPL") and key internet rights to the Champion's League Twenty20 ("CLT20") cricket tournaments.

In mid-2010, the Board of Control for Cricket in India (the "BCCI") announced that it would be rescinding its global media contracts with World Sports Group ("WSG") from whom GCV sublicensed many of its own cricket-related rights. Further, WSG terminated GCV's contractual rights relating to the IPL. This obviously dealt a fatal blow to the business prospects of GCV, as GCV lost its key rights as a result of this action, and ahead of the fourth IPL season, these rights were re-awarded to other parties. As a result of WSG's termination, GCV entered into active discussions to settle liabilities towards its own sub-licensees and has made significant progress on such settlements.

GCV views WSG's termination of its contractual rights to be wrongful and has commenced legal proceedings to enforce its legal rights. GCV has also entered into a dialogue with the BCCI to explore the possibility of a resolution of the current situation.

The shareholders of GCV including Elephant Capital intend to liquidate GCV after it has resolved and/or pursued all its outstanding claims and liabilities so that cash can be returned to its shareholders.

The investment has been valued at GBP 1.7million based on the Investment Manager's best estimate of the net asset value of GCV, attributable to the Company's shareholding in GCV. As mentioned in the interim report the final exit value on this investment cannot be certain until the exit process is complete. Elephant Capital will update the market as and when appropriate.

Obopay Inc.

Obopay, is a privately-held, California-based company specialising in mobile phone payment technologies, which allow individuals to instantly obtain, spend, and send money anywhere, anytime and to anyone using their mobile phone. Obopay's service has huge potential in emerging markets, such as India, which are "under banked", but where mobile phone penetration is high. Elephant Capital invested GBP 1.2 million across two funding rounds in July 2007 and April 2008 (series "C" and "D"). Post the investment, Nokia took a strategic stake in Obopay, investing USD 70 million (alongside some smaller partners) in funding rounds closing in February 2009, April 2009 and January 2010 (series "E1" and "E2").

In May 2011, Obopay informed its shareholders about another round of financing. In July 2011, Obopay raised a total of USD 8.76 million from existing shareholders at a significant discount to the last round. Elephant Capital closely evaluated the opportunity to invest in this round of financing and after several rounds of discussions with Obopay's management, it chose not to invest. In the recent annual report, the Board of Elephant Capital decided to write down the investment in Obopay based on the price at which funds were raised in the latest round.

Recently Nokia announced its plans to exit its mobile money business, Nokia Money. The service had more than 1.3 million users in India. Nokia operated the service in partnership with Union Bank of India and Yes Bank. Obopay provided the technology platform for this service on a managed services basis. While, the company's management is working with other potential partners in India. Nokia's decision to discontinue its mobile money service will have a significant impact on Obopay's revenue for 2012.

EIH Limited

EIH owns and/or operates 25 hotels and two luxury cruisers across four countries under the luxury "Oberoi" and five star "Trident" brands. It has one of the strongest hotel portfolios in India, with both destination resorts and business hotels located in Tier I and II cities across the country. Elephant Capital saw an opportunity in this market, because despite the rapid growth of its travel and tourism market (recording a CAGR of 15.0% from 2002-08), India was (and remains), relatively underserved by the luxury hotel market.

At the time of the Company's investment in 2007, Elephant Capital was aware of the potential for corporate activity at EIH, with tobacco-to-hotels conglomerate ITC-Welcomgroup having been stake-building since 2001 (current holding is just under 15%). In August 2010, the Oberoi family sold a 14.1% stake to Reliance Industries, and Reliance acquired additional shares from the market to up its stake to almost 15%.

In March 2011, EIH completed an INR 11.8 billion rights issue, in which both ITC-Welcomgroup and Reliance Industries took up their rights in full. Promoter entities also fully participated, and in addition pledged to acquire shares from the unsubscribed portion. Elephant Capital participated in the rights issue, and received its full entitlement of 1.8 million shares for a total consideration of GBP 1.7 million, leaving its stake in the company unchanged at 1%.

Last year, EIH opened an Oberoi in Gurgaon (near Delhi) which has been received very well and the customer ratings are very high.

In March 2012, RIL further increased their holding to 18%, while ITC continues to hold around 15% with two large industrial groups holding substantial stakes, speculation about the future of EIH, once Chairman P Oberoi retires is rife, with the market speculating that one or other group is positioning to take advantage of any transition.

Mahindra Forgings Limited

Mahindra Forgings is part of the wider Mahindra Group, one of the best known industrial groups in India and a leader in the automotive space with approximately USD 6 billion per annum in revenues. Mahindra Forgings itself is focused on manufacturing forging components for the commercial vehicle market in Europe, and in India, and is the leading manufacturer of crankshaft and stub axles for Indian cars, multi-utility vehicles and tractors. India has a very strong track record in manufacturing high value and critical auto-components for the world market, and a series of acquisitions left Mahindra Forgings very well placed to compete in this space in Europe.

Elephant Capital invested in Mahindra Forgings in 2007, and its current holding is 3%.

Nitco Limited

Nitco is one of the largest manufacturers of flooring tiles in India, selling more than 10 million square metres of tiling in FY 2011. It has a direct interest in the real estate sector through a wholly-owned subsidiary which develops residential and commercial property assets in Maharashtra. The Investment Manager became interested in the company because it wanted to participate in the significant real estate growth in India, and believed that Nitco offered a strong play on the sector, at a more realistic valuation.

However, the environment changed dramatically post Elephant Capital's investment in 2007, with the credit crisis ushering in an unprecedented decline in global property markets. The sector has yet to regain its earlier buoyancy, and periodical interest rate hikes have further dampened sentiments, but the key residential vertical has seen some recovery, and as a result, in 2010 Nitco announced plans to monetise its real estate assets. In early 2011, Nitco developed and sold 20% of one of its real estate assets in Thane, but the full impact of this initiative will only be realised over the next few years. Elephant Capital, which has a 6% holding in Nitco and is represented on the board, is extremely supportive of this strategy, and indeed first proposed it to the board some time ago.

As discussed in the Company's recent annual report, the Investment Manager remains skeptical of the management's true conviction in selling its real estate holdings and feels the management could have been much more aggressive about this process. Further Elephant Capital has been encouraging the management to address the issue concerning its over leveraged balance sheet.

In March 2012, Nitco signed a MoU for acquiring 51% of equity shares in New Vardhman Vitrified Pvt. Ltd. New Vardhman Vitrified is setting up a tile plant with a capacity to manufacture 4.95 million square meter per annum of vitrified tiles and 3.75 million square meter per annum of wall tiles. The production is expected to commence within 6 months

As at 29 February 2012, the portfolio was as follows:

Company	Sector	Listed / Unlisted	Cost £'000	Valuation 31 Aug '11 £'000	Valuation 29 Feb '12 £'000	Gain / (Loss) Over Cost £'000
Air Works India (Engineering) Private Limited	Aviation	Unlisted	2,922	2,380	2,767	(155)
Amar Chitra Katha Private Limited	Media	Unlisted	4,085	4,085	3,932	(153)
ClinTec Luxembourg S.A.	Clinical research	Unlisted	8,000	1,645	1,122	(6,878)
Global Cricket Ventures Limited	Media	Unlisted	5,949	1,713	1,704	(4,245)
Obopay Inc.	Mobile banking services	Unlisted	1,239	156	161	(1,078)
EIH Limited	Hospitality	Listed	7,071	6,903	6,420	(651)
Mahindra Forgings Limited*	Automotive	Listed	4,809	2,154	2,275	(2,534)
Nitco Limited	Building materials	Listed	1,393	1,353	1,174	(219)
Total			35,468	20,389	19,555	(15,913)

The valuations of the above are in accordance with International Financial Reporting Standards and International Private Equity and Venture Capital Association guidelines. All investments are held at fair value through profit or loss and are recognised at the transaction date on initial recognition.

*Part of the investment in Mahindra Forgings Limited is held via an intermediary holding company, Elephant Capital 1 Limited (Mauritius).

Realisations

No investments were realised during the period.

Principles of valuations of investments

Principles of valuation of unlisted investments

Investments are stated at amounts considered by the directors to be a reasonable assessment of their fair value, where fair value is the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

All investments are valued according to one of the following bases:

- Cost (less any provision required)
- Price of recent transaction
- Earnings multiple
- Net assets
- Sale price

Investments are valued at cost for a limited period after the date of acquisition. Thereafter, investments are valued on one of the other bases described above, and the earnings multiple basis of valuation will be used unless this is inappropriate, as in the case of certain asset based businesses.

When valuing on earnings multiple basis, earnings before interest, taxes, depreciation and amortization (EBITDA) or net profit of the current year, will normally be used. Such profits will be multiplied by an appropriate and reasonable earnings multiple (EBITDA multiple or net profit multiple as the case may be). This is normally related to comparable quoted companies, with adjustments made for points of difference between the comparator and the company being valued, in particular for risks, size, illiquidity, earnings growth prospects and surplus assets or excess liabilities.

Where a company has incurred losses, or if comparable quoted companies are not primarily valued on an earnings basis, then the valuation may be calculated with regard to the underlying net assets and any other relevant information, such as the pricing for subsequent recent investments by a third party in a new financing round that is actively being sought, then any offers from potential purchasers would be relevant in assessing the valuation of an investment and are taken into account in arriving at the valuation.

Where appropriate, a marketability discount (as reflected in the earnings' multiple) may be applied to the investment valuation, based on the likely timing of an exit, the influence over that exit, the risk of achieving conditions precedent to that exit and general market conditions.

When investments have obtained an exit (either by listing or trade sale) after the valuation date but before finalization of the Company's relevant accounts (interim or final), the valuation is based on the sale price.

In arriving at the value of an investment, the percentage ownership is calculated after taking into account any dilution through outstanding warrants, options and performance related mechanisms.

Principles of valuation of listed investments

Investments are valued at bid-market price or the conventions of the market on which they are quoted.

Valuation review procedures

Valuations are initially prepared by the Advisor. These valuations are then subject to review by external auditors, prior to final approval by the directors.

Events after the reporting date

Subsequent to the interim period end, there has been a decline in the value of the Group's listed investments, due to a fall in prices of securities and adverse exchange rate movements. This has increased the unrealised losses by GBP 2.47 Million.

Further details on events after the reporting date are disclosed in note 12 to the financial statements.

Gaurav Burman
On behalf of Elephant Capital LLP
25 May 2012

Independent Review Report to the Board of Directors of Elephant Capital plc

Introduction

We have been engaged by Elephant Capital plc (the 'Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 29 February 2012 which comprises the unaudited Condensed Consolidated Statement of Comprehensive Income, the unaudited Condensed Consolidated and Company Statement of Financial Position, the unaudited Condensed Consolidated Statement of Changes in Equity, the unaudited Condensed Consolidated Cash Flow Statement, and notes 1 to 12 to the Condensed Consolidated Interim Financial Statements. We have read the other information contained in the half yearly financial report which comprises of 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 Board of Directors of 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.

Director's responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. As disclosed in Note 3, the annual financial statements of the group are prepared in accordance with IFRS 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

Except as explained in the following paragraph, 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.

Basis for qualified conclusion

We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's investment in Global Cricket Ventures Limited (GCV) as at 29 February 2012 and as at 28 February 2011 and the Group's loss in this investment for the periods then ended because the management of Elephant Capital plc was unable to gather adequate financial information on GCV and this had caused our review opinion on the financial statements for the period ended 28 February 2011 to be qualified. The Group's investment in GCV, which was acquired at a value of GBP 5,949 thousand during November 2009 and was initially accounted for under IAS 39, is carried at GBP 1,704 thousand in the Group's and Company's Condensed Statement of Financial Position as at 29 February 2012 and a loss of GBP 9 thousand is included in the Group's loss for the period then ended. Consequently, we are unable to determine whether any adjustment to these amounts were necessary.

Qualified conclusion

Except for the adjustments to the interim financial information that we might have become aware of had it not been for the situation described above, 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 2012 does not present fairly, in all material respects, the financial position of the Group and Company as at 29 February 2012, and of the Group's financial performance and cash flows for the six month period then ended in accordance with International Accounting Standard 34 as adopted by the European Union.

Grant Thornton
Chartered Accountants
Isle of Man
25 May 2012

Condensed Consolidated Statement of Comprehensive Income

	Notes	Unaudited six months ended 29 February 2012 £'000	Unaudited six months ended 28 February 2011 £'000	Audited twelve months ended 31 August 2011 £'000
Revenue				
Investment and other income		155	322	535
Net losses on financial assets at fair value through profit or loss	7	(1,305)	(7,250)	(12,219)
Other income				
Net foreign exchange gain		6	1	1
		(1,144)	(6,927)	(11,683)
Expenses				
Management fees	8	(305)	(458)	(907)
Other expenses		(295)	(392)	(915)
Loss before finance costs and tax		(1,744)	(7,777)	(13505)
Finance costs		(2)	(2)	(4)
Loss before tax		(1,746)	(7,779)	(13,509)
Income tax expense		-	-	-
Loss after tax		(1,746)	(7,779)	(13,509)
Other comprehensive income for the period / year		-	-	-
Total comprehensive loss for the period / year		(1,746)	(7,779)	(13,509)
Loss and total comprehensive loss attributable to:				
Owners of the parent		(1,746)	(7,802)	(13,532)
Non-controlling interest		-	23	23
Loss per share - (basic & diluted)	9	(4p)	(16p)	(27p)

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

Condensed Consolidated Statement of Financial Position

	Notes	Unaudited as at 29 February 2012 £'000	Unaudited as at 28 February 2011 £'000	Audited as at 31 August 2011 £'000
ASSETS				
Non-current				
Investments at fair value through profit or loss	10	9,685	20,339	20,389
		9,685	20,339	20,389
Current				
Investments at fair value through profit or loss	10	9,870	-	-
Receivables		16	447	81
Prepayments		15	38	32
Cash and cash equivalents		4,072	11,087	5,130
		13,973	11,572	5,243
Total assets		23,658	31,911	25,632
Current liabilities				
Payables		185	170	181
		185	170	181
Net assets		23,473	31,741	25,451
EQUITY				
Share capital		477	500	484
Share premium		20,752	47,752	20,752
Distributable capital reserve		26,231	-	26,456
Unrealised investment revaluation reserve		(15,913)	(9,639)	(14,608)
Accumulated losses		(8,074)	(6,872)	(7,633)
Total attributable to the owners of the company		23,473	31,741	25,451
Non-controlling interest		-	-	-
Total Equity		23,473	31,741	25,451
Net asset value per share	9	£0.49	£0.63	£0.51

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

The unaudited condensed consolidated interim financial Statements on pages 15 to 24 were approved and authorized for issue by the Board of Directors on 25 May 2012 and are signed on its behalf by

Gaurav Burman
Director

Elizabeth Tansell
Director

Condensed Company Statement of Financial Position

	Notes	Unaudited as at 29 February 2012 £'000	Audited as at 31 August 2011 £'000
ASSETS			
Non-current			
Investments in subsidiaries		605	8,855
Loans to subsidiaries	11	10,121	12,391
		10,726	21,246
Current assets			
Assets held for distribution to owners(Refer note 10)		7,863	-
Loan to subsidiaries (Refer note 10)	11	2,000	-
Receivables		4	1
Prepayments		7	21
Cash and cash equivalents		2,694	3,765
		12,568	3,787
Total assets		23,294	25,033
Current liabilities			
Payables		102	106
		102	106
Net assets		23,192	24,927
EQUITY			
Share capital		477	484
Share premium		20,752	20,752
Distributable capital reserve		26,231	26,456
Accumulated losses		(24,268)	(22,765)
Equity attributable to owners of the Company		23,192	24,927

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

The unaudited condensed consolidated interim financial Statements on pages 15 to 24 were approved and authorized for issue by the Board of Directors on 25 May 2012 and are signed on its behalf by

Gaurav Burman
Director

Elizabeth Tansell
Director

Condensed Consolidated Statement of Cash Flows

		Unaudited six months ended 29 February 2012 £'000	Unaudited six months ended 28 February 2011 £'000	Audited twelve months ended 31 August 2011 £'000
(A)	Operating activities:			
	Loss before tax	(1,746)	(7,779)	(13,509)
	Adjustments for :			
	Depreciation	-	3	3
	Interest income	(8)	(21)	(31)
	Dividend income	(13)	-	(71)
	Net unrealised losses on investments	1,305	7,250	12,219
	Net changes in working capital :			
	Decrease in receivables, prepayments and other assets	86	21	392
	Increase/(decrease) in payables	3	(209)	(198)
	Net cash used in operations	(373)	(735)	(1,195)
	Income taxes paid	-	-	-
	Net cash used in operating activities	(373)	(735)	(1,195)
(B)	Investing activities:			
	Purchase of investments	(471)	-	(5,019)
	Interest received	5	21	31
	Dividend received	13	67	139
	Net cash (used in)/generated by investing activities	(453)	88	(4,849)
(C)	Financing activities:			
	Capital contribution by the partner in a group entity	-	200	200
	Shares brought back for cancellation	(232)	-	(560)
	Net cash paid to partner on sale of subsidiary	-	(200)	(200)
	Drawings made by partner in a group entity	-	(30)	(30)
	Net cash used in financing activities	(2,32)	(30)	(590)
	Net decrease in cash and cash equivalents	(1,058)	(677)	(6,634)
	Cash and cash equivalents at beginning of period/year	5,130	11,764	11,764
	Cash and cash equivalents at end of period/year	4,072	11,087	5,130

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

Condensed Consolidated Statement of Changes in Equity

Unaudited	Share capital £'000	Share premium £'000	Distributable capital reserve £'000	Unrealised investment revaluation reserve £'000	Accumulated losses £'000	Total attributed to owners of the parent company £'000	Non-controlling interest £'000	Total Equity £'000
Balance as at 1 September 2011	484	20,752	26,456	(14,608)	(7,633)	25,451	-	25,451
Shares brought back	(7)	-	(225)	-	-	(232)	-	(232)
Transactions with owners	(7)	-	(225)	-	-	(232)	-	(232)
Net unrealised gain reserve transfer	-	-	-	(1,305)	1,305	-	-	-
Loss for the period	-	-	-	-	(1,746)	(1,746)	-	(1,746)
Total comprehensive loss for the period	-	-	-	(1,305)	(441)	(1,746)	-	(1,746)
Balance as at 29 February 2012	477	20,752	26,231	(15,913)	(8,074)	23,473	-	23,473
Unaudited								
Balance as at 1 September 2010	500	47,752	-	(2,389)	(6,320)	39,543	26	39,569
Drawings made by partner in a Group entity	-	-	-	-	-	-	(30)	(30)
Capital Contribution by Partner in Group entity	-	-	-	-	-	-	200	200
Sale of subsidiary	-	-	-	-	-	-	(219)	(219)
Transactions with owners	-	-	-	-	-	-	(49)	(49)
Net unrealised loss reserve transfer	-	-	-	(7,250)	7250	-	-	-
(Loss)/Profit for the period	-	-	-	-	(7,802)	(7,802)	23	(7,779)
Total comprehensive (loss)/income for the period	-	-	-	(7,250)	(552)	(7,802)	23	(7,779)
Balance as at 28 February 2011	500	47,752,	-	(9,639)	(6,872)	31,741	-	31,741
Audited								
Balance as at 1 September 2010	500	47,752	-	(2,389)	(6,320)	39,543	26	39,569
Drawings made by partner in a Group entity	-	-	-	-	-	-	(30)	(30)
Capital Contribution by Partner in Group entity	-	-	-	-	-	-	200	200
Sale of subsidiary	-	-	-	-	-	-	(219)	(219)
Transfer to distributable capital reserve	-	(27000)	27000	-	-	-	-	-
Shares brought back under tender offer	(16)	-	(544)	-	-	(560)	-	(560)
Transactions with owners	(16)	(27000)	26,456	-	-	(560)	(49)	(609)
Net unrealised gain reserve transfer	-	-	-	(12,219)	12,219	-	-	-
(Loss)/Profit for the year	-	-	-	-	(13532)	(13,532)	23	(13,509)
Total comprehensive (loss)/income for the year	-	-	-	(12,219)	(1,313)	(13,532)	23	(13,509)
Balance as at 31 August 2011	484	20,752	26,456	(14,608)	(7,633)	25,451	-	25,451

(The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements).

Notes to Unaudited Condensed Consolidated Interim Financial Statements

1. Introduction

Elephant Capital plc (the "Company") is a public limited company incorporated in the Isle of Man on 16 May 2006 and listed on the Alternative Investment Market ("AIM") of the London Stock Exchange on 25 April 2007. Its registered office is at 3rd Floor, Exchange House, 54–62 Athol Street, Douglas, Isle of Man, IM1 1JD.

The 'Group' represents the Company and its subsidiaries. The unaudited condensed consolidated interim financial statements comprise the financial information of the 'Group' and the 'Company'. The Company's business consists of investing through the Group in businesses that have operations primarily in India and generating returns for its shareholders.

2. General information

The financial information for the six month period ended 29 February 2012 and comparative period for the six months ended 28 February 2011 do not constitute statutory accounts as referred to in section 9 of the Companies Act 1982.

The unaudited condensed consolidated interim financial statements are presented in pounds sterling (GBP), which is also the functional currency of the Company and other companies in the Group.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 29February 2012 (including comparatives) were approved and authorised for issue by the Board of Directors on 25 May 2012.

3. Basis of preparation

The unaudited condensed consolidated interim financial statements (herein referred to as 'interim financial statements') for the six months period ended 29 February 2012 are prepared in accordance with *IAS 34 – Interim Financial Reporting* as adopted by the European Union.

These interim financial statements for the six months ended 29 February 2012 have been prepared using accounting policies and presentation consistent with those applied in the preparation and presentation of the financial statements for the year ended 31 August 2011 and should be read in conjunction with those financial statements.

The comparative figures for the year ended 31 August 2011 are taken from the full statutory accounts, which contain a qualified audit report. The comparative figures for the six months ended 28 February 2011 are taken from the half yearly unaudited consolidated condensed financial statements for that period which contained a qualified review report. The accounting policies have been applied consistently throughout the Group for the preparation of consolidated financial statements.

4. Standards Issued but not effective

Subsequent to the approval of the annual financial statements of the Group, no additional standards, interpretations or amendments have been issued until the date of approval of these unaudited condensed consolidated interim financial statements, which are relevant to the Group but are not yet effective and not adopted early by the Group. The standards issued but not effective up to the approval of these

Notes to Unaudited Condensed Consolidated Interim Financial Statements

Standard Issued but not effective (Cont'd)

condensed financial statements are the same as included in the annual financial statements for the year ended 31 August 2011 and should be read in conjunction with those.

5. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 August 2011.

6. Segmental information

The management has considered the provisions of IFRS8 in relation to segment reporting and concluded that the Group's activities form a single segment under the standard. From a geographical perspective, the Group's substantial investments are mostly focused in India. Equally, in relation to business segmentation, the Group's investments are predominantly in the small and mid-cap businesses and it is considered that, the risks and rewards are not materially different whether the investments are listed or unlisted. However, an analysis of the investments between listed and unlisted investments is provided in note 10.

7. Net losses on financial assets at fair value through profit or loss

	Six months ended 29 February 2012	Six months ended 28 February 2011	Twelve months ended 31 August 2011
	£ '000	£'000	£'000
Financial assets designated as fair value through profit or loss			
Unrealised gain on investments	126	316	183
Unrealised loss on investments	(1,431)	(7,566)	(12,402)
Total	(1,305)	(7,250)	(12,219)

8. Management fee

Under the "Investment Management agreement", the amount of management fee payable from Tusk Investments 1 Limited and Tusk Investments 2 Limited (individually the "fund" and collectively the "funds") for the six months ended 29 February 2012 is 2% per annum of Net Asset Value ("NAV") of Elephant Capital plc as at the most recent valuation date (i.e. 31 August 2011).

The Management fee disclosed in the condensed consolidated statement of comprehensive income includes an additional expense of GBP 51 thousand incurred in respect of service fee received from the investee companies by Elephant 2 Limited (Manager).

Notes to Unaudited Condensed Consolidated Interim Financial Statements

9. Loss and net asset value per share

	Six months ended 29 February 2012	Six months ended 28 February 2011	Twelve months ended 31 August 2011
Loss attributable to ordinary shareholders	£(1,745,960)	£(7,802,041)	£(13,532,843)
Issued ordinary shares-beginning of year	48,400,411	50,000,000	50,000,000
Buy-back of shares	(661,000)	-	(1,599,589)
Issued ordinary shares outstanding at the end of period/year	47,739,411	50,000,000	48,400,411
Weighted average number of shares outstanding	47,764,695	50,000,000	49,824,703
Loss per share (basic and diluted)	(4p)	(16p)	(27p)
Net asset value per share (statutory)	£0.49	£0.63	£0.51
Net asset value per share (statutory) is based on the statutory net assets as at period/year end	£23,473,218	£31,741,186	£25,451,028

There were no options in issue to dilute the earnings per share.

10. Investments at fair value through profit or loss

The Group has invested in a portfolio of listed and unlisted securities of businesses operating primarily in India.

Details of the Group's investments are set out below:

	29 February 2012			28 February 2011			31 August 2011		
	£'000 Non-current	£'000 Current*	£'000 Total	£'000 Non-current	£'000 Current	£'000 Total	£'000 Non-current	£'000 Current	£'000 Total
Listed Investments:									
Balance brought forward	-	10,410	10,410	12,937	-	12,937	12,937	-	12,937
Additions	-	-	-	-	-	-	1,669	-	1,669
	-	10,410	10,410	12,937	-	12,937	14,606	-	14,606
Unrealised loss	-	(540)	(540)	(4,937)	-	(4,937)	(4,196)	-	(4,196)
	-	9,870	9,870	8,000	-	8,000	10,410	-	10,410
Unlisted Investments:									
Balance brought forward	9,979	-	9,979	14,652	-	14,652	14,652	-	14,652
Additions	471	-	471	-	-	-	3,350	-	3,350
	10,450	-	10,450	14,652	-	14,652	18,002	-	18,002
Unrealised loss	(765)	-	(765)	(2,313)	-	(2,313)	(8,023)	-	(8,023)
	9,685	-	9,685	12,339	-	12,339	9,979	-	9,979
Total investments	9,685	9,870	19,555	20,339	-	20,339	20,389	-	20,389

Notes to Unaudited Condensed Consolidated Interim Financial Statements

*During the period, the Board decided to commence a programme of disposal of the Company‘s listed portfolio and to return further capital to shareholders. Accordingly listed investments have been classified as current investments and as a consequence, in the Company’s statement of financial position, the related investment in subsidiaries has also been classified as held for distribution to owners as well as the related portion of the loan to subsidiary has also been classified as current.

11. Loans to subsidiaries (Company Statement of Financial Position)

Loans to subsidiaries in the standalone financial statements of the Company comprise the following:

	As At 29 February 2012 £'000	As at 31 August 2011 £'000
Non- current		
Elephant Capital LP*		
Opening balance	24,000	17,500
Add : loan given to subsidiaries during the period/year*	-	6,500
Less: transfer to current loan (Refer note 10 above)	(2,000)	-
Less : Provision for impairment **	(11,879)	(11,609)
	10,121	12,391
Current		
Elephant Capital LP*		
Opening balance	-	-
Add: transfer from non- current loan	2,000	-
	12,121	12,391

*As of 29 February 2012, a loan of GBP 24,000 thousand was given by Elephant Capital plc to Elephant Capital LP in order to provide further funds to Tusk Investments 1 Limited and Tusk Investments 2 Limited for making investments in certain investee companies in accordance with the investment strategy of the Group.

Further, the loan classified as non-current has not been discounted to its present value, as the repayment period is not determinable.

** As of 29 February 2012, in the Company financial statements, an impairment analysis of loans to subsidiaries was carried out and consequently an additional impairment loss of GBP 270 thousand was recorded due to the decline in the value of investments made though group subsidiaries since 31 August 2011.

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Notes to Unaudited Condensed Consolidated Interim Financial Statements

12. Events after the reporting date

i. Subsequent to the period end, there has been a decline in the value of the Group's listed investments due to a fall in prices of securities. This has increased the unrealised losses on investment by GBP 2,477 thousand resulting in the following valuations:

	As at 29 February 2012	Sale	Unrealised Profit/(Loss)	Value at 24 May 2012
	£'000	£'000	£'000	£'000
EIH Limited	6,420	(178)	(1,257)	4,985
Nitco Limited	1,175	-	(574)	601
Mahindra Forgings Limited	2,275	-	(646)	1,629
Total	9,870	(178)	(2,477)	7,215

ii. In March 2012, the Company sold 164 thousand shares of EIH Ltd. for an aggregate consideration of GBP 174 thousand. The partial exit resulted in a realised loss of GBP 22 thousand (being the excess of original cost of GBP 196 thousand over the sale proceeds of GBP 174 thousand), however the realised loss is 4 thousand (being the excess of fair value of GBP 178 thousand as on February 29, 2012 over the sale consideration).Subsequent to disposal, the Company's aggregate holding in EIH Limited is 5,744 thousand shares, at a value of GBP 4,985 thousand.