

**FOR IMMEDIATE RELEASE**  
**16 JUNE 2010**

**ELEPHANT CAPITAL PLC (“ELEPHANT CAPITAL” OR “THE COMPANY”)  
ELEPHANT CAPITAL INVESTS IN AMAR CHITRA KATHA PVT. LTD. (“ACK”), ONE OF INDIA’S LEADING  
CHILDREN’S MEDIA COMPANIES**

Elephant Capital is pleased to announce that it has acquired a significant minority stake in Amar Chitra Katha Pvt. Ltd for £3.2 million. The investment will be made through Elephant Capital’s Mauritian subsidiary, Tusk Investments Fund 1. Elephant Capital’s co-investment vehicle, will also be investing £0.5 million, and Gaurav Burman, Managing Partner of Elephant Capital LLP will be making an additional, personal co-investment of £0.3 million. Elephant Capital will appoint two directors to the board of ACK, Gaurav Burman and Amit Jain, representing one third of the board seats.

Founded in 2007, ACK is one of the leading children’s media companies in India, with a catalogue of over 500 print and 100 digital products, and 25 proprietary characters with pan-Indian recognition. ACK is the owner of three highly recognisable brands in India. The best known is “Amar Chitra Katha” founded in 1967, India’s number 1 children’s book series, with around 450 titles, retelling tales from Indian epics, mythology, history and folklore. The second is “Tinkle”, India’s number 1 children’s magazine, published monthly since 1980 with more than 500 issues printed to date and a circulation of around 125,000 per month, including Digest and Double Digest formats. The magazine is also home to some of India’s best-loved comic characters like “Suppandi”, “Shikari Shamboo” and others. The third brand is “Karadi Tales”, an audio / video series for pre-school children, launched in 1996. Karadi Tales has published over 50 titles, including nursery rhymes and mythological stories, and is used in schools across India, as well as the US, Canada and United Arab Emirates. While all the three brands have their roots in publishing, the focus of ACK’s new investments is in expanding the content to TV, film, home video, merchandise and school programmes. The company has creative studios in Mumbai, Bangalore, and Chennai that develop new content for multiple platforms.

In India, where under-18s represent around 40% of the billion plus population, the “edutainment” sector has developed dramatically in recent years, with a growing number of firms identifying new and exciting ways to reach their target market. As the size and spending power of India’s middle classes increases, the outlook for the children’s entertainment and media sector, which combines both the cultural emphasis on education with the growth in discretionary spending, is extremely encouraging. We believe that ACK is extremely well positioned in the market, with an excellent portfolio of intellectual property rights, and the potential to leverage these assets across new media platforms including film, television and new media. ACK has already begun to diversify its range, with animated series of Amar Chitra Katha and Karadi Tales recently launched on Cartoon Network India and Disney Channel India respectively, and two animated films, again with Cartoon Network India already in the pipeline.

In May 2010, ACK announced the acquisition of India Book House (“IBH”), India’s largest books and magazine distributor. This addition will support ACK’s drive to grow the reach of ACK branded products, by giving them control over a comprehensive pan-Indian distribution network. The expanded IBH network will support both the direct to consumer channels (e.g., e-commerce, catalogue sales) and the indirect channel including four key sectors: books / video stores (1000+), magazine vendors (10,000+), school book stores (50,000+) and stationary stores (65,000+).

ACK has a highly experienced management team, with many having previously worked with respected media businesses such as Miditech (one of India’s largest production companies), Ogilvy & Mather, Reader Digest, and McKinsey & Company’s media practice.

Commenting on the transaction, Gaurav Burman, Managing Partner of Elephant Capital LLP said: “We are extremely excited to be investing in ACK. I enjoyed the products as a child, and understand the potential of the intellectual property, as well as the rich history within the company. We are delighted to

be partnering with Mr. Shripal Morakhia, who has an impressive track record of building businesses. We believe there is a huge amount of value in ACK and look forward to working with the team to fully realise the potential the business holds. I believe this will be a very successful investment for Elephant Capital and is exactly the type of transaction that we set up the fund to do.”

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**Notes to editors:**

***Elephant Capital plc***

Elephant Capital plc (previously named Promethean India plc) was launched in April 2007 as an AIM listed fund. The fund invests in private and public equity investments in India and is advised by an India-based advisory team. Six investments have been made to date across a range of sectors including Hospitality, Automotive, Education, Building Materials, Mobile Banking Services and Online Media and Broadcasting.