

For Immediate Release

30 October 2013

ELEPHANT CAPITAL PLC
("Elephant Capital")

Partial Disposal of Investment

Elephant Capital (AIM: ECAP) announces that, pursuant to an offer by Participaciones Internacionales Autometal Dos, S.L. (the "**Acquirer**") and persons acting in concert with the Acquirer to acquire 26% of the diluted equity capital of Mahindra Forgings Limited ("**Mahindra Forgings**") (the "**Offer**"), its subsidiaries (together with Elephant Capital, the "**Group**") have sold, in aggregate, 1.74 million shares in Mahindra Forgings to the Acquirer for a cash consideration of INR 141.30 million (equivalent to approximately GBP 1.42 million). The Offer price was INR 81 per Mahindra Forgings share, which represented a premium of 21.2% to the closing mid-market price per Mahindra Forgings share of INR 66.85 on 15 June 2013 (the day preceding the date of the first announcement regarding the proposed Offer)..

The Group acquired its holding in Mahindra Forgings in 2007 and 2009 for an aggregate cost of GBP 4.81 million. The fair value of that holding was GBP 1.43 million as at 28 February 2013 (the date of Elephant Capital's most recently notified consolidated balance sheet). The shares sold represented 65.1% of the Group's holding in Mahindra Forgings. The Group's residual holding is 0.93 million shares, representing a shareholding of approximately 1% in Mahindra Forgings. The closing mid-market price per Mahindra Forgings share on 29 October 2013 was INR 43.35

The partial disposal, which is in line with Elephant Capital's overall disposal strategy, realised a loss of GBP 1.71 million (no dividends have been paid in respect of the investment over the holding period). The proceeds from the partial disposal will be held in GBP and, subject to the Group's working capital requirements, the proceeds will be returned to shareholders in due course.

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