For Immediate Release

Elephant Capital plc

"Half Year Report"

Interim Results for six months ended 28 February 2013

Elephant Capital plc (ECAP), the India focused Private Equity Company announces its preliminary results for the six months ended 28 February 2013.

Key Points:

- Net Asset value per share 40p (31 August 2012: 44p)
- Investment in EIH and ClinTec were realised during the period
- Tender Offer (February 2013): 23,076,900 shares tendered at 39p per share

Commenting, Chairman Vikram Lall, said:

"Elephant Capital continued to face challenges with some of its investments during the period. Our focus remains on returning further capital to shareholders, though given the relative illiquidity of the remaining portfolio, this may take some time to achieve."

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Chairman's Statement

Results

As at 28 February 2013, NAV was GBP 19 million or 40p per share; compared to GBP 21 million or 44p per share as at 31 August 2012.

Unlisted Investment Portfolio

Air Works India (Engineering) Private Limited ("Air Works") has been performing satisfactorily. The company raised further capital to finance its future growth and make an acquisition.

Efforts continue to realise Elephant Capital's investment in Global Cricket Ventures Ltd., Mauritius ("GCV"). The investment in GCV has been valued at GBP 0.93 million based on the estimated net asset value of GCV as attributable to Elephant Capital's shareholding as at 28 February 2013.

Amar Chitra Katha Private Limited ("ACK") has underperformed against budget and its valuation based on third party opinion has been reduced to GBP 2.13 million at 28 February 2013 compared to GBP 3.66 million at 31 August 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 finishing up circa 8% by the end of last financial year. Both of the listed investments Mahindra Forgings Limited ("Mahindra Forgings") and Nitco Limited ("Nitco") underperformed during the period.

We have continued our efforts to realise our listed portfolio but have been hampered by poor liquidity in the listed stocks held. During the period, we have sold Elephant Capital's remaining holding in EIH Limited ("EIH") for GBP 4.71 million.

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

Further Return of Capital

In February 2013, the shareholders were invited to tender their shares for purchase by the Company at a tender price of GBP 39p per share. The maximum capital allocated for the tender offer was GBP 9 million. A total of 23,076,900 ordinary shares were successfully tendered for cancellation at a price of 39p per share. Following the cancellation of the above shares 24,662,511 ordinary shares remain in issue.

Board Changes

As previously announced, James Norman Hauslein stepped down as a Director of the Company at its AGM on 22 March 2013. The board has expressed its thanks to James for his wise counsel during a very difficult time in the Company's history.

Strategy

We will continue our efforts to realise cash from the disposal of our remaining investment portfolio, balancing the timing of disposal with realisation proceeds that we believe to be in the interests of shareholders. Given the illiquidity of our portfolio further capital returns to shareholders may take some time to achieve. We are continuing our efforts to reduce the Company's annual operating costs.

Vikram Lall
29 May 2013

Investment Manager's Review

Introduction

Elephant Capital plc ("Elephant Capital" or the "Company") holds its investments through its Mauritian based special purpose vehicles (SPVs) Tusk Investments 1 Limited and Tusk Investments 2 Limited (individually the "SPV", collectively the "SPVs") into businesses that are established or operating primarily in India.

The SPVs 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.

Investment strategy

The Company was established to execute a value based strategy in both public and private businesses. 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 successfully executed a tender offer amounting to GBP 9 million since the reporting period end and will continue to explore the best options in which to distribute capital to its shareholders.

Investment activity

During the six month period to 28 February 2013, the Investment Manager made no new investments. The focus was on managing the existing portfolio and trying to create liquidity to return cash to the shareholders.

In September 2012, Elephant Capital sold its remaining holding in EIH Ltd. for an aggregate consideration of GBP 4.71 million. The sale resulted in a realised loss of GBP 2.16 million (being the excess of the original cost of GBP 6.87 million over the sale proceeds of GBP 4.71 million).

In December 2012, Elephant Capital divested its entire holding in ClinTec Luxembourg SA for GBP 3 million through a Share Transfer Agreement and a Share Buyback Agreement. The disinvestment resulted in a realised loss of GBP 5 million (being the excess of original cost of GBP 8 million over the settlement proceeds of GBP 3 million).

The Investment Manager continues to focus on helping GCV pursue it claims for the wrongful termination of its distribution agreement against both World Sports Group (WSG) and the Board of Control for Cricket in India (BCCI), while in parallel negotiating an exit for Elephant Capital from this investment.

Given this activity Elephant Capital now holds only five investments, two listed; Mahindra Forgings and Nitco, and three unlisted, Air Works, ACK and GCV. The Investment Manager is looking for ways to realise the remaining listed investments and GCV in the shortest time frame possible and will then focus on finding ways to realise Air Works and ACK over the medium term as these businesses mature. No further investments are envisaged, save for a potential participation in the anticipated Rights Issue which may be called by ACK.

Given the reduced portfolio the Investment Manager is in discussions with the Board to find a way in which the portfolio can be managed in a more cost effective manner.

Portfolio Review

Air Works India (Engineering) Private Limited

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.

The company has been performing satisfactorily. During the reporting period Air Works announced that it had raised further capital at the same valuation as the last round of financing, the funds have been used to finance a further acquisition and pay down some debt. Subsequent to the latest round of funding the stake of Elephant Capital has been diluted to 4.45% on a fully diluted basis.

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 one children's comic book series dating back to 1967. Other key brands include Tinkle, the number one English magazine for children.

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). The Investment Manager has 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. The new management team led by Vijay Sampath has been working hard to execute the company's growth strategy.

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 Future Ventures India Limited (FVIL). Elephant Capital's stake in ACK was 22% post this investment. ACK 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%.

During the reporting period, ACK has announced the desire to execute a discounted Rights offering. Elephant Capital is reviewing the terms of the Rights Issue to decide whether it will participate in this Rights Issue. If it chooses to, the approximate investment will be GBP 0.4 million.

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 an arbitration process with the BCCI in order to reach a resolution of the current situation.

The investment has been valued at GBP 0.93 million based on the Investment Manager's best estimate of the net asset value of GCV, attributable to the Company's shareholding in GCV. The Investment Manager has initiated discussions with the other shareholders in the business to exit its shareholding and the Investment Manager is keen to negotiate a resolution to the matter as soon as possible.

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% of the ownership of the company.

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 2012. It has a direct interest in the real estate sector through a wholly-owned subsidiary which develops residential and commercial property assets in Maharashtra. Elephant Capital 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 in the sector.

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 periodic interest rate hikes have further dampened sentiments.

Despite various promises from the management that they would try and sell the company's real estate holdings to pay down debt, the words proved empty and the business failed to execute this strategy. The Investment Manager decided to resign its board seat and sadly Nitco has continued to become over leveraged and we hear reports that the company has failed to meet some debt obligations and is now in a work-out situation with the banks.

Elephant Capital is looking for ways in which to sell its shareholding in what has become a highly illiquid and out of favour stock.

As at 28 February 2013, the portfolio was as follows:

Company	Sector	Listed/ Unlisted	Cost £'000	Valuation 28 Feb,13 £'000	Gain/(Loss) Over Cost £'000
Air Works India (Engineering) Private Limited	Aviation	Unlisted	2,922	3,206	284
Amar Chitra Katha Private Limited	Media	Unlisted	4,085	2,130	(1,955)
Global Cricket Ventures Limited	Media	Unlisted	5,949	935	(5,014)
Mahindra Forgings Limited*	Automotive	Listed	4,809	1,425	(3,384)
Nitco Limited	Building materials	Listed	1,393	393	(1,000)
Total			**19,158**	**8,089**	**(11,069)**

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

During the period, the Company sold its holdings in EIH and ClinTec for an aggregate GBP 7.72 million.

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
- Discounted cash flows or earnings (of underlying businesses)
- 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.

Under the discounted cash flow technique the projected cash flows from business operations are discounted at the "Weighted Average Cost of Capital" to the providers of capital to the business. The sum of the discounted value of such free cash flows is the value of the business.

When valuing on earnings multiple basis, earnings before interest, taxes, depreciation and amortisation (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 unlisted investments have obtained an exit (either by listing or trade sale) after the valuation date but before finalisation 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 approved by the Directors and reviewed by external auditors.

Events after the reporting date

Subsequent to the period end, there has been a decline in the value of Elephant Capital's listed investments, due to a fall in the price of both the listed investments. This has increased the un-realised losses by GBP 0.18 million.

Further details on events after the reporting date are disclosed in note 13 to the financial statements.

Gaurav Burman
On behalf of Elephant Capital LLP
29 May 2013

Condensed Consolidated Statements of Comprehensive Income

	Notes	**Unaudited six months ended 28 February 2013 £'000**	Unaudited six months ended 29 February 2012 £'000	Audited twelve months ended 31 August 2012 £'000
Revenue				
Investment and other income		**101**	155	352
Net losses on financial assets at fair value through profit or loss	**7**	**(1,670)**	(1,305)	(3,211)
Other income				
Net foreign exchange gain		**20**	6	7
		(1,549)	(1,144)	(2,852)
Expenses				
Management fees	**8**	**(201)**	(305)	(555)
Other expenses		**(319)**	(295)	(824)
Loss before finance costs and tax		**(2,069)**	(1,744)	(4,231)
Finance costs		**(1)**	(2)	(3)
Loss before and after tax		**(2,070)**	(1,746)	(4,234)
Loss and total comprehensive income attributable to:				
Owners of the parent		**(2,070)**	(1,746)	(4,234)
Loss per share - (basic & diluted)	**9**	**(4p)**	(4p)	(9p)

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

Condensed Consolidated Statements of Financial Position

	Notes	**Unaudited as at 28 February 2013 £'000**	Unaudited as at 29 February 2012 £'000	Audited as at 31 August 2012 £'000
ASSETS				
Non-current				
Investments at fair value through profit or loss	**10**	**6,271**	9,685	7,391
		6,271	9,685	7,391
Current				
Investments at fair value through profit or loss	**10**	**1,818**	9,870	10,084
Receivables		**129**	16	76
Prepayments		**14**	15	22
Cash and cash equivalents		**11,059**	4,072	3,776
		13,020	13,973	13,958
Total assets		**19,291**	23,658	21,349
Current liabilities				
Payables		**376**	185	364
		376	185	364
Net assets		**18,915**	23,473	20,985
EQUITY				
Share capital		**477**	477	477
Share premium		**20,752**	20,752	20,752
Distributable capital reserve		**26,231**	26,231	26,231
Un-realised investment revaluation reserve		**(11,069)**	(15,913)	(16,558)
Accumulated losses		**(17,476)**	(8,074)	(9,917)
Total attributable to the owners of the parent		**18,915**	23,473	20,985
Total equity		**18,915**	23,473	20,985
Net asset value per share	**9**	**£0.40**	£0.49	£0.44

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

The unaudited condensed consolidated interim financial statements on pages 12 to 22 were approved and authorised for issue by the Board of Directors on 29 May 2013 and are signed on its behalf by

Gaurav Burman
Director

Elizabeth Tansell
Director

Condensed Company Statements of Financial Position

	Notes	**Unaudited as at 28 February 2013 £'000**	Unaudited as at 29 February 2012 £'000	Audited as at 31 August 2012 £'000
ASSETS				
Non-current				
Investments in subsidiaries		**-**	605	-
Loans to subsidiaries	11	**5,803**	10,121	7,814
		5,803	10,726	7,814
Current assets				
Loan to subsidiaries	11	**5,003**	2,000	4,954
Receivables		**1**	4	1
Prepayments		**6**	7	14
Cash and cash equivalents		**2,393**	2,694	2,497
		7,403	4,705	7,466
Asset held for distribution to owners	12	**5,660**	7,863	5,970
Total assets		**18,866**	23,294	21,250
Current liabilities				
Payables		**175**	102	77
		175	102	77
Net assets		**18,691**	23,192	21,173
EQUITY				
Share capital		**477**	477	477
Share premium		**20,752**	20,752	20,752
Distributable capital reserve		**26,231**	26,231	26,231
Accumulated losses		**(28,769)**	(24,268)	(26,287)
Equity attributable to owners of the Company		**18,691**	23,192	21,173

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

The unaudited condensed consolidated interim financial Statements on pages 12 to 22 were approved and authorised for issue by the Board of Directors on 29 May 2013 and are signed on its behalf by

Gaurav Burman
Director

Elizabeth Tansell
Director

Condensed Consolidated Statements of Cash Flows

		Unaudited six months ended 28 February 2013 £'000	Unaudited six months ended 29 February 2012 £'000	Audited twelve months ended 31 August 2012 £'000
(A)	**Operating activities:**			
	Loss before tax	**(2,070)**	(1,746)	(4,234)
	Adjustments for :			
	Interest income	**(5)**	(8)	(15)
	Dividend income	**-**	(13)	(85)
	Net un-realised losses on investments	**1,343**	1,305	3,038
	Loss on sale of investments	**327**	-	173
	Net changes in working capital :			
	(Increase)/decrease in receivables and prepayments	**(45)**	86	15
	Increase in payables	**12**	3	183
	Net cash used in operations	**(438)**	(373)	(925)
	Income taxes paid	**-**	-	-
	Net cash used in operating activities	**(438)**	(373)	(925)
(B)	**Investing activities:**			
	Purchase of investments	**-**	(471)	(471)
	Proceeds from sale of investments	**7,716**	-	174
	Interest received	**5**	5	15
	Dividend received	**-**	13	85
	Net cash generated by/(used in) investing activities	**7,721**	(453)	(197)
(C)	**Financing activities:**			
	Shares bought back for cancellation	**-**	(232)	(232)
	Net cash used in financing activities	**-**	(2,32)	(2,32)
	Net increase/(decrease) in cash and cash equivalents	**7,283**	(1,058)	(1,354)
	Cash and cash equivalents at beginning of period/year	**3,776**	5,130	5,130
	Cash and cash equivalents at end of period/year	**11,059**	4,072	3,776

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

Condensed Consolidated Statements of Changes in Equity

Unaudited	Share capital £'000	Share premium £'000	Distributable capital reserve £'000	Un-realised investment revaluation reserve £'000	Accumulated losses £'000	Total attributed to owners of the parent company £'000
Balance as at 1 September 2012	**477**	**20,752**	**26,231**	**(16,558)**	**(9,917)**	**20,985**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
Net un-realised gain reserve transfer	**-**	**-**	**-**	**(1,343)**	**1,343**	**-**
Transfer of accumulated realised loss on investments sold	**-**	**-**	**-**	**6,832**	**(6,832)**	**-**
(Loss) for the period	**-**	**-**	**-**	**-**	(2,070)	(2,070)
Total comprehensive income for the period				**5,489**	**(7,559)**	**(2,070)**
Balance as at 28 February 2013	**477**	**20,752**	**26,231**	**(11,069)**	**(17,476)**	**18,915**
Unaudited						
Balance as at 1 September 2011	484	20,752	26,456	(14,608)	(7,633)	25,451
Shares bought back	(7)	-	(225)	-	-	(232)
Transactions with owners	(7)	-	(225)	-	-	(232)
Net un-realised gain reserve transfer	-	-	-	(1,305)	1,305	-
(Loss) for the period	-	-	-	-	(1,746)	(1,746)
Total comprehensive income for the period	-	-	-	(1,305)	(441)	(1,746)
Balance as at 29 February 2012	477	20,752	26,231	(15,913)	(8,074)	23,473
Audited						
Balance as at 1 September 2011	484	20,752	26,456	(14,608)	(7,633)	25,451
Shares bought back	(7)	-	(225)	-	-	(232)
Transactions with owners	(7)	-	(225)	-	-	(232)
Net un-realised gain reserve transfer	-	-	-	(3,038)	3,038	-
Transfer of accumulated realised loss on investments sold/impaired	-	-	-	1,088	(1,088)	-
(Loss) for the year	-	-	-	-	(4,234)	(4,234)
Total comprehensive income for the year	-	-	-	(1,950)	(2,284)	(4,234)
Balance as at 31 August 2012	477	20,752	26,231	(16,558)	(9,917)	20,985

(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 Condensed Company Statements of Financial Position. 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 28 February 2013 and comparative period for the six months ended 29 February 2012 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 28 February 2013 (including comparatives) were approved and authorised for issue by the Board of Directors on 29 May 2013.

3. Basis of preparation

The unaudited condensed consolidated interim financial statements (herein referred to as 'interim financial statements') for the six months period ended 28 February 2013 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 28 February 2013 have been prepared on a going concern basis using accounting policies and presentation consistent with those applied in the preparation and presentation of the financial statements for the year ended 31 August 2012 and should be read in conjunction with those financial statements.

The comparative figures for the year ended 31 August 2012 are taken from the full statutory accounts. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The comparative figures for the six months ended 29 February 2012 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. 4.1 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 interim financial statements are the same as included in the annual financial statements for the year ended 31 August 2012 and should be read in conjunction with those.

4.2 Standards that became effective during the current period

Amendments to IAS 1 Presentation of Financial Statements (IAS 1 Amendments)

The IAS 1 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. In accordance with the Group's management there will be no change to the current presentation of items in other comprehensive income as there are no such transactions.

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 2012.

6. Segmental information

The management has considered the provisions of IFRS 8 in relation to segmental reporting and concluded that the Group's activities form a single segment under the standard. The Group's investments whether listed or unlisted are predominantly in small and mid-cap businesses and mostly focused in India and their risks and rewards are not materially different and the Investment Manager reviews these on an overall portfolio basis. 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 28 February 2013	Six months ended 29 February 2012	Twelve months ended 31 August 2012
	£ '000	£'000	£'000
Financial assets designated as fair value through profit or loss			
Un-realised gain on investments	**683**	126	1,359
Un-realised loss on investments	**(2,026)**	(1,431)	(4,397)
Realised loss on investment	**(327)**	-	(173)
Total	**(1,670)**	(1,305)	(3,211)

8. Management fee

Under the "Investment Management agreement", the amount of management fee payable from Tusk Investments 1 Limited and Tusk Investments 2 Limited for the six months ended 28 February 2013 is at 2% per annum of Net Asset Value ("NAV") of Elephant Capital plc as at the most recent valuation date (i.e. 31 August 2012).

9. Loss and net asset value per share

	Six months ended 28 February 2013	Six months ended 29 February 2012	Twelve months ended 31 August 2012
Loss attributable to ordinary shareholders	**£(2,070,402)**	£(1,745,960)	£(4,233,476)
Issued ordinary shares-beginning of period/year	**47,739,411**	48,400,411	48,400,411
Buy-back of shares	**-**	(661,000)	(661,000)
Issued ordinary shares outstanding at the end of period/year	**47,739,411**	47,739,411	47,739,411
Weighted average number of shares outstanding	**47,739,411**	47,764,695	47,764,695
Loss per share (basic and diluted)	**(4p)**	(4p)	(9p)
Net asset value per share (statutory)	**£0.40**	£0.49	£0.44
Net asset value per share (statutory) is based on the statutory net assets as at period/year end	**£18,915,300**	£23,473,218	£20,985,702

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:

	28 February 2013			29 February 2012			31 August 2012		
	£'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	**-**	**7,080**	**7,080**	10,410	-	10,410	10,410	-	10,410
Disposal	**-**	**(5,039)**	**(5,039)**	-	-	-	(191)	-	(191)
Transfer to current investments	**-**	**-**	**-**	(10,410)	10,410	-	(10,219)	10,219	-
	-	**2,041**	**2,041**	-	10,410	10,410	-	10,219	10,219
Un-realised (loss)	**-**	**(223)**	**(223)**	-	(540)	(540)	-	(3,139)	(3,139)
(A)	**-**	**1,818**	**1,818**	-	9,870	9,870	-	7,080	7,080
Unlisted Investments:									
Balance brought forward	**7,391**	**3,004**	**10,395**	9,979	-	9,979	9,979	-	9,979
Additions	**-**	**-**	**-**	471	-	471	471	-	471
Disposal	**-**	**(3,004)**	**(3,004)**	-	-	-	-	-	-
Transfer to current investments	**-**	**-**	**-**	-	-	-	(1,645)	1,645	-
	7,391	**-**	**7,391**	10,450	-	10,450	8,805	1,645	10,450
Un-realised (loss) /gain	**(1,120)**	**-**	**(1,120)**	(765)	-	(765)	(1,414)	1,359	(55)
(B)	**6,271**	**-**	**6,271**	9,685	-	9,685	7,391	3,004	10,395
Total investments (A+B)	**6,271**	**1,818**	**8,089**	**9,685**	**9,870**	**19,555**	**7,391**	**10,084**	**17,475**

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 28 February 2013 £'000	As At 29 February 2012 £'000	As at 31 August 2012 £'000
Non- current			
Elephant Capital LP*			
Opening balance	**14,000**	24,000	24,000
Less: transfer to current loan	**-**	(2,000)	(10,000)
	14,000	22,000	14,000
Less : Provision for impairment **	**(8,197)**	(11,879)	(6,186)
A	**5,803**	10,121	7,814
Current			
Elephant Capital LP*			
Opening balance	**10,000**	-	-
Add: transfer from non- current loan	**-**	2,000	10,000
	10,000	2,000	10,000
Less : Provision for impairment**	**(4,997)**	-	(5,046)
B	**5,003**	2,000	4,954
Total (A+B)	**10,806**	12,121	12,768

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

**An impairment analysis of loans to subsidiaries was carried out by the Company as of 28 February 2013 and consequently an additional impairment loss of GBP 1,962 thousand was recorded due to the decline in the value of investments made though group subsidiaries since 31 August 2012.

12. In the financial year ended 31 August 2012, the Company's Board of directors commenced a programme of disposal of the Company's listed portfolio and return of further capital to shareholders. Further two of the Group's unlisted investments have been divested during the period. Accordingly listed and some of the unlisted investments have been classified as current investments and as a consequence, in the Company's statement of financial position, the related investments in subsidiaries have also been classified as held for distribution to owners and the related portion of the loan to subsidiaries has been classified as current.

13. **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 the prices of the securities. This has increased the un-realised losses on investment by GBP 180 thousand resulting in the following valuations:

	As at 28 February 2013 £'000	Un-realised loss £'000	Value at 24 May 2013 £'000
Nitco Limited	**393**	**(45)**	**348**
Mahindra Forgings Limited	**1,425**	**(135)**	**1,290**
Total	**1,818**	**(180)**	**1,638**

ii. Pursuant to the tender offer on 27 February 2013 and subsequent to shareholders' approval on 22 March 2013, the Company bought back and cancelled a total 23,076,900 ordinary shares at a price of 39p. Following the cancellation of the above shares, the outstanding ordinary share of the Company stand reduced to 24,662,511.