

### Overview

Electra Private Equity PLC ("Electra") has been quoted on the London Stock Exchange since 1976 and is managed as an HM Revenue and Customs approved Investment Trust.

Between 1 October 1999 and 30 September 2012 Electra has invested £1.6 billion, sold investments with a total value of £3.2 billion and returned a total of £1.2 billion in cash to shareholders via tender offers and on-market share buy-backs.

The business and affairs of Electra are managed on an exclusive and fully discretionary basis by Electra Partners LLP, an independent private equity fund manager with over 25 years' experience in the mid-market.

### Investment Objective

Electra's objective is to achieve a rate of return on equity of between 10-15% per year over the long-term.

Electra is not an income stock as it is a policy of the Directors not to pay a dividend unless required to do so to maintain the Company's investment trust status. Risk is mitigated through portfolio diversification with investments being made across a broad range of sectors, deal types and capital structures.

At the time of investment, not more than 15% of Electra's total assets will typically be invested in any single investment.

Electra has a policy to maintain total gearing below 40% of its total assets.

### Investment Focus

Electra's focus is principally on Western Europe, with the majority of investments expected to be in the UK. Where Electra Partners feels there is merit in gaining exposure to countries and sectors outside its network and expertise, consideration is given to investing in specific funds managed by third parties or co-investing with private equity managers with whom it has developed a relationship.

Electra Partners typically targets investments at a cost of £40 million to £100 million in companies with an enterprise value of up to £300 million.

### Why is Electra different?

Unlike its peers Electra is not an LP in a feeder fund and instead invests directly off its balance sheet, enabling it to take full advantage of the evergreen nature of the fund. Together with a uniquely flexible investment mandate, this enables the manager to invest across all market sectors, in all forms of private equity (including direct investment, fund investments and secondary buyouts of portfolios and funds) and across the capital structure (be it equity, senior equity or mezzanine).

Not driven by fundraising cycles, Electra is able to hold investments for longer than the usual 2-5 years. This gives the manager the ability to support management through more than one phase of growth and realise investments only when it is in the best interests of shareholders.

Over the ten years to 30 September 2012 Electra's diluted net asset value per share has increased by 224% compared to a FTSE All-share increase of 66%.

### Track Record (excluding dividends)

Year ended	one year	three years	five years	ten years
30 September 2012				
NAV per share (diluted)	11%	44%	24%	224%
Share price	30%	45%	7%	299%
FTSE All-Share Index	13%	14%	(10)%	66%
Morningstar PE Index Nav per share return*	(2)%	19%	(37)%	13%
Morningstar PE Index Share price return*	14%	10%	(51)%	15%

\*The above indices, prepared by Morningstar UK Limited reflect the performance of 21 private equity vehicles, excluding Electra, quoted on the London Stock Exchange

NAV per share (diluted)

2,473p

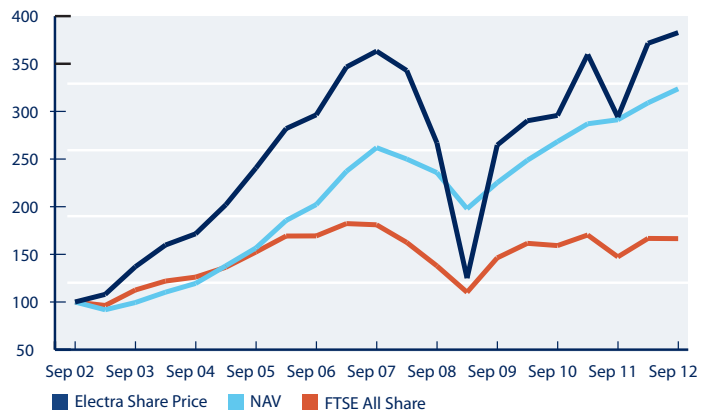
Share price

1,770p

Total Net Assets

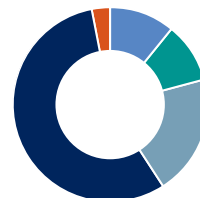
£916m

### Share price vs. NAV vs. FTSE All-Share



### Investment Portfolio Breakdown

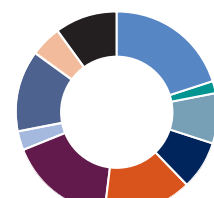
30 September 2012



- Direct unlisted at fair value 56% (33 companies)
- Secondaries 3% (17 investments)
- Funds 11% (163 underlying investments)
- Listed 10% (11 investments)
- Net liquid assets 20%

### Investment Portfolio – Sector Breakdown

30 September 2012



- Agricultural 20%
- Building and construction 2%
- Healthcare 8%
- Non-cyclical consumer goods 8%
- Private equity funds 14%
- Property investment 17%
- Speciality engineering 3%
- Financial services 13%
- Software and computing 5%
- Senior bank debt 10%

### Investment Portfolio – Geographic Breakdown

30 September 2012



- UK 63%
- Continental Europe 28%
- USA 4%
- Asia and elsewhere 5%

## Investment Portfolio

	Fair value of holding	
Direct Unlisted and Secondary Investments	£'000	%
Allflex Holdings	154,143	17.9
Park Resorts	69,788	8.0
esure	58,945	6.8
Lil-lets Group	36,265	4.2
Promontoria	33,599	3.9
Peveler Group	33,164	3.8
Nuaire	31,960	3.7
BDR Thermea	28,900	3.3
Davies Group	23,855	2.7
Premier Asset Management	22,843	2.6
Daler-Rowney	21,149	2.4
PINE	17,200	2.0
Labco	13,236	1.5
Kalle	10,520	1.2
Sentinel	10,032	1.2
<b>Sub total</b>	<b>565,599</b>	<b>65.2</b>
Other Direct Unlisted and Secondary Investments	80,082	9.2
<b>Total Direct Unlisted and Secondary Investments</b>	<b>645,681</b>	<b>74.4</b>
<b>Total Direct Listed Investments</b>	<b>104,830</b>	<b>12.1</b>
<b>Fund investments</b>	<b>117,176</b>	<b>13.5</b>
<b>Investment Portfolio</b>	<b>867,687</b>	<b>100.0</b>

## Key financials

NAV per share (diluted)	2,473p
Share price	1,770p
Total Net Assets	£916m
Outstanding Commitments	£83m
Market Cap	£625.5m
Shares in issue	35,340,391
Management Fee Rate*	1.5%
Ongoing charges**	2.4%
Launched	1976
Year end	30 September
ISIN	GB0003085445
SEDOL Number	0308544
Ticker	ELTA

\* Per annum on investments. Paid quarterly in advance. Terminable at 12 months notice by either party.

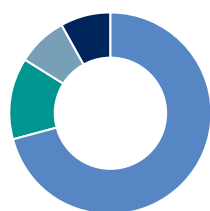
\*\* Annualised ongoing charges over average undiluted net asset value in the year.

## Calendar

IMS (31 December 2012)	January/February 2013
AGM	7 March 2013
Half-year Results (31 March 2013)	May 2013
IMS (30 June 2013)	July/August 2013
Annual Results (30 September 2013)	November/December 2013

## Direct Unlisted Investments – Valuation Basis

30 September 2012



Earnings basis	71%
Recent cost/listed price	13%
Yield basis	8%
Exit price	8%

## Direct Unlisted – Age Analysis (by last refinancing date)

30 September 2012



Less than 1 year old	20%
1–2 years	10%
2–3 years	20%
Over 3 years	50%

## Board of Directors

Colette Bowe (Chairman)  
 Kate Barker  
 Geoffrey Cullinan  
 Roger Perkin  
 Lucinda Webber  
 Roger Yates

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## Important Information

Please remember that past performance is not necessarily a guide to the future and that the value of shares and the income from them can go down as well as up. Exchange rates may also cause the value of underlying overseas investments to go down as well as up. Where investment is made in emerging markets, their potential volatility may increase the risk to the value of, and the income from the shares. Investments in technology related stocks can be more volatile than investments in more established companies. The principal investments held by Electra are private equity investments, property and private equity funds which are illiquid assets. Above average share price movements can be expected.

As part of its investment strategy, Electra may from time to time borrow money (known as gearing) to finance the purchase of investments for its portfolio. In addition, Electra's underlying investments may themselves be heavily geared which may mean that the valuation of these investments will therefore be affected by the level of interest rates and by the level of equity markets. The level of gearing of Electra itself and by its underlying investments may, depending on the sums involved, have a significant impact on the value of Electra's shares, such that you may not get back the amount you originally invested.

The share price of Electra may trade at a discount to the underlying net asset value of the shares. No information contained in this publication shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Nothing in this publication constitutes an offer to sell or a solicitation of any offer to buy any securities of Electra Private Equity PLC in the United States or any other jurisdiction. We do not offer investment advice, if you are unsure of the meaning of the above information, you should consult your own independent financial advisor.

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