



Electra Private Equity PLC

Half Year Review and Analysis

May 2012

Presented by
electra
partners



Results: Six Months to 31 March 2012

	31 March 2012	30 September 2011	Change
Net assets (£000's)	876,017	821,492	6.6%
Net asset value per share (diluted)	2,360p	2,225p	6.1%
Share price	1,718p	1,360p	26.3%
Discount	27.2%	38.9%	

FTSE All-Share up 13.1% over the six months to 31 March 2012

Partially adjusted diluted NAV per share at 24 May 2012 was 2,367p (share price 1,561p)



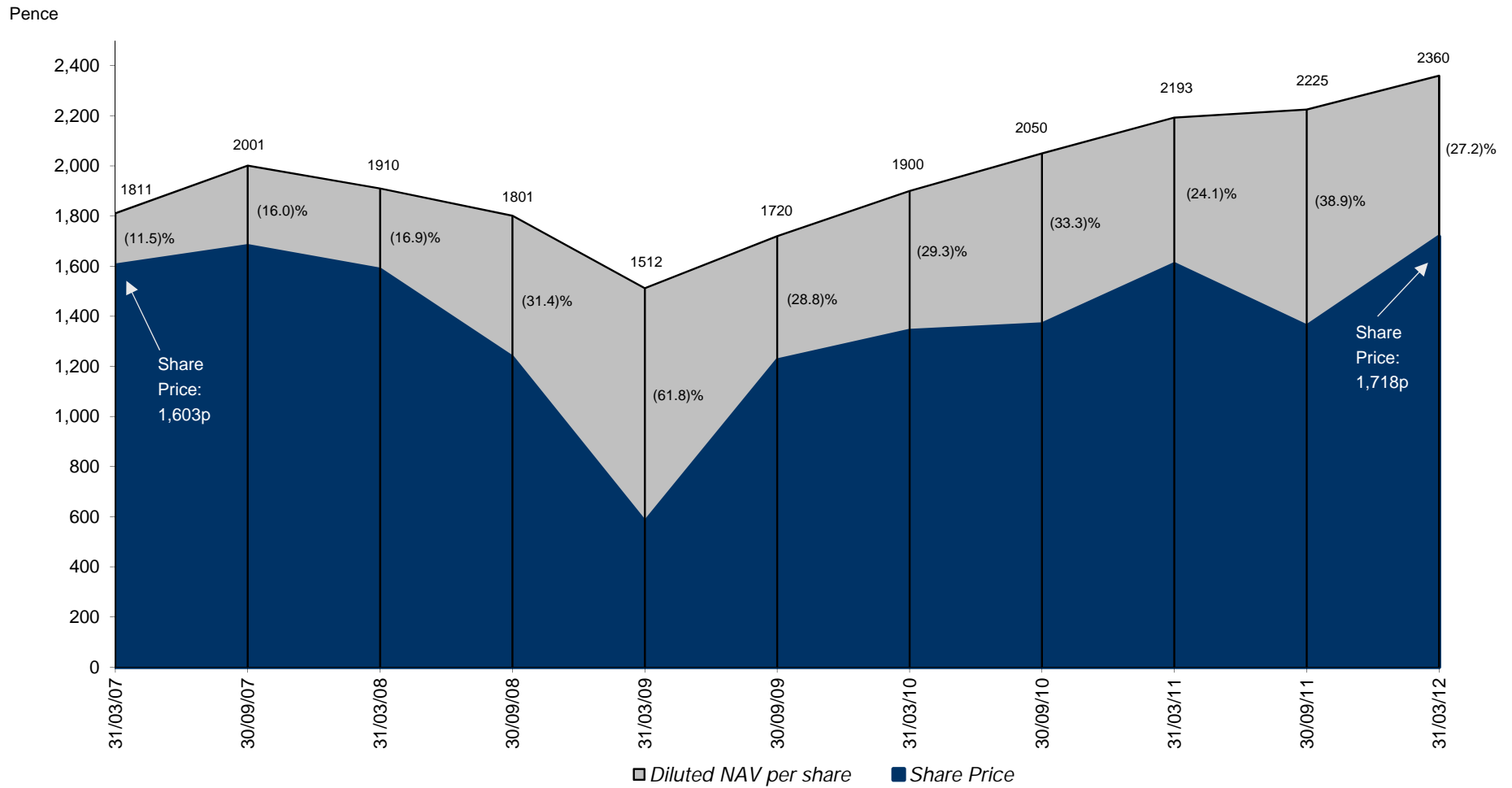
Results: Year to 31 March 2012

	31 March 2012	31 March 2011	Change
Net assets (£000's)	876,017	808,563	8.3%
Net asset value per share (diluted)	2,360p	2,193p	7.7%
Share price	1,718p	1,664p	3.3%
Discount	27.2%	24.1%	

FTSE All-Share down 2.1% over the year to 31 March 2012

NAV and Share Price

Movement over last five years





Balance Sheet / Portfolio

Portfolio £1,040 million

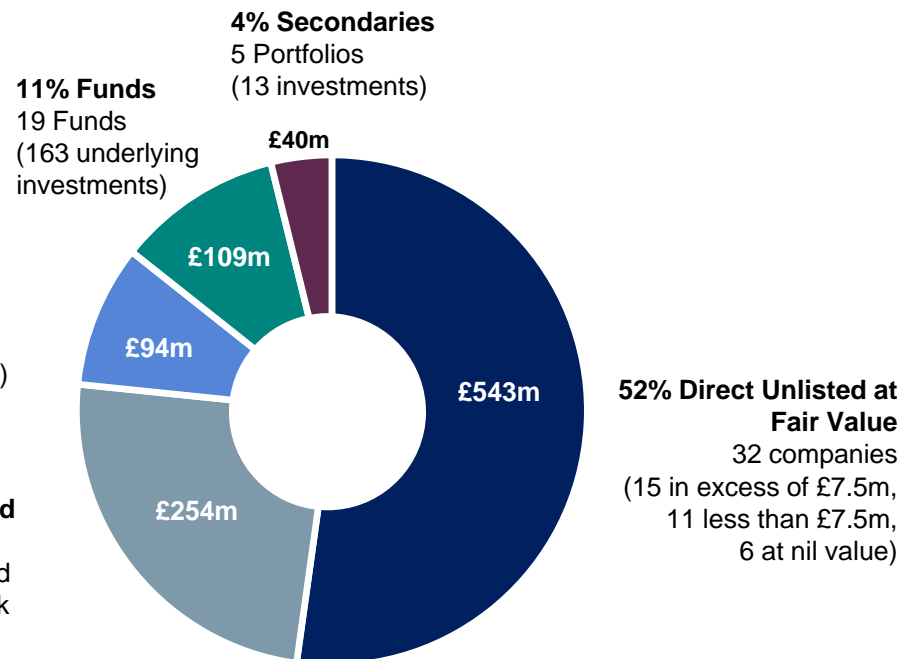
Balance Sheet Summary	
31 March 2012	
	£m
Portfolio	1,040
Liabilities	(32)
ZDP	(55)

Convertible Bond

(77)

Net Assets

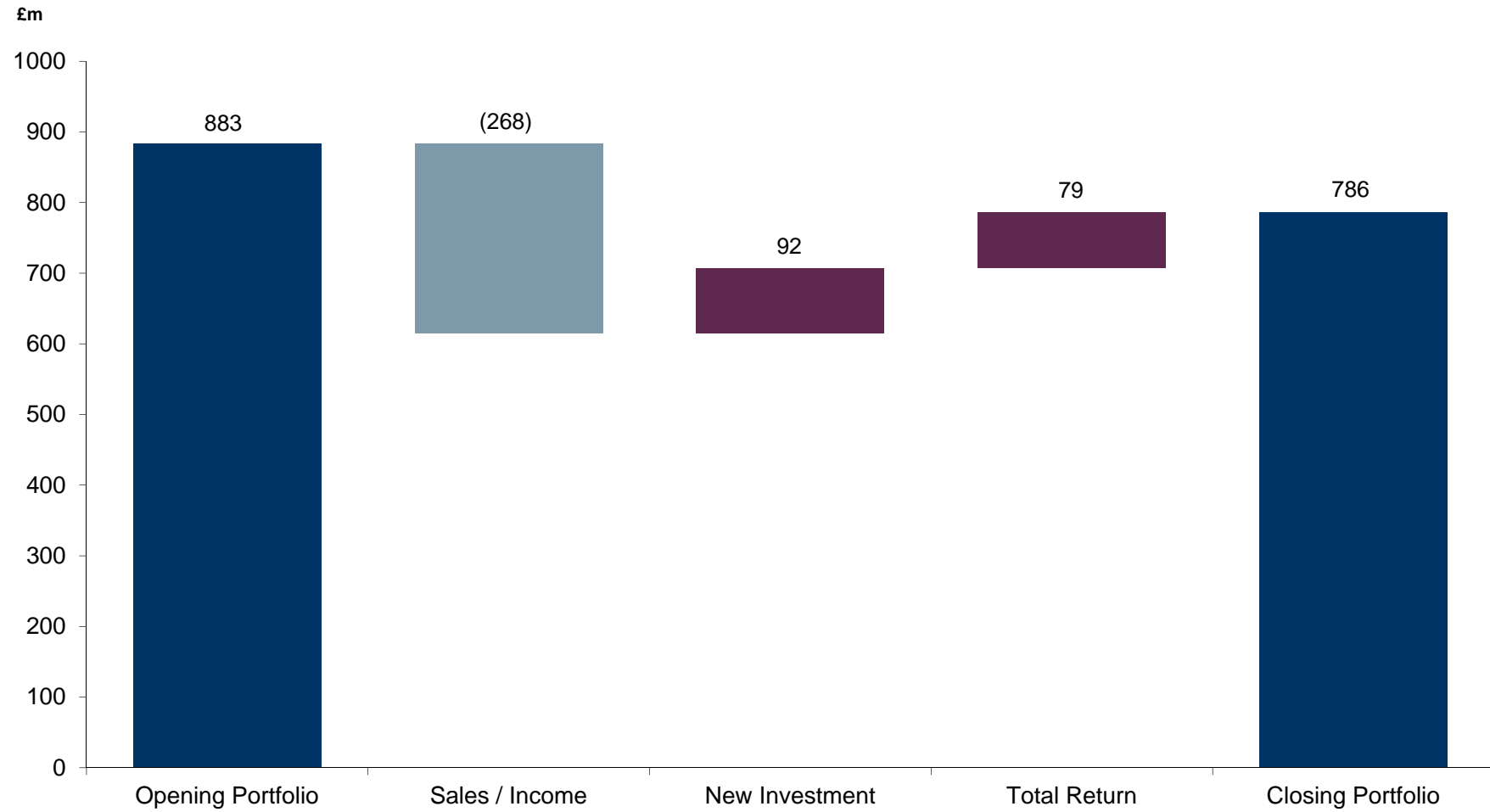
876



	31 Mar 12 £m	30 Sept 11 £m
Investment Portfolio	786	883
Net Liquid Resources	254	105
	1,040	988

Changes to Investment Portfolio

Six months to 31 March 2012





Realisations

Company					
Business Description	Patent management	Flooring	Ventilation	Safety harnessing	Automotive connectors
Date of Realisation	March 2012	March 2012	February 2012	January 2012	November 2011
Proceeds	£32m	£36m	£18m	£55m	£15m
Investment Period (year/months)	1.8	5.8*	5.8	4.9*	0.5
Transaction Type	Buyout	Buyout	Mezzanine	Buyout	Secondary
Value Creation Driver	Underlying growth	Product development	-	Product development	Growth

H1 2012 – New Investments

Company		
Business Description	Caravan parks operator	Property management services
New Capital Invested	£44.9m	£22.0m
Ownership	Various debt instruments	49.4%
Investment Rationale	Acquisition at discounted value	Low purchase price of business with strong growth prospects

Park Resorts Investment

- In January 2012 Electra invested £44.9 million in acquiring term debt in the caravan parks operator, Park Resorts
- The debt was purchased at a significant discount to face value and matures in April 2014
- Park Resorts is a leading operator of holiday parks offering caravan holidays at its 39 sites across the UK. Income is generated from caravan or holiday home sales, pitch and owner rentals, holiday sales tariff and retail activities
- Park Resorts has a strong management team and a leading position in a sector that has performed strongly throughout the recession due to the current trend of “staycations”



- In March 2012 Electra invested £22 million in the acquisition of Peverel from its administrators
- Peverel is the UK's leading property management services group with activities including residential property management services, retirement property sales, insurance services, installation and maintenance of safety and security systems and telecare and telehealth monitoring
- Electra's strategy is to improve the service quality further across the business and then build on Peverel's market position





Portfolio Changes (by segment)

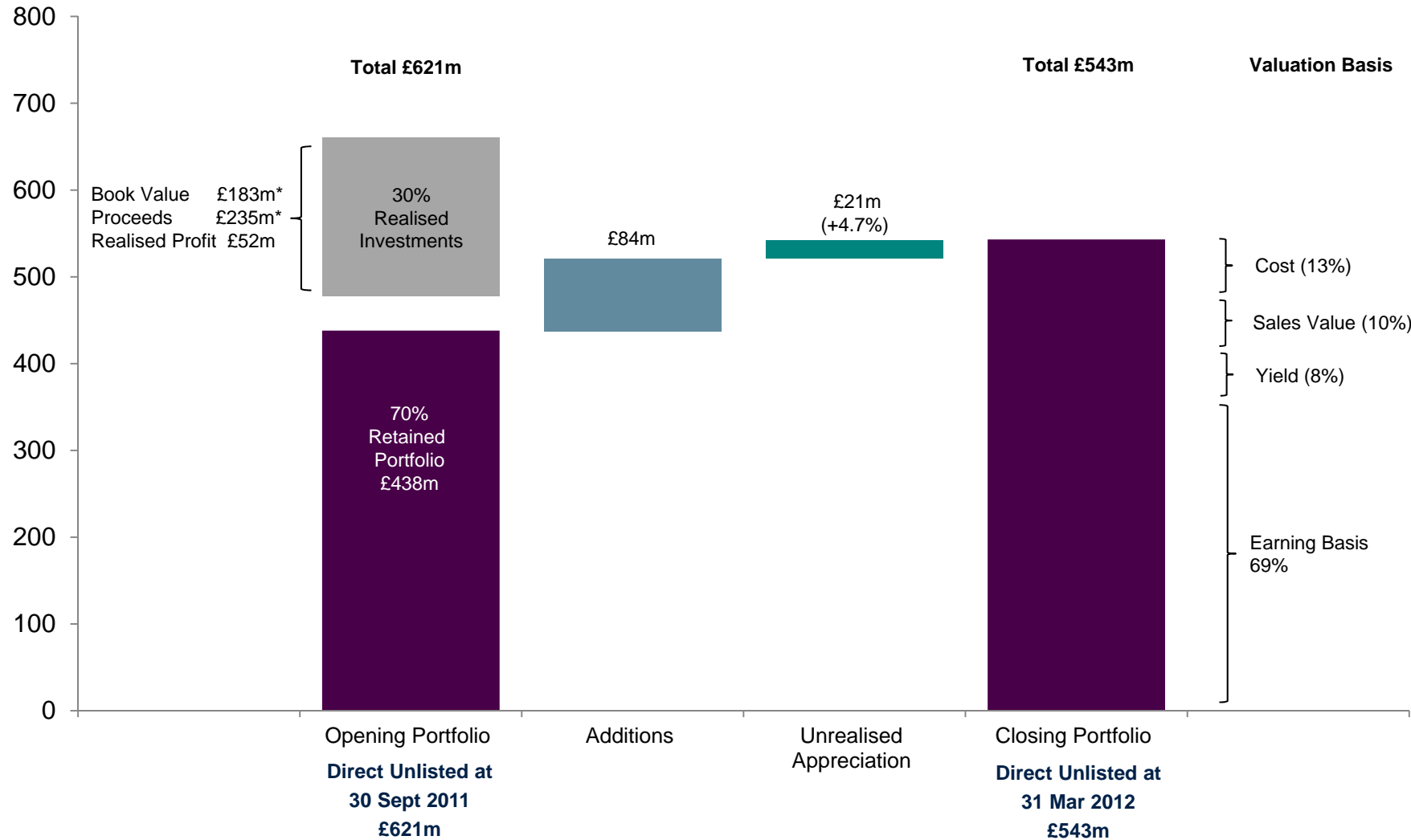
Six months to 31 March 2012

	Valuation at 30 Sept 2011 £m	Purchases £m	Sales / Income £m	Total Return £m	Valuation at 31 Mar 2012 £m	% Increase
Direct Unlisted	621	84	235	73	543	11.8
Secondaries	57	-	23	6	40	8.8
Funds	111	8	4	(6)	109	(5.4)
Listed	94	-	6	6	94	7.5
	883	92	268	79*	786	9.0

* Includes £55m of realised profits (71% of total return)
Amount stated is Net of £8m change for negative currency movements



Direct Unlisted - Analysis





Direct Investments – Realised Gains

	Valuation to		Proceeds six months to 31 Mar 2012 £m	Realised gain since 30 Sept 2011 £m	% Increase since 30 Sept 2011 %	% Increase since 30 Sept 2010 %
	30 Sept 2010 £m*	30 Sept 2011 £m				
SAV Credit	12.2	38.5	38.4	(0.1)	-	215
BDR Thermea	51.0	45.2	45.2**	-	-	57
Capital Safety	19.9	32.3	55.7	23.4	72	180
CPA Global	13.9	18.7	31.6	12.9	69	127
Amtico	17.7	20.9	35.5	14.6	70	101
Vent-Axia	17.6	18.1	18.8	0.7	4	7
	132.3	173.7	225.2	51.5	30	97

* Includes Accrued Income

** Total proceeds £80m (including interest) of which £45.2m already paid with balance payable in 2013/14

Direct Investments - Retained

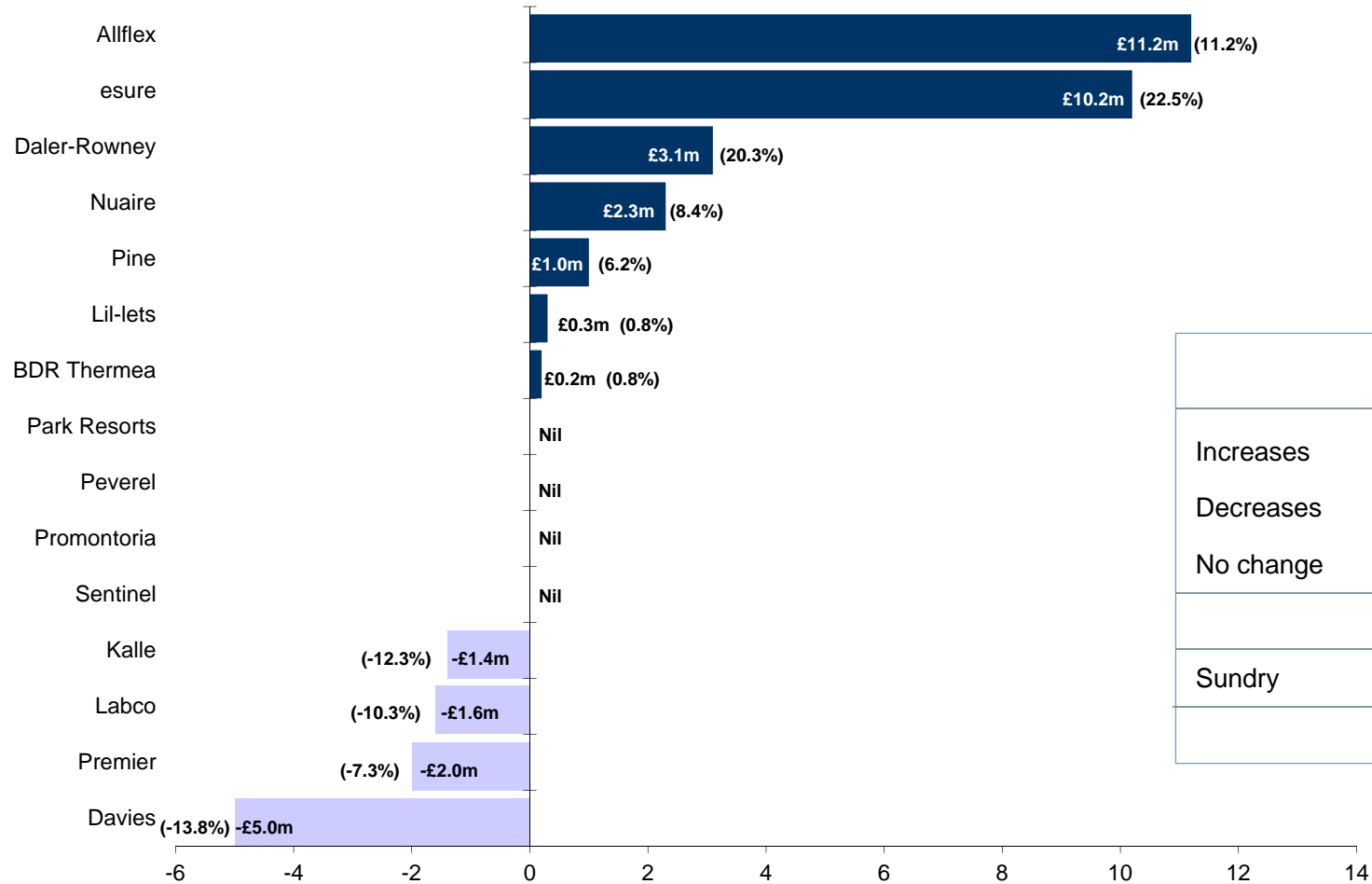
Individual investments greater than £7.5 million in value

Company	Sector	Year of Investment	Cost £m	Valuation at 31 Mar 2012 £m	Capital gain in period £m	Income in period £m	Total return in period £m
Allflex	Animal tagging	*2007	41.9	111.3	11.2	-	11.2
esure	Motor and home insurance	2010	25.4	55.6	9.1	1.1	10.2
Park Resorts	Caravan parks operator	2012	44.9	44.9	-	-	-
Lil-Lets Group	Feminine hygiene	2007	23.2	43.2	-	0.3	0.3
Promontoria	Property holding Co.	*2008	14.1	36.4	(0.7)	0.7	-
Davies Group	Insurance claims management	2011	35.8	30.8	(5.0)	-	(5.0)
Nuaire	Ventilation systems	2007	23.1	29.9	-	2.3	2.3
BDR Thermea	Heating systems	*2009	-	28.2	0.2	-	0.2
Premier	Financial services	2008	55.8	25.6	(2.0)	-	(2.0)
Peverel	Property management services	2012	22.0	22.0	-	-	-
Daler-Rowney	Fine art products	2011	17.4	18.6	1.6	1.5	3.1
PINE	Nursery school finance	2006/7	14.5	16.7	1.0	-	1.0
Labco	Medical diagnostics	2008	26.2	13.7	(1.6)	-	(1.6)
Sentinel	Heating fluids	2011	15.7	11.4	-	-	-
Kalle	Food containers	2010	9.0	10.1	(1.3)	(0.1)	(1.4)
			369.0	498.4	12.5	5.8	18.3
Direct investments - Sundry			70.0	40.4	1.6	0.6	2.2
Investments sold				4.2	37.2	15.5	52.7
Total			439.0	543.0	51.3	21.9	73.2

* Date of latest refinancing

Direct Investments – Returns

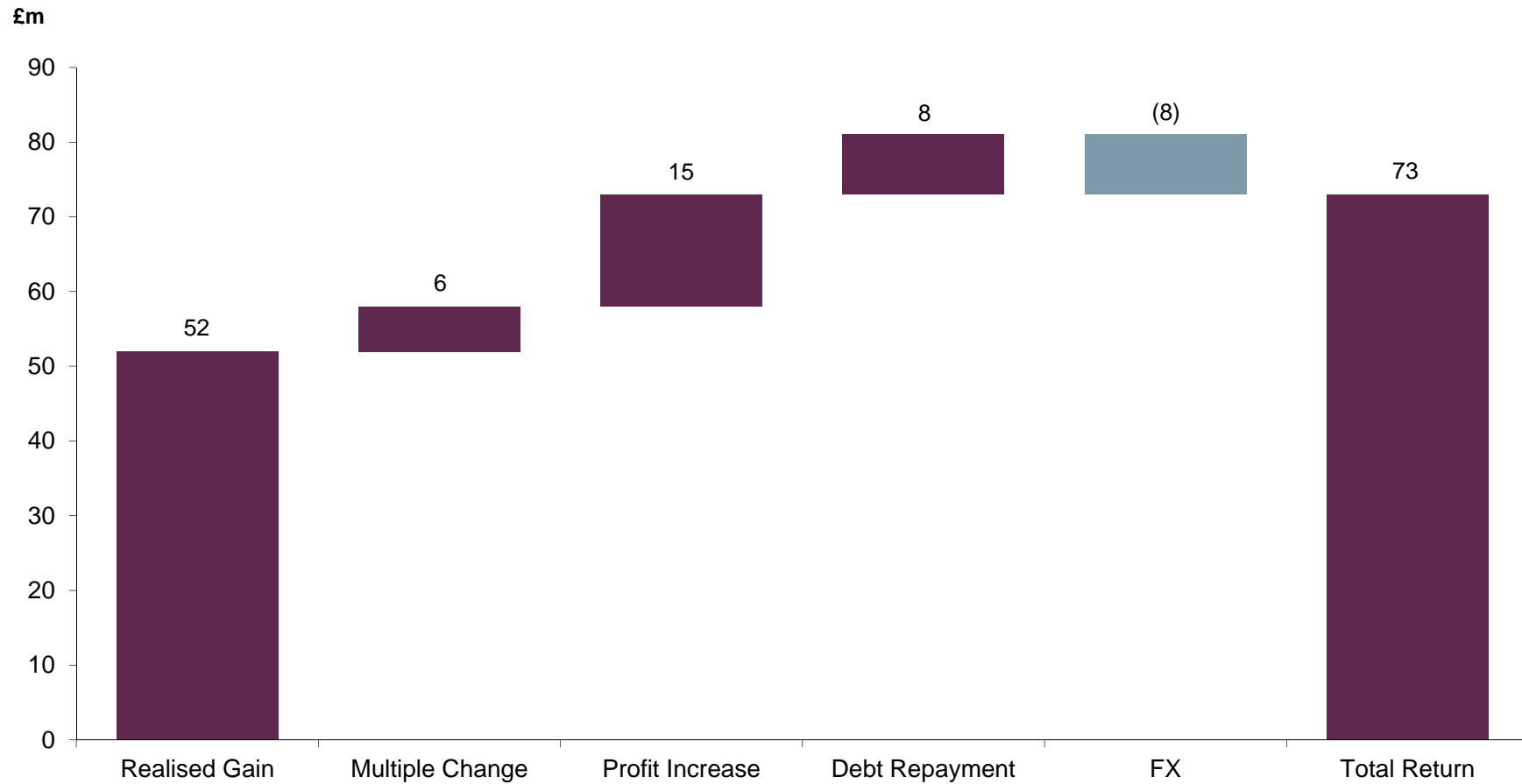
Six months to 31 March 2012



	No.	£m
Increases	7	28.3
Decreases	4	(10.0)
No change	4	-
	15	18.3
Sundry		2.2
		20.5

Analysis of Total Return – Direct Unlisted

Six months to 31 March 2012

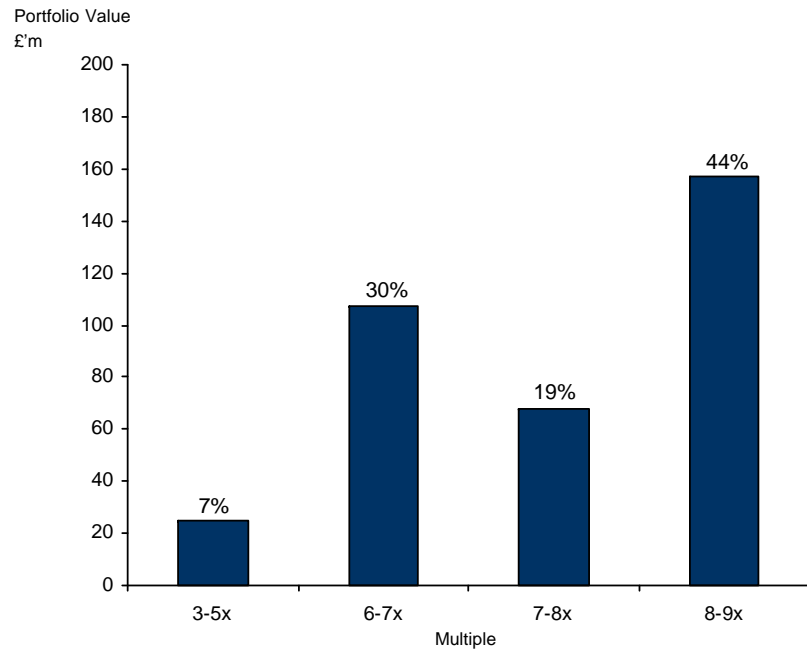




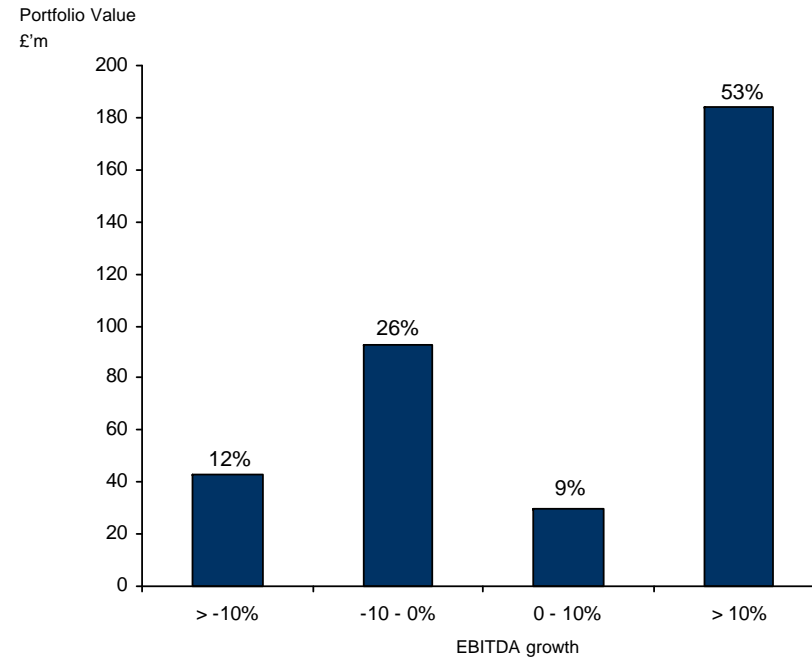
Direct Investments

Valuation Multiples / EBITDA Growth

EBITDA multiples used for valuation
Weighted average EBITDA multiple = 7.6x



EBITDA growth (LTM)

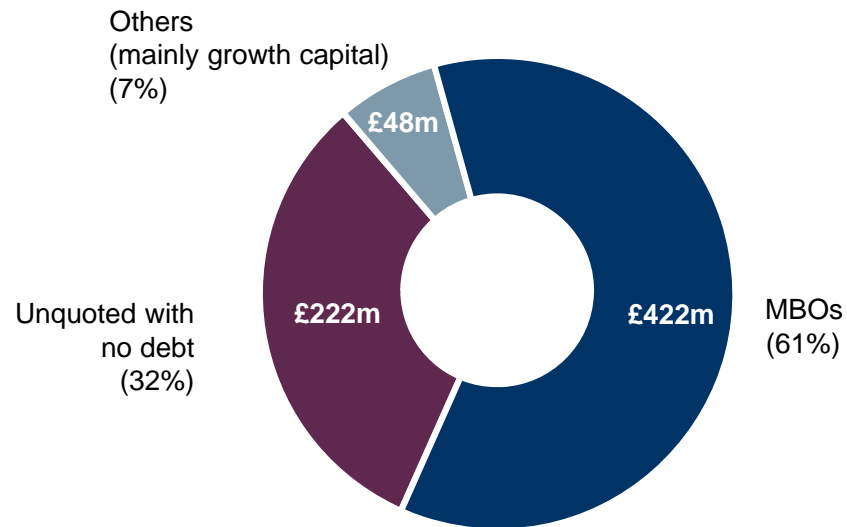


Portfolio value
 % of portfolio valuation

Debt Analysis

Unlisted Investment Portfolio £692 million

31 March 2012



Management buyouts £422 million

Debt/EBITDA Ratio	%	£m	Average Ratio	No of Co's
5 – 6	3	14	5.2	1
4 – 5	-	-	-	-
3 – 4	32	134	3.1	3
2 – 3	14	62	2.5	2
1 – 2	28	116	1.2	5
LBO Funds	23	96	-	85
	100	422		

Weighted Average Debt / EBITDA Ratio 3.5* (excluding Funds)

30 September 2011	2.5
31 March 2011	2.7
30 September 2010	2.9
31 March 2010	3.0
30 September 2009	3.2
31 March 2009	3.9

* 2.6x excluding company with highest debt (Labco)



Electra Liquidity Position

- In October 2011 the bank facility was renewed with £195m available until June 2016
- Borrowing of £159m is required for currency hedges (primarily Euro) and Investment Trust compliance
- As at 31 March 2012, the Company had outstanding commitments to private equity funds of £91m

	31 Mar 12 £m	30 Sept 11 £m
Liquid resources	413	269
Bank borrowings	(159)	(164)
Net liquid resources	254	105
ZDP shares	(55)	(53)
Convertible Bond*	(100)	(100)

* Repayment amount

ZDP repayable in 2016

Convertible Bond repayable in 2017



Deal Backdrop is Largely Unchanged

Negative Drivers:

- Few businesses being sold – deal volumes down
- Debt markets weak and getting weaker
- Equity markets, from which buyer and seller valuation expectations are set, extraordinarily volatile meaning that agreeing price is hard
- Forecasting earnings is challenging!

Positive Drivers:

- Fundraising pressure on our competitors
- Bank deleveraging will force asset sales
- Refinancing wall fast approaching – sale pressure and equity top up required



We are Seeing Real Progress on Bank Sales

Two bank related deals completed in last six months:

- Purchase of Park Resorts debt from Lloyds
- Acquisition of Peverel from BofA

Significant current deal flow from banks:

- Two bank portfolio deals currently in due diligence
- Three bank owned primary deals under review



Our Overall Stance is Cautious but “Open for Business”

- We are seeing strong deal flow
- There are attractive opportunities and we are successfully converting some
- We expect to be able to put money to work

BUT

- We are incredibly cautious about the macro environment and the corresponding risks
- We are not going to rush
- We don't see a cyclical recovery for some time



Conclusion

- Existing portfolio is performing well and will continue to contribute to NAV growth
- Strong liquid position will allow full participation in next investment cycle
- Flexible investment strategy ideally situated to current market conditions

Electra remains well placed in terms of experience, liquidity and flexible investment approach to continue NAV growth in a difficult market

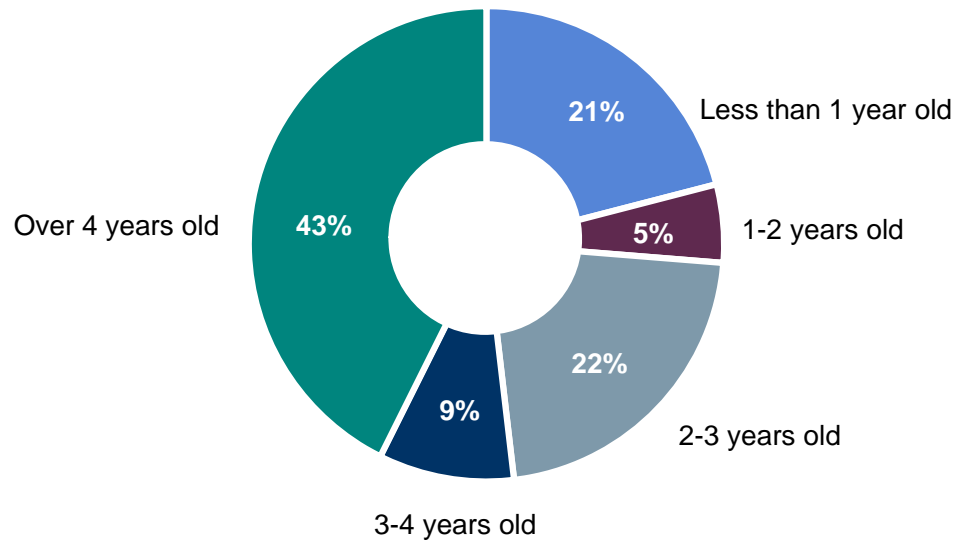


Appendices

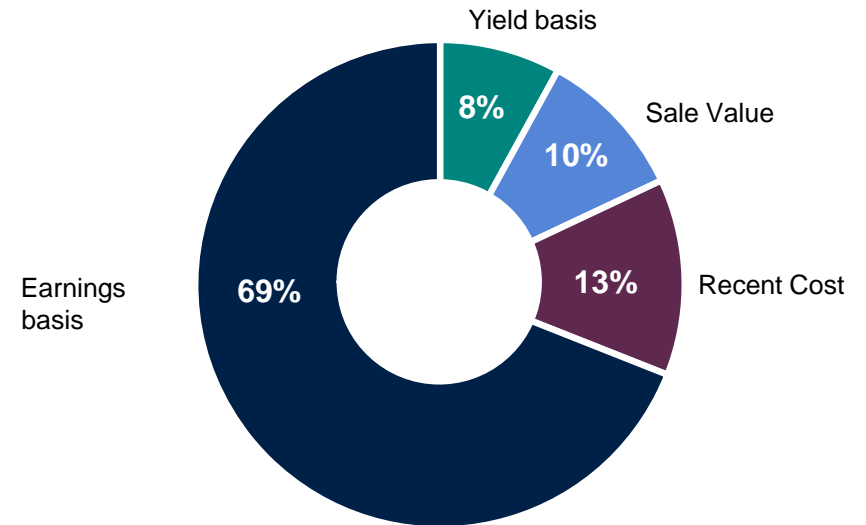
Investment Portfolio - Direct Unlisted

at 31 March 2012

Age Profile By last financing



Valuation Basis

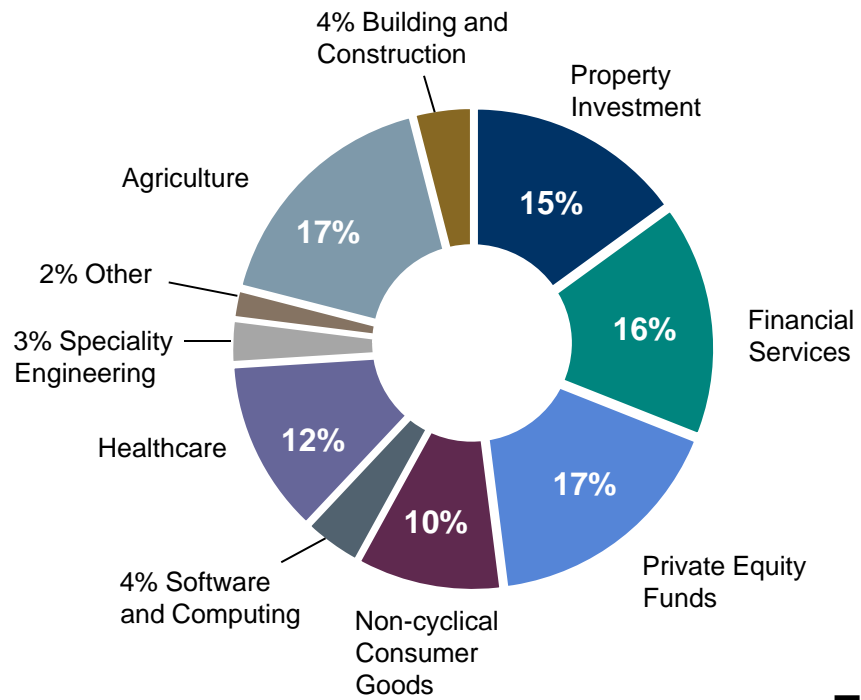


Total £543 million

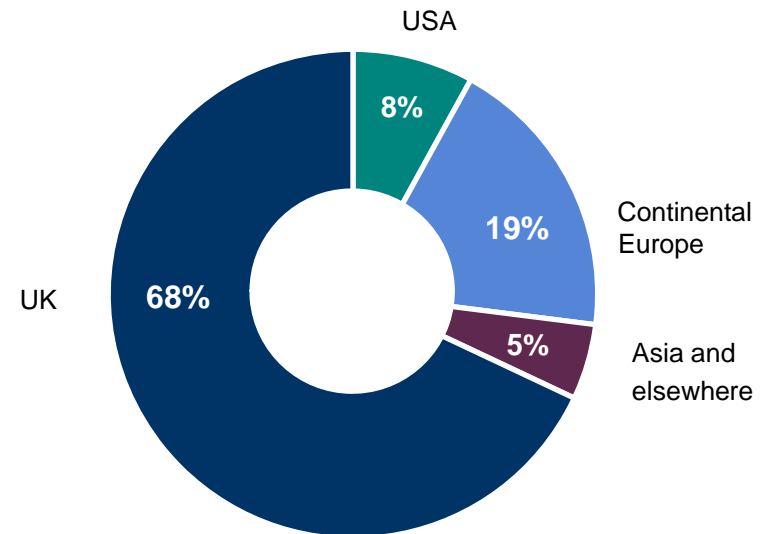
Investment Portfolio

at 31 March 2012

Classification and Distribution



Geographic Split



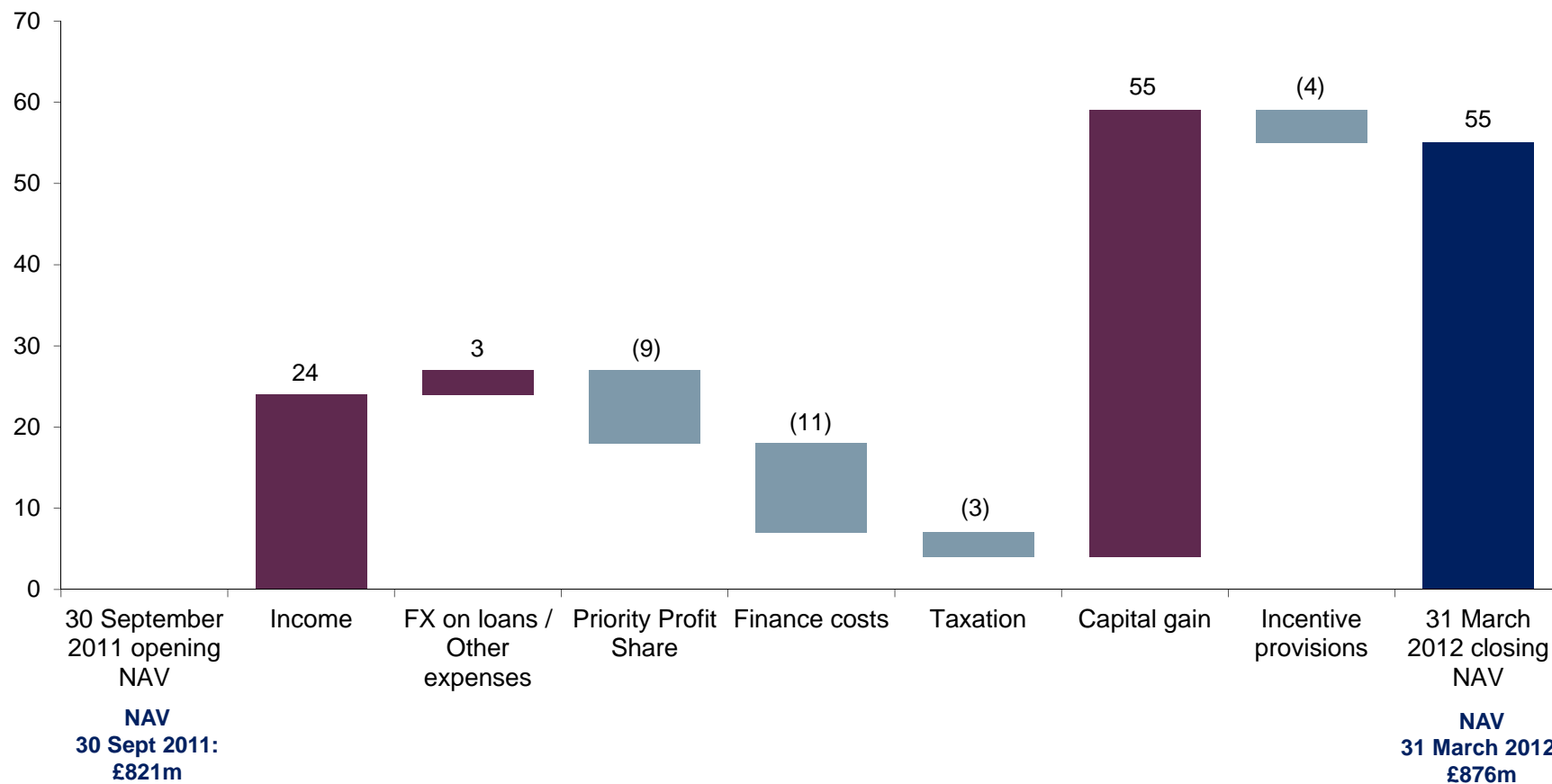
Total £786 million



Analysis of Movement in NAV

Six months to 31 March 2012

Change in
NAV £m





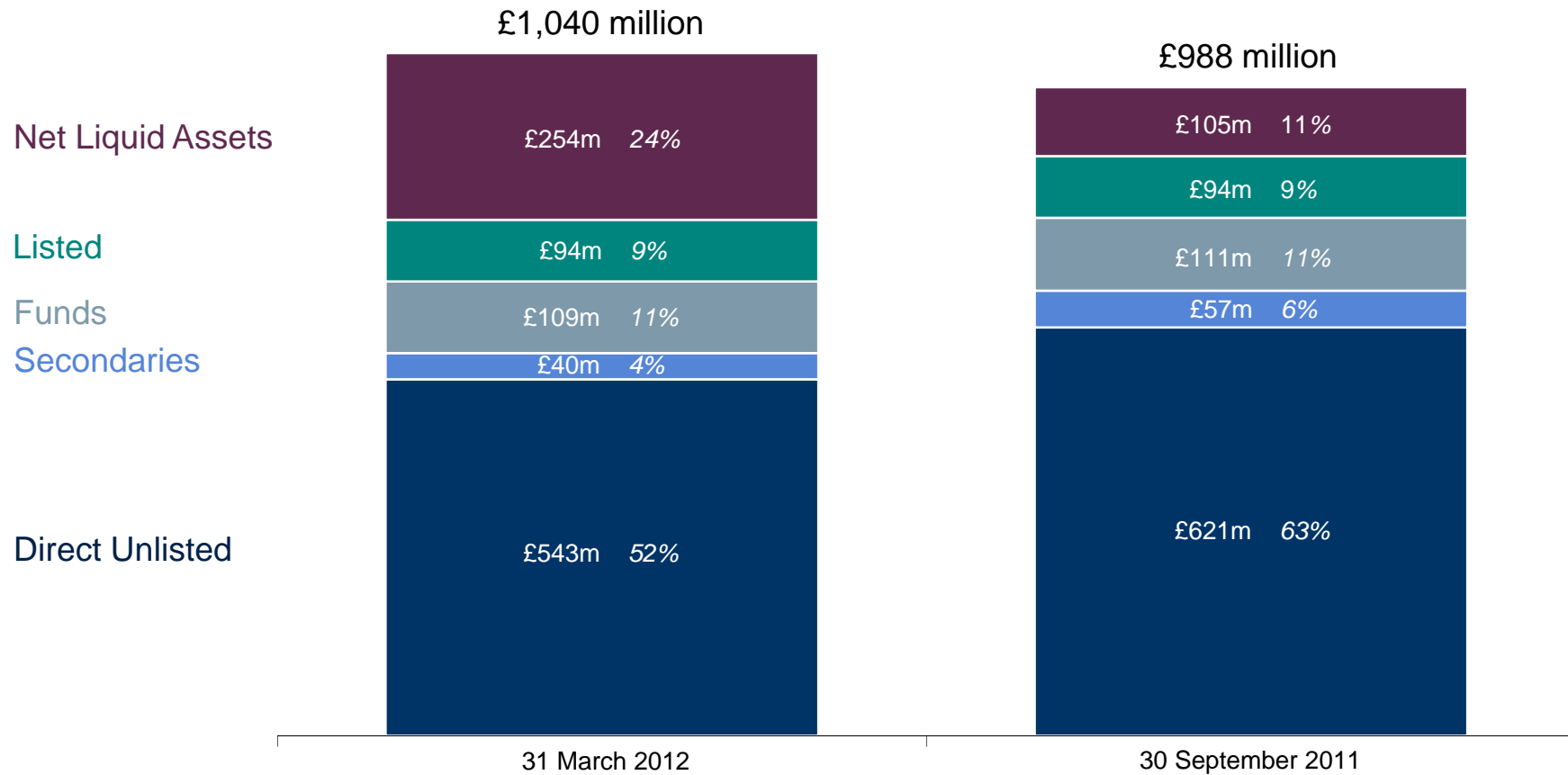
Listed Portfolio

	Country	No of Shares '000	Cost £m	Value at 31 Mar 2012 £m
London & Stamford	UK	29,700	30.2	32.8
Zensar Technologies	India	10,301	4.2	23.2
Millicom	USA	116	0.2	8.2
Orthofix	USA	329	0.1	7.7
Dinamia	Spain	1,666	13.9	6.0
Hornby	UK	2,995	0.1	2.8
Moser Baer	India	9,960	1.9	2.0
Candover*	UK	328	1.2	1.4
Meghmani	India	28,389	2.6	1.4
Sundry (mainly in process of sale)			3.3	8.6
			57.7	94.1

* Candover now realised

Overall Portfolio Analysis

Including Cash Net of Bank Loans: 31 March 2012 vs 30 September 2011





Management Team

- Well resourced
- 15 investment professionals
 - Backed by a 24-strong team skilled in finance, compliance, property investment, portfolio management and marketing

- Experienced
- Majority of senior management have worked together for 20 years
 - In private equity long enough to invest through several business cycles
 - Short decision lines
 - Investment professionals average over 18 years in private equity industry

Senior Management Team	
Hugh Mumford	Managing Partner
Tim Syder	Deputy Managing Partner
David Symondson	Deputy Managing Partner
Alex Fortescue	Chief Investment Partner
Rhian Davies	Partner
Philip Dyke	Partner
Steve Ozin	Partner

Investment Team	
Alex Cooper-Evans	Investment Partner
Charles Elkington	Investment Partner
Chris Hanna	Investment Partner
Nigel Elsley	Investment Partner
John Martin	Investment Manager
Sarah Williams	Investment Manager
Shakira Adigun-Boaye	Investment Associate
Tom Stenhouse	Investment Associate



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