



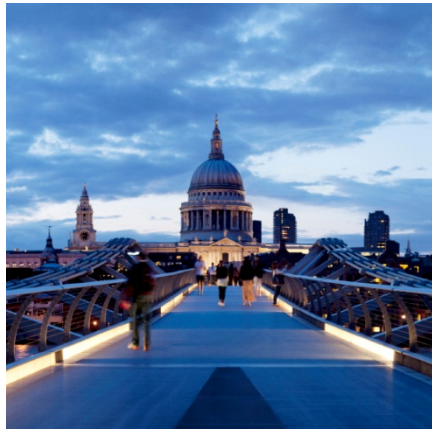
Electra Private Equity PLC

Half Year Review and Analysis

May 2014

Presented by
electra
partners

Electra Private Equity PLC



- Pure play private equity
- Investment trust since 1935, listed since 1976
- Net assets £1.09 billion at 31 March 2014
- Objective: achieve a compound 10-15% return on equity per year over the long-term
- Managed on an exclusive and fully discretionary basis by Electra Partners
- Ordinary shares, ZDPs and Convertible Bonds



Why Electra is Different

Consistent Long-term Performance

- Consistent outperformance of the peer group and benchmark over the long-term. In the 10 years to 31 March 2014:
 - 260% increase in Electra's diluted NAV per share; 268% increase in Electra's share price
 - 39% increase in the Morningstar Private Equity Share Price Total Return Index (ex-Electra)
 - 129% increase in the FTSE All-Share

Fully Exploits its Flexible Investment Mandate

- Electra has the most flexible investment mandate in the listed private equity sector meaning it has the ability to invest in the full range of private equity opportunities, in any sector, and across the capital structure
- This allows Electra Partners to tailor its investment strategy to suit changing market conditions, thereby deploying capital where it sees the best relative value for shareholders
- Electra's structure means it can provide long-term capital to portfolio businesses. This means investee companies can be supported with a long-term strategy and access to capital. Exits are sought only when returns can be maximised for shareholders, rather than a forced sale to demonstrate a track record for future fundraisings

Experienced Manager

- Successfully managed by Electra Partners for over 25 years investing in excess of £4.1 billion in over 200 deals
- During this time the firm has accumulated considerable experience of investing across economic cycles, sectors, geographies and business models and built a long and distinguished track record

Low Risk of Overcommitment

- Electra invests directly in transactions arranged by Electra Partners, not via an LP fund managed in the interest of a range of investors
- This means that we can moderate the pace of investment dependent on the level of net liquid resources and, as a result, there is a very low risk of over-commitment – a problem that many LPE investment trusts have encountered



Electra Partners' Investment Strategy

1. Buyouts & Co-investments

- Direct investments
- Targets good quality, well-managed businesses
- Potential for profit growth





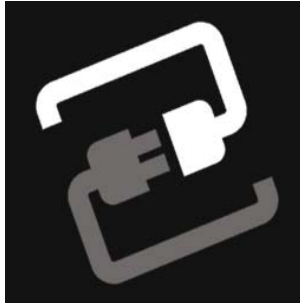





2. Secondaries

- Individual fund positions
- Portfolios of fund positions
- Secondary directs

3. Debt

- Secondary stretched
- Secondary performing
- Primary debt

Deal Generation Particularly Focused Around Macro Growth Themes

Austerity / Value	Regulation	Demographic Change	International	Digital Economy
				
<p>Help consumers and/or businesses reduce costs/save money</p>	<p>Current and prospective regulation a substantial driver of growth</p>	<p>Services and products with demand driven by demographic change</p>	<p>Realised or unrealised potential to exploit growth in international markets</p>	<p>Services and products capitalising on the internet and/or mobile networks</p>
				



Highlights for the Six Months to 31 March 2014

- High investment rate continued from 2013
- Successfully deploying capital from realisations
- Net liquid resources of £294 million before commitments to invest of £116 million
- Strong portfolio performance, particularly from more recent investments
- 5% NAV increase – outperformance against LPE sector and FTSE All-Share
- 10-year annualised return on equity of 14% - in line with 10-15% target
- Portfolio well positioned for future performance




Results: Six months to 31 March 2014

	31 March 2014	30 September 2013	Change
Net assets (£m)	1,088	1,030	5.6%
Net Asset Value per share (diluted)	2,914p	2,764p	5.4%
Share price	2,609p	2,230p	17.0%
Discount	10.5%	19.3%	

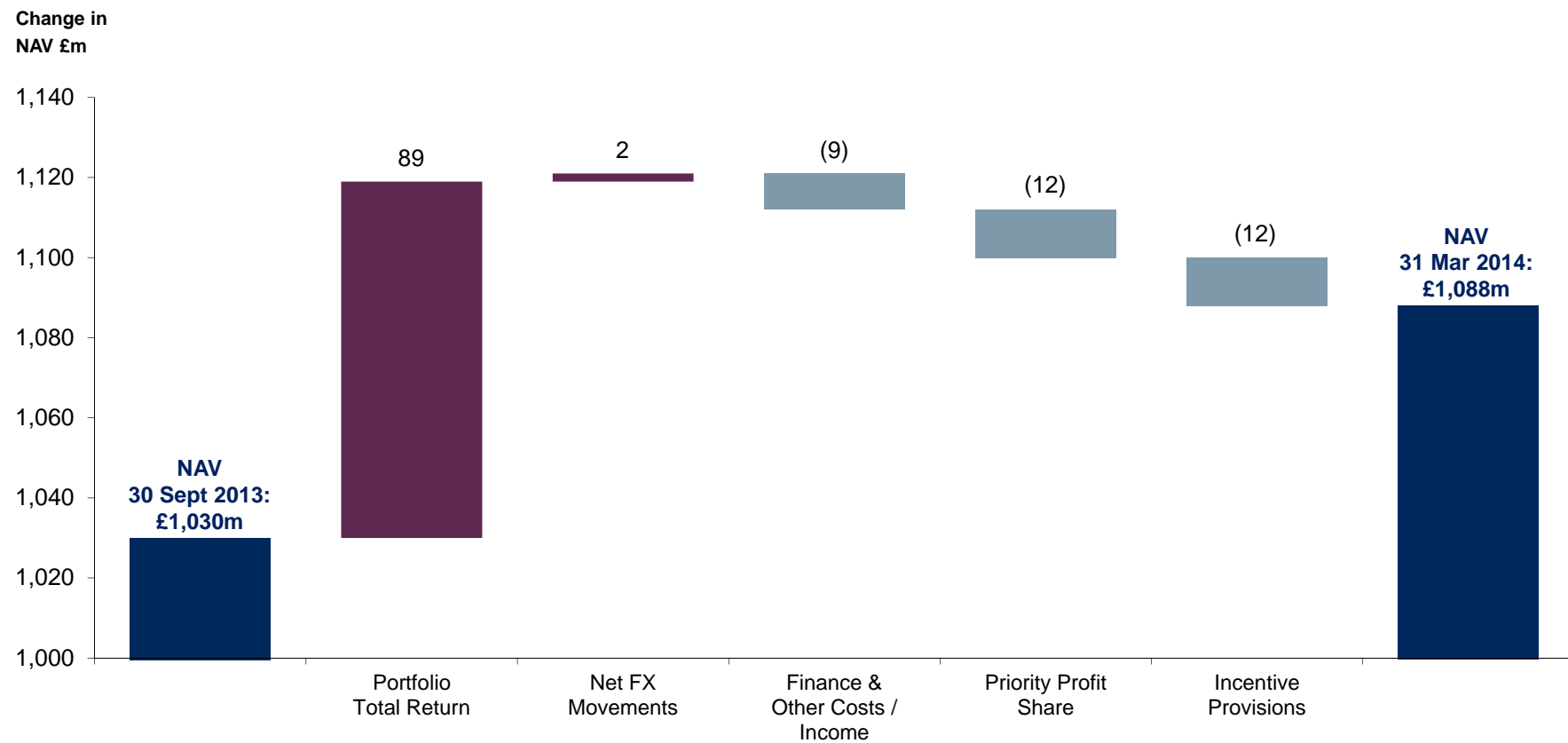
FTSE All-Share up 4.8% over the six months to 31 March 2014

Partially adjusted diluted NAV per share at 22 May 2014 was 2,909p (share price 2,696p)



Analysis of Movement in NAV

Six months to 31 March 2014

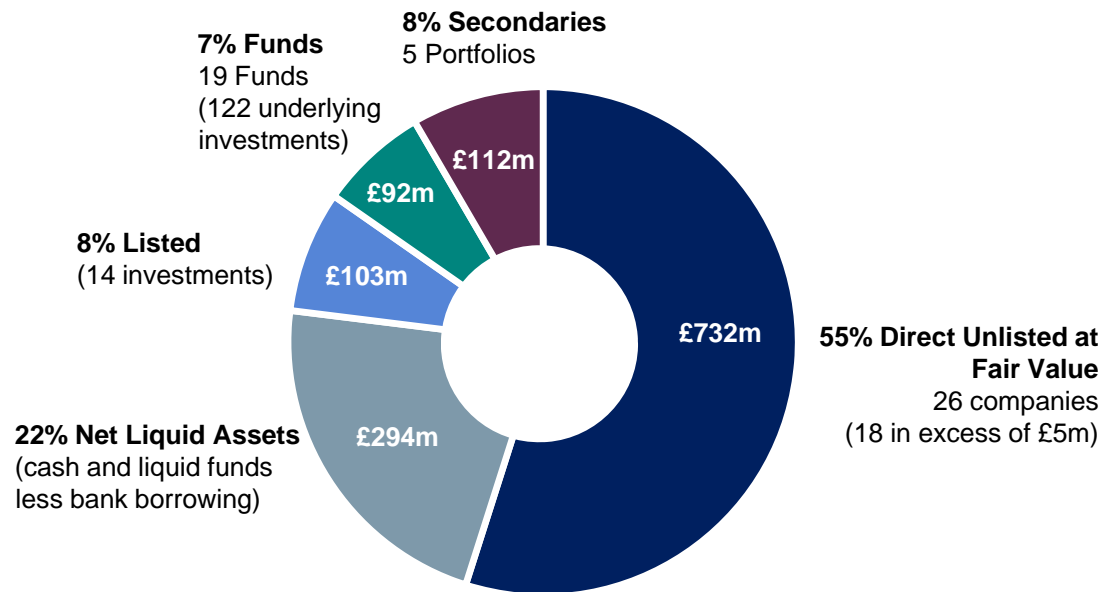




Balance Sheet / Portfolio

Balance Sheet Summary	
31 March 2014	
	£m
Portfolio	1,333
Other Liabilities	(99)
ZDP	(63)
Convertible Bond	(83)
Net Assets	1,088

Portfolio £1,333 million



	31 March 14 £m	30 Sept 13 £m
Investment Portfolio	1,039	968
Net Liquid Assets	294	294
Liabilities	(245)	(232)
Net Assets	1,088	1,030

Investment Portfolio - Changes

Six months to 31 March 2014 compared to corresponding prior periods

Six months to 31 March	2014 £m	2013 £m	2012 £m	2011 £m
Opening investment portfolio	968	868	883	766
New investment	*134	204	92	73
Realisations / Income	(152)	(112)	(268)	(91)
Total return	89	161	79	84
Closing investment portfolio	1,039	1,121	786	832
Return as a percentage of opening portfolio	9.2	18.5	8.9	11.0

* Commitments of £116 million also made to two new investments



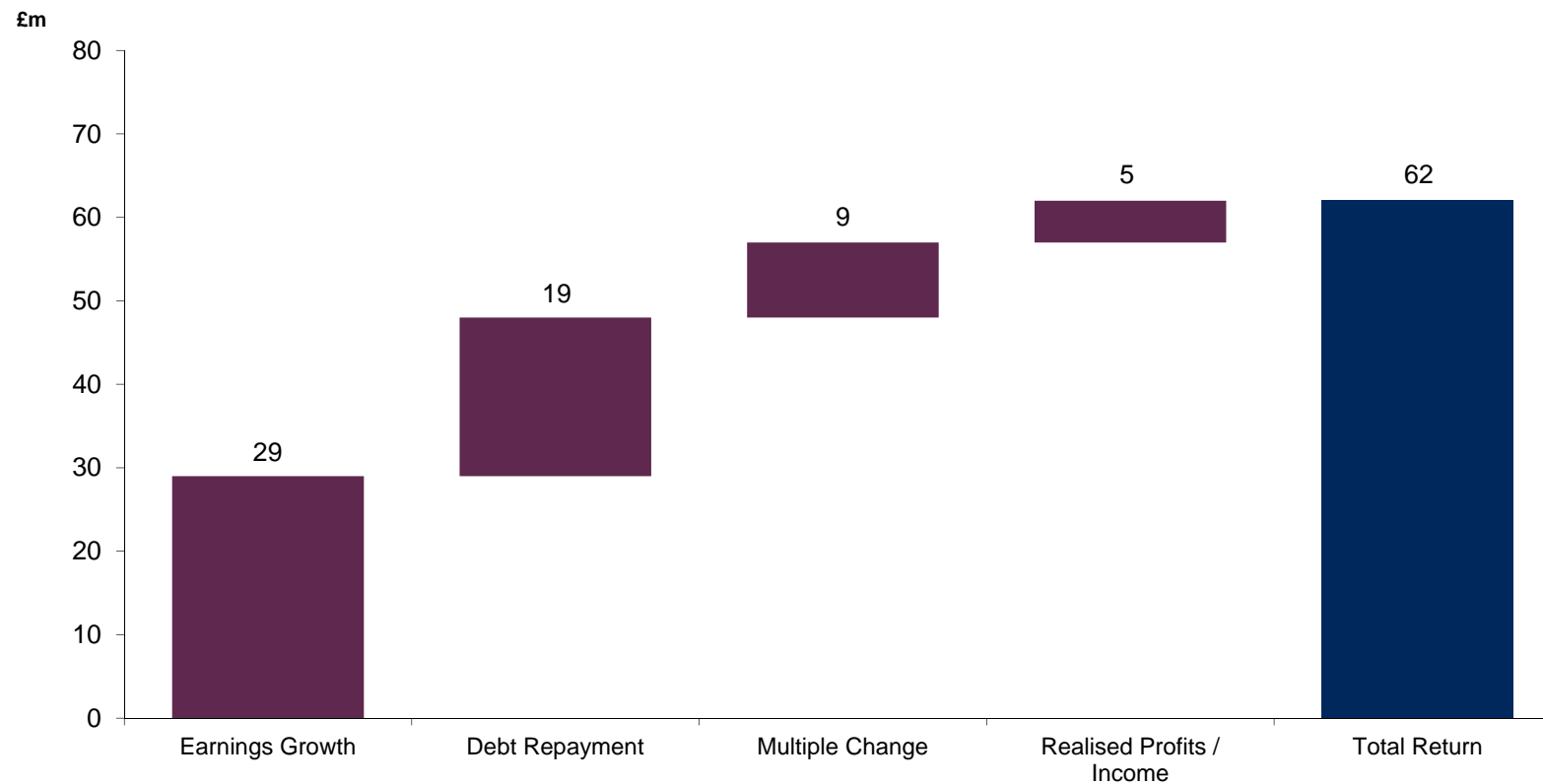
Portfolio Changes (by segment)

Six months to 31 March 2014

	Valuation at 30 Sept 2013 £m	Purchases £m	Realisations / Income £m	Total Return £m	Valuation at 31 Mar 2014 £m	Performance Increase / (Decrease) %
Direct Unlisted	662	121	(113)	62	732	9.3
Listed	87	-	(13)	29	103	33.7
Secondaries	126	1	(18)	3	112	2.3
Funds	93	12	(8)	(5)	92	(5.5)
	968	134	(152)	89	1,039	9.2

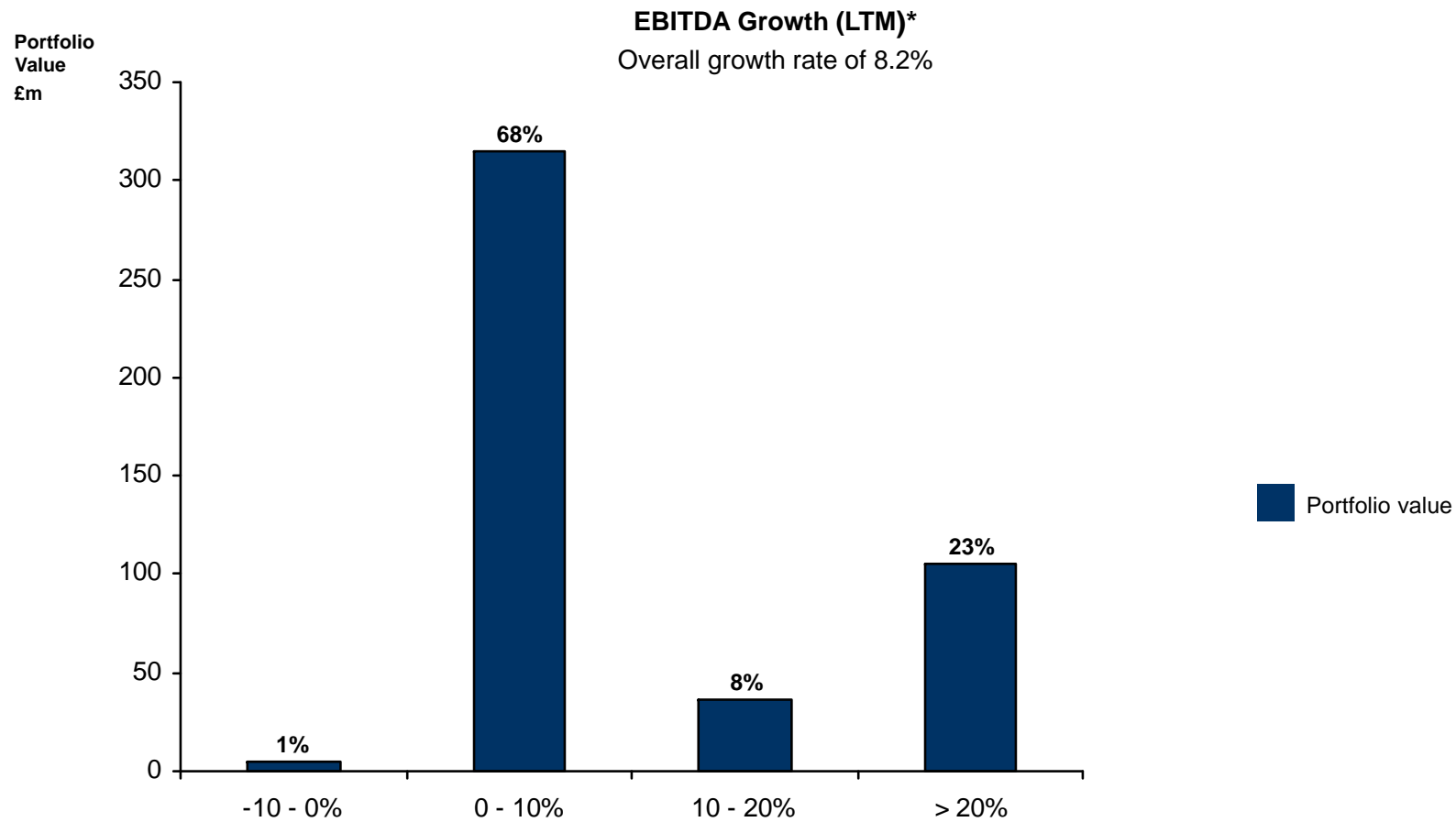
Analysis of Total Return – Direct Unlisted

Six months to 31 March 2014



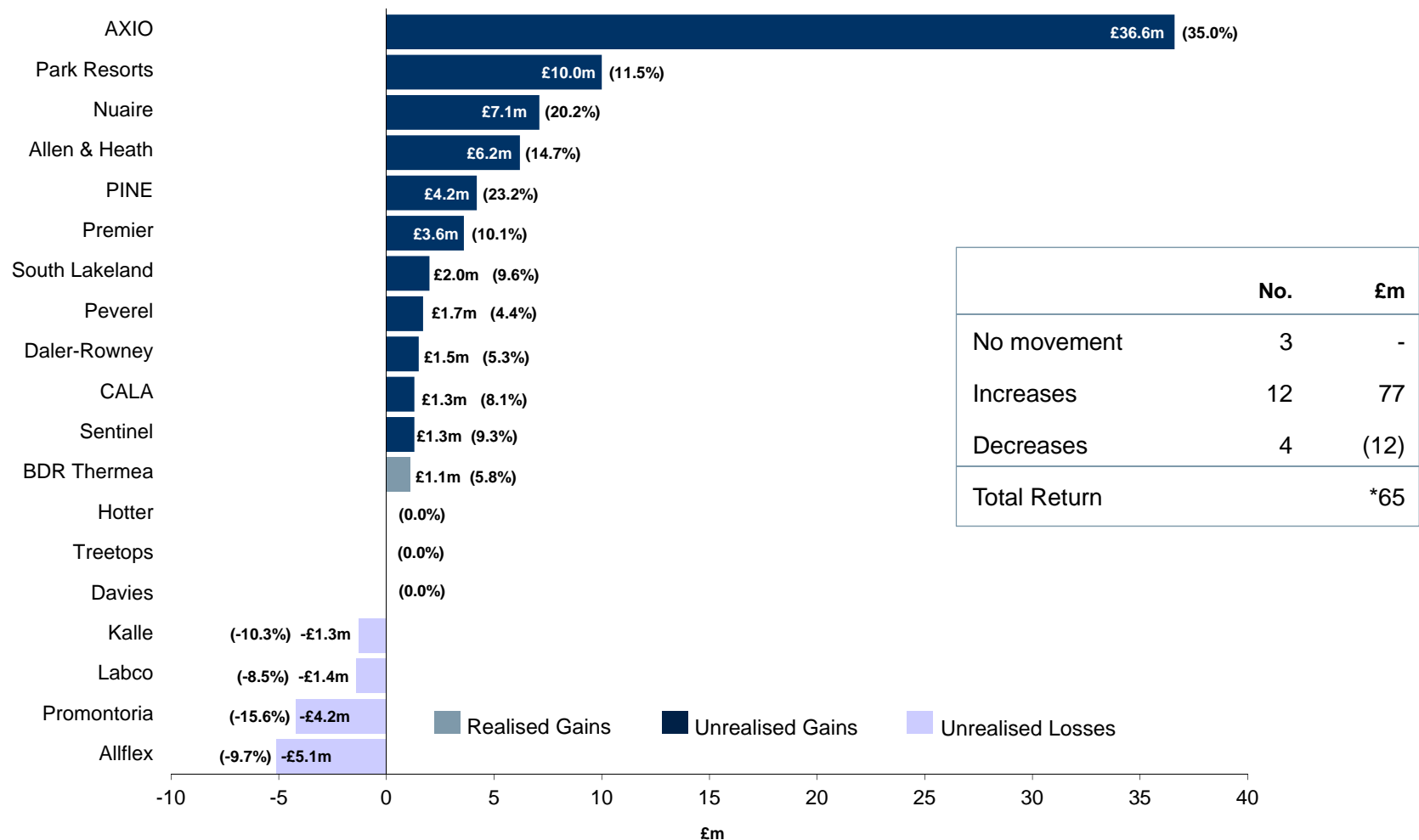
Direct Unlisted – Earnings Basis

EBITDA growth rates



Direct Unlisted (over £5m) – Ranked By Return

Six months to 31 March 2014





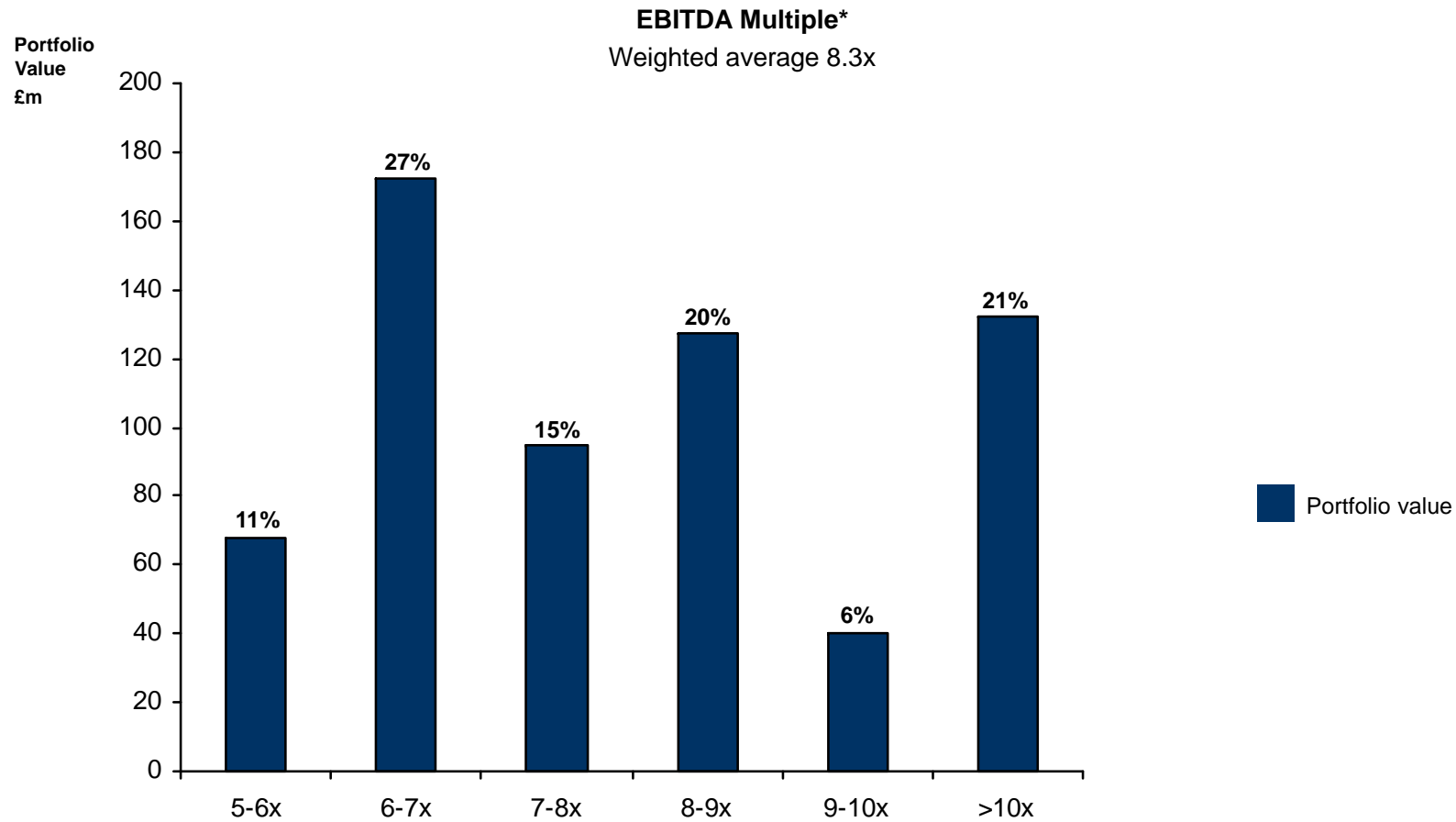
Direct Unlisted

Investments valued at 31 March 2014

Company	Sector	Year of Initial Investment	Valuation Basis	Cost £m	Valuation at 31 Mar 2014 £m	% of Unlisted	Cumulative %
AXIO	B2B information services	2013	Earnings	72.3	124.7	17.1	17.1
Park Resorts	Caravan parks operator	2012	Earnings	69.6	96.1	13.1	30.2
Hotter	Shoe manufacturer & retailer	2014	Recent transaction	84.5	84.5	11.5	41.7
Allen & Heath	Audio mixing consoles	2013	Earnings	53.7	59.1	8.1	49.8
Allflex	Animal tagging	2013	Earnings	56.7	47.7	6.5	56.3
Peverel	Property management	2012	Earnings	22.0	41.7	5.7	62.0
Premier	Asset management	2007	Earnings	56.1	39.5	5.4	67.4
CALA	Premium house builder	2013	Net assets	30.1	33.7	4.6	72.0
Daler-Rowney	Fine art products	2011	Earnings	17.4	29.0	4.0	76.0
Nuaire	Ventilation systems	2007	Earnings	13.2	26.9	3.7	79.7
Promontoria	Property holding Co.	2002	Yield	12.5	21.8	3.0	82.7
PINE	Nursery school finance	2005	Yield	14.0	21.6	3.0	85.7
South Lakeland	Caravan parks operator	2013	Earnings	19.1	21.1	2.9	88.6
Davies	Insurance claims management	2011	Earnings	38.8	17.8	2.4	91.0
Labco	Medical diagnostics	2008	Earnings	25.3	14.9	2.0	93.0
Sentinel	Heating fluids	2011	Earnings	15.5	14.7	2.0	95.0
Treetops	Nursery education	2012	Earnings	7.6	8.7	1.2	96.2
Kalle	Food containers	2010	Earnings	3.6	5.3	0.7	96.9
				612.0	708.8		
Direct investments – Sundry (8)				38.1	22.5	3.1	100.0
Total				650.1	731.3		

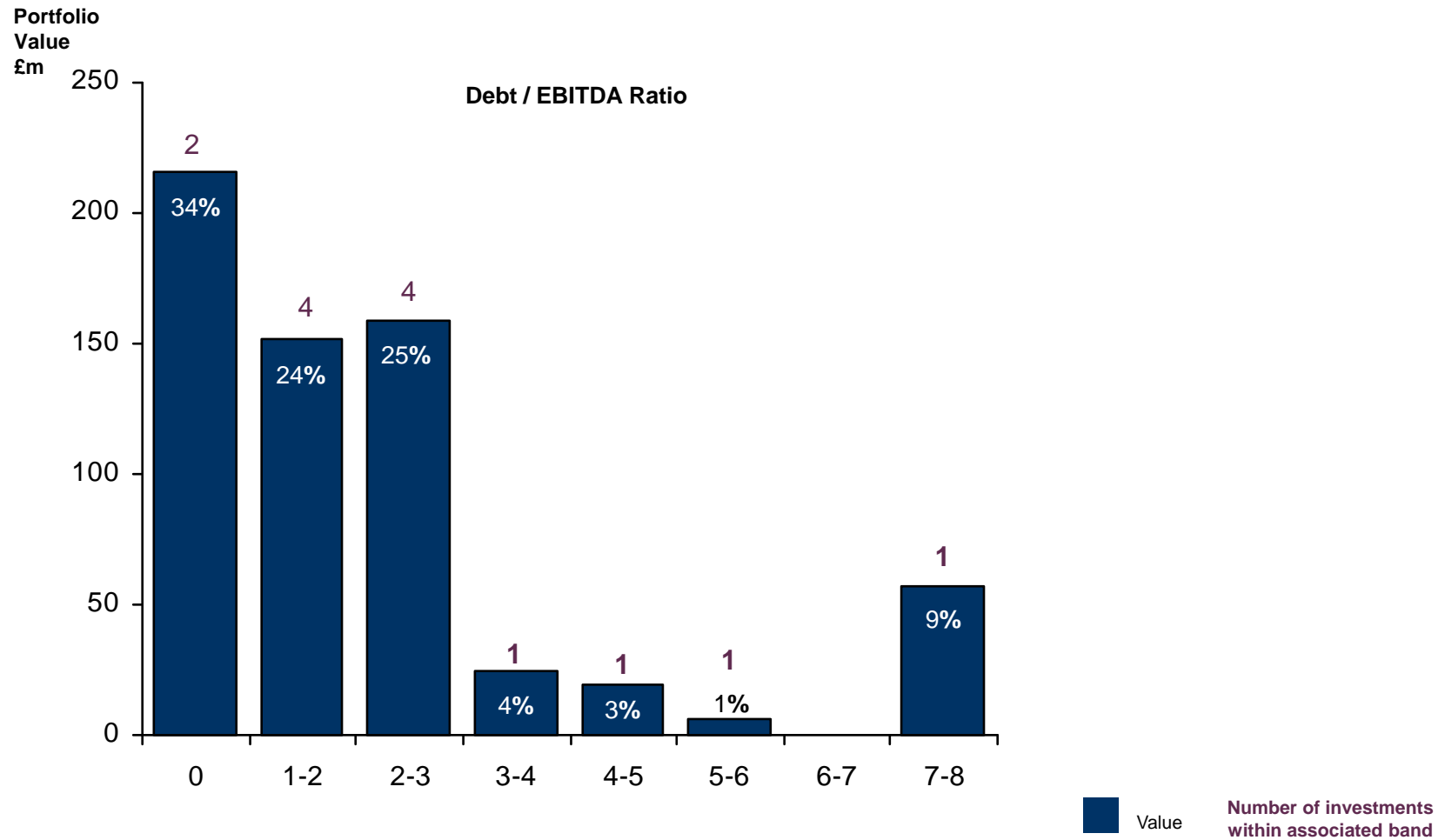
Direct Unlisted – Earnings Basis

Valuation multiples





Direct Unlisted (over £5m) - Debt / EBITDA Ratio





Electra Liquidity Position

- As at 31 March 2014, Electra had:
 - commitments to invest of £116 million to Ogier and Innovia
 - commitments to private equity funds of £80 million
- Bank borrowings (£155 million) provide for currency hedging
- The bank facility of £195 million is available until December 2017
- ZDP repayment in August 2016 at an amount of £73 million
- Convertible Bond repayable in December 2017 if not converted (Electra may convert from December 2015 if share price in excess of 2,665p)

	31 March 2014		30 Sept 2013	
	£m	% of NAV	£m	% of NAV
Liquid resources	449	41	452	44
Bank borrowings	(155)	14	(158)	15
Net liquid resources	294	27	294	29
ZDP shares	(63)	6	(61)	6
Convertible Bond*	(100)	9	(100)	10

* Repayment amount



New Investments

Company			
Business description	Shoe manufacturer, designer and retailer	Provider of international trust, fund and company administration services	Manufacturer of speciality films, and substrate for polymer banknotes
New capital invested / Committed	£84.5m	£83.0m	£32.7m
Ownership	61.3%	59.4%	28.0%
Investment rationale	High quality products in a growth sector	Strong business with international growth potential	Market-leading films business and growth potential in securities business

Hotter Shoes Investment

- In January 2014 Electra invested £84 million to acquire Hotter Shoes
- Founded in 1959, Hotter is a leading UK designer, manufacturer and retailer of stylish and comfortable shoes
- Hotter is a growth business, whose sales more than doubled in the four years prior to the buyout. Future growth potential is supported by the firm's high quality products, strong customer loyalty, positive demographic trends and international scope
- The deal fits two of Electra Partners' macro growth themes: demographic change and the internationalisation of businesses
- Hotter's growth strategy includes further UK store openings, growth in international markets, increases in online sales, and range development and extension to widen the target market



Ogier Fiduciary Services

Investment

- In February 2014 Electra committed to invest £83 million in the £180 million acquisition of Ogier Fiduciary Services (“OFS”) from its parent, Ogier Group
- OFS is one of the leading offshore fiduciary services providers serving 3,000 clients from 10 offices worldwide. It provides trust, fund and company administration services to corporates, private clients and investment funds
- OFS is a market leader in a fragmented, global market where the growth drivers include increasing regulation and the internationalisation of corporate and investment management markets (reflecting two of Electra Partners’ macro growth themes)
- OFS’s strategy is to continue its growth trend by developing its international office network, expanding the team, and investigating acquisitions



Innovia Group Investment

- In April 2014 Electra invested £33 million as a cornerstone investor in the €498 million acquisition of Innovia Group
- Innovia is a leading global producer of speciality high performance films primarily used in packaging applications for the food industry
- The company is also an established manufacturer of polymer banknote substrate. Today, polymer banknotes account for only a small share of all banknotes in circulation, but have many advantages including security, durability and impermeability
- The company's strategy is to grow its packaging films business through product innovation and capacity expansion, while developing its banknote substrate business as central banks increasingly choose to benefit from the advantages of polymer





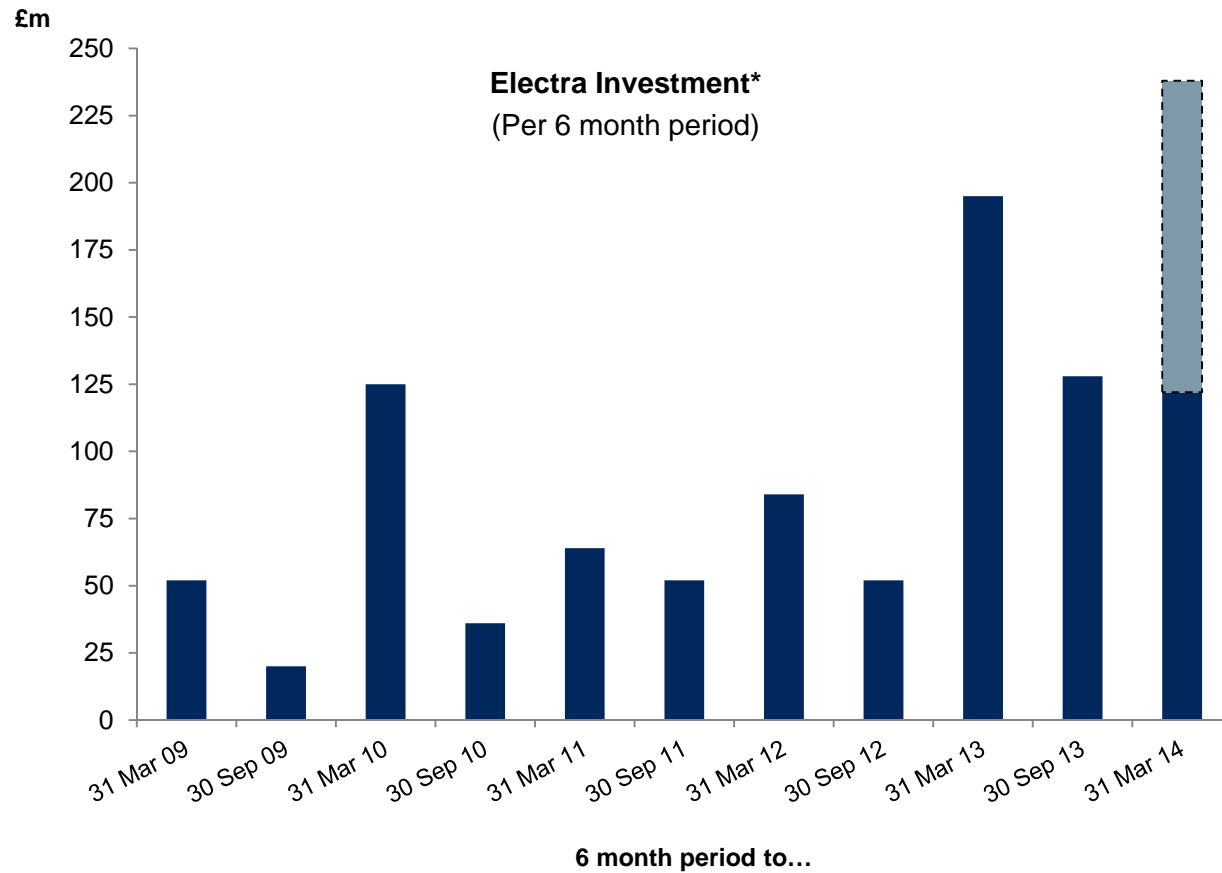
Recap on Last Meeting

At the November 2013 Analyst Meeting for the Full Year results we mentioned:

- Prices were rising,
-fuelled by a strong debt market and resurgent economy.
- Electra Partners had a strong pipeline,
- ... and our flexible investment mandate remained key to securing new investment.
- We expected to see a continuation of our strong investment rate,
- ... but might see some higher prices.



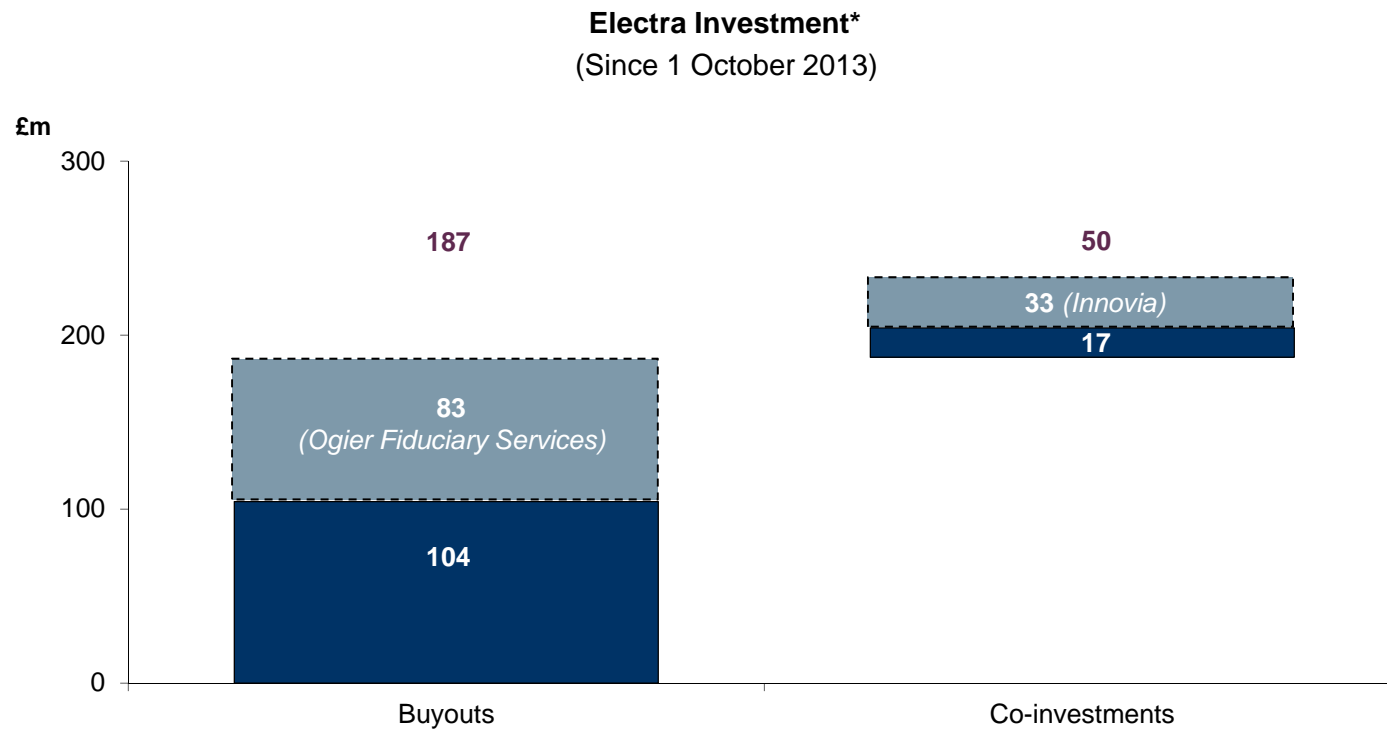
HY 2014: A Record Level of Investment in a 6 Month Period



* Funds excluded

Dotted area represents Innovia (completed April 2014) and Ogier Fiduciary Services (subject to completion)

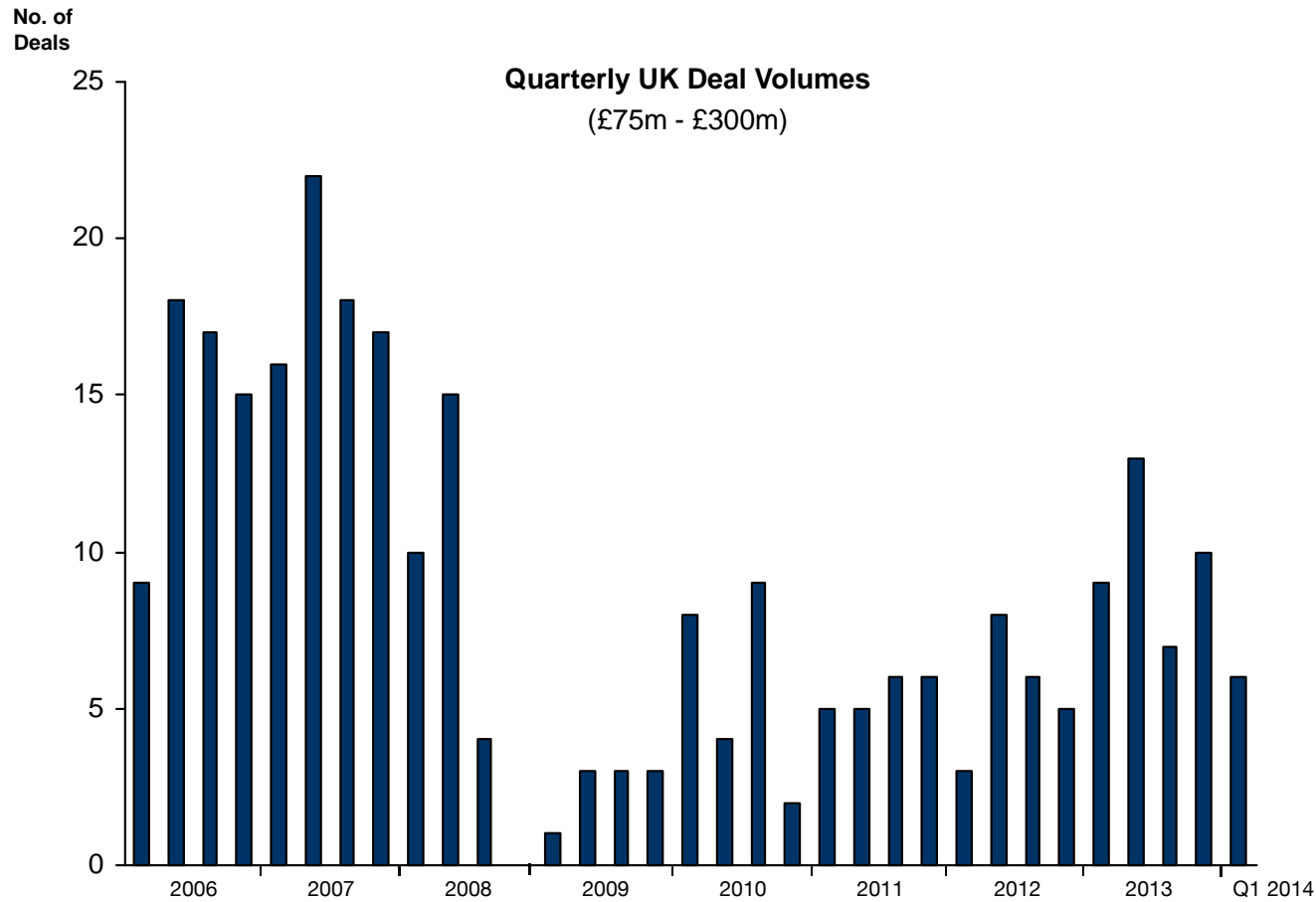
Electra's Flexible Mandate Remains Key



* Refers to new investments made since 1 October 2013 only. Excludes Funds and Secondaries



Market Deal Volumes Dipping Again – Diversion to IPO



Mid-Market UK IPOs in H1



Card Factory

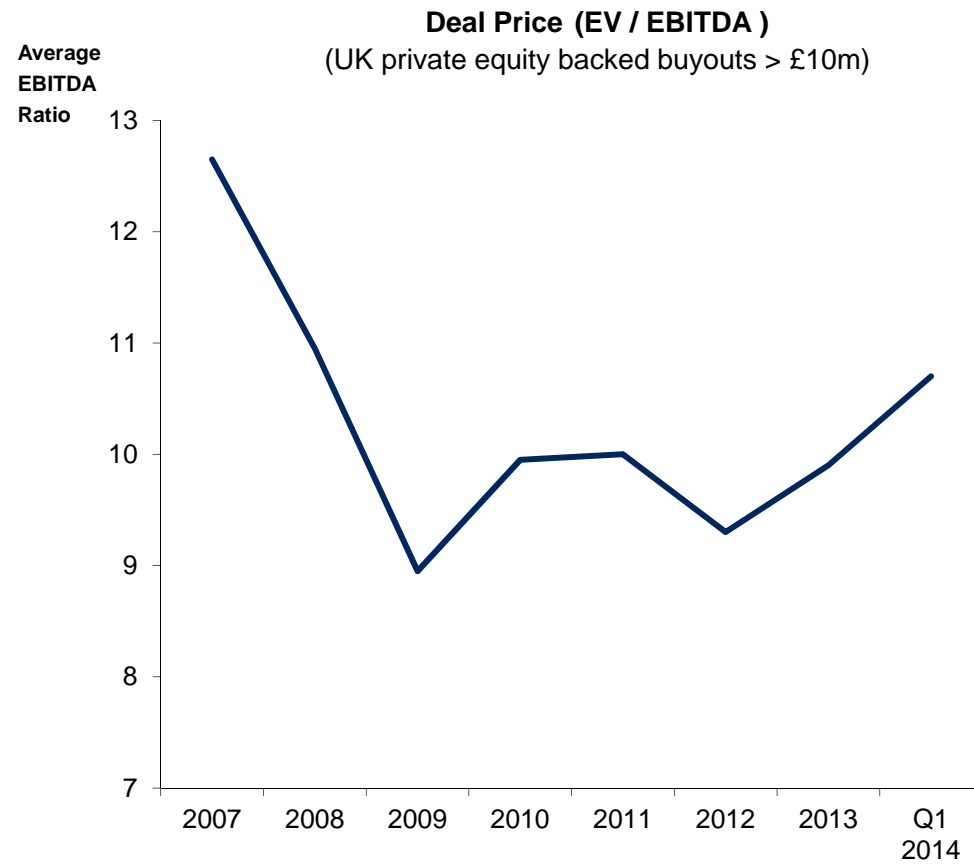
JUSTEAT

**PÂTISSERIE
VALERIE**
Est. 1926



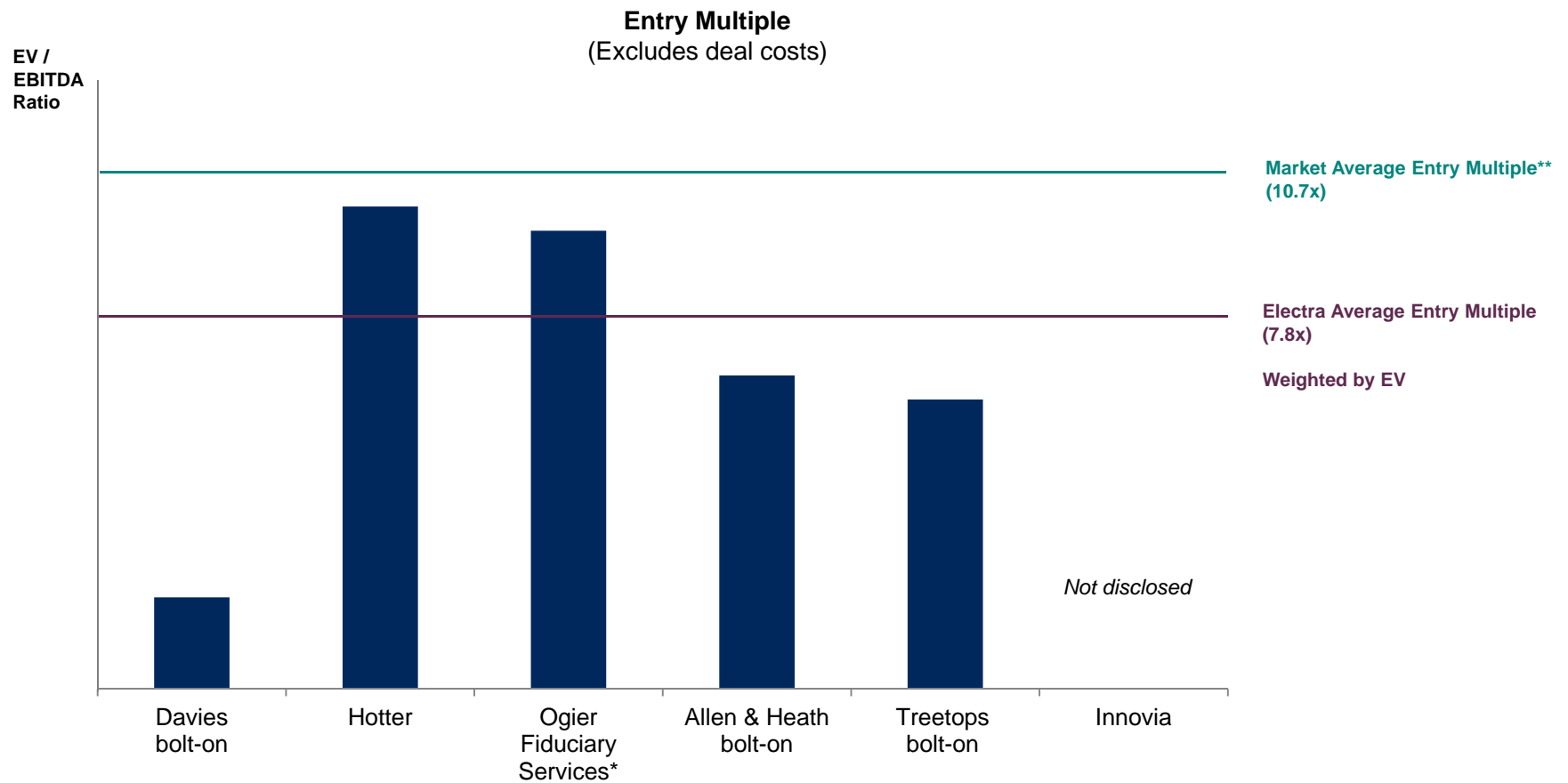
Poundland

Deal Pricing is Still Increasing...





...But Electra Has Been Able to Find Value





Portfolio Company Bolt-ons Have Been a Key Feature of H1

- Four of the last seven deals completed have been bolt-ons
- Synergies mean that the entry valuations are reasonable
- They are driving value in the portfolio
- Generally off-market / inaccessible deals – not highly competed



Looking Forward We See Further Activity in H2

- Pipeline is strong, but we are extremely selective
- Continued likelihood of portfolio company bolt-ons – several currently under consideration
- Still some further action on bank-owned assets
- We remain patient and disciplined



Consistent Out-performance

Electra has out-performed the FTSE All-Share Index and the Morningstar PE Indices over the long-term

Total Return

Period to 31 March 2014	Six Months %	1 year %	3 years %	5 years %	10 years %
Electra NAV per share (diluted)	5	9	33	93	260
Morningstar PE Index NAV per share return (ex. Electra)	4	7	13	36	42
Electra share price	17	10	57	351	268
Morningstar PE Index share price return (ex. Electra)	6	12	37	182	39
FTSE All-Share Index	5	9	29	113	129

Source: Morningstar and Electra Partners.
Performance calculated on a total return basis with dividends reinvested.

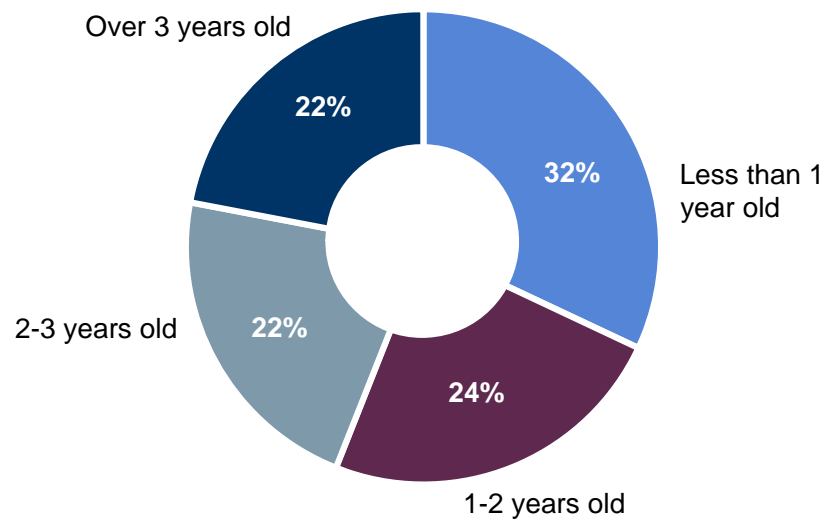


Appendices

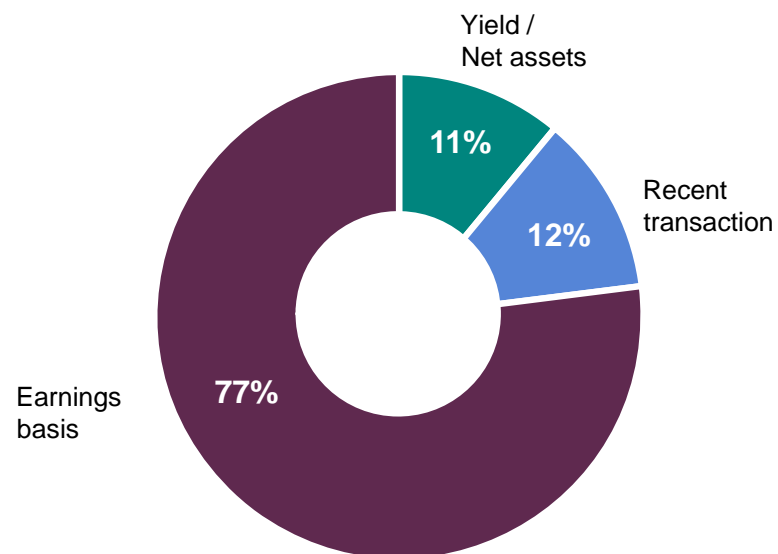
Investment Portfolio - Direct Unlisted

at 31 March 2014

Age Profile
(By last financing)



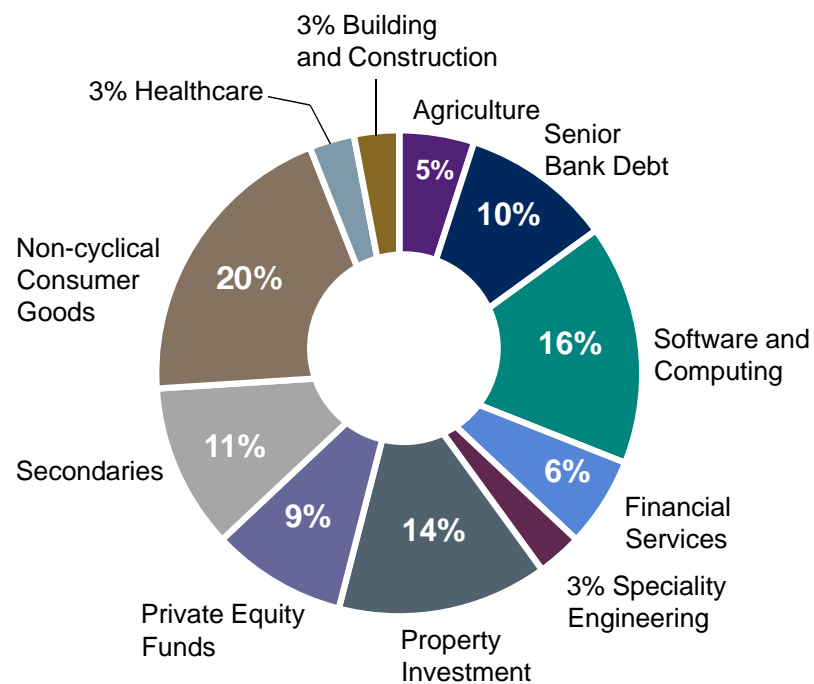
Valuation Basis



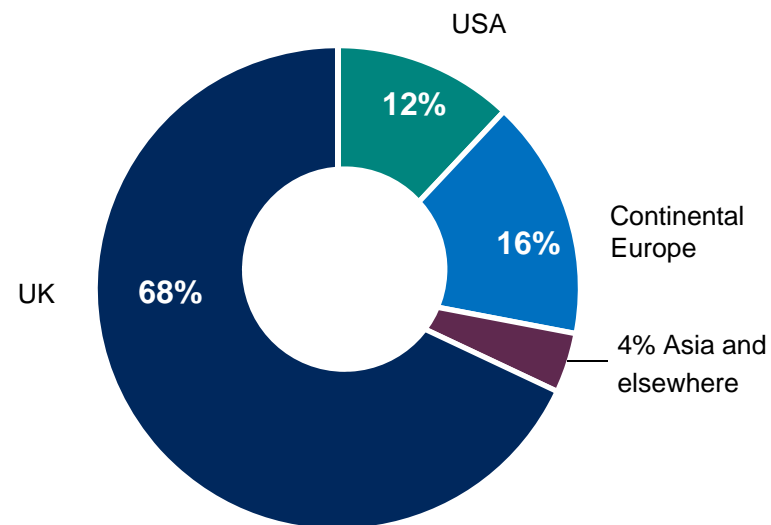
Investment Portfolio

at 31 March 2014

Classification and Distribution



Geographic Split





Listed Portfolio

	Country	No of Shares '000	Cost £m	Value at 31 Mar 2014 £m
Zensar Technologies	India	10,301	4.1	39.2
LondonMetric	UK	11,792	11.9	16.5
Dinamia	Spain	1,700	13.9	10.3
EQMC	UK	13,022	7.7	7.7
Millicom	USA	116	0.2	7.1
esure	UK	2,195	-	6.1
Orthofix	USA	329	0.1	6.0
Ansys	USA	53	-	2.4
Hornby	UK	2,995	0.1	2.4
AV Homes	USA	179	1.4	1.9
Sundry			5.8	3.7
			45.2	103.3



Investment Team

- Well resourced
- 19 investment professionals
 - Backed by a 21-strong team skilled in finance, compliance, investor relations and marketing
- Experienced
- Senior management have on average 24 years' experience in private equity
 - In private equity long enough to invest through several business cycles
 - Short decision lines

Hugh Mumford	Managing Partner
Tim Syder	Deputy Managing Partner
David Symondson	Deputy Managing Partner
Alex Fortescue	Chief Investment Partner
Rhian Davies	Partner
Bill Priestley	Partner
Steve Ozin	Partner (CFO and Compliance)
Alex Cooper-Evans	Investment Partner & Head of Investor Relations
Charles Elkington	Investment Partner

Nigel Elsley	Property Investment Partner
Chris Hanna	Investment Partner
Sarah Williams	Investment Director
Owen Wilson	Investment Director
Nicola Gray	Investment Manager
Ian Wood	Investment Manager
Shakira Adigun-Boaye	Investment Associate
Tom Stenhouse	Investment Associate
Oliver Huntsman	Portfolio Manager, UK
John Levack	Portfolio Manager, Asia



The Manager: Electra Partners LLP

Overview

- An independent private equity fund manager with over 25 years' experience in the mid-market
- During the last 25 years we have invested in excess of £4.1 billion in over 200 deals
- Investment performance consistently superior to the Morningstar PE Index and FTSE All-Share over the long-term
- This track record of investing through numerous economic cycles gives us significant experience across sectors, geographies and business models
- Over £1.5 billion of funds under management including circa. £300 million to invest at 31 March 2014

The Electra Difference: Flexible Capital

- Electra's structure is different from that of almost every other private equity fund, with two key implications:
 - We can invest across the full range of private equity opportunities meaning we can tailor the investment strategy to suit changing market conditions and invest where many others cannot
 - We are able to provide long-term capital as we don't face expiring investment periods or exit pressures driven by fund raising cycles. This means we can fully support investee companies with a long-term strategy and access to capital thereby exiting only when returns are maximised for shareholders

Investment Strategy

- We apply the disciplines of buyout investing to investment across three areas of private equity:
 - Buyouts & Co-investments: direct investment in good quality businesses with the potential for profits growth. We target £40-£100 million investment as lead investor, or £20-£60 million for minority positions
 - Secondaries: individual fund positions, portfolio of fund positions, secondary directs
 - Debt: secondary stretched, secondary performing and primary debt
- We are non-sector specific, targeting businesses driven by one or more macro growth themes



The information contained in this presentation is restricted and is not for release, publication, or distribution, directly or indirectly, in or into the United States, Canada, Japan, Australia or New Zealand. The information in these materials does not constitute an offer of securities for sale in the United States, Canada, Japan, Australia or New Zealand. No information contained in this presentation shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.

This presentation is not an offer to sell or a solicitation of any offer to buy any securities of Electra Private Equity PLC or Electra Private Equity Investments PLC (the "Company", and "EPEI" respectively and such securities, the "Securities") in the United States or any other jurisdiction. The Company and EPEI are not registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and holders of any Securities will not be entitled to the benefits of the Investment Company Act. The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be reoffered, resold or transferred in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) unless registered under the Securities Act or an exemption from such registration is available. Copies of this presentation are not being, and should not be, distributed or sent into the United States. No public offering of Securities is being made in the United States. If for any reason in the future an offering of the Securities is made, such offering will be made by means of a prospectus that may be obtained from the Company and/or EPEI and will contain all relevant information about the Company, EPEI, their management, and their financial statements.