ELECTRA

Electra Private Equity PLC
Half Year Report






31 March 2015

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References in this Half Year Report to Electra Private Equity PLC and its subsidiaries have been abbreviated to 'Electra' or the 'Company'. References to Electra Partners LLP have been abbreviated to 'Electra Partners' or 'the Manager'.

About Electra Private Equity PLC

Electra Private Equity PLC ("Electra" or the "Group") is a private equity investment trust which has been listed on the London Stock Exchange since 1976. As at 31 March 2015 its net assets were £1.4 billion or 3,548p per share fully-diluted.

Electra's business and affairs 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 and a superior performance record. Electra is overseen by a board of independent non-executive Directors.

Electra's objective is to achieve a return on equity of between 10% and 15% per year over the long term by investing in a portfolio of private equity assets.

Performance is in line with this objective: for the 10 years to 31 March 2015 Electra's return on equity was 13% per year. Electra's performance has been consistently superior to that of the Morningstar Private Equity Index and the FTSE All-Share Index.

Private equity benefits from:

- an active approach based on a high level of engagement between the fund manager and the management teams of investee companies both before and after an investment is made;
- the alignment of interests between managers and investors through economic incentives; and
- an ownership framework which facilitates long-term decision-making.

Electra offers shareholders differentiated, direct access to private equity through a flexible listed vehicle.

Financial Highlights

As at 31 March 2015

Total portfolio return of 17% in the six months	£211m
Investment portfolio equivalent to 110% of net assets	£1,491m
Liquid resources	£117m
Diluted NAV per share up 12% in the six months	3,548p
Diluted NAV per share, including dividends, increase over ten years	251%
Annualised return on equity over 10 years	13%
Share price up 19% in the six months	3,160p
Share price total return over ten years	253%
Interim dividend declared, amounting to 38p per share	38p

Performance (Total Return):

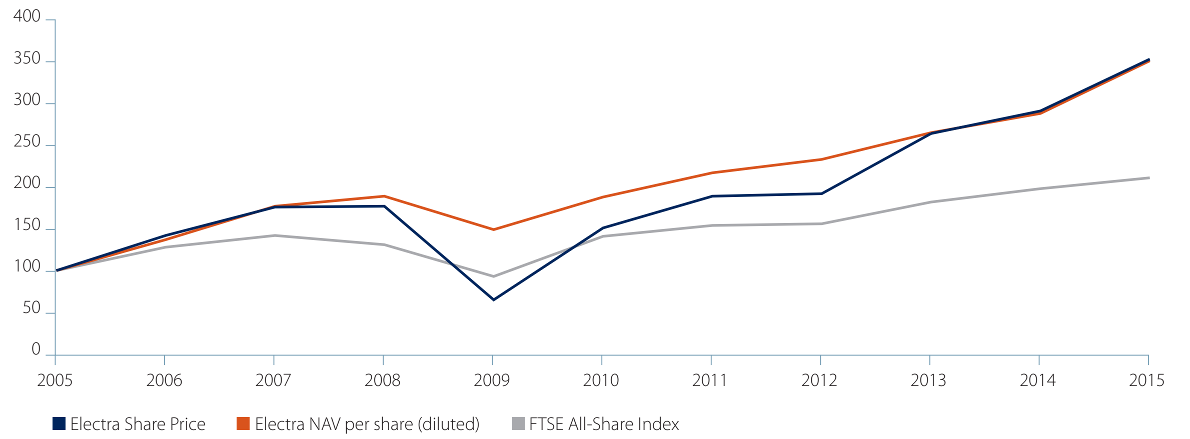
	Six months	One year	Three years	Five years	Ten years
Electra NAV per share (diluted)	12%	22%	50%	87%	251%
Morningstar PE Index NAV per share return*	5%	12%	33%	45%	49%
Electra share price	19%	21%	84%	134%	253%
Morningstar PE Index share price return*	16%	17%	78%	85%	36%
FTSE All-Share Index	5%	7%	35%	49%	111%

Performance calculated on a total return basis with dividends reinvested.

* The above index, prepared by Morningstar UK Limited, reflects the performance of 19 private equity vehicles, excluding Electra, listed on the London Stock Exchange.

Long-term Performance

Share price vs. NAV per share (diluted) vs. FTSE All-Share (Total Return) %



Historic NAV, Share price and Return on Equity

Year ended 31 March	Total NAV £m	Diluted NAV per share p	Ordinary share price p	10-year annualised return on equity %
1996	808	475	378	11
1997	969	570	466	11
1998	1,250	736	603	14
1999	1,440	832	714	12
2000	1,210	1,165	1,093	15
2001	774	962	908	13
2002	575	881	637	14
2003	458	702	500	10
2004	549	843	739	10
2005	469	1,054	935	12
2006	577	1,417	1,304	13
2007	679	1,811	1,603	13
2008	680	1,910	1,586	11
2009	534	1,512	578	7
2010	671	1,900	1,349	5
2011	809	2,193	1,664	9
2012	876	2,360	1,718	11
2013	999	2,684	2,365	15
2014	1,088	2,914	2,609	14
2015	1,350	3,548	3,160	13

Please note:
In 1999 Electra ceased to make new investments and was placed into a realisation phase. Between 1999 and 2006 Electra returned a total of £1.2 billion to shareholders through a mixture of share buybacks and tender offers. Electra returned to full investment in October 2006.

Chairman's Statement

"The portfolio has continued to deliver strong returns for all shareholders, driven by Electra Partners' effective management of the portfolio and successful recent investments.

"We are pleased to be announcing an interim dividend following the review that was completed earlier this year. We believe the changes implemented are creating additional value for all shareholders.

"The Board is confident that Electra Partners are well positioned to continue to produce returns at the upper end of the targeted range of 10-15% as they have consistently done over many years."

Overview

I am pleased to report that Electra has made an excellent start to 2015, with a significant increase in net asset value per share as a result of strong performance from the investment portfolio. Good progress has been made in terms of both profit growth and cash generation.

During this period the Board concluded its review of the capital structure, distribution policy and management fees, the results of which were announced in February. We believe these changes will deliver benefits for all shareholders and contribute to maintaining the outstanding performance that has been delivered by Electra Partners over many years.

Results

In the six months to 31 March 2015, Electra's diluted net asset value per share increased by 12%. Electra's share price increased by 19% over the same period, compared to a total return on the FTSE All-Share of 5%.

This excellent performance in the half year is a continuation of good long-term performance. Over the 10 years to 31 March 2015, Electra's diluted net asset value per share, including dividends, has increased by 251%. This compares to the Morningstar Private Equity Index's total NAV return of 49% over ten years. Electra's share price also performed well over the same period, generating a total return of 253%. This compares to the total return of the Morningstar Private Equity Share Price Index of 36% and for the FTSE All-Share of 111%, both over ten years.

For the 10 years to 31 March 2015, Electra's annualised net return on equity was 13%. Over the same period Electra's annualised share price return was also 13%.

The majority of the performance in the six months to 31 March 2015 came from the direct unlisted portfolio, in particular from investments made in the last 12 months.

Investment Activity

During the six months to 31 March 2015 we completed one new major acquisition, investing £99 million in the UK franchise of TGI Fridays, the American-styled restaurant chain. A further £30 million was invested in follow-on and other investments, principally in Allflex Corporation.

Cash generated by the portfolio continues at a substantial level with £121 million realised in the period.

Review of Capital Structure, Distribution Policy and Management Fees

Following the General Meeting in October 2014 and as a result of discussions with shareholders, the Board announced that it was to conduct a review of Electra's capital structure, distribution policy and fee arrangements with Electra Partners. The outcome of this review was announced in February this year. By way of summary the following key changes were agreed by the Board:

- The annual management fee, known as priority profit share, was previously set at 1.5% of gross assets, including cash. From 1 April 2015, no fee is being paid on cash and the management fee on Non-Core Listed and Primary Fund Investments has reduced to 1%. If applied to the year ended 30 September 2014, the fee would have been reduced by £7 million.

- The multi-currency revolving credit facility which was previously drawn to facilitate currency hedging has been repaid. The facility will be redrawn in the future as required to facilitate new investment or meet ongoing expenses. The Board is content under the present circumstances to accept the additional currency exposure that this debt repayment will bring. However, the Company's foreign currency exposure will be kept under review.

- Beyond the Convertible Bonds and the Zero Dividend Preference Shares already in issue, it is not currently intended to borrow on Electra's balance sheet other than through the use of the existing multi-currency facility on a revolving basis.

- For a number of years the Company has not paid dividends unless required to do so to maintain Investment Trust status and has not initiated any share buybacks since 2008. The Board now proposes to implement a distribution policy to return to shareholders a targeted 3% of NAV per annum by way of cash dividend or share buybacks. It is the intention of the Board that any shares bought back under this policy will be cancelled.

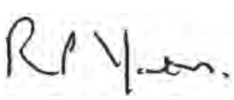
The Board believes the above changes are in the interests of all shareholders and will enhance future returns.

Balance Sheet
At 31 March 2015 Electra had net liquid resources of £117 million compared to £166 million at 30 September 2014. As a result of the repayment of the bank facility in line with the revision to the hedging strategy outlined above, borrowings have been reduced by £152 million.

Dividend
In line with the revised distribution policy outlined above, the Board has declared an interim dividend of 1% of net asset value, in respect of the year ending 30 September 2015, amounting to 38p per ordinary share, which will be paid on 24 July 2015 to shareholders on the register of members at close of business on 5 June 2015. A dividend reinvestment plan is being arranged with Equiniti, whereby existing shareholders will be able to reinvest their dividends in the Company's shares. Further information on this plan can be found in the Information for Shareholders section of this report.

Outlook
This is another excellent set of results for Electra and a continuation of the strong long-term performance record, delivered in particular by the recent investments in the portfolio. This performance has been achieved by making use of Electra's flexible investment strategy and by Electra Partners' investment selection and value creation skills.

The Board believes that Electra remains well positioned to build on and strengthen its high quality portfolio and to carry on delivering outstanding returns for its shareholders.



Roger Yates
Chairman
20 May 2015

This is another excellent set of results for Electra and a continuation of the strong long-term performance record, delivered in particular by the recent investments in the portfolio.

The Manager

ELECTRA PARTNERS
FLEXIBLE PRIVATE EQUITY

About Electra Partners
Electra Partners is an independent private equity fund manager with over 25 years' experience in the mid-market.

During this time, the Electra Partners team has invested in excess of £4.5 billion in more than 200 deals, with a consistent focus on mid-market companies. This track record of investing through numerous economic cycles gives Electra Partners both broad and deep experience across sectors, geographies and business models.

At 31 March 2015 Electra Partners had funds under management of over £1.6 billion including capital available for investment of nearly £400 million. Electra accounts for more than 90% of Electra Partners' funds under management; the balance is managed on behalf of US and European pension funds, asset managers and family offices.

Superior Performance
Over the last ten years Electra, which is managed on an exclusive and fully discretionary basis by Electra Partners, has seen diluted NAV per share grow by 251%. This is over five times the NAV per share return of the Morningstar Private Equity Index. This is equivalent to a ten-year annualised return of 13%, at the upper end of Electra's target range of 10-15% over the long-term.

Over the past 25 years, the Electra Partners team has delivered investment performance in the top quartile when compared with similar fund sizes, strategies and vintages.

The Electra Difference – Flexible Capital
Electra's investment strategy and structure is different from that of almost every other private equity fund. This has two key implications:

First, Electra Partners is able to invest across the full range of private equity opportunities: control and minority, equity and debt, direct and indirect. This means that it can tailor its investment strategy to suit changing market conditions and invest where many others cannot.

Second, Electra Partners is able to provide stable long-term capital. It doesn't face expiring investment periods or exit pressure driven by fund-raising cycles. This means that it can fully support investee companies with a long-term strategy and access to capital, and exit when returns are maximised for shareholders.

Investment Strategy

Throughout its history, Electra Partners has focused on investing for profits growth by backing the right management teams, comprising talented and experienced people with a credible strategy. Electra's flexible capital allows Electra Partners to invest across all forms of private equity situations, which it categorises into three groups:

1. Buyouts and Co-investments: direct investment in high-quality, well-managed businesses that have the potential for profits growth – through organic growth, operational improvement or acquisition. As lead investor, Electra Partners typically targets investments of £40 million to £120 million in UK-centric companies with an enterprise value of up to £300 million. Electra Partners also co-invests £20 million to £60 million in minority positions in UK or international companies alongside founders, other private equity firms, corporates or the public markets.

2. Secondaries: secondary purchases of existing investors' positions in either individual or portfolios of private equity funds, as well as acquisitions of portfolios of businesses, known as "secondary directs".

3. Debt: secondary purchases from existing lenders of individual or portfolios of either performing or stretched loans, where "stretched" refers to debt in good businesses with bad balance sheets where Electra Partners can take a role in the restructuring of the capital structure.

Electra Partners applies the disciplines of buyout investing to its appraisal and management of investments in all three of these groups.

Growth Themes

Electra Partners' investment strategy targets businesses driven by one or more macro growth themes, including:

	Description	Example
	Austerity/Value Consumers and businesses are increasingly focused on saving money through scale, technology or value propositions.	A UK operator of holiday parks. Demand is supported by the value proposition of static caravan parks to consumers looking for second homes or holidays. Park Resorts
	Regulation Increasing regulation drives growth opportunities for compliance products/services and market consolidation.	A leading supplier of animal identification products. Growth is driven by increased regulation of the food chain to ensure food safety. Allflex
	Demographic change Changes in population structure and profile create demand for specialist products and services.	The UK's largest shoe manufacturer. Demand for Hotter's cushioned and supportive footwear is growing due to population ageing. hotter
	International The internationalisation of business offers domestic or regional companies opportunities to enter new geographic markets using a range of strategies.	A leading supplier of professional audio equipment. Growth is based on an increasing number of live events in developed and developing markets. Audiotonix
	Digital economy Processing and communication technology development creates opportunities for new products and services.	An international group of information services businesses. New software applications are creating further opportunities to sell or integrate information into customers' workflow. AXIO

Investment Model

Electra Partners' investment team is managed by Chief Investment Partner Alex Fortescue and reports to the Investment Advisory Committee and the Investment Commitments Committee. Electra Partners operates a rigorous and disciplined investment model, as described below:

Investment Process: pre-investment: weekly and monthly investment team deal flow meetings; weekly and ad hoc investment committee meetings to consider new investments.

Investment Process: post-investment: weekly investment committee review of trading data; for each investment, 100-day review, biannual valuation process and annual strategy review.

Origination – creating deal flow:

Managing networks of intermediaries, industry experts and other introducers; thematic and sector analysis to identify interesting areas and businesses; developing relationships with target company management teams and vendors.

- 250 investment opportunities considered during the six months to 31 March 2015
- 85% of completed UK buyout deals in Electra's space seen in the six months

Execution – making investments:

Evaluation and pricing of investment opportunities; in-house and third-party due diligence; raising debt from specialist capital markets; developing 100-day and business plans with management teams; winning deals; structuring, negotiation and closing.

- 2 direct unlisted and 2 secondary transactions completed in the six months to 31 March 2015
- Over £155 million of new debt raised in the six months

Portfolio Management – creating returns:

Putting in place the right management team to drive profits growth and cash generation; working closely with the team to develop strategy, set targets, measure and manage performance; making use of M&A and financing; and dealing with problems and opportunities.

- 3 bolt-on transactions completed in the six months to 31 March 2015
- 16% profits growth in direct unlisted portfolio in the 12 months to 31 March 2015*

Exit – realising the investment:

Identifying strategic/financial acquirers; timing the exit; creating buyer appetite and competitive tension; supplementing M&A with refinancings.

- £121 million of capital realised in the six months to 31 March 2015
- Over £64 million of cash returned from repayment of loans in the six months

*Excluding investments held for less than 12 months and property investments

Investment Team

Electra Partners' senior management team is one of the most experienced teams in the industry and has on average 24 years' experience in private equity. The investment team has an average of 19 years' experience in private equity and is supported by a team experienced in compliance, finance, investor relations and marketing. For more information about Electra Partners please visit www.electrapartners.com

Hugh Mumford
Managing Partner
Years private equity experience: 34

Alex Fortescue
Chief Investment Partner
Years private equity experience: 22

David Symondson
Deputy Managing Partner
Years private equity experience: 32

Alex Cooper-Evans
Partner
Years private equity experience: 21

Rhian Davies
Partner
Years private equity experience: 23

Charles Elkington
Partner
Years private equity experience: 21

Chris Hanna
Partner
Years private equity experience: 17

Steve Ozin
Partner
Years private equity experience: 26

Bill Priestley
Partner
Years private equity experience: 18

Nigel Elsley
Property Investment Partner
Years private equity experience: 27

Zoe Clements
Investment Director
Years private equity experience: 14

Sarah Williams
Investment Director
Years private equity experience: 13

Owen Wilson
Investment Director
Years private equity experience: 15

Ian Wood
Investment Director
Years private equity experience: 13

Shakira Adigun-Boaye
Investment Manager
Years private equity experience: 3

Nicola Gray
Investment Manager
Years private equity experience: 5

Tom Stenhouse
Investment Manager
Years private equity experience: 3

Oliver Huntsman
Portfolio Manager
Years private equity experience: 33

Investment Highlights

"This has been another period of strong performance with NAV growth of 12%, and a 10-year annualised net return on equity of 13% which is at the upper end of the targeted range of 10-15%.

"Our active ownership approach is creating value in the investment portfolio, which grew to £1.5 billion during the period. This approach has proven itself across business and economic cycles.

"We continue to see strong performance from some of the newer assets in the portfolio, having bought them well and successfully accelerated their development.

"The combination of investment performance and net new investment means that Electra's capital is increasingly deployed in direct, unlisted investments."

Performance

Over the six months to 31 March 2015, Electra's share price increased by 19% compared to a 5% total return for the FTSE All-Share and a 16% total return for the Morningstar Private Equity Index over the same period.

Electra's diluted net asset value ("NAV") per share also continued to grow strongly, increasing by 12% to 3,548p at the half-year compared to a 5% NAV per share increase for the Morningstar Private Equity Index.

The total return for the investment portfolio over the six months to 31 March 2015 amounted to £211 million or 17%. Further information on the effect of this strong investment performance on Electra's NAV is included in the Financial Review on pages 50 to 51.

Long-Term Performance

Over the last ten years, Electra's shares have delivered a total return of 253%. This compares favourably to the share price total return over the same period of both the FTSE All-Share (111%) and the Morningstar Private Equity Index (36%).

Over the same period, Electra's NAV per share total return has been 251%. This again compares favourably to the NAV per share total return of the Morningstar Private Equity Index of 49%.

Our objective, approved by shareholders in 2006, is to achieve an annualised net return on equity ("ROE") of 10% to 15% over the long term. For the ten years to 31 March 2015, Electra's annualised net ROE was 13%.

Investment Activity

New investment for the six months to 31 March 2015 reached £129 million compared with £134 million in the corresponding period of the prior year. The direct unlisted portfolio, where activity included one new investment, in TGI Fridays, and one follow-on investment, in support of Allflex's acquisition of SCR, accounted for £112 million of this investment.

Realisations from the portfolio amounted to £121 million, compared to £152 million in the six months to 31 March 2014. The lower level of realisations reflects the high level of realisations in recent years. The largest individual realisation was £49 million in respect of AXIO Data Group, following its sale of JOC Group and Breakbulk in December 2014. £30 million was realised from funds and secondaries and £8 million was realised by the sale of listed securities as the process of reducing Electra's listed holdings continued.

Outlook

The six months to 31 March 2015 has been another period of strong investment performance. Investment performance reflects our success in buying attractive assets well and then accelerating their development by implementing value creation strategies. The combination of investment performance and net new investment has resulted in further improvement in the deployment of Electra's balance sheet, with an investment portfolio amounting to 110% of the net asset value.

Looking to the future, we expect further strong performance from the investment portfolio as the strategies we have set within portfolio companies continue to take effect, from organic growth, operational improvement and M&A. The reduction in cash balances will also contribute to the improved NAV performance. Although the private equity market has become more competitive, we continue to see opportunities to deploy Electra's capital. Our strategy remains to use Electra's flexible investment mandate to build an attractive portfolio of private equity assets, and to use our own experience and resources to drive returns in that portfolio. This is an active ownership approach pursued with patience and discipline with a proven record across economic and business cycles.

Portfolio Overview

At 31 March 2015, Electra's investment portfolio was valued at £1,491 million. The investment portfolio consists of direct unlisted investments, secondaries, listed securities and funds. The top 10 and 20 investments account for 65% and 87% respectively of the investment portfolio.

Portfolio Breakdown

Investment Portfolio	31 March 2015 £m	30 September 2014 £m	31 March 2014 £m
Direct unlisted	1,215	996	732
Secondaries	101	105	112
Listed	72	63	39
Core investment portfolio	1,388	1,164	883
Other listed	23	28	64
Funds	80	80	92
Investment portfolio	1,491	1,272	1,039

Direct Unlisted Investments (82% of portfolio)
Direct unlisted investments form the major part (82% compared to 79% at 30 September 2014 and 70% at 31 March 2014) of Electra's portfolio and consist of investments in 29 private companies with an aggregate value of £1,215 million. The 10 largest investments account for 75% of the direct unlisted investment portfolio at 31 March 2015.

Secondary Investments (7% of portfolio)
Secondary investments consist of limited partnership interests in third party private equity funds purchased from investors exiting their positions prior to the end of the fund's life. As a result of their relative maturity, secondary investments typically produce faster cash returns than direct unlisted investments. At 31 March 2015 Electra held investments in six secondary portfolios with an aggregate value of £101 million.

Listed Investments (6% of portfolio)
Electra held seven listed investments with an aggregate value of £95 million at 31 March 2015. The largest listed investment was Zensar Technologies with a value of £72 million. Zensar is included within the core investment portfolio, the remaining six investments with a value of £23 million are outside the core investment portfolio.

Core investment portfolio (93% of portfolio)
The core investment portfolio includes investments where we have an active role in originating, evaluating, negotiating and/or managing the investment. The core investment portfolio accounts for 93% of the investment portfolio at 31 March 2015.

Fund Investments (5% of portfolio)
Fund investments consist of limited partnership interests in third party private equity funds where Electra made a primary commitment to that fund. New primary commitments to funds are no longer part of Electra's investment strategy. In total, Electra held investments in 15 funds comprising 65 underlying investments with an aggregate value of £80 million at 31 March 2015. This compares to 18 funds comprising 78 underlying investments with an aggregate value of £80 million at 30 September 2014.

Investment Portfolio – Sector Breakdown

At 31 March 2015 (31 March 2014)

Construction and materials	3% (3%)
Food & beverage	1% (1%)
Financial & insurance	2% (4%)
Healthcare equipment & services	1% (2%)
House, leisure and personal goods	14% (15%)
Industrial general and transportation	8% (6%)
Media	9% (12%)
Real estate	3% (6%)
Private equity funds	6% (11%)
Secondaries	7% (11%)
Support services	18% (12%)
Technology, hardware and equipment	6% (6%)
Travel and leisure	22% (11%)

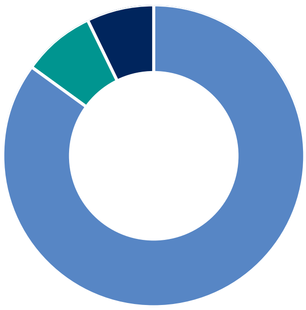
Direct Unlisted Investments – Age Analysis

At 31 March 2015 (31 March 2014)

Less than 1 year old	38% (32%)
1–2 years	28% (24%)
2–3 years	3% (22%)
Over 3 years	31% (22%)

Direct Unlisted Investments – Valuation Basis

At 31 March 2015 (31 March 2014)

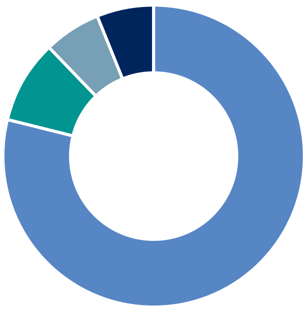


Earnings basis	85% (77%)
Recent transaction or market value	8% (12%)
Net assets basis	7% (11%)

Investment Portfolio – Geographic Breakdown*

At 31 March 2015 (31 March 2014)

*Based on the location of the investee company's head office.



UK	79% (68%)
Continental Europe	9% (16%)
USA	6% (12%)
Asia and elsewhere	6% (4%)

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Portfolio Review

Portfolio Movement

Electra's investment portfolio increased from £1,272 million to £1,491 million during the six months to 31 March 2015. The increase of £219 million resulted from the acquisition of £129 million of new investments together with the portfolio return of £211 million, offset by realisations of £121 million.

	6 months to 31 March 2015 £m	Year ended 30 September 2014 £m	6 months to 31 March 2014 £m
Opening investment portfolio	1,272	968	968
Investments	129	410	134
Realisations	(121)	(352)	(152)
Portfolio return	211	246	89
Closing investment portfolio	1,491	1,272	1,039
Total return on opening portfolio	17%	25%	9%

New Investments

Total new investment for the period reached £129 million compared to £134 million in the corresponding period of the previous year.

New Investments

£129m

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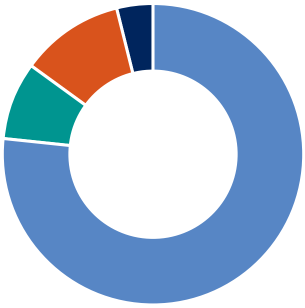


Investment	Type	
TGI Fridays	Buyout	£99m
SCR (Allflex)	Co-investment	£11m
Secondaries	–	£14m
Other	–	£5m

The most significant new investments were in respect of TGI Fridays and Allflex.

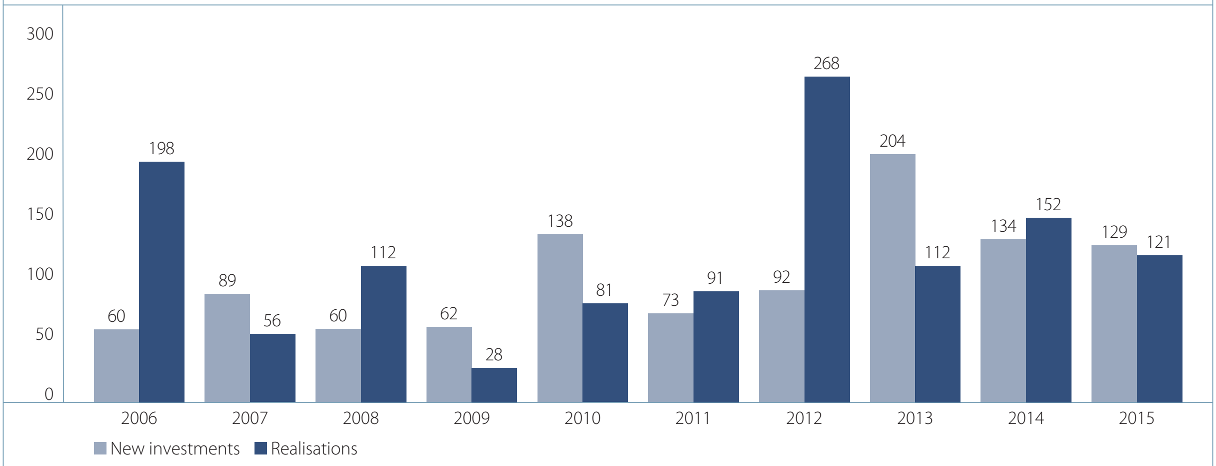
In December 2014 Electra invested £99 million of equity in the buyout of TGI Fridays, the UK franchise of the eponymous American-styled restaurant chain. It operates from 66 UK restaurants in a range of locations, including city centres, shopping centres and retail parks. The business offers a differentiated product, with a wide demographic appeal, in the growing casual dining market. The intention is to grow through new restaurant openings as well as improving yield management.

Allflex Corporation has acquired SCR (Engineers) Ltd, the world's largest manufacturer of electronic milk meters and smart tags for monitoring cow fertility and health. SCR has a strong historical growth trend, driven by dairy farms' increasing need for productivity gains as well as growing concern over animal well-being. Its acquisition provides Allflex with an entry into a highly attractive adjacent sector and cements its position as the worldwide leader in farm livestock management products. Further growth is anticipated as the group makes use of its combined distribution, technology and product development resources. Electra made a further investment of $18 million (£11 million) in Allflex to support the acquisition.

Electra additionally invested a total of £14 million in two separate secondaries transactions. The larger of these was in respect of a portfolio of secondary funds, including several to which Electra already had an exposure through its investment in the EP1 Secondary Portfolio. The smaller transaction, amounting to some £5 million, was an interest in a Spanish infrastructure fund. Both of these investments were made at a significant discount to NAV.

A further £3 million was drawn down by private equity funds in which Electra is a limited partner. Commitments outstanding to private equity funds fell to £54 million compared to £77 million at September 2014.

New Investments and Realisations (£m) – Six months to 31 March



Realisations

Total realisations in the period came to £121 million compared to £152 million in the corresponding period of the previous year.

Realisations

£121m

"Total realisations in the period came to £121 million compared to £152 million in the corresponding period of the previous year."

AXIO Data Group	£49m
Knight Square	£14m
Isle of Man Steam Packet Company	£5m
Other direct unlisted	£15m
Secondaries	£23m
Funds	£7m
Listed	£8m

The most significant realisations during the period were in respect of AXIO Data Group, Knight Square, the Isle of Man Steam Packet Company, the EP1 Secondary Portfolio and Capitol Health.

During the six months to 31 March 2015 Electra's investment portfolio generated a total return of £211 million, an increase of 17% on the opening portfolio of £1,272 million.

AXIO is a diverse and cash-generative group of individual information services companies. Electra Partners' strategy is to improve each of these businesses, through efficiency programmes, quality of earnings enhancements and M&A, prior to exiting each business. Two such exits, of JOC Group and Breakbulk, were completed in December 2014. Using the proceeds of these sales as well as operating cash flow, AXIO repaid £49 million to Electra. Following these transactions, in which AXIO has sold businesses representing less than 15% of the earnings acquired in 2013, Electra has received total cash proceeds exceeding 80% of its investment cost.

Electra Partners' strategy in respect of Knight Square, formerly known as Peverel, is to invest in service improvement and business development initiatives to stimulate growth. At the same time as implementing these initiatives, Knight Square has continued to be highly cash generative and has additionally made progress in realising surplus assets, resulting in its acquisition debt being substantially paid down. In October 2014 the group completed a refinancing that allowed it to make loan repayments of £14 million to Electra.

£5 million of proceeds were received from the sale of Electra's investment in senior debt issued by The Isle of Man Steam Packet Company. Electra had invested in the company in December 2012; the sale in December 2014 realised a return of 1.9x money, an IRR of 40%.

The secondaries portfolio produced realisations of £23 million in the period. The largest component was the EP1 Secondary Portfolio, in respect of which Electra received distributions totalling £17 million. This takes total distributions from the EP1 Secondary Portfolio to £51 million or 58% of cost and the total return on the investment to 1.5x cost. In addition Electra received distributions of £6 million in respect of Capitol Health, a US healthcare fund in which Electra purchased a secondary interest in 2005. Total distributions from this fund now stand at £23 million and a total return at 4.2x original cost.

Other realisation proceeds received by Electra were £7 million from private equity funds in which Electra held a limited partnership interest and £8 million from listed investments, including the sale of Electra's entire holding in esure.

Performance

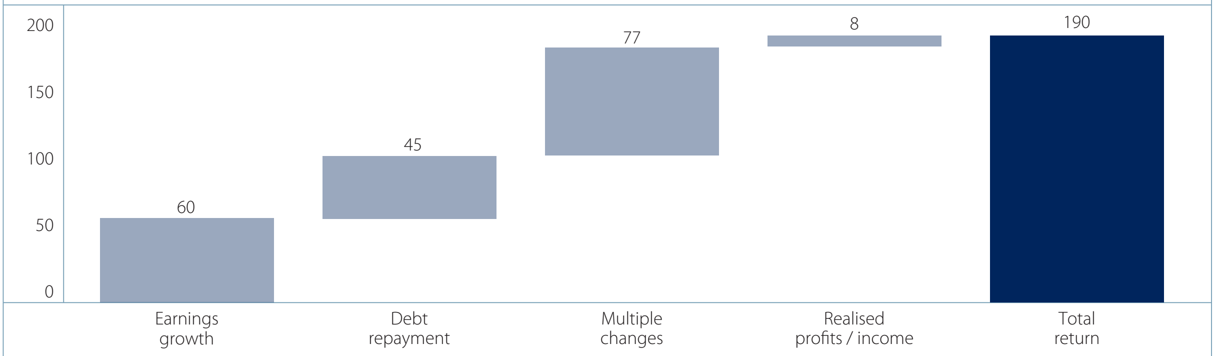
During the six months to 31 March 2015 Electra's investment portfolio generated a total return of £211 million, an increase of 17% on the opening portfolio of £1,272 million.

The performance arose principally from the direct unlisted portfolio which generated a total return of £190 million, representing an increase of 19%. Excluding investments held for less than 12 months and property investments, earnings in direct unlisted portfolio companies grew by a weighted average of 16% year-on-year. Listed investments produced a return of £12 million, of which £9 million related to Zensar Technologies. The secondaries portfolio contributed £5 million to the total return, representing an increase of 5%. Private equity funds contributed £4 million, or 5% of the opening portfolio of £80 million.

	6 months to 31 March 2015 £m	Year ended 30 September 2014 £m	6 months to 31 March 2014 £m
Direct unlisted	190	182	62
Listed	12	56	29
Secondaries	5	12	3
Funds	4	(4)	(5)
Total return	211	246	89

The total return of £190 million from the direct unlisted portfolio included £8 million of realised gains with the balance being unrealised. Unrealised appreciation included £60 million resulting from profit increases, £45 million in respect of debt repayment by portfolio companies and £77 million as a result of changes in multiples used for valuation.

Analysis of Gains (Direct Unlisted Portfolio) £m



At 31 March 2015 direct unlisted investments valued on an earnings basis reflected a weighted average EV:EBITDA ratio of 8.7x compared to 8.2x at 30 September 2014.

Direct Unlisted Investments – Valuation Changes

The most significant increases in valuation arose in respect of AXIO Data Group, The Original Bowling Company, Park Resorts, Audiotonix (formerly known as the Console Group), Elian, Southview and Manor Park holiday parks and Allflex.

Electra's investment in AXIO produced a total return of £46 million in the period. In December 2014 AXIO achieved two exits, from JOC Group and Breakbulk, at valuations in excess of their carrying value. The remainder of the return from this investment during the period is the result of profits growth, cash flow and an increase in the multiples used to value the individual businesses. Underlying profits growth last year was 16% as a result of a continued emphasis on revenue growth and cost efficiency. Further profits growth is expected to result from a number of initiatives, including the integration of the recently acquired FlightView business into OAG. The total return on this investment at the end of March was 2.4x original cost.

The valuation of The Original Bowling Company ("TOBC") increased by £31 million as a result of profits growth, which was ahead of plan, and strong cash generation. Profits growth in the current year has come from newly opened and refurbished sites as well as improved yield management, particularly in the peak holiday and weekend periods. The total return on this investment at the end of March was 1.6x original cost. In April 2015 TOBC announced the acquisition of Bowlplex, a similar operator of ten-pin bowling centres. The deal is subject to the approval of the Competition and Markets Authority.

Park Resorts continued to perform well during the latter part of 2014. In line with our business plan for the company, Park Resorts has increased its growth investment programme. This, together with improved management of margins as well as strong trading conditions, led to profits increasing by 22% to £42 million in 2014, ahead of plan; and is expected to underpin further profits growth in future. The performance resulted in the valuation of Electra's investment in the company increasing by £23 million. The total return on this investment at the end of March was 2.4x original cost. In April 2015 Electra invested a further £25 million in Park Resorts, acquiring preference shares at a discount to face value.

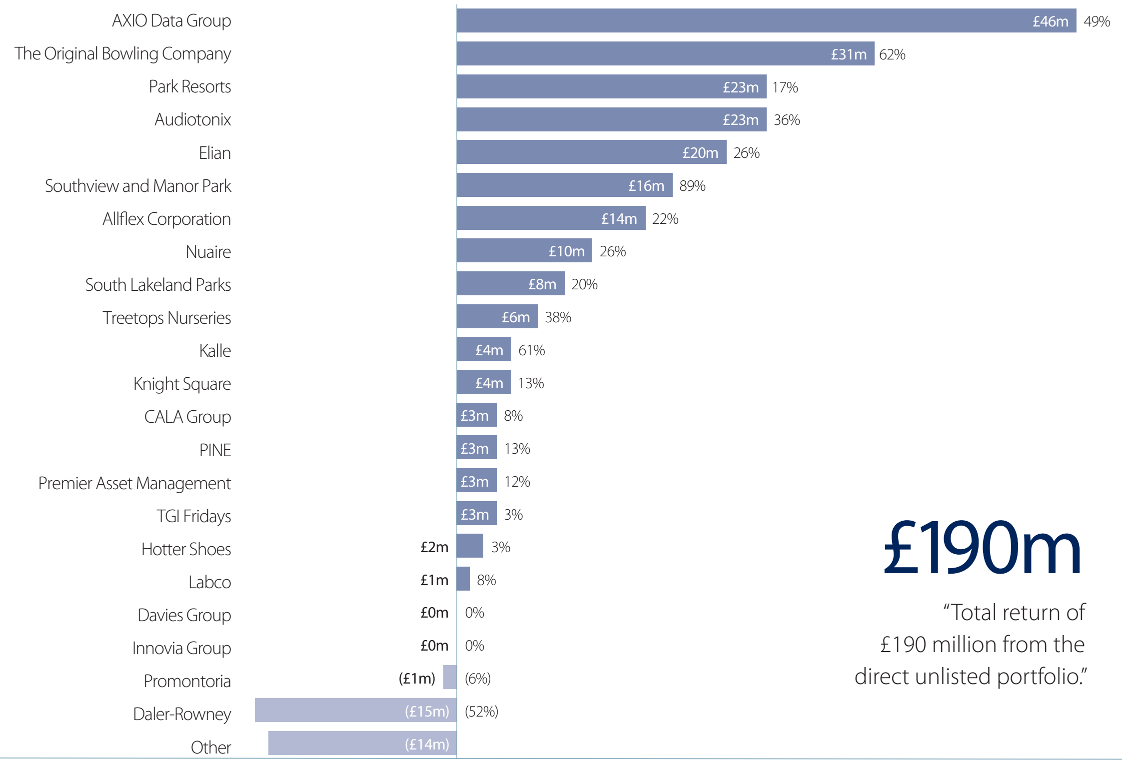
Audiotonix, formerly known as the Console Group, was formed in July 2014 by the merger of Electra's existing investment in Allen & Heath with DiGiCo. Performance of the group has been ahead of plan since completion of the merger, as a result of an increased focus on sales and marketing, new product development effectiveness and stronger cost controls. This performance, together with cash flow and an increase in the multiple used to value the business, resulted in the valuation of Electra's investment increasing by £23 million. The total return on this investment at the end of March was 1.4x original cost.

Elian has performed ahead of expectations since its acquisition in June 2014 as a result of a sharper focus on business development as well as productivity improvements. This performance, coupled with strong cash generation, has resulted in a £20 million increase in the valuation of Electra's investment which at the end of March showed a total return of 1.3x original cost.

The largest valuation decrease was in respect of Daler-Rowney. This reflected a number of influences which reduced profitability, including the weakening of the Euro against Sterling, operational reorganisation resulting from the integration of an acquisition made in 2013 and movements in product mix.

The table below shows the valuation changes in respect of Electra's direct unlisted investments.

Direct Unlisted Investments – Valuation Changes



The other reductions in valuation comprised several items, the largest of which was Sentinel Performance Solutions, which has experienced reduced profits as a result of increased competition in its markets.

Hugh Mumford
Managing Partner
Electra Partners LLP
20 May 2015

Market Review

"Although the market has been quieter this year than last, we have deployed £129 million in new investment and supported a number of portfolio companies in making synergistic acquisitions."

Summary

In the UK, as well as in Europe, deal numbers have been subdued over the past six months. Deal pricing is comparable with the last few periods but still at relatively high levels. We have invested £99 million in one new control buyout, £14 million in two secondary transactions and £11 million in portfolio company bolt-ons.

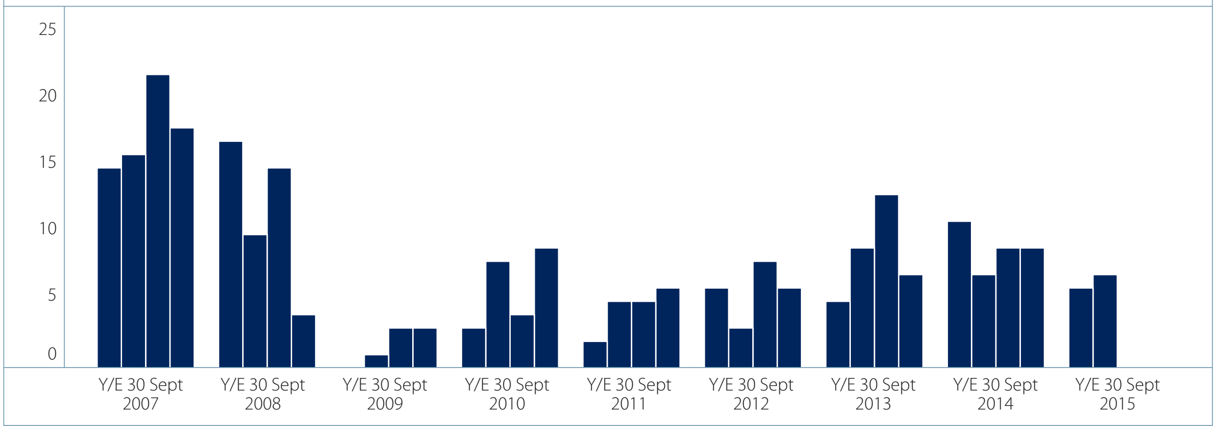
Our focus on the new deal front remains on three areas: first in growth businesses playing to our key investment themes; second in stable, cash-generative businesses which appear to be relatively undervalued by the market at the moment; and third in bolt-on acquisitions in which synergies and frequently limited competition allow us to deploy capital at favourable prices.

Conditions are clearly good for realisations and we are exploiting these where appropriate.

Market deal volumes

Deal volumes in the six months to 31 March 2015 have been below the levels seen last year. There have been 13 private equity deals in the UK in the £75 million to £300 million range. This is behind both the first and second halves of last year.

Quarterly UK deal volumes for the year ended 30 September (£75 million to £300 million)



Source: MergerMarket (completed deals when EV is provided)

We continue to see the majority of deals in Electra's size range. Of the 13 private equity deals completed in the UK in the six months to 31 March 2015, we considered 10 of them (85%) and completed one (TGI Fridays).

Deal Pricing

Deal pricing has remained steady since 2013. The average entry multiple for UK buyouts valued at over £10 million was 10.6x EBITDA compared to 10.5x in the year to 30 September 2014 and 10.5x in the year to 30 September 2013 (source: CMBOR).

Our average entry multiple, a weighted average of 8.0x EBITDA, remains below that of the wider market reflecting the mix of deals in this period.

Our deal pipeline remains healthy and we see plenty of opportunity to deploy a significant portion of Electra's firepower in the short term. We will of course continue to apply the patience and discipline that are at the heart of our strong long-term performance.

Alex Fortescue
Chief Investment Partner
Electra Partners LLP
20 May 2015

Key New Investment

TGI FRIDAYS

New Investment	
Date of initial investment:	Dec 2014
Type of deal:	Buyout
Growth themes:	n/a
Equity ownership:	78%
Cost:	£99 million
Valuation:	£99 million
Valuation:	Based on price of recent investment
Location:	UK
Website:	www.tgifridays.co.uk
Management:	Karen Forrester, CEO

In December 2014 Electra invested £99 million of equity in the management buyout of the UK franchise of TGI Fridays ("TGIF") from its American parent.

TGIF, which has the exclusive UK rights to operate under the TGI Fridays brand, has 66 American-styled restaurants in a range of locations, including city centres, shopping centres and leisure parks. This is an established brand which works well across the country, with 56 of its sites outside London. It offers bold, distinctive American food as well as an innovative cocktail list, and provides a high-energy, fun environment with a wide demographic appeal. Key to the success of the customer experience is the company's focus on hiring and retaining enthusiastic front-of-house staff to offer a high level of service. In March 2015, TGIF topped the Sunday Times "Best Big Companies to Work For" list.

The company offers a differentiated product, with a wide demographic appeal, in the growing casual dining market. The intention is to continue to grow through new restaurant openings as well as improving yield management.

Trading has been in line with expectations since completion of the investment in December and the new site opening programme is on schedule.

TGI FRIDAYS

NUMBER 1 THE SUNDAY TIMES 25 BEST BIG COMPANIES TO WORK FOR 2015

Key Investments

Direct Unlisted and Secondary Investments

	Fair Value of holding at 30 Sept 2014 £m	Net payments/ (receipts) £m	Performance in period £m	Fair Value of holding at 31 Mar 2015 £m	Cost of holding at 31 Mar 2015 £m
PARK RESORTS Holiday parks operator	135	(2)	23	156	69
AXIO DATA GROUP B2B information services	140	(47)	46	139	25
TGI FRIDAYS American-styled restaurant chain	–	96	3	99	99
ELIAN Fiduciary services	81	(5)	20	96	76
AUDIOTONIX Audio mixing console manufacturer	64	–	23	87	64
EP1 SECONDARY PORTFOLIO Secondary private equity funds	86	(8)	5	83	37
THE ORIGINAL BOWLING COMPANY Ten-pin bowling operator	50	–	31	81	50
ALLFLEX CORPORATION Animal identification systems	54	11	14	79	68
HOTTER SHOES Shoe designer, manufacturer and retailer	72	–	2	74	84
SOUTH LAKELAND PARKS Holiday parks operator	41	–	8	49	19
NUAIRE Ventilation systems manufacturer	38	–	10	48	14
CALA GROUP National house builder	38	–	3	41	32
KNIGHT SQUARE Property management services	44	(14)	4	34	8
SOUTHVIEW AND MANOR PARK Holiday parks operator	20	(2)	16	34	18
INNOVIA GROUP Speciality films manufacturer	33	–	–	33	33
PREMIER ASSET MANAGEMENT Investment management	26	–	3	29	30
PINE Property holding company	24	(1)	3	26	14
DAVIES GROUP Insurance claims management	23	–	–	23	39
TREETOPS NURSERIES Nursery schools operator	16	–	6	22	12
PROMONTORIA Property holding company	18	(1)	(1)	16	12
DALER-ROWNEY Fine art materials supplier	29	–	(15)	14	17
LABCO Medical diagnostics	13	–	1	14	25
Sub total	1,045	27	205	1,277	845
Other investments	56	(7)	(10)	39	
Total Direct Unlisted and Secondary Investments	1,101	20	195	1,316	

Listed Investments

	Fair Value of holding at 30 Sept 2014 £m	Net payments/ (receipts) £m	Performance in period £m	Fair Value of holding at 31 Mar 2015 £m	Cost of holding at 31 Mar 2015 £m
ZENSAR TECHNOLOGIES Software	63	–	9	72	4
DINAMIA Spanish private equity	10	–	–	10	14
	73	–	9	82	18
Other investments	18	(8)	3	13	
Total Listed Investments	91	(8)	12	95	

Fund Investments

	Fair Value of holding at 30 Sept 2014 £m	Net payments/ (receipts) £m	Performance in period £m	Fair Value of holding at 31 Mar 2015 £m	Cost of holding at 31 Mar 2015 £m
Funds	80	(4)	4	80	119

The three largest funds were Gaja Capital, Motion Equity Partners, and TCR Capital, which accounted for 42% of the total value.

Large Private Equity Investments

PARK RESORTS

Date of initial investment:	Jan 2012
Type of deal:	Debt
Growth themes:	Austerity/Value, Demographic change
Equity ownership:	49%
Cost:	£69 million
Valuation:	£156 million
Valuation:	Based on multiple of earnings
Multiple:	2.4x
Location:	UK
Website:	www.park-resorts.com
Management:	David Boden, CEO Alan Parker, CBE, Chairman

In 2012 Electra acquired senior debt in Park Resorts for £70 million at a significant discount to face value, making Electra the largest lender to the group.

Park Resorts is a UK operator of caravan holiday parks. The company has a strong management team and operates in a defensive, fragmented sector that has performed strongly throughout the recession as a result of its customer demographic and value proposition.

While the investment case produced attractive returns in the event of the debt position being held to maturity, the strategy was to take an equity position in Park Resorts through a restructuring of the company's debt and thereafter to grow the business both organically and through acquisition.

The restructuring of Park Resorts' debt was completed in August 2013, when funds managed or advised by Electra Partners became the majority shareholders, and a significant amount of capital was made available to improve park facilities.

Following this restructuring, the winter of 2013/4 was spent implementing a £4 million growth capital expenditure programme, with new investment in hire fleet, pitches and park facilities. Further such capital expenditure has been completed in the winter of 2014/5. Growth investment, together with improved management of margins as well as strong trading conditions, has resulted in strong financial performance across Electra's holiday park investments, with aggregate revenue and profits growth in the year to December 2014 of 8% and 28% respectively. Electra has recently invested a further £25 million in preference shares issued by Park Resorts which have been acquired from GI Partners at a discount to their face value.

Park Resorts

AXIO DATA GROUP

Date of initial investment:	Apr 2013
Type of deal:	Buyout
Growth themes:	International, Digital economy
Equity ownership:	69%
Cost:	£25 million
Valuation:	£139 million
Valuation:	Based on multiple of earnings
Multiple:	2.4x
Location:	International
Website:	www.axiogroup.net
Management:	Henry Elkington, CEO Hans Gieskes, Chairman

AXIO

In 2013 Electra invested £91 million in debt and equity to finance the £148 million acquisition of UBM plc's Data Services division, since renamed AXIO Data Group.

AXIO originally comprised seven information businesses serving a range of sectors in over 25 countries: healthcare, intellectual property licensing, containerised trade and breakbulk services, aviation and forest products.

AXIO's businesses are defensive by virtue of their industry and geographic diversity. Its strong brands occupy leadership positions in niche markets and it is robust and cash-generative. The strategy is to grow profits through growth in revenues from digital products, performance improvement and acquisition, and to realise multiple arbitrage by selling the portfolio's components to strategic acquirers.

In December 2014 AXIO announced that it had sold two of its seven businesses, namely JOC Group and Breakbulk. Following these transactions, in which AXIO has sold businesses representing less than 15% of the profits it acquired in 2013, Electra's total cash proceeds from the investment were £76 million, more than 80% of original cost.

The group has continued to make progress developing growth and business improvement initiatives in its remaining businesses. Financial performance remains strong, with underlying profits in the year to December 2014 increasing by 16% on flat sales. In January 2015 AXIO announced that its aviation division, OAG, had acquired FlightView, Inc., the leading provider of real-time flight information for the aviation and travel industries. The acquisition has created a market leader in the growing global flight status and schedules data markets.

ELIAN

Date of initial investment:	Jun 2014
Type of deal:	Buyout
Growth themes:	International, Regulation
Equity ownership:	59%
Cost:	£76 million
Valuation:	£96 million
Valuation:	Based on multiple of earnings
Multiple:	1.3x
Location:	International
Website:	www.elian.com
Management:	Paul Willing, CEO John Connolly, Chairman

In June 2014 Electra made an £81 million equity investment in the £180 million management buyout of Elian, formerly Ogier Fiduciary Services, from Ogier LLP.

Elian is a leading provider of offshore trust, fund and company administration services employing over 400 people. It is headquartered in Jersey and has operations in Cayman, Luxembourg, Guernsey, BVI, Bahrain, Hong Kong and London. The company serves 3,000 corporate, private and investment fund clients worldwide.

The business enjoys a high level of recurring revenue and strong cash generation. It has a blue chip client base and strong relationships with its regulators. Its fragmented, global market benefits from high barriers to entry as well as a number of growth drivers: demand is driven not only by legislation and regulation which favour larger players, but also by the increasing levels of international trade and investment which require corporate or fund structures to be established and administered.

Elian is continuing to grow by developing its international office network, expanding the team and through acquisition.

Since completion of the investment in June 2014 Electra Partners have been working closely with the management team and the Chairman, John Connolly, who was appointed at the end of last year, to complete the separation of the business from its former owners and to accelerate organic and acquisition-led growth. A sharper focus on business development has led to a number of new business wins while productivity improvements have enhanced margins. A strong M&A pipeline has been developed. Elian's financial performance has been ahead of expectations.

ELIAN

AUDIOTONIX (FORMERLY CONSOLE GROUP)

Date of initial investment:	Aug 2014
Type of deal:	Buyout
Growth themes:	International
Equity ownership:	58%
Cost:	£64 million
Valuation:	£87 million
Valuation:	Based on multiple of earnings
Multiple:	1.4x
Location:	UK
Website:	www.audiotonix.com
Management:	James Gordon, CEO Malcolm Miller, Chairman

In 2013 Electra invested £42 million in the acquisition of Allen & Heath. In March 2014 Electra invested a further £15 million in Allen & Heath for the acquisition of Calrec. In August 2014 Allen & Heath was merged with DiGiCo to create a new professional audio group. Electra retained a 58% interest in the new group at a cost of £64 million.

Allen & Heath, Calrec and DiGiCo all design and manufacture audio mixing consoles used to manage live sound in settings ranging from concert venues or houses of worship to live television broadcasts. All three businesses have strong premium brands, well-regarded products and a history of product innovation. The global market for professional audio products is growing, fuelled by an increasing number of live events in both developed and developing markets.

The business is gaining market share by optimising new product development and sales and marketing activities across the brand portfolio. Further opportunities to consolidate the fragmented professional audio market through acquisition are also being considered.

Since completion of the merger in August 2014, the three businesses have started to share expertise and to develop cross-selling opportunities. Cost synergies have been realised in excess of expectations. The senior management team has been strengthened with two key appointments in the finance and technology functions in order to support future developments. The group's financial performance has been ahead of expectations.

Audiotonix

THE ORIGINAL BOWLING COMPANY

Date of initial investment:	Sep 2014
Type of deal:	Buyout
Growth themes:	n/a
Equity ownership:	85%
Cost:	£50 million
Valuation:	£81 million
Valuation:	Based on multiple of earnings
Multiple:	1.6x
Location:	UK
Website:	www.amf-bowling.co.uk; www.hollywoodbowl.co.uk
Management:	Steve Burns, CEO Peter Boddy, Chairman

In September 2014 Electra made a £50 million equity investment in the £91 million management buyout of The Original Bowling Company ("TOBC") from private shareholders and CBPE Capital.

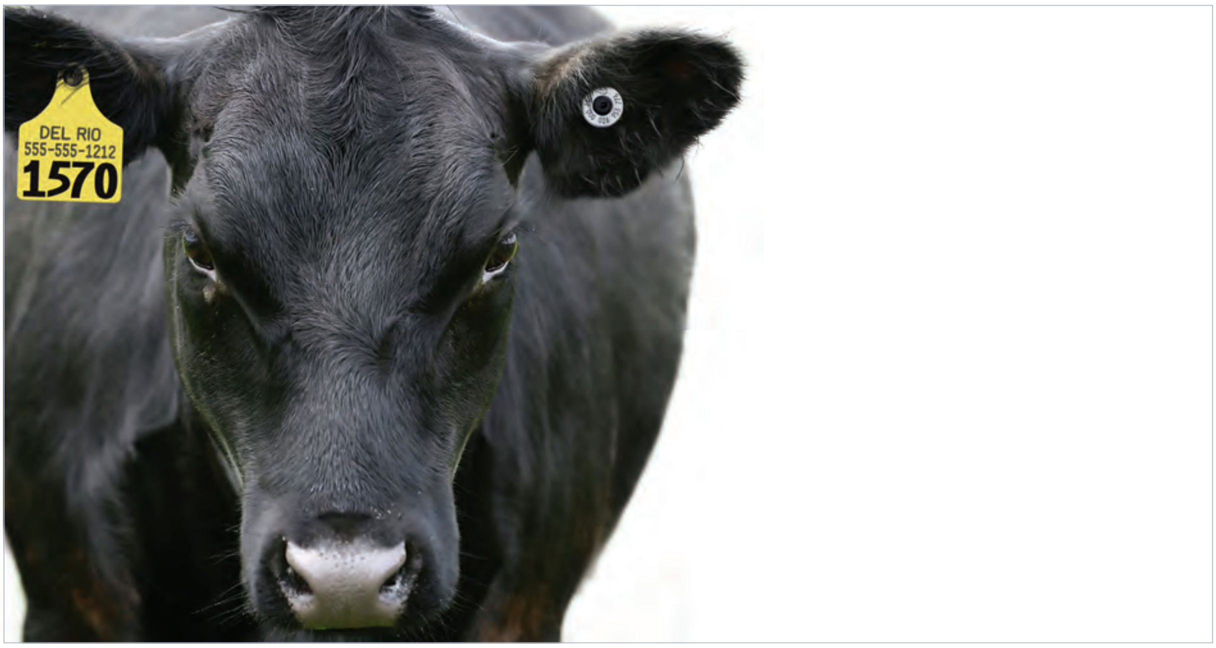
TOBC operates 44 ten-pin bowling centres under the Hollywood Bowl and AMF brands. TOBC offers high-quality bowling centres, predominantly located in leisure or retail parks, which offer a complete family entertainment experience with restaurants, licenced bars and state-of-the-art family games arcades.

Ten-pin bowling is a robust and growing part of the UK leisure sector offering opportunities for further expansion through new openings. TOBC has grown ahead of its market thanks to its leading management team and history of investment-backed growth, as a result of which its estate is well-positioned to make further advances.

TOBC's historical growth trend is expected to continue with close management of the existing estate in order to optimise yield and return on capital. The business plan also anticipates a number of openings of new bowling centres.

The company's financial performance since completion of the investment in September 2014 has been significantly ahead of expectations. This performance is the result of improved yield management, particularly in the peak holiday and weekend periods; the opening of the new Cheltenham site, which is performing ahead of the investment case; and the success of a number of site refurbishment projects. In April 2015 TOBC announced that it had agreed to acquire Bowlplex, which operates 17 ten-pin bowling centres, subject to approval from the Competition and Markets Authority.

THE ORIGINAL BOWLING CO. SINCE 2010



ALLFLEX CORPORATION

Date of initial investment:	Jul 2013
Type of deal:	Co-investment
Growth themes:	Regulation, International
Equity ownership:	15%
Cost:	£68 million
Valuation:	£79 million
Valuation:	Based on multiple of earnings
Multiple:	1.2x
Location:	International
Website:	www.allflex-group.com
Management:	Jacques Martin, CEO Jean-Baptiste Wautier, Chairman

In 1998 Electra invested £23 million in the US$160 million buyout of Allflex. In 2013 Electra sold its investment in Allflex generating a return of 15x original cost and an IRR of 28%. Electra made a new equity investment of £57 million for a minority stake in Allflex alongside the private equity buyer. In January 2015 Electra made a further investment of £11 million to support the $250 million acquisition of SCR (Engineers) Ltd.

Allflex is the world's leading manufacturer and distributor of visual and electronic animal identification tags. Headquartered in the US and with operations in key global livestock markets, including Brazil, France and China, Allflex sells more than 200 million tags each year in over 60 countries worldwide.

The company has seen strong growth driven by not only greater regulation of the food chain to ensure food safety, but also increasingly sophisticated farm management techniques. Since 1998, the company has expanded geographically, developed new products to address a wider range of animal species, invested in new technologies such as electronic identification and genetic tags, and acquired a number of smaller competitors. Increasing requirements for food chain security create strong long-term growth prospects for Allflex.

The company continued to grow in 2014 with revenue and profits growth of 8% and 10% respectively. In January 2015 Allflex completed the acquisition of SCR, the world's largest manufacturer of electronic milk meters and smart tags for monitoring cow fertility and health. The acquisition brings a number of benefits, including access to an attractive growth sector; cementing Allflex's position as the worldwide leader in animal traceability and farm livestock management products; and further growth opportunities as the group makes use of its combined distribution, technology and product development resources. The integration is progressing well with significant focus on revenue and cost synergies.

HOTTER SHOES

Date of initial investment:	Jan 2014
Type of deal:	Buyout
Growth themes:	International, Demographic change
Equity ownership:	61%
Cost:	£84 million
Valuation:	£74 million
Valuation:	Based on multiple of earnings
Multiple:	0.9x
Location:	International
Website:	www.hotter.com
Management:	Peter Taylor, CEO Alan White, Chairman

In January 2014 Electra invested £84 million in equity in the management buyout of Hotter Shoes ("Hotter") from Stewart Houlgrave, the company's founder, and Gresham LLP.

Established in 1959, Hotter is Britain's largest shoe manufacturer and sells over two million pairs of shoes each year in the UK and internationally in stores, in catalogues and online. The company, with a strong focus on comfort and service, serves customers whose age, health or lifestyle are such that they require more cushioned and supportive footwear.

Hotter is a growth business whose sales had more than doubled in the four years prior to the buyout, driven by demographic change, in particular population ageing, and international growth opportunities in the US and South Africa.

The company's growth strategy is built on a continued store opening programme in the UK, on further growth in international markets through distance selling channels, on increasing online sales, and on range development and extension to broaden the target market.

The company has made continued progress with the implementation of its growth plan. The effects of a number of initiatives, including management strengthening, UK store openings, entering the German market and upgrading the web platform in the UK and US, are now evident. Revenue growth has started to accelerate, reaching 8% in the year to January 2015. Profits, which had declined since completion of the investment in January 2014 as a result of growth investment, are now starting to grow again. In April 2015 Hotter announced that it had won the Queen's Award for Enterprise in recognition of its success in international trade.

hotter®

THE QUEEN'S AWARDS FOR ENTERPRISE 2015

SOUTH LAKELAND PARKS

Date of initial investment:	Sep 2013
Type of deal:	Buyout
Growth themes:	Austerity/Value, Demographic change
Equity ownership:	71%
Cost:	£19 million
Valuation:	£49 million
Valuation:	Based on multiple of earnings
Multiple:	2.4x
Location:	UK
Website:	www.southlakelandparks.co.uk
Management:	David Boden, CEO Alan Parker, Chairman

southlakeland parks

In September 2013 Electra invested £21 million in equity in the £47 million management buyout of South Lakeland Parks from White Ocean Leisure and its lenders. Of this investment, £2 million was subsequently syndicated to a co-investor.

South Lakeland owns and operates nine freehold holiday parks with 2,500 pitches in the English Lake District and Morecambe Bay area. Since acquisition these parks have been managed by Park Resorts.

The holiday park sector is defensive and fragmented and has performed strongly throughout the recession as a result of its customer demographic and value proposition. South Lakeland's estate of high-quality parks fits well with the existing Park Resorts portfolio.

At the time of acquisition, a number of opportunities were identified. First, to deliver operational improvements and profits growth in the South Lakeland portfolio through improved management of the estate. Second, to invest in the infrastructure and facilities of the holiday parks in order to further enhance their appeal to both caravan owners and holiday-makers. Third, to consider the further development of the existing South Lakeland estate.

Since completion of the transaction in September 2013, a £4 million infrastructure and growth investment programme at several parks as well as a number of revenue and cost optimisation projects have been implemented. Financial performance has been strong across Electra's holiday park investments, with aggregate revenue and profits growth in the year to December 2014 of 8% and 28% respectively.

NUAIRE

Date of initial investment:	Apr 2007
Type of deal:	Buyout
Growth themes:	Regulation
Equity ownership:	51%
Cost:	£14 million
Valuation:	£48 million
Valuation:	Based on multiple of earnings
Multiple:	2.8x
Location:	UK
Website:	www.nuaire.co.uk
Management:	Mark Huxtable, CEO Kevin Sargeant, Chairman

In 2007 Electra invested £23 million in the £83 million management buyout of Nuaire from ECI Partners.

Headquartered in Caerphilly, Nuaire is a leading UK-based manufacturer and distributor of ventilation equipment for infrastructure, commercial and residential applications. The company's innovative products help clients reduce their energy consumption and carbon emissions.

The company is benefiting from increasing demand for intelligent ventilation systems to comply with more stringent UK building regulations and energy efficiency requirements. Nuaire's strategy is to capitalise on this demand dynamic by offering innovative and high-quality products supported by superior service.

Nuaire has continued to broaden its addressable market through new product development, in particular in the mechanical ventilation and heat recovery area. This development reflects Nuaire's continued investment in product development and manufacturing during and since the recession. In the last three years, the company has invested more than £4 million in capital equipment including upgrading manufacturing capacity.

Nuaire's financial performance in the year to September 2014 was strong, with revenue and profits increasing by 15% and 25% respectively. This growth has continued into the current year. Meanwhile the Construction Products Association is forecasting further market growth in the next three years.

nuaire

CALA GROUP

Date of initial investment:	Mar 2013
Type of deal:	Co-investment
Growth themes:	n/a
Equity ownership:	11%
Cost:	£32 million
Valuation:	£41 million
Valuation:	Based on net assets
Multiple:	1.3x
Location:	UK
Website:	www.cala.co.uk/cala-group
Management:	Alan Brown, CEO Anthony Fry, Chairman

In 2013 Electra made an equity investment of £13 million alongside Patron Capital Partners and Legal & General in the £210 million acquisition of CALA Group from Lloyds Banking Group. During 2014 Electra increased its investment to £32 million to support land purchases and the acquisition of Banner Homes in March.

CALA Group is a national house builder which provides high quality homes in Scotland, the Midlands and South East England. Banner Homes' focus on premium homes in the South East represents a strong strategic fit for CALA and accelerates its strategy to double in size by 2017. Following the acquisition CALA is one of the ten largest housebuilders in the UK.

The UK currently experiences a significant undersupply of new houses. Loosening planning regulations, measures to improve mortgage availability and an improving macro-economic environment have created favourable conditions for an investment in the housebuilding sector.

The integration of Banner Homes into CALA is now complete with operational and cost efficiencies ahead of expectations. The group's financial performance is strong; following revenue and profits growth of 22% and 62% in the year to June 2014, the group has made further advances in the current year in terms of sales volumes and prices. CALA's controlled land bank now stands at over 13,400 plots with a potential GDV of £5 billion.

CALA GROUP

KNIGHT SQUARE (FORMERLY KNOWN AS PEVEREL GROUP)

Date of initial investment:	Mar 2012
Type of deal:	Buyout
Growth themes:	Austerity/Value, Demographic change
Equity ownership:	49%
Cost:	£8 million
Valuation:	£34 million
Valuation:	Based on multiple of earnings
Multiple:	2.2x
Location:	UK
Website:	www.knightsquare.com
Management:	Paul Lester CBE, Chairman

In 2012 Electra made a £22 million equity investment in the £62 million acquisition of Peverel, the UK's leading property management services group, from its administrators. In October 2014 the company completed a refinancing that allowed it to make loan repayments of £14 million to Electra.

Peverel, now known as Knight Square, is one of the UK's leading property services businesses. Through its FirstPort business, the group provides general management services to almost 4,000 retirement and other residential developments across the UK. Through Appello, it also provides telecare and telehealth monitoring services that allow people to live independently in their own homes.

Knight Square is the leader in a robust market, and offers the opportunity to grow not only as a result of demographic change but also by taking advantage of its nationwide coverage and economies of scale. The intention is to invest in service improvement initiatives and business development capabilities in order to enable the business to solidify its market leadership position and then grow its customer base.

The group's business process redesign exercise has delivered tangible benefits including improved customer satisfaction, stronger risk management and reduced cost. Investment in IT and further process enhancements continues. The focus on growth has been strengthened with the decentralisation of the group; FirstPort and Appello are now managed as standalone businesses and the central group functions have been largely disbanded.

Profits growth in the year to December 2014 was 9% on revenues which were flat.

KNIGHT SQUARE

SOUTHVIEW AND MANOR PARK

Date of initial investment:	Aug 2014
Type of deal:	Buyout
Growth themes:	Austerity/Value, Demographic change
Equity ownership:	72%
Cost:	£18 million
Valuation:	£34 million
Valuation:	Based on multiple of earnings
Multiple:	2.2x
Location:	UK
Website:	www.park-resorts.com
Management:	David Boden, CEO Alan Parker, Chairman

In August 2014 Electra made a £20 million equity investment in the £49 million acquisition of Southview and Manor Park holiday parks from Bluebird Partners and a European bank.

Southview and Manor Park ("SVMP") are large and established holiday parks – Southview in Skegness, Lincolnshire and Manor Park in Hunstanton, Norfolk. Together the parks comprise more than 2,000 pitches, a 9-hole golf course as well as the four-star Southview Park Hotel. Electra's existing portfolio company, Park Resorts, has managed both parks since 2010 and continues to do so.

This was the second bolt-on transaction for Park Resorts, the first being South Lakeland Parks which was completed in September 2013, and took Electra's investment in the UK holiday parks sector to over £100 million. Each of these investments benefits from: a resilient market supported by customer demographics and strong value propositions; high barriers to entry; a cash-generative business model; and growth potential. SVMP's large and well-invested sites offer growth potential through the development of new pitches.

The implementation of the development plan at Southview has continued over the winter months, with investment in new pitches and central facilities. Financial performance across Electra's holiday park investments is strong, with aggregate revenue and profits growth in the year to December 2014 of 8% and 28% respectively.

INNOVIA GROUP

Date of initial investment:	Apr 2014
Type of deal:	Co-investment
Growth themes:	International
Equity ownership:	24%
Cost:	£33 million
Valuation:	£33 million
Valuation:	Based on multiple of earnings
Multiple:	1.0x
Location:	International
Website:	www.innoviafilms.com, www.innoviasecurity.com
Management:	Mark Robertshaw, CEO; Malcolm Fallen, Chairman

In April 2014 Electra made a €40 million (£33 million) equity investment in the €498 million buyout of Innovia Group from the Candover 2001 Fund.

The group is headquartered in Cumbria and operates five manufacturing sites worldwide. Innovia's Films division is a leading global producer of speciality high performance films primarily used in packaging applications for the food and tobacco industries. Innovia Films benefits from high barriers to entry and steadily growing demand. It occupies leading positions in mature niche markets and enjoys long-term customer relationships.

Innovia's Security division is the leading manufacturer of polymer banknote substrate for central banks. Polymer banknotes have numerous advantages over paper notes including security, durability and cleanliness, yet today account for only a small share of all banknotes in circulation. Innovia Security benefits from a strong intellectual property portfolio and a 20-year track record producing substrate for 36 central banks.

The group's strategy is to continue to grow its packaging films business through product innovation and capacity expansion, while developing its banknote substrate business as central banks around the world increasingly choose to benefit from the advantages of polymer over paper banknotes.

In early 2014 Innovia Security announced a new contract with the Bank of England for the supply of polymer substrate for the next generation £5 and £10 notes. The investment in new manufacturing capacity in Cumbria to support this contract continues, with production scheduled to commence in 2016. A new CEO, Mark Robertshaw, formerly CEO of Morgan Advanced Materials, has been appointed following the planned retirement of his predecessor. The group's financial performance since completion is behind expectations as a result of the lumpy nature of orders from customers of Innovia Security.

PREMIER ASSET MANAGEMENT

Date of initial investment:	Sep 2007
Type of deal:	Buyout
Growth themes:	Regulation
Equity ownership:	25%
Cost:	£30 million
Valuation:	£29 million
Valuation:	Based on multiple of earnings
Multiple:	0.9x
Location:	UK
Website:	www.premierfunds.co.uk
Management:	Mike O'Shea, CEO; Mike Vogel, Chairman

In 2007 Electra made a £33 million minority equity and debt investment in the take-private of Premier. In 2009 Electra made a further £24 million equity investment to support the acquisition of two OEICs from Aberdeen Asset Management. In 2014 Electra sold a majority shareholding in Premier to funds under the management of Elcot Capital Management for a consideration comprising £20 million in cash and £26 million of preference shares while retaining an equity interest of 25%.

Premier is a retail asset manager, with the bulk of its assets under management ("AUM") in branded retail funds, of which the largest franchises are in multi-asset, UK equities, global equities and fixed income.

The retail investment market displays growth drivers including demographic and regulatory change from which Premier is well placed to benefit due to its strong product portfolio and investment performance. The intention remains to accelerate growth by investing in sales and marketing and by exploring other opportunities to extend the scope of the business.

In recent years the company has increased its investment in marketing and distribution in order to take advantage of strong fund performance as well as a favourable demand environment. Net sales of investment products have improved and AUM now stand at £3.8 billion, 40% ahead of the prior year. Financial performance is strong, with sales and profits growth in the year to September 2014 of 16% and 29% respectively.

Premier

PINE

Date of initial investment:	Jun 2005
Type of deal:	Co-investment
Growth themes:	n/a
Equity ownership:	99%
Cost:	£14 million
Valuation:	£26 million
Valuation:	Derived from property investment value
Multiple:	1.7x
Location:	UK
Website:	www.thepinefund.com
Management:	Harry Hyman, CEO (Nexus Group)

Electra first invested in PINE in 2005 as a start-up to exploit an identified opportunity to create a new institutionally acceptable property asset class in conjunction with an experienced property specialist and a nursery school operator.

PINE initially comprised a sale and leaseback property investment portfolio of nursery schools let on index-linked leases to nursery school operators, as well as a nursery school operating business. In 2012 Treetops Nurseries was spun out of PINE as part of a refinancing and is now a standalone investment in Electra's portfolio, valued at £22 million at 31 March 2015. PINE now owns 31 properties leased to nursery school operators; these properties offer leases of twenty years or more with indexed rents.

The company continues to build a pipeline of freehold property acquisition opportunities, not only within the nursery school sector but also more broadly in the education market. The objective remains to grow the portfolio to enhance its appeal to institutional investors.

NEXUS PINE

DAVIES GROUP

Date of initial investment:	Sep 2011
Type of deal:	Buyout
Growth themes:	Austerity/Value
Equity ownership:	57%
Cost:	£39 million
Valuation:	£23 million
Valuation:	Based on multiple of earnings
Multiple:	0.6x
Location:	UK
Website:	www.davies-group.com
Management:	Dan Saulter, CEO Adrian Hill, Chairman

In 2011 Electra invested £36 million in equity in the £60 million management buyout of Davies Group from LDC. A further £3 million was invested in December 2013 to fund the acquisition of Garwyn.

Davies is a leading insurance claims service provider. It employs 580 people across the UK and Republic of Ireland and offers a full spectrum of validation and fulfilment services including claims management, loss adjusting, restoration and repair. Davies's focus is on servicing claims relating to residential property, commercial and specialist liability policies. The business handles over 120,000 claims each year and manages more than £600 million of indemnity spend.

The current focus of Davies is on the broker and MGA market and the development of selective additional business areas both organically and through M&A. The company's strategy is to invest in technology and other service improvement and extension initiatives in order to become a partner of choice for insurers increasingly outsourcing claims management.

Davies has continued to make good progress following the business transformation initiated in 2013. A technology-led operational change programme to enhance customer service and streamline business processes is approaching its conclusion. New business has developed well although revenue and profits growth, which are currently 8% and 13% respectively, have been held back by benign weather impacting claims volumes. Garwyn, which was acquired at the end of 2013, has been fully integrated and the company's M&A programme has continued with the acquisition of Associated Loss Adjusters, an Irish specialist loss-adjuster, and a pipeline of further opportunities under consideration.

TREETOPS NURSERIES

Date of initial investment:	Feb 2012
Type of deal:	Buyout
Growth themes:	Demographic change
Equity ownership:	79%
Cost:	£12 million
Valuation:	£22 million
Valuation:	Based on multiple of earnings
Multiple:	1.7x
Location:	UK
Website:	www.treetopsnurseries.co.uk
Management:	Charles Eggleston, CEO Stephen Booty, Chairman

In 2012 Treetops Nurseries was spun out of PINE as part of a refinancing and is now a standalone investment in Electra's portfolio. Electra invested a further £2 million in 2013 to finance the acquisition of Toybox (four freehold sites in Bedfordshire) and a further £5 million in 2014 to fund the acquisition of Happy Child (15 nurseries).

Headquartered in Derby, Treetops is the sixth-largest nursery school operator in the UK, operating 50 nurseries (30 freehold, 20 leasehold) predominantly in the Midlands and South East and with over 3,300 registered places. More than 90% of the company's nurseries are rated Good or Outstanding by OFSTED.

Treetops was separated from PINE in order to allow it to benefit from dedicated management focus and access to growth capital. Treetops expects to grow organically, in particular through improved marketing and investment in the sites, designed to improve occupancy. Opportunities to grow through acquisition of other operators in the highly fragmented nursery market are also being actively pursued. The cash generative nature of the business model creates capacity to finance acquisitions internally. A new senior management team has been recruited to implement this strategy.

Since 2012, the company has made a number of acquisitions which have more than doubled profitability and brought it greater scale in the attractive markets of London and the South East. Further M&A opportunities are under active consideration. Operational improvement and site enhancement programmes have been implemented in acquired sites. Financial performance is strong with sales and profits growth in the year to September 2014 of 33% and 41% respectively.

TREETOPS nurseries
PLAY CREATE EDUCATE

PROMONTORIA

Date of initial investment:	Oct 2007
Type of deal:	Buyout
Growth themes:	n/a
Equity ownership:	11%
Cost:	£12 million
Valuation:	£16 million
Valuation:	Based on net assets
Multiple:	1.9x
Location:	Germany
Website:	n/a
Management:	n/a as holding company

In 2002 Electra provided acquisition funding to a new company to allow it to undertake the sale and leaseback of certain German retail property assets. The company was itself acquired in 2007 by Promontoria, an unleveraged investment company, for which Electra received consideration in the form of ordinary shares and loan stock.

Today Promontoria owns 82 retail properties situated throughout Germany. Of these, 61 are leased to the German discount chain Woolworth, which underwent a financial restructuring in 2010. The business strategy is to continue to develop the portfolio and improve the tenant mix. Properties are being sold when attractive and deliverable offers are received.

Promontoria continued with its refurbishment programme in 2014 and a number of redeveloped sites were let to a range of high-street names including Woolworths, C&A and H&M. A new €5 million redevelopment was commenced in Frankfurt for completion in late 2015.

The realisation of the portfolio has also continued. In the six months to March 2015 nine stores were sold for a consideration of €30 million. This takes total proceeds from the 27 stores divested over the past seven years to €213 million. These proceeds have been distributed to shareholders, with Electra's share being €22 million. Contracts have been exchanged in respect of the sale of 11 further properties.

DALER-ROWNEY

Date of initial investment:	Mar 2011
Type of deal:	Buyout
Growth themes:	International
Equity ownership:	41%
Cost:	£17 million
Valuation:	£14 million
Valuation:	Based on multiple of earnings
Multiple:	0.8x
Location:	International
Website:	www.daler-rowney.co.uk
Management:	Patrick Giraud, CEO Luis Bach, Chairman

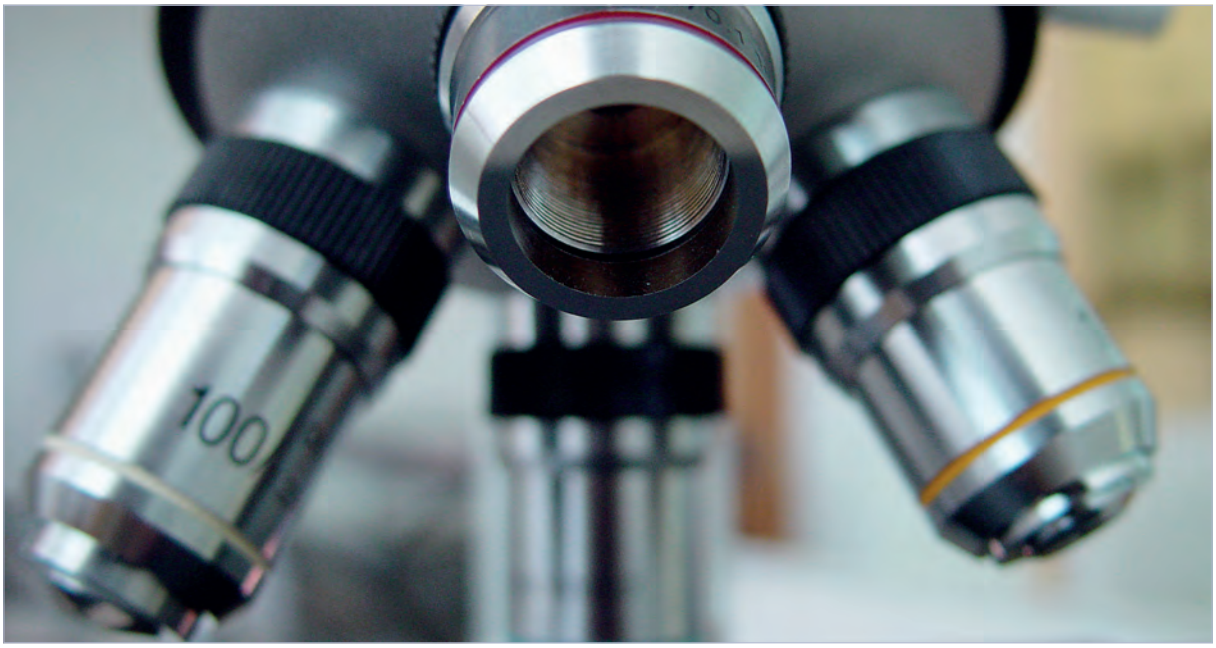
In 2011 Electra made a £17 million equity investment in support of the buyout of Daler-Rowney from private shareholders.

Daler-Rowney is one of the largest suppliers of fine art materials in the world with a comprehensive product range including artists' paints, brushes, papers and canvases which meet the needs of artists ranging from beginners to professionals. The company manufactures its products in the UK, the Dominican Republic and Germany and sells in more than ninety countries worldwide.

The company occupies a leading position in a stable, niche market benefiting from high barriers to entry created by products, brands and supply chain complexity. The intention is to continue to invest in product development and in sales and marketing in order to grow market share, and at the same time to undertake further geographic expansion.

Daler-Rowney has continued to expand its manufacturing platform in the Dominican Republic to accommodate the group's growth as well as to manufacture new products, such as stretched canvases. Further progress has been made in developing key customer relationships, particularly in the core UK and US markets. The group has experienced some disruption to its operations as a result of the ongoing integration of production sites acquired as part of the Schoenfeld acquisition in 2013. Together with adverse FX and product mix movements, this led to a decrease in the group's profits in the year to December 2014.

DALER ROWNEY



LABCO

Date of initial investment:	Jul 2008
Type of deal:	Co-investment
Growth themes:	Demographic change
Equity ownership:	5%
Cost:	£25 million
Valuation:	£14 million
Valuation:	Based on multiple of earnings
Multiple:	0.6x
Location:	International
Website:	www.labco.eu
Management:	Philippe Charrier, CEO Andreas Gaddum, Chairman

In 2008 Electra invested €30 million in a minority equity position in Labco.

Labco is a leading pan-European clinical laboratory services group. The company is the market leader in France, Spain and Portugal and also occupies leading positions in Italy and Belgium. It operates over 200 laboratories in which its 500 senior chemists and doctors perform 150 million tests for 20 million patients each year.

The company operates in fragmented markets in which overall demand is growing due to demographic change, medical advances and an increased propensity to test preventatively. At the same time, regulatory changes and public spending pressure are expected to lead to market consolidation favouring larger players.

The strategy has been to support Labco in its acquisition of smaller laboratory groups, with the company's scale and infrastructure subsequently being used to improve the acquired businesses.

In 2014, Labco completed the acquisition of SDN, an Italian provider of medical imaging and laboratory diagnostic services, as well as extending its UK presence with new partnerships with hospitals in Basildon and Southend. Pro forma sales and profits growth in the year to December 2014 were 12% and 6% respectively, reflecting both organic growth and the effect of acquisitions.

Labco

Large Listed Investment

ZENSAR TECHNOLOGIES

Date of initial investment:	Sep 1997
Type of deal:	Co-investment
Equity ownership:	23%
Cost:	£4 million
Valuation:	£72 million
Multiple:	19.0x
Location:	International
Website:	www.zensar.com
Management:	Ganesh Natarajan, CEO Harsh Goenka, Chairman

In 1997 Electra invested US$9 million in the equity of an unquoted subsidiary of Mumbai-listed parent, Zensar Technologies. In 2001 the listed parent closed down its operations and the unlisted subsidiary performed a reverse merger. This resulted in Electra owning shares in the listed entity.

Zensar is a provider of software development services to large corporates, offering both an onsite and offsite service. Onsite services consist of contracts, whereby Zensar provides software engineers to work on customers' premises (mainly in the US and UK) whereas for the offsite business the work is undertaken by Zensar's software professionals located in its software development centres in India.

As an early entrant to the software services market and having established strong customer relationships and a good reputation, Zensar was well positioned to be able to grow in the sector. The company has an acquisition strategy to add niche capabilities and to bulk up.

Today the company employs over 8,000 people at 20 locations around the globe. The company has a global reach operating in the US, Europe, Africa, Middle East, Singapore and Australia regions and has delivery centres in India (Pune, Hyderabad, Delhi and Bangalore), South Africa, the UK, Amsterdam and the USA (Westborough).

Revenue and profits growth in the year to March 2015 were 14% and 9% respectively. At the end of March 2015 the share price implied a valuation of Zensar equivalent to 7.0x EBITDA of £43 million.

To date, US$11 million has been returned to Electra by way of dividends and sales of shares.

ZenSar TECHNOLOGIES

Audiotonix

Audio mixing console manufacturer

Electra's investment in the holiday parks sector

Park Resorts

The Deal

In 2012, Electra invested £70 million in a series of purchases of senior debt with a face value of £130 million issued by Park Resorts. These purchases made Electra the largest lender to the group, although the primary plan was to pursue a consensual debt restructuring to obtain an equity interest in the group.

Electra invested a further £62 million to support the acquisitions of South Lakeland Parks in 2013 and Southview and Manor Park in 2014, and in acquiring a further interest in Park Resorts preference shares in April 2015.

The Business

Park Resorts is a leading operator of caravan holiday parks, operating 49 sites in coastal locations across the UK.

The company's customer base comprises second-home owners and holidaymakers. The former group, who occupy 68% of the group's c.24,000 pitches, buy static caravans and lease pitches from the company. Caravans and lodges cost from £7,000 to over £600,000; pitch fees account for 24% of revenues and 33% of gross margin; and the average tenure of an owner is six years. Holiday makers rent caravans for short stays at an average price of £300 per week. Further revenues are generated from food, beverage and other on-site leisure facilities.

The Investment

The holiday park sector benefits from a number of attractive characteristics: it is resilient through the economic cycle; demand is growing driven by the ageing demographic and a trend to more frequent holiday breaks; there is substantial asset backing through ownership of freehold land; and the sector is fragmented suggesting potential for consolidation through M&A.

Sector knowledge, together with Park Resorts' situation – it was a classic "good company, bad balance sheet" – facilitated the acquisition of a blocking position in the company's senior debt at a valuation of below 7x EBITDA. The strategy was to restructure the debt to take an equity position and then grow organically and through acquisition; if this was not achievable then Electra was well positioned and would earn an attractive return from simply holding the debt to maturity.

Update

The restructuring of Park Resorts' debt was finalised in August 2013 after a lengthy and intensive process. Funds under the management of Electra Partners took a substantial equity position and a place on the board while remaining the largest lender to the group. The business plan was then implemented:

Management succession

Upon completion of the refinancing, David Boden was appointed as CEO. David had over 30 years' experience in the leisure industry having held senior board-level positions at Rank Group and Hippodrome Casinos. This appointment allowed founder David Vaughan to begin his staged retirement by becoming Chairman.

A year later David Vaughan retired fully and Alan Parker CBE, formerly Chief Executive of Whitbread, was appointed as Chairman.

Growth

Profits growth in 2012 and 2013, prior to Electra Partners' involvement at board level, was slow at approximately 3% p.a. Electra Partners' view was that growth was constrained by under-investment. As a part of the restructuring, a growth capital expenditure programme was planned, to be financed from the company's cash flows.

The first phase of growth investment was completed over the winter of 2013/14, with £4 million invested in hire fleet, pitches and park facilities. This supported sales and profits growth of 6% and 22% respectively in 2014. A further investment of £5 million over the winter of 2014/15 is expected to underpin further growth in 2015.

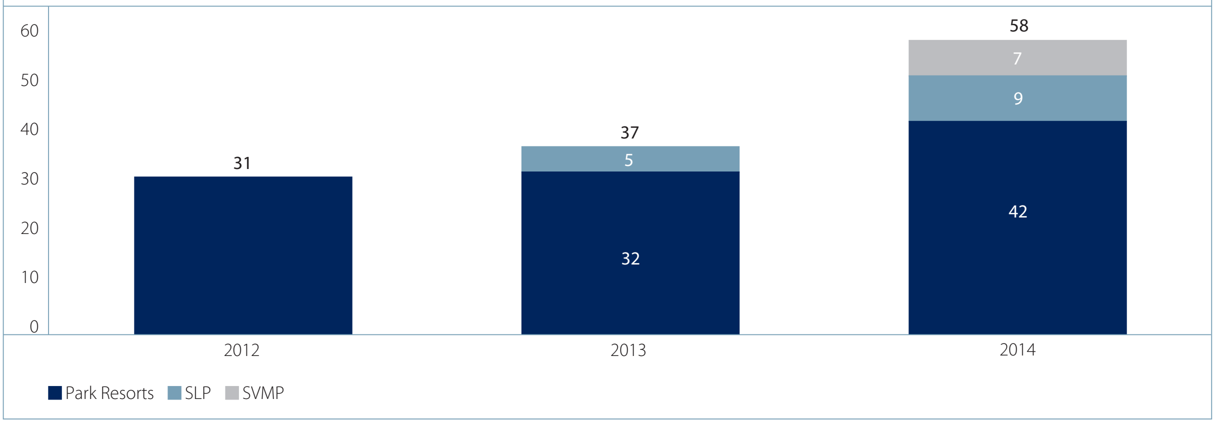
Margin improvement
The opportunity for margin improvement was identified. Through a reduction in promotional activity and close management of costs, the EBITDA margin has improved by more than four percentage points to 24%, with further increases planned.

M&A
Electra completed two further acquisitions, of South Lakeland Parks in September 2013 and of Southview and Manor Park in August 2014.

South Lakeland Parks has traded strongly since acquisition, with business improvement initiatives, cost synergies and a £4 million investment in infrastructure supporting sales and profits growth of 41% and 64% respectively in 2014. Further growth at both businesses is anticipated as a result of £4 million growth investment made over the winter of 2014/15.

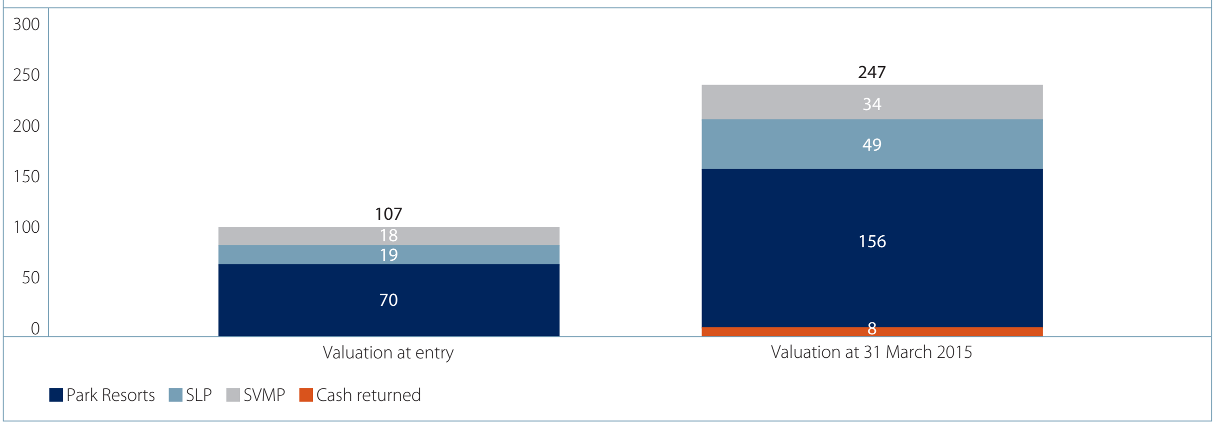
In April 2015 Park Resorts announced that it had made a further acquisition, of the Summerfields Holiday Park in Norfolk.

Progression of profits (Pro forma EBITDA, £m)



Outlook
What started as an investment in Park Resorts senior debt is now a significant equity position in a leading UK freehold holiday parks operator acquired at the attractive multiple of approximately 7x EBITDA. Financial performance has been strong, with revenue and EBITDA growth across Electra's holiday parks investments in 2014 of 8% and 28% respectively. Further growth is anticipated as a result of the ongoing investment programme as well as continued focus on managing yield and margins. Electra's investment is performing well, with a total return to the end of March 2015 of 2.3x cost, achieved by buying well, reinvigorating growth and enhancing value through M&A.

Entry cost vs. current valuation (£m)



Financial Review

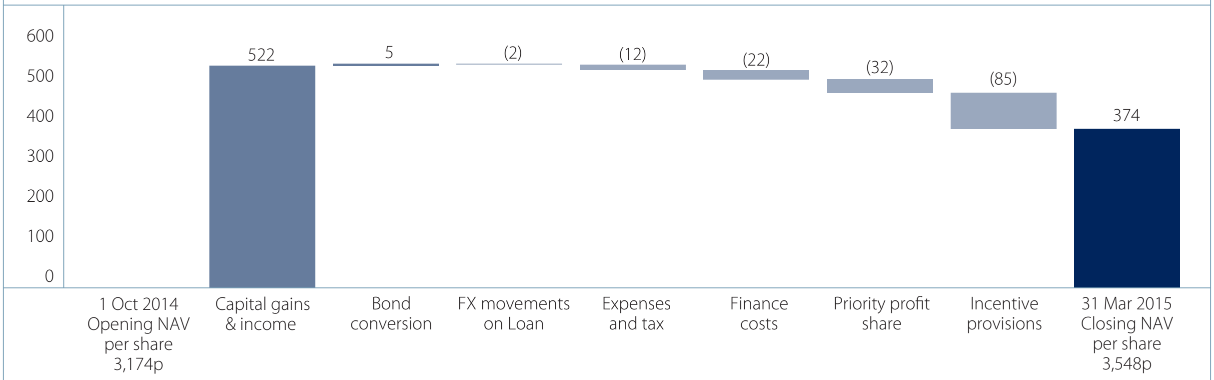
"The Company's diluted NAV per share increased by 12% during the six months to 3,548p as a result of a strong performance from the total portfolio which delivered gains of £211 million."

Analysis of Movement in Net Asset Value per share

The Consolidated Income Statement on page 53 of this Half Year Report shows the total return for the period and, together with the impact of Bond conversions during the period, explains the movement in NAV for the six months to 31 March 2015.

Performance from the investment portfolio contributed £5.22 per share, slightly over 16% of the opening NAV. Deducted from this, as shown below, were finance and operating costs, FX movements and tax, which together totalled 36p per share; the priority profit share paid to Electra Partners for managing the portfolio amounted to 32p per share; and the charge for incentive schemes amounted to 85p per share. Bond conversions during the period increased NAV per share by 5p. These net costs, together with the investment performance, resulted in an increase to net assets of £3.74 per share, a total return of 12% for the six month period.

Analysis of Movement in Net Asset Value per share (p)



Incentive Schemes

The current incentive schemes operated by Electra (alternatively referred to as "carried interest") are based on three-year pools. Currently, there are three pools in relation to the three-year periods commencing 2006, 2009 and 2012. The carried interest schemes are described in more detail in Note 7 on pages 60 to 62.

The increase of £34 million (equivalent to 85p per share) to the provision for incentives made during this period reflects the strong performance of the investment portfolio, which produced a total return of £211 million in the six months. The majority of this increase relates to the 2009 and 2012 pools. Both of these pools require substantial cash realisations to occur before Electra would have received back the cost of its original investment, related priority profit share and its preferred return – in the order of £800 million. Accordingly, no cash payments can be made to Electra Partners until investments equating to this value have been sold.

The provision made in this period represents 16% of the gains on the investment portfolio. This figure is less than the 18% relevant to the current incentive schemes because some of the return relates to pre-2006 incentive schemes which accrue at 8% on a deal-by-deal basis rather than the 18% on a pooled basis in the post-2006 incentive arrangements. Zensar Technologies was one of the larger investments which fall into this category. Zensar contributed £9 million during this period, being 4% of total gains on investments.

Net Liquid Resources

The Consolidated Cash Flow Statement on page 56 analyses the movement in the Group's cash for the six months. Cash has reduced by £81 million during the period. The largest component of this was the repayment of the multi-currency bank facility in March following the conclusion of the Board's strategic review and consequent change in currency hedging policy. This was partially offset by £120 million generated by the sale of investments in liquidity funds. Cash flow on private equity investments was broadly neutral with the balance of cash outflows arising from operating costs.

Net liquid resources were £117 million at 31 March 2015, which is approximately half the average level of the past two years. The fall in the level of liquid resources follows a period of very high investment activity in the last three years, with approximately £1 billion in aggregate invested.

Finance Costs

Finance costs of 22p per share, or £9 million, in the six months were made up as follows:

	Cost £m
Bank facility	3
Convertible Bond	4
Zero Dividend Preference Share	2
	9

The coupon payable in respect of the bank facility is based on LIBOR plus a margin of 2.5%, which was equivalent to an average 3.7% during the period. The Convertible Bond pays a coupon of 5% per annum, amounting to £2 million in the period. A further amount was accrued in respect of the Convertible Bond to represent the cost of the embedded derivative of the conversion option. In total the accrual rate adopted is 9.9% adding an additional £2 million in the period. The Zero Dividend Preference Share ("ZDP") is accounted for by accruing at the compound yield of 6.5%, which is the yield to maturity based on its redemption value. The amount charged in this period was £2 million, which was charged to the capital column in the Consolidated Income Statement, reflecting the way in which this instrument will be eventually repaid. The weighted average cost of debt for the period was 6.1%.

As stated above, following the Board's strategic review the bank facility was repaid in full at the end of March. Should the facility remain undrawn, commitment fees will continue to be paid at a cost of £2 million per annum.

Borrowings

The bank facility has been increased from £195 million to £275 million and its term extended from December 2017 to December 2019. At the same time, the margin, commitment fees and other terms were improved.

Electra raised £46 million of ZDPs in 2009 and £100 million of Subordinated Convertible Bonds in 2010. The ZDPs are repayable in 2016, while the Subordinated Convertible Bonds are repayable in 2017 if they have not been converted into ordinary shares.

Steve Ozin
Partner
Electra Partners LLP
20 May 2015

TGI Fridays

American-styled restaurant chain

Consolidated Income Statement (unaudited)

For the six months ended 31 March	Revenue £m	Capital £m	2015 Total £m	Revenue £m	Capital £m	2014 Total £m
Profit on investments:						
Investment income/net gain	42	177	219	26	67	93
Profit on revaluation of foreign currencies	–	–	–	–	3	3
	42	177	219	26	70	96
Incentive schemes	–	(34)	(34)	–	(12)	(12)
Priority profit share	(13)	–	(13)	(12)	–	(12)
Income Reversal	(8)	–	(8)	(1)	–	(1)
Other expenses	(1)	–	(1)	(1)	–	(1)
Net Profit before Finance Costs and Taxation	20	143	163	12	58	70
Finance Costs	(7)	(2)	(9)	(8)	(2)	(10)
Profit on Ordinary Activities before Taxation	13	141	154	4	56	60
Taxation expenses	(4)	–	(4)	(1)	–	(1)
Profit on Ordinary Activities after Taxation attributable to owners of the parent	9	141	150	3	56	59
Basic Earnings per Ordinary Share (pence)	25.27	393.11	418.38	8.49	158.45	166.94
Diluted Earnings per Ordinary Share (pence)	29.84	348.11	377.95	14.92	139.25	154.17

The 'Total' columns of this statement represent the Group's Income Statement prepared in accordance with International Financial Reporting Standards adopted by the EU ("IFRS"). The supplementary Revenue and Capital columns are both prepared under guidance published by the Association of Investment Companies.

The amounts dealt with in the Consolidated Income Statement are all derived from continuing activities.

Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 31 March	2015 £m	2014 £m
Profit for the period	150	59
Exchange differences arising on consolidation	(1)	(1)
Total Comprehensive Income for the period	149	58
Total Comprehensive Income attributable to owners of the parent	149	58

Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 31 March 2015 for the Group

	Called-up share capital £m	Share premium £m	Capital redemp-tion reserve £m	Other reserves £m	Translation reserve £m	Realised capital profits/ (losses) £m	Unrealised capital profits/ (losses) £m	Revenue reserves £m	Total share-holders' funds £m
Opening balance at 1 October 2014	9	28	34	22	(4)	1,005	68	33	1,195
Net revenue profit added to the reserves	–	–	–	–	–	–	–	9	9
Net profits on realisation of investments during the period	–	–	–	–	–	3	–	–	3
Financing costs	–	–	–	–	–	(2)	–	–	(2)
Increase in value of non-current investments	–	–	–	–	–	–	174	–	174
Increase in incentive provisions	–	–	–	–	–	–	(34)	–	(34)
Losses on foreign currencies	–	–	–	–	(1)	–	–	–	(1)
Investments sold during the period	–	–	–	–	–	27	(27)	–	–
Conversion of Convertible Bond	–	6	–	(1)	–	–	–	1	6
At 31 March 2015	9	34	34	21	(5)	1,033	181	43	1,350

For the six months ended 31 March 2014 for the Group

	Called-up share capital £m	Share premium £m	Capital redemp-tion reserve £m	Other reserves £m	Translation reserve £m	Realised capital profits/ (losses) £m	Unrealised capital profits/ (losses) £m	Revenue reserves £m	Total share-holders' funds £m
Opening balance at 1 October 2013	9	24	34	23	(4)	1,059	(127)	12	1,030
Net revenue profit added to the reserves	–	–	–	–	–	–	–	3	3
Net profits on realisation of investments during the period	–	–	–	–	–	2	–	–	2
Financing costs	–	–	–	–	–	(2)	–	–	(2)
Increase in value of non-current investments	–	–	–	–	–	–	65	–	65
Increase in incentive provisions	–	–	–	–	–	–	(12)	–	(12)
Gains/(losses) on foreign currencies	–	–	–	–	(1)	(1)	4	–	2
Investments sold during the period	–	–	–	–	–	(25)	25	–	–
Conversion of Convertible Bond	–	–	–	–	–	–	–	–	–
At 31 March 2014	9	24	34	23	(5)	1,033	(45)	15	1,088

Consolidated Balance Sheet (unaudited)

Note		£m	As at 31 March 2015 £m	£m	(Audited) As at 30 September 2014 £m	£m	As at 31 March 2014 £m
	Non-Current Assets						
	Investments held at fair value:						
	Unlisted and listed		1,491		1,272		1,039
	Liquidity funds		–		120		190
			1,491		1,392		1,229
	Current Assets						
5	Trade and other receivables	4		13		37	
	Current tax asset	–		–		2	
	Cash and cash equivalents	117		198		224	
		121		211		263	
	Current Liabilities						
	Trade and other payables	4		25		9	
	Derivative financial instrument	–		1		1	
	Net Current Assets		117		185		253
	Total Assets less Current Liabilities		1,608		1,577		1,482
	Bank loans	–		152		155	
	Zero Dividend Preference Shares	67		65		63	
	Convertible Bond	76		82		83	
	Provisions for liabilities and charges	115		83		93	
	Non-Current Liabilities		258		382		394
	Net Assets		1,350		1,195		1,088
	Capital and Reserves						
6	Called up share capital		9		9		9
	Share premium	34		28		24	
	Capital redemption reserve	34		34		34	
	Other reserves	21		22		23	
	Translation reserve	(5)		(4)		(5)	
	Realised capital profits	1,033		1,005		1,033	
	Unrealised capital profits/(losses)	181		68		(45)	
	Revenue reserve	43		33		15	
			1,341		1,186		1,079
	Total Equity Shareholders' Funds		1,350		1,195		1,088
	Basic Net Asset Value per Ordinary Share		3,768.39p		3,365.75p		3,079.59p
	Diluted Net Asset Value per Ordinary Share		3,547.52p		3,174.34p		2,913.51p
	Ordinary Shares in issue at 31 March		35,834,228		35,507,751		35,343,119

The Notes on pages 57 to 64 are an integral part of the financial statements.

Consolidated Cash Flow Statement (unaudited)

For the six months ended 31 March	£m	2015 £m	£m	2014 £m
Operating activities				
Purchase of investments	(129)		(132)	
Purchase of liquidity funds	–		(85)	
Amounts paid under incentive schemes	(19)		(5)	
Sales of investments	119		131	
Sales of liquidity funds	120		105	
Dividends and distributions received	2		1	
Other investment income received	10		20	
Expenses paid	(19)		(12)	
Taxation paid	(4)		–	
Net Cash Inflow from Operating Activities		80		23
Financing Activities				
Bank loans repaid	(153)		–	
Finance costs	(6)		(3)	
Convertible Bond Interest paid	(2)		(3)	
Net Cash Outflow from Financing Activities		(161)		(6)
Changes in cash and cash equivalents		(81)		17
Cash and cash equivalents at 1 October		198		207
Translation difference		–		–
Cash and Cash Equivalents at 31 March		117		224

Notes to the Accounts

Within the Notes to the Half Year Report, all current and comparative data covering periods to, or as at, 31 March are unaudited.

1 Accounting Policies

Basis of Accounting

The Half Year Report is unaudited and does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006.

The statutory accounts for the year ended 30 September 2014, which were prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, have been delivered to the Registrar of Companies. The Auditor's opinion on those accounts was unqualified and did not contain a statement made under Section 498(2) or Section 498(3) of the Companies Act 2006.

The condensed consolidated interim financial statements comprise the Consolidated Balance Sheets as at 31 March 2015, 30 September 2014 and 31 March 2014 and for the six months ended 31 March 2015 and 31 March 2014, the related Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cashflow Statement and the related Notes hereinafter referred to as "financial information".

The condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, IAS34 and the principal accounting policies and key estimates set out in the Annual Report for the year ended 30 September 2014 which is available on Electra's website (www.electraequity.com). The condensed consolidated interim financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of certain assets at fair value.

Application of New Standards

The accounting policies used are consistent with those applied in the last annual financial statements, as amended to reflect the adoption of new standards, amendments, and interpretations which became effective in the year. During 2015, the following relevant standards, amendments and interpretations endorsed by the EU became effective for the first time:

- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of Interests in Other Entities;
- IAS 27 Separate Financial Statements (revised);
- IAS 28 Investments in Associates and Joint Ventures (revised);
- IAS 32 Financial Instruments: Presentation (amendment);
- IAS 36 Impairment of Assets (amendment); and
- Amendments to IFRS 11 and IFRS 12 (transition guidance).

IFRS 10 has changed the definition of control positions. However, as the Company qualifies as an investment entity under IFRS 10 this has not resulted in any changes to presentation or any additional disclosures.

None of the other standards, amendments and interpretations above have had an impact on the condensed consolidated interim financial statements of the Group. These will result in changes to presentation or additional disclosure in the Annual Report and Accounts.

Other pronouncements are not expected to have a material impact on the financial statements, but may result in changes to presentation or disclosure.

Additionally a number of standards have been issued but are not yet adopted by the EU and so are not available for early adoption. The most significant of these is IFRS 9 Financial Instruments along with related amendments to other IFRSs and the impact on the Group is being reviewed.

None of these standards, amendments and interpretations are presently expected to have a significant effect on the consolidated financial statements of the Group.

Principles of Valuation of Investments

General

In valuing investments, Electra Partners values investments at Fair Value at the measurement date.

Fair Value represents the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In estimating Fair Value, the Manager uses a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio. Methodologies are applied consistently from one period to another except where a change results in a more accurate estimate of Fair Value.

Unlisted Investments

The principal methodologies applied in valuing unlisted investments at the measurement date include the following:

- Earnings multiple
- Price of recent investment
- Net assets
- Discounted cash flows
- Industry valuation benchmarks
- Exit price

In assessing whether a methodology is appropriate the Manager will be biased towards those methodologies that draw heavily on market based measures of risk and return, favouring those that rely on observable market data rather than assumptions.

Typically an earnings multiple basis will be used. In applying the earnings multiple methodology, the Manager applies a market based multiple that is appropriate and reasonable to the maintainable earnings of the portfolio company. In the majority of cases the Enterprise Value of the underlying business is derived by the use of an earnings multiple applied to the current year's earnings where these can be forecast with a reasonable degree of certainty and are deemed to represent the best estimate of maintainable earnings. Where this is not the case, historic earnings will generally be used in their place.

- The Enterprise Value of the underlying business will be calculated using the earnings multiple or other appropriate basis (as above);
- The Enterprise Value of the underlying business will then be adjusted for surplus assets, in particular surplus cash or excess liabilities to arrive at an Enterprise Value for the portfolio company; and
- The valuation of Electra's investment will be calculated from the Enterprise Value for the portfolio company after deduction of prior ranking debt and other financial instruments.

The Manager will normally derive the earnings multiple by reference to current market based multiples reflected in the valuations of quoted comparable companies or the price at which comparable companies have changed ownership. Differences between the comparator multiple and the unquoted company being valued are reflected by adjusting the multiple for points of difference. The reasons why such adjustments may be necessary include the following:

- Size and diversity of the entities
- Rate of growth of earnings
- Reliance on a small number of key employees
- Diversity of product ranges
- Diversity and quality of customer base
- Level of borrowing
- Any other reason the quality of earnings may differ
- Risks arising from the lack of marketability of the shares

Where a recent investment has been made, either by Electra or by a third party in one of Electra's investments, after considering the background of the underlying investment, this price will generally be used as the estimate of Fair Value, subject to consideration of changes in market conditions and company specific factors. Other methodologies, as detailed above, may be used at any time if this is deemed to provide a more accurate assessment of the Fair Value of the investment. The indicators that the price of recent investment may no longer be appropriate include:

- Significant under/over achievement of budgeted earnings
- Concerns with respect to debt covenants or refinancing
- Significant movements in the market sector of the investment
- Regulatory changes in the industry

The Manager's valuation model for debt instruments is the net present value of estimated future cash flows based on a discounted cash flow model. The discount rate used by the Company is based on the risk-free rate of the economic environment in which portfolio companies operate and is adjusted in relation to other factors such as liquidity, credit and market risk. Similar to the earnings multiple model the cash flows used in the discounted cash flow model are based on projected cash flow or earnings of the portfolio companies.

Limited Partnership Funds

Limited partnership funds are those set up by a third party where the Company does not hold a majority share and are at fair value, typically using the third party manager's valuation after adjustment for purchases and sales between the date of the valuation and the measurement date.

Accrued Income

Accrued income is included within investment valuations.

2 Segmental Analysis

The chief operating decision-maker has been identified as Electra Partners. Electra Partners reviews the Group's internal reporting in order to assess performance and allocate resources. Electra Partners has determined the operating segments based on these reports. Electra Partners considers the business as a single operating segment.

3 Earnings per Share

For the six months ended 31 March	2015	2014
Net revenue profit attributable to ordinary shareholders (£m)	9	3
Net capital return attributable to ordinary shareholders (£m)	141	56
Total return (£m)	150	59
Total equity shareholders' funds (£m)	1,350	1,088
Net revenue profit on which diluted return per share calculated with finance charge net of taxation of £3m (2014: £3m) added back	12	6
Net capital return on which diluted return per share calculated (£m)	141	56
Weighted average number of ordinary shares in issue during the period on which the undiluted profit per ordinary share was calculated	35,613,777	35,342,598
Weighted average number of ordinary shares in issue during the period on which the diluted profit per ordinary share was calculated	40,216,732	40,216,732

	Basic earnings per share		Diluted earnings per share	
	2015	2014	2015	2014
	p	p	p	p
Revenue profit per ordinary share	25.27	8.49	29.84	14.92
Capital return per ordinary share	393.11	158.45	348.11	139.25
Earnings per ordinary share	418.38	166.94	377.95	154.17

4 Net Asset Value per Ordinary Share

On 29 December 2010 Electra issued £100 million of 5% Subordinated Convertible Bonds at an issue price of 100 per cent and an initial conversion price of 2,050p. Bondholders may convert their Bonds into ordinary shares of the Company from 7 February 2011 up to and including the date falling seven business days prior to 29 December 2017. The Bond has been treated as a compound financial instrument containing both a liability and an equity component.

The basic Net Asset Value ("NAV") per share is calculated by dividing NAV of £1,350,375,000 (2014: £1,088,430,000) by the number of ordinary shares in issue amounting to 35,834,228 (2014: 35,343,119).

The diluted NAV per share is calculated by adding the liability component of the Convertible Bonds amounting to £76,321,000 (2014: £83,297,000) to NAV of £1,350,375,000 (2014: £1,088,430,000) and then dividing by the weighted average number of ordinary shares amounting to 40,216,732 (2014: 40,216,732) after taking into account dilutive potential shares.

5 Trade and other receivables

Includes £nil in relation to unsettled liquidity fund purchases (2014: £35 million).

6 Share Capital

As at 31 March	**2015 £m**	2014 £m
Allotted, called-up and fully paid 35,834,228 (2014: 35,343,119) ordinary shares of 25p each	9	9

During the six months ended 31 March 2015, 6,693 (2014: 17) Subordinated Convertible Bonds were converted into 326,477 (2014: 827) ordinary shares.

7 Related Party Transactions

Carried interest schemes

Certain members of Electra Partners (the "participants") are entitled to benefit from carried interest schemes under the terms of the limited partnerships through which Electra invests. Details of these schemes are as follows:

Long term incentive scheme ("LTI")

Under this scheme participants invested in every new investment made by Electra between 1995 and March 2006. In return the participants are entitled to a percentage of the total capital and revenue profits made on each such investment. The participants do not receive any profit until Electra has received back its initial investment.

1995 LTI

Participants are entitled to a percentage of the incremental value of unlisted investments held at 31 March 1995, subject to Electra having received total proceeds equal to the valuation of those investments as at 31 March 1995 plus a preferred return.

The Initial Pool

This relates to a pool of investments valued at £160 million at 31 March 2006 (the "initial pool"). Under this arrangement participants are entitled to 10% (the "carried interest") of the aggregate realised profits of the initial pool. The realised profits are calculated as being the aggregate of income and sale proceeds receivable by Electra less the £160 million opening value, less any additional purchases and less priority profit share. Carried interest is payable only once realised profits exceed a preferred return of 15% compounded annually on the opening value of the initial pool plus the cost of further investments less realisations. A full catch-up is payable once the realised profits of the initial pool exceed the preferred return. This catch-up means that all proceeds above the cumulative preferred return accrue to participants until they have been paid an amount equating to 10% of the total realised profits of the initial pool. Thereafter proceeds are split 90%:10% between Electra and the participants.

2006, 2009 and 2012 Pools

In October 2006 new arrangements were entered into in respect of investments made over each consecutive three year period. At the reporting date such arrangements are in operation in relation to the three year periods from 2006 to 2009, 2009 to 2012 and 2012 to 2015 (investments being made in each such period being referred to as a "pool").

Under these arrangements participants are entitled to a carried interest of 18% of the aggregate realised profits in relation to direct investments in each pool. The realised profits are calculated as being the aggregate of income and sale proceeds receivable by Electra less the purchase costs of investments and less priority profit share. Carried interest is payable only once realised profits exceed a preferred return of 8% compounded annually on the cost of investments less realisations. A full catch-up is payable once the realised profits exceed the preferred return. This catch-up means that all proceeds above the cumulative preferred return accrue to participants until they have been paid an amount equating to 18% of the total realised profits. Thereafter proceeds are split 82%:18% between Electra and the participants.

Similar arrangements are in place for indirect investments, the difference from the above arrangements being that the carried interest is 9% over an 8% preferred return.

No Directors of Electra participate in the above schemes.

Summary of carried interest pools

As at 31 March 2015	Initial Pool £m	2006 Pool £m	2009 Pool £m	2012 Pool £m
Amount invested	(236)	(436)	(327)	(756)
Amount realised	670	669	218	217
Valuation of remaining investments	27	93	333	816
Pool profit	461	326	224	277
Multiple of cost	3.0	1.7	1.7	1.4
Priority Profit Share	(7)	(31)	(15)	(15)
Net profit	454	295	209	262

Summary of provisions for carried interest

As at 31 March 2015	LTI £000	1995 LTI £000	Initial Pool £000	2006 Pool £000	2009 Pool £000	2012 Pool £000	Total £000
Provisional Entitlement	11,267	–	2,740	16,565	37,555	47,101	115,228
Outstanding Entitlement	98	–	129	–	–	–	227
Total Amount Outstanding	11,365	–	2,869	16,565	37,555	47,101	115,455
Amount Paid in Period	1,635	–	1,450	15,496	–	–	18,581

As at 31 March 2014	LTI £000	1995 LTI £000	Initial Pool £000	2006 Pool £000	2009 Pool £000	2012 Pool £000	Total £000
Provisional Entitlement	8,960	–	4,615	42,697	21,097	15,724	93,093
Outstanding Entitlement	–	–	–	4,848	–	–	4,848
Total Amount Outstanding	8,960	–	4,615	47,545	21,097	15,724	97,941
Amount Paid in Period	1,868	–	2,700	–	–	–	4,568

Electra Partners Club 2007 LP co-investment agreement

In November 2007, Electra entered into a co-investment agreement with Electra Partners Club 2007 LP ("Club"), a fund managed by Electra Partners LLP. The co-investment agreement requires Electra to co-invest at the ratio of 2:1 in all Electra Partners investments in private equity opportunities in Western Europe where the combined investment of Electra and the Club would represent a controlling stake and where the combined equity investment is between £25 million to £75 million. Both parties will invest on the same terms and conditions. The agreement allows for variations to these arrangements in certain prescribed circumstances. For example, where investment would compromise Electra's ability to qualify as an Investment Trust or where the Club would exceed certain concentration ratios. Investments that arise from interests that Electra already held prior to the establishment of the Club are unaffected by these sharing arrangements. These arrangements expired in May 2013.

Electra Partners priority profit share

Electra Partners is a related party and receives a priority profit share of 1.5% per annum on the gross value of the Company's investment portfolio including cash (but excluding any amounts committed to funds established and managed by Electra Partners). For the half year ended 31 March 2015 this was an amount of £13,356,000 (2014: £12,084,000). From 1 April 2015, no fee will be paid on cash and the management fee on Non-Core Listed and Primary Fund Investments will reduce to 1%.

Participants' Investment

From October 2006 the participants in the 2006, 2009 and 2012 pools are required to invest 1% of the cost of each direct investment on a pari passu basis with Electra. In the half year ended 31 March 2015 £1,273,000 was invested (2014: £1,229,000). At 31 March 2015 the fair value of all investments currently held by the participants was £12,543,000 (2014: £7,997,000).

8 Capital Commitments and Contingencies

During the period, the Company committed to a follow-on investment in Park Resorts a direct unlisted investment. As at 31 March 2015 this was subject to certain conditions, and therefore the purchase had not completed at the period end. See Note 9, 'Subsequent events' for further details of the purchase of Park Resorts, which completed prior to the date of this report.

As at 31 March	2015 £m	2014 £m
Commitments to private equity funds	54	80
Elian (formerly known as Ogier Fiduciary Services)	–	83
Innovia Group	–	33
Park Resorts	27	–
	81	196

9 Subsequent events

There was one material acquisition post period end relating to the follow on investment in Park Resorts for £27 million, which completed on 1 April 2015. As at 31 March 2015 there was a commitment to purchase and this is detailed in Note 8.

10 Financial Instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 30 September 2014.

There have been no changes in the risk management department or in any risk management policies since the year end.

The unlisted financial assets held at fair value, are valued in accordance with the Principles of Valuation of Unlisted Equity Investments as detailed within the Basis of Accounting (Note 1).

Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

The Group has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. This requires the Group to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The levels of fair value measurement bases are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured using valuation techniques for all inputs significant to the measurement other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair values measured using valuation techniques for any input for the asset or liability significant to the measurement that is not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table represents the Group's assets by hierarchy levels:

All fair value measurements disclosed are recurring fair value measurements.

Financial assets and liabilities at fair value through profit or loss

As at 31 March 2015	Total £m	Level 1 £m	Level 2 £m	Level 3 £m
Unlisted and listed investments	1,491	95	–	1,396
Liquidity funds	–	–	–	–
Interest rate swaps	–	–	–	–
	1,491	95	–	1,396

As at 31 March 2014	Total £m	Level 1 £m	Level 2 £m	Level 3 £m
Unlisted and listed investments	1,039	103	–	936
Liquidity funds	190	190	–	–
Interest rate swaps	(1)	–	(1)	–
	1,228	293	(1)	936

During the period there was a transfer of £4 million from Level 3 to Level 1. The fair value is determined based on quoted market prices.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Group does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include over-the-counter derivatives.

Investments classified within Level 3 make use of significant unobservable inputs in deriving fair value, as they trade infrequently. As observable prices are not available for these securities, the Group has used valuation techniques to derive the fair value. Investments classified within Level 3 consist of private equity direct investments and fund and secondary positions.

The main inputs into the Group's valuation models for private equity investments are EBITDA multiples (based on the budgeted EBITDA or most recent EBITDA achieved or a rolling 12 months basis of the issuer and equivalent corresponding EBITDA multiples of comparable listed companies), quality of earnings assessments, assessments of third party external debt, marketability discounts, cost of capital adjustments and probabilities of default. The Group also considers the original transaction prices, recent transactions in the same or similar instruments and completed third-party transactions in comparable companies' instruments and adjusts the model as deemed necessary.

In determining the valuation recommended to the Directors for the Group's equity instruments, the Manager uses comparable EBITDA multiples in arriving at the valuation for private equity. In accordance with the Group's policy, the Manager determines appropriate comparable public companies based on industry, size, developmental stage, revenue generation and strategy. The Manager then calculates a EBITDA multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable group by its EBITDA. The EBITDA multiple is then adjusted for discounts/premiums with regards to such considerations as illiquidity and other differences, advantages and disadvantages between the Group's portfolio company and the comparable public companies based on company specific facts and circumstances.

The value of private equity funds is primarily based on the latest available financial/capital account statement of the private equity fund. The Company may make adjustments to the value as set out in Note 24 of the Annual Report and Accounts 2014.

As at 31 March 2015 12% (2014: 17%) of financial assets at fair value comprise investments in private equity funds that have been valued in accordance with the policies set out in Note 24 of the Annual Report and Accounts 2014. The private equity funds are not publicly traded and prior to maturity an exit can only be made by the Company though a sale of its investment and commitment through a secondary market. The carrying values of the private equity funds may be significantly different from the values ultimately realised on an exit via a secondary market sale.

The following table presents assets measured at fair value based on Level 3.

	2015 **£m**	2014 £m
Opening balance as at 30 September	1,181	882
Purchases	129	134
Realisations	(109)	(139)
Transfer to Level 1	(4)	–
Increases in valuation	199	59
Closing balance as at 31 March	1,396	936

11 Dividends

No dividend was approved/paid during the six months ended 31 March 2015 (31 March 2014: approved £nil, paid £nil).

The Board declared an interim dividend of 1% of net asset value, in respect of the year ending 30 September 2015, amounting to 38p per ordinary share, which will be paid on 24 July 2015 to shareholders on the register of members at close of business on 5 June 2015.

Independent review report to Electra Private Equity PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed the condensed consolidated interim financial statements, defined below, in the Half Year Report of Electra Private Equity PLC for the six months ended 31 March 2015. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed

The condensed consolidated interim financial statements, which are prepared by Electra Private Equity PLC, comprise:

- the Consolidated Balance Sheet as at 31 March 2015;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the condensed consolidated interim financial statements.

As disclosed in Note 1, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed consolidated interim financial statements included in the Half Year Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed consolidated financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Responsibilities for the condensed consolidated interim financial statements and the review

Our responsibilities and those of the directors

The Half Year Report, including the condensed consolidated interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half Year Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the Half Year Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
20 May 2015
London

Notes:

(a) The Half Year Report is published on the Electra website (www.electraequity.com), which is a website maintained by Electra Partners. The maintenance and integrity of the website is, so far as it relates to the Company, the responsibility of Electra Partners; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Objective and Investment Policy

Electra has been quoted on the London Stock Exchange since 1976. Electra is managed as an HM Revenue and Customs approved investment trust and invests primarily in the private equity mid-market.

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

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

Electra Partners aims to achieve this target rate of return on behalf of Electra by utilising a flexible investment strategy and:

- exploiting a track record of successful private equity investment;
- utilising the proven skills of its management team with a strong record of deal flow generation and long-term presence in the private equity market;
- targeting private equity opportunities (including direct investment, fund investments and secondary buyouts of portfolios and funds) so that the perceived risks associated with such investments are justified by expected returns;
- investing in a number of value creating transactions with a balanced risk profile across a broad range of investment sectors through a variety of financial instruments; and
- actively managing its capital position and levels of gearing in light of prevailing economic conditions.

The investment focus is principally on Western Europe, with the majority of investments made in the United Kingdom where Electra Partners has historically been most active. There is an emphasis on areas where Electra Partners has specific knowledge and expertise. In circumstances where Electra Partners feels that 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 attempts to mitigate risk through portfolio diversification. Investments will therefore be made across a broad range of sectors and industries. At the time of investment, not more than 15% of Electra's total assets will typically be invested in any single investment. If Electra acquires a portfolio of companies in a single transaction, this limitation shall be applied individually to each of the underlying companies purchased and not to the portfolio as a whole.

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

Electra has a policy to return to shareholders a targeted 3% of NAV per annum, by way of cash dividend or share buybacks. Any shares bought back under this policy will be cancelled.

Half Year Management Report

Current and Future Development

A review of the main features of the six months to 31 March 2015 is contained in the Chairman's Statement, the Investment Highlights, Portfolio Overview and Portfolio Review which are on pages 4 and 5 and 12 to 21.

Performance

A detailed review of performance during the six months to 31 March 2015 is contained in the Investment Highlights, Portfolio Overview and Portfolio Review on pages 12 to 21.

Risk Management

The appointment of Electra Partners in 2014 as AIFM of the Company under the AIFMD means that it is responsible for the risk management and the ongoing process of identifying, evaluating, monitoring and managing the risks facing the Company in accordance with the requirements of the AIFMD. The Board keeps Electra Partners' performance of these responsibilities under review as part of its overall responsibility for the Company's internal controls.

The Board and Electra Partners consider that the principal risks facing the Company are Macroeconomic Risks, Gearing Risks, Foreign Currency Risks, Long-term Strategic Risks, Investment Risks, Valuation Risk and Operational Risk as set out in the Strategic Report of the Company's Report and Accounts for the year ended 30 September 2014 along with the risks detailed in Note 19 of the Notes to the Financial Statements as set out in the same Report and Accounts of the Company. The principal risks identified in the Company's Report and Accounts for the year ended 30 September 2014 have not changed significantly since the year end.

Related Party Transactions

Details of Related Party Transactions are contained in Note 7 of the Notes to the Accounts for the six months ended 31 March 2015.

Going Concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Half Year Report as the Company has adequate resources to continue in operational existence for the foreseeable future.

Forward-looking Statements

Certain statements in this Half Year Report are forward looking. Although the Company believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements. The Company undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Responsibility Statement

The Directors confirm to the best of their knowledge that:

a) the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union; and

b) the Half Year Management Report includes a fair review of the information required by:

(i) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board of Directors
Roger Yates
Chairman
20 May 2015

Information for Shareholders

Financial Calendar for 2015

Annual General Meeting	16 March 2015
Half-year Results announced	21 May 2015
Annual Results announced	November/December 2015

Website and Electra News via Email
For further information on share and Bond prices, regulatory news and other information, please visit www.electraequity.com.

If you would like to receive email notice of our announcements please visit the Electra website at www.electraequity.com and click on the "Subscribe to receive news alerts" logo on the Home page. Registering for email alerts will not stop you receiving Annual Reports or any other documents you have selected to receive by post or electronically.

Shareholder Enquiries
In the event of queries regarding your ordinary shareholding, please contact the Company's registrar, Equiniti Limited, who will be able to assist you with:

- registered holdings
- balance queries
- lost certificates
- change of address notifications

Equiniti Limited's full details are provided on page 76 or please visit www.equiniti.com.

If you are an existing shareholder and wish to buy more/sell your shares in Electra:
An internet and telephone dealing service has been arranged through Equiniti, which provides a simple way for UK shareholders of Electra to buy or sell Electra's shares. For full details and terms and conditions simply log onto www.shareview.co.uk/dealing or call 0871 384 2351. Please note that lines are open 8.30am to 5.30pm Monday to Friday (excluding bank holidays) and calls to this number cost 8p per minute plus network extras.

The service is only available to shareholders of Electra who hold shares in their own name, with a UK registered address, who are aged 18 and over.

Shareview Dealing is provided by Equiniti Financial Services Limited. Equiniti Financial Services Limited is authorised and regulated by the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (FCA reference 468631). Equiniti Financial Services Limited is registered in England and Wales with number 6208699.

If you are not an existing shareholder:
We recommend you seek your own personal financial advice from an appropriately qualified independent adviser or alternatively contact your own broker. Electra Private Equity's shares are listed on the London Stock Exchange as ELTA.

Please note. The above information is not a recommendation to buy or sell shares. The value of shares and any income from them can fluctuate and you may get back less than the amount invested. If you have any doubt over what action you should take, please contact an authorised financial adviser.

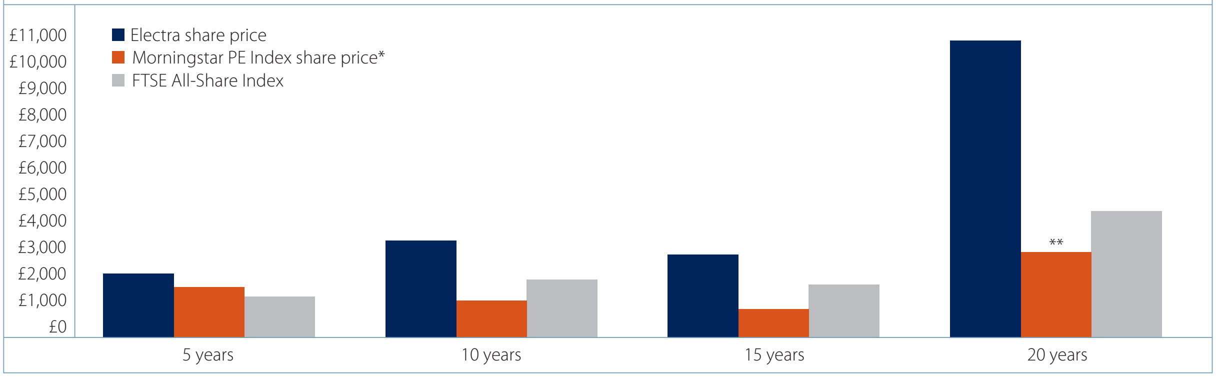
Dividend policy
Following a review of the distribution policy in February 2015, the Board implemented a distribution policy to return to shareholders a targeted 3% of NAV per annum, by way of cash dividend or share buybacks. Any shares bought back under this policy will be cancelled.

In line with this revised distribution policy the Board has declared an interim dividend of 1% of net asset value, in respect of the year ending 30 September 2015, amounting to 38p per ordinary share, which will be paid on 24 July 2015 to shareholders on the register of members at close of business on 5 June 2015.

A dividend re-investment plan (DRIP) is being set up, which will allow shareholders to use their cash dividends to add to their investment in the Company. Rather than receiving a cheque through the post or a BACS payment to their account, shareholders can elect to use their cash dividend to purchase additional Electra Private Equity PLC shares. On investment of the dividend, the participants are sent confirmation of the transaction details, a tax voucher and a share certificate (assuming there isn't a corporate sponsored nominee in place).

A DRIP brochure (incorporating Terms & Conditions) and a personalised application form are being sent to all shareholders with the Half Year Report for the six months ended 31 March 2015.

Shareholder total return performance for £1,000 invested As at 31 March 2015



* The above index, prepared by Morningstar UK Limited, reflects the performance of 19 private equity vehicles, excluding Electra, listed on the London Stock Exchange.
** 19 year period only.

Trading Information – Ordinary shares

Listing	London Stock Exchange
ISIN	GB0003085445
SEDOL	0308544
Ticker/EPIC code	ELTA
Bloomberg	ELTALN
Reuters	ELTAL

Convertible Bond

What is a Convertible Bond?

A convertible bond is a tradable debt that can be converted into a predetermined amount of the company's equity during its life.

In the case of Electra, £100 million of Convertible Bonds were raised in December 2010. Each bond was priced at £1,000 per bond and generates 5% interest per annum payable semi-annually in equal instalments in arrears on 29 June and 29 December in accordance with the terms of the Prospectus.

Bondholders can convert their bonds into Electra shares at any time within the life of the bond (expires 2017) in accordance with the terms of the Prospectus. The conversion price in effect immediately upon issue of the bonds is 2,050p. The Convertible Bond is listed on the London Stock Exchange and can be traded like other listed securities.

The Company has the option to convert all of the Bonds to ordinary shares on or after 29 December 2015. This option is exercisable providing that on each of at least 20 dealing days in any period of 30 consecutive dealing days the Parity Value shall have exceeded 130% of the principal amount of the Bond. Parity Value is the number of ordinary shares each Bond will convert into multiplied by the volume weighted average price of an ordinary share. This option is additionally exercisable if 85% or more of the original principal amount of the Bonds have been redeemed/converted.

In the unlikely event of Electra winding up, the Bondholders would rank above the ordinary shareholders in terms of being entitled to the capital of Electra.

For further information please visit our website www.electraequity.com/convertible.

Trading Information – Convertible Bond

Listing	London Stock Exchange
ISIN	GB00B5B0NW64
SEDOL	B5B0NW6
Ticker/EPIC code	ELTC
Bloomberg	ELTALN5 12/29/2017 Corp

Zero Dividend Preference Shares

What is a Zero Dividend Preference Share?

ZDPs are a class of share with a limited life. They provide no annual income or dividend but instead will pay out a fixed amount of capital (known as the "final capital entitlement") at a specific date in the future (known as the "redemption date"). In the case of Electra Private Equity Investments PLC, £46 million of ZDPs were raised in 2009 and have a redemption date of 5 August 2016.

In the unlikely event of Electra winding up, the holders of ZDPs would rank above both the holders of Convertible Bonds and the ordinary shareholders in terms of being entitled to the capital of Electra.

For further information please visit our website www.electraequity.com/Eltz.

Share Fraud Warning

We are aware that in the past a number of shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based brokers who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares. These operations are commonly known as Boiler Room scams.

Please be very wary of any such calls or correspondence. Ask for the name and organisation of the person calling you and check if they can be found on the FCA Register. If they are not listed, please report it directly to the FCA using their consumer helpline (0800 111 6768). You may also wish to advise us by telephoning 020 7214 4200 or emailing ir@electrapartners.com.

It is very unlikely that either the Company or the Company's Registrars, Equiniti, would make unsolicited telephone calls to shareholders. Such calls would only relate to official documentation already circulated to shareholders and never be in respect of investment advice.

Please remember that if you use an unauthorised firm to buy or sell shares, you will not be eligible to receive payment under the Financial Services Compensation Scheme if things go wrong.

Other Useful Websites

LPEQ

Electra is a founder member of LPEQ, a group of private equity investment trusts and similar vehicles listed on the London Stock Exchange and other major European stock markets, formed to raise awareness and increase understanding of listed private equity.

LPEQ provides information on private equity in general, and the listed sector in particular, undertaking and publishing research and working to improve levels of knowledge about private equity among investors and their advisers.

For further information visit www.lpeq.com

Association of Investment Companies (AIC)

Electra is a member of the AIC, the trade organisation for closed-ended investment companies. The AIC represents a broad range of closed-ended investment companies, including investment trusts, offshore investment companies and venture capital trusts which are traded on the London Stock Exchange, Alternative Investment Market, Special Financials Market, Euronext and the Channel Islands Stock Exchange.

For further information visit www.theaic.co.uk

British Private Equity & Venture Capital Association (BVCA)

Electra is a member of the BVCA, the industry body and public policy advocate for the private equity and venture capital industry in the UK. The BVCA's aim is to aid understanding around the activities of its members, promote the private equity and venture capital industry to entrepreneurs and investors as well as to Government, the EU, trade unions, international media and the general public. They communicate the industry's impact and reinforce the crucial role its members play in the global economy as a catalyst for change and growth.

For further information visit www.bvca.co.uk

Glossary

Carried interest

The incentive arrangements, which are similar to arrangements found elsewhere in the private equity industry, are designed to align Electra Partners' interests with those of Electra's shareholders. These arrangements are typically referred to as "carried interest".

The carried interest payable to the members of Electra Partners is based on three year pools of investments. Under the terms of this arrangement all qualifying investments in a three year period are aggregated into a separate pool. Electra must first receive back the aggregate cost of all the investments in the pool, plus related priority profit share (see below) and an 8% compound return (this is often referred to as the "hurdle"). Once Electra has received sufficient cash to pay the amounts as described above the members of Electra Partners will be entitled to a carried interest of 18% of the profits. Consequently, they will receive the next 18/82 of the hurdle so that they will have an amount equal to 18% of the profits on the pool up to that point (this is referred to as a "catch up"). Thereafter, Electra and the members of Electra Partners will share future cash flows in the ratio of 82:18.

Below is an example to illustrate in principle how the above described arrangements work:

	£m	Assumptions
Amount invested	500	Amount invested and priority profit share
Amount realised	1,000	Realised after year five
Pool profit	500	
Hurdle	(210)	8% per annum compound
Catch up	46	18/82 of the hurdle
Balance	44	The amount over the hurdle to get to an aggregate 18% of the pool profit
Total carry	90	18%
Electra	410	82%

Commitments

Legal obligation to provide capital for future investment in a private equity fund or in relation to a single investment.

Discount

Investment trust shares frequently trade at a discount to NAV. This occurs when the share price is less than the NAV. In this circumstance, the price that a shareholder would pay or receive for a share would be less than the value attributable to it by reference to the underlying assets. Traditionally expressed as a percentage.

Earnings multiple

This is normally referred to as a price earnings (P/E) ratio. It is the ratio of a company's valuation compared to its earnings.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation. Often used to compare the profitability of similar companies.

EBITDA margin

EBITDA expressed as a percentage derived by dividing EBITDA by net sales.

EV (enterprise value)

This is the aggregate value of a company's entire issued share capital and net debt.

Gearing

This is the level of a company's debt related to its equity capital and is usually expressed in percentage form. It shows the extent to which a company is funded by lenders as opposed to shareholders.

Hedging

Hedging is an investment technique designed to offset a potential loss on one investment by purchasing a second investment that is expected to perform in the opposite way.

IPO (initial public offering)

An offering by a company of its share capital to the public with a view to seeking an admission of its shares to a recognised stock exchange.

IRR (internal rate of return)

Is the annualised return on an investment calculated from the cash flows arising from that investment taking account of the timing of each cash flow. It is derived by computing the discount rate at which the present value of all subsequent cash flows arising from an investment are equal to the original amount invested.

Listed company

Any company where the shares are freely tradable and are listed or traded on a recognised stock exchange.

LTM

Last twelve months.

NAV

This is the value of all the Company's assets minus current and long-term liabilities. Can also be referred to as 'shareholders' funds'.

NAV per share

This is the value of the Company's assets attributable to one Ordinary share. It is calculated by dividing 'shareholders' funds' by the total number of Ordinary shares in issue.

Calculation of NAV

At 31 March 2015

- The calculation of the unaudited diluted NAV per share at 31 March 2015 has been affected by the issue of the Bonds. Electra is required to prepare accounts and report in accordance with the Companies Act 2006 and International Financial Reporting Standards (IFRS) as adopted by the European Union. Under IFRS, the Bonds are a compound financial instrument which contains both a liability and an equity component. Of the £100 million raised, £23 million of the Bonds was accounted for as an equity instrument with the balance accounted for as debt. Further details of the accounting treatment of the Bonds are set out in the Report and Accounts for the year ended 30 September 2014.

At 15 May 2015

- The unaudited diluted NAV per share at 15 May 2015 was calculated on the basis of the NAV at 31 March 2015 adjusted to reflect purchases and sales of investments, currency movements and bid values on that day in respect of listed investments.

Permanent Capital

An investment entity that manages capital for an unlimited time horizon.

Priority Profit Share

This is a share of profits equivalent to a management fee. It is calculated at 1.5% of the gross value of the Company's core investment portfolio. From 1 April 2015 the management fee on Non-Core Listed and Primary Fund Investments has reduced to 1%.

Return on Equity (ROE)

This is the total return divided by opening shareholder funds. Electra's ROE has been calculated by taking the percentage change in diluted NAV per share and adding back dividends paid per share.

Total return

The total return to shareholders is the aggregate of income and capital profits of the investment portfolio for the year less all costs.

Unlisted company

Any company whose shares are not listed or traded on a recognised stock exchange.

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*Calls to these numbers cost 8p per minute plus network extras. Lines open 8.30am to 5.30pm, Monday to Friday.

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