



Electra Private Equity plc

Annual Review and Analysis

December 2009

Presented by

electra
partners



Full Year Results

	30 Sept 2009 p	30 Sept 2008 p	Change %
Net asset value per share	1,720	1,801	(4.5)%
Share price	1,224	1,235	(0.9)%
Discount	28.9%	31.4%	
NB FTSE All-share change 6.1%			



Six months to 30 September 2009

	30 September 2009 p	31 March 2009 p	Change %
Net asset value per share	1,720	1,512	13.8%
Share price	1,224	578	111.8%
Discount	28.9%	61.8%	
NB FTSE All-share change 32.8%			



Analysis of Movement in NAV

	Per share p
Opening NAV – 30 September 2008	1,801
Net depreciation of investment portfolio	(58)
Exchange loss on loans	(85)
Net income	33
Tax write backs	33
Share buybacks/incentive	(4)
Closing NAV – 30 September 2009	1,720



Overall Portfolio Changes

	Year to 30 Sept 2009 £m	Year to 30 Sept 2008 £m	Year to 30 Sept 2007 £m
Opening portfolio	505	620	380
Investment	88	114	322
Realisations	(27)	(192)	(303)
Net capital (losses)/gains	(19)	(37)	221
Closing portfolio	547	505	620
Portfolio performance	(3.8)%	(6.0)%	58.2%



Analysis of Valuation Changes

Year to 30 September 2009

	Valuation at as at 30 Sept 2008 £m	Capital Gain/(Loss) £m	Change %
Direct unlisted	307	(30)	(9.8)
Secondaries	21	14	66.7
Funds	81	(15)	(18.6)
Listed investments	96	12	12.5
	505	(19)	(3.8)



Analysis of Valuation Changes

6 months to 31 March 2009 and 30 September 2009

	First six months £m	Second six months £m	Total for year £m
Direct unlisted	(47)	17	(30)
Secondaries	9	5	14
Funds	(9)	(6)	(15)
Listed investments	(31)	43	12
	(78)	59	(19)



Direct Unlisted – Valuation Changes

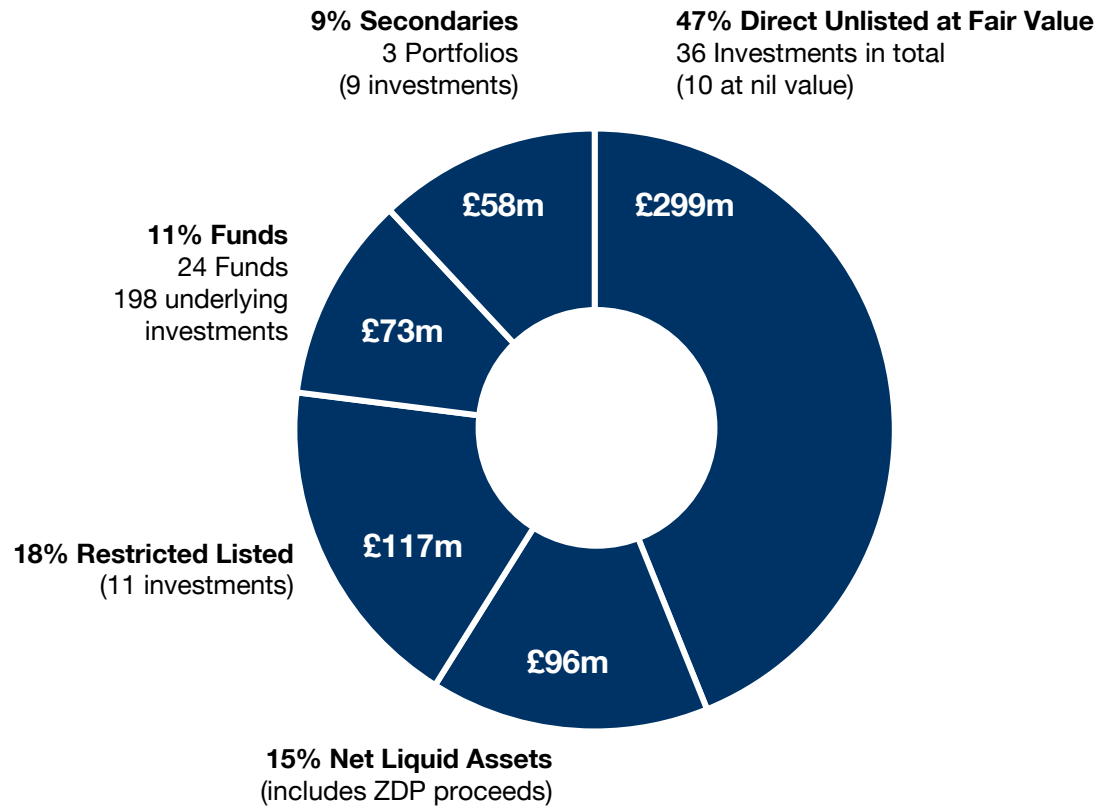
		Valuation increase/(decrease) in year to 30 Sept 2009 £m	Reason for change
Baxi		* 20.4	Transaction with DDR
Allflex		5.5	Currency
Supervia		5.5	Turnaround
Bizspace		(5.5)	Property yields
Amtico		(6.2)	Decline in earnings
Premier Asset Management		(7.1)	Decline in earnings
Capital Safety		(10.0)	Decline in earnings
Vasanta		(29.4)	Credit insurance
Others	Decreases (23.5)		
	Increases 19.9	(3.6)	Various
		(30.4)	



Overall Portfolio Analysis

at 30 September 2009

Total Portfolio £643 million





Unlisted Investments

(Direct plus Secondary Investments)

Company	Sector	Year of Investment	Cost £m	Valuation at 30 Sept 2009 £m	Net change in year £m	Pre currency change in year £m
Allflex	Animal tagging	* 2007	40.5	50.7	5.5	–
Baxi	Heating systems	2009	32.1	41.3	†† 20.4	20.4
Promontoria	Property holding Co.	2008	16.5	30.4	2.7	–
MPS †	Meat processing systems	2008	17.5	21.5	3.9	3.9
Lil-lets Group	Feminine hygiene	2007	21.4	21.1	(0.3)	(0.3)
Credit Opportunities	Discounted debt	2009	18.0	20.6	3.5	3.5
Labco	Medical diagnostics	2008	23.7	20.3	(3.3)	(7.0)
Nuaire	Ventilation systems	2007	23.1	19.2	(3.3)	(3.3)
Vent-Axia	Fan manufacturer	2006	15.8	15.8	–	–
CH Pharma †	Contract pharmaceuticals	2007	5.3	12.7	5.8	4.7
Thermocoax †	Temperature measurement	2007	4.4	12.5	5.4	4.3
PINE	Nursery school finance	2006/7	12.3	8.9	(1.2)	(1.2)
Amtico	Luxury flooring	* 2006	22.3	6.5	(6.3)	(6.3)
Capital Safety Group	Specialist safety equipment	* 2007	17.6	6.2	(10.0)	(11.1)
Supervia	Commuter railroad	1998	17.0	5.5	5.5	5.5
			287.5	293.2	28.3	13.1
Other investments			180.6	63.6	(13.2)	
Direct unlisted and Secondaries			468.1	356.8	15.1	



Baxi

In October Baxi combined with DDR to form BDR Thermea

The combination brings a number of advantages:

- Good strategic fit with complementary geographic strengths and product ranges
- Significant synergy opportunities
- Debt EBITDA ratio reduced to below 3

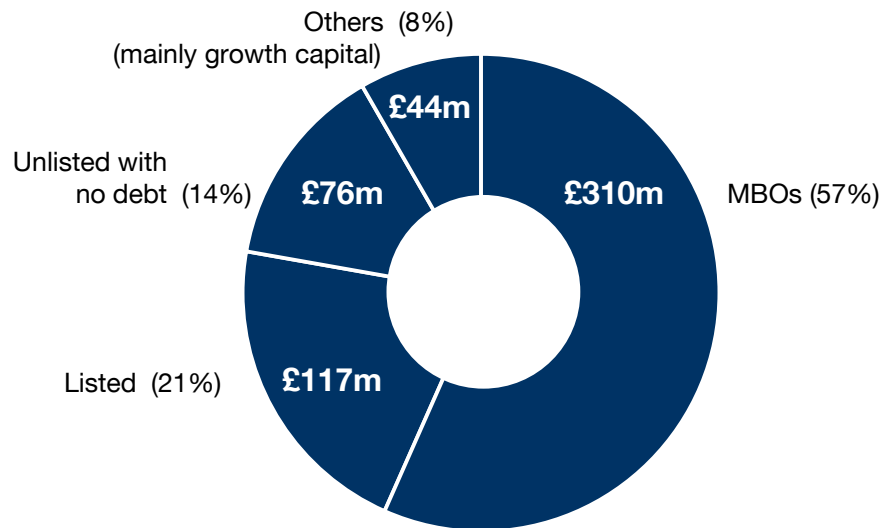
The terms of the combination valued Electra's investment at £41.3m (including the mezzanine holding) and reinstated £14.6m of accrued interest.



Investment Portfolio Debt Analysis

Investment Portfolio £547 million

30 September 2009



Management buyouts £310 million

Debt/EBITDA Ratio	%	£m	Average Ratio	No of Co's
6 - 7	2	6	7.0	1
5 - 6	16	50	5.2	1
4 - 5	-	-	-	-
3 - 4	26	80	3.5	5
2 - 3	23	72	2.4	6
1 - 2	12	38	1.6	2
LBO Funds	21	64	n/a	140
	100	310		

Weighted Average Debt/EBITDA Ratio 3.2
(excluding Funds)



Fund Commitments

At 30 September 2009 Electra had £103m committed to private equity funds of which 9 are active.

Three funds account for 58% of total commitments.

	£m	% of Fund drawn
TCR (France)	27.1	25%
Cognetas (Europe)	17.2	67%
GEAM Worldwide	15.0	0%
	<hr/> 59.3 <hr/>	

In the year to 30 September 2009, calls from all funds amounted to £16.6m and proceeds to £5.6m. Call-downs likely to be spread over 3-4 years, unlikely to exceed £85m in total.

60% of commitments are to funds with only 25% called.



Electra Liquidity Position

Net Liquid Resources.

	30 September 2009 £m	30 September 2008 £m
FRNs	54	275
Liquidity funds	175	–
Cash	37	42
	266	317
Borrowings	(170)	(158)
Net Liquid Resources	96	159

Borrowings currently used to provide currency hedge (Euros 65% and US\$ 30%) and to provide compliance with Section 842.

New bank facilities of £185 million. Net proceeds from ZDP issue of £42 million.

Listed portfolio of £117 million.



Investment Activity

New investment at low level for last two years.

Priority has been to improve quality of existing portfolio.

Realisations minimal but cash inflow may increase in current year.

Prices of deals becoming more realistic.

Some interesting opportunities beginning to emerge.



Summary

Electra has :

- Net liquid resources (no net borrowings)
- Low level of commitments
- Conservatively valued portfolio with manageable debt levels and good defensive qualities

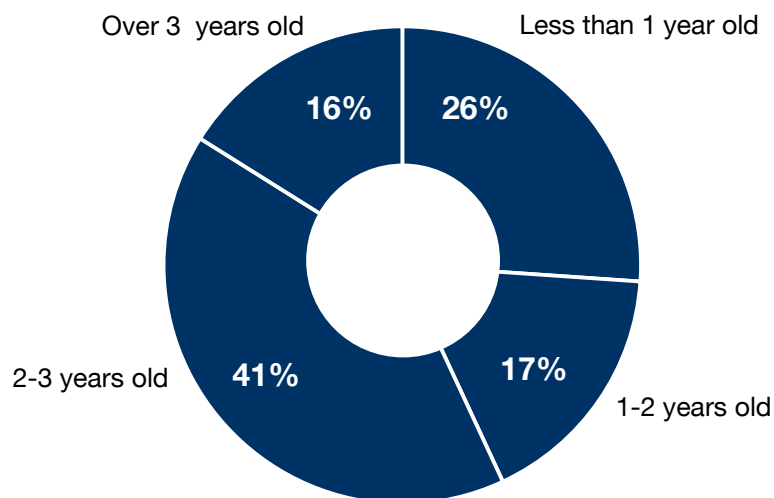
Well placed to benefit from existing portfolio and new investment opportunities

Investment Portfolio^{*}

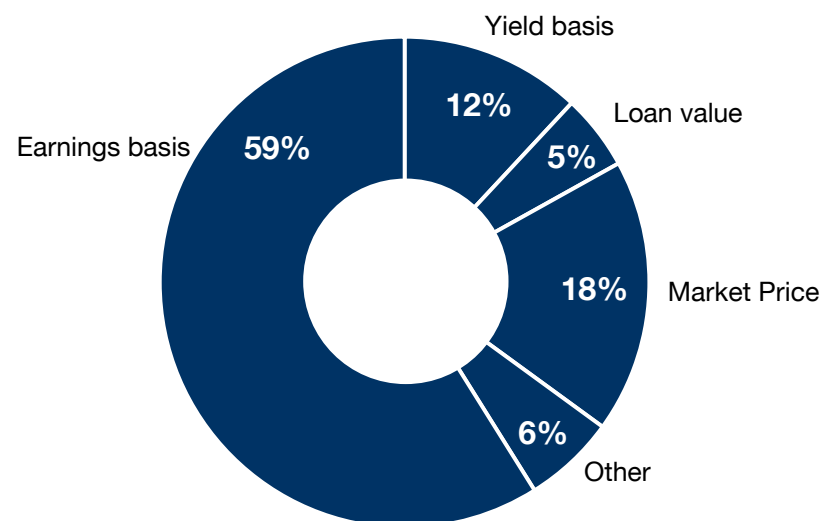
at 30 September 2009

Addendum

Age Profile By last financing †



Valuation Basis **



Total £358 million

* Includes Direct Unlisted investment and Secondaries.

† Includes Baxi as 2009 investment.

** Includes Baxi in Market Price sector.



Listed Portfolio

Addendum

	Country	No of Shares '000	Value at 30 Sept 2009 £m
London & Stamford	UK	29,700	38.0
Zensar Technologies	India	5,151	15.5
Dinamia	Spain	1,250	12.7
Moser Baer	India	9,960	12.6
Orthofix	USA	329	6.0
Candover	UK	950	5.4
Millicom	USA	110	5.0
Hornby	UK	2,995	3.9
Meghmani	India	28,389	2.9
Sundry (mainly in process of sale)			15.2
			117.2



Team

Well resourced

- 16 investment professionals
- Backed by a 25-strong team skilled in finance, compliance, property investment, portfolio management and marketing

Experienced

- Senior management have worked together since 1992
- In private equity long enough to invest through several business cycles
- Flexible, fast-acting
- Investment professionals average over 15 years in private equity



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