



Electra Private Equity PLC

Half Year Review and Analysis

May 2011

Presented by

electra
partners

Results: Six Months to 31 March 2011

	31 Mar 2011	30 Sept 2010	Change
Net assets (£000's)	808,563	724,531	11.6%
Net asset value per share (diluted)	2,193p	2,050p	6.9%
Share price	1,664p	1,368p	21.6%
Discount	24.1%	33.3%	

FTSE All-Share up 7.0% over the six months to 31 March 2011

Partially adjusted diluted NAV per share at 16 May 2011 was 2,202p (share price 1,735p)

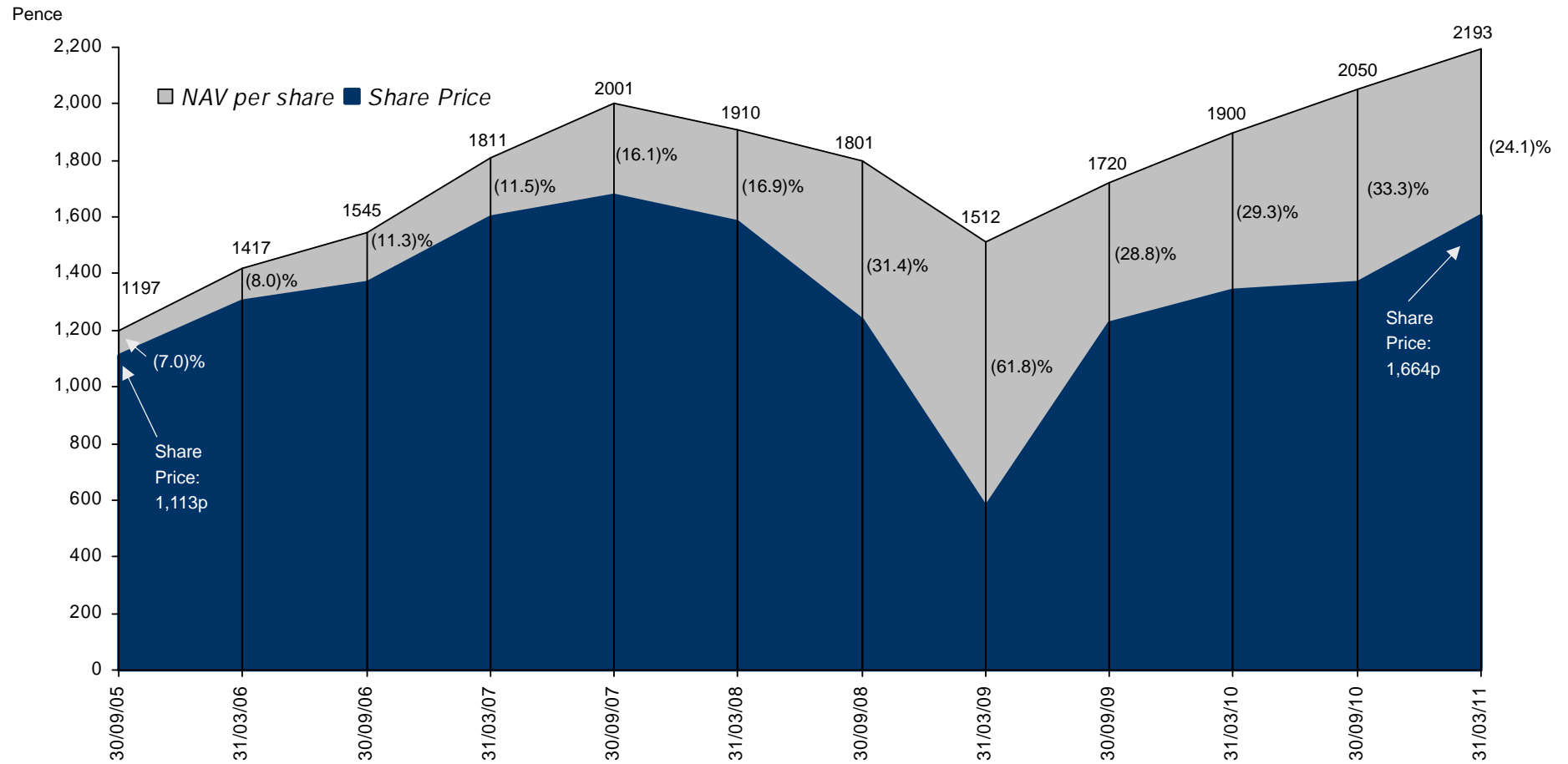


Results: Year to 31 March 2011

	31 Mar 2011	31 Mar 2010	Change
Net assets (£000's)	808,563	671,491	20%
Net asset value per share (diluted)	2,193p	1,900p	15%
Share price	1,664p	1,342p	24%
Discount	24.1%	29.4%	

NAV and Share Price

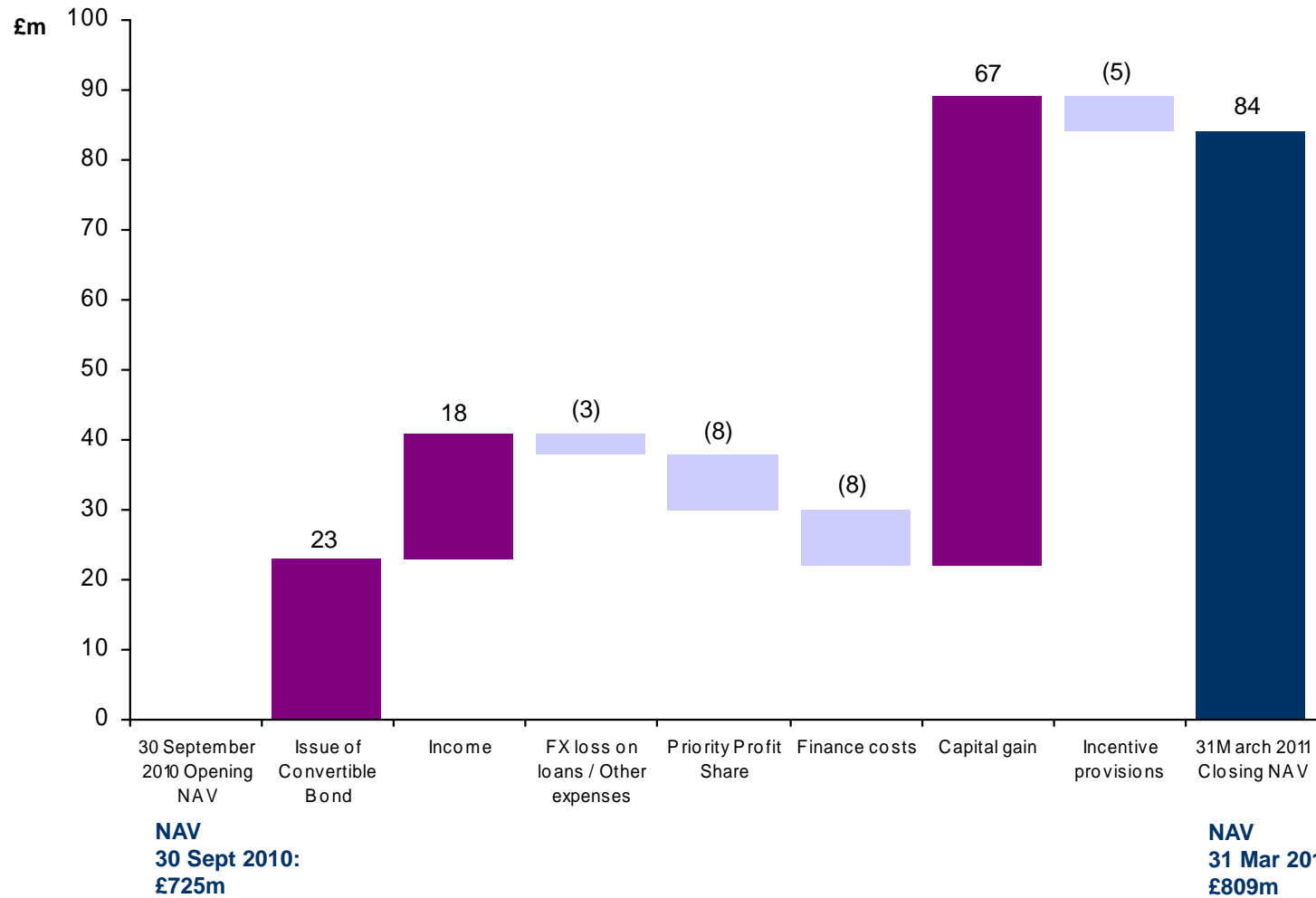
Movement over last 5 years





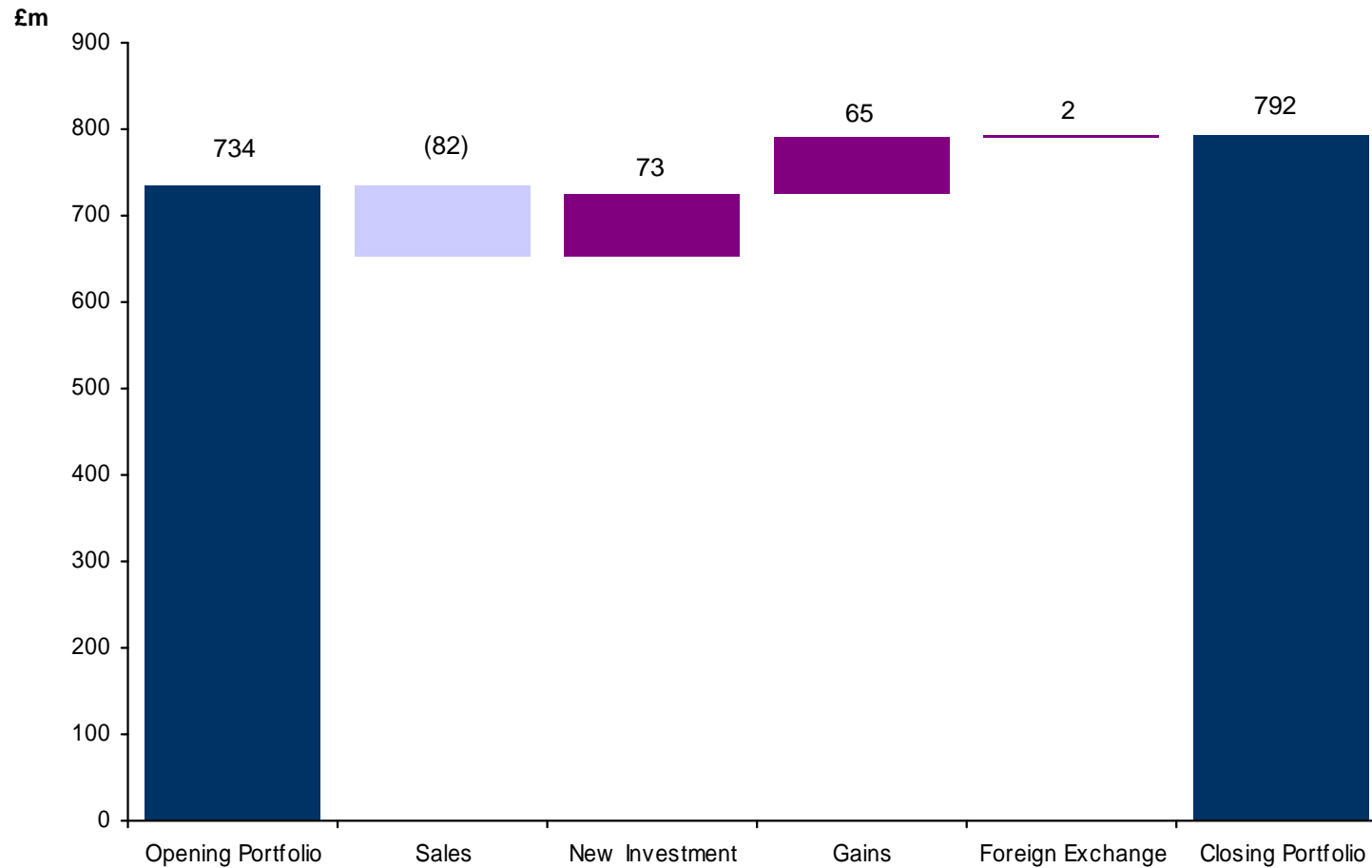
Analysis of Movement in NAV

Six months to 31 March 2011





Portfolio Movement (excluding cash)

Six months to 31 March 2011



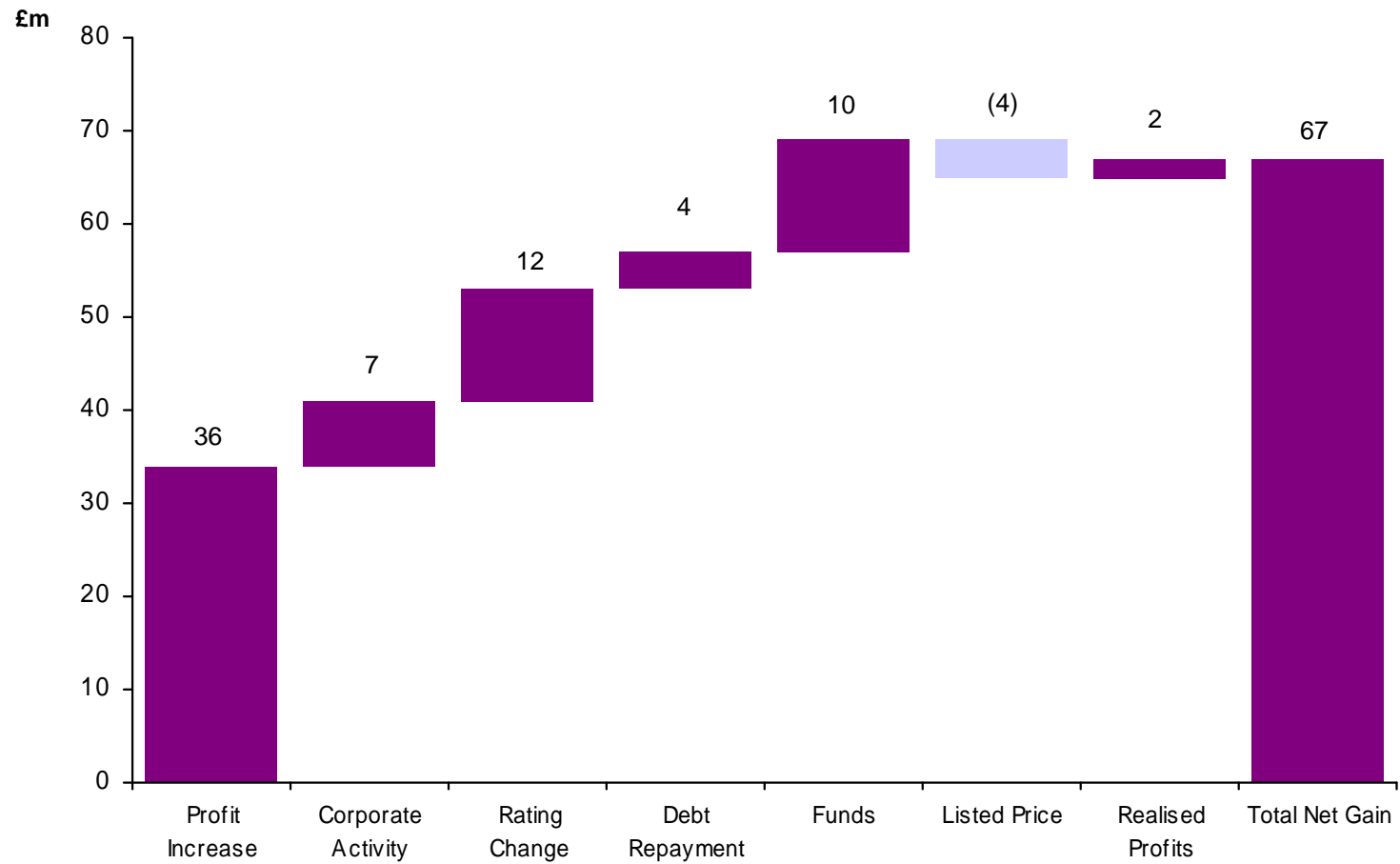
2011 – New Investments

Company		
Business Description	Products for heating systems	Fine art supplier
New Capital Invested	£36.8m ¹	£26.2m ²
Ownership	50%	62%
Investment Rationale	Growth through market expansion	Growth through consolidation

1. The investment in Sentinel was reduced after 31 March 2011 to £15.9m following the securing of medium-term banking finance
2. Shortly after 31 March 2011, the investment in Daler-Rowney was reduced to £17.4m following an investment by the Electra Partners Club 2007 fund

Analysis of Capital Gains

Six months to 31 March 2011



Largest Changes in Valuation (over £3m)

Company	Six months to 31 Mar 2011 £m	Reason for change
Gains		
Allflex	14.5	Increase in profits
BDR Thermea	10.7	Increase in profits
Funds	10.5	Various
esure	4.4	Go Compare profit growth
Promontoria	4.0	Rent increases and yield
Unipart	3.9	Restructuring
Capital Safety	3.6	Increase in profits
London & Stamford	3.6	Listed price
Labco	3.4	Debt restructuring
Other (11 investments)	17.0	Various
	75.6	
Reductions in value		
Moser Baer	(3.8)	Listed price
Other (10 investments)	(4.4)	Various
	(8.2)	
Net Change	67.4	

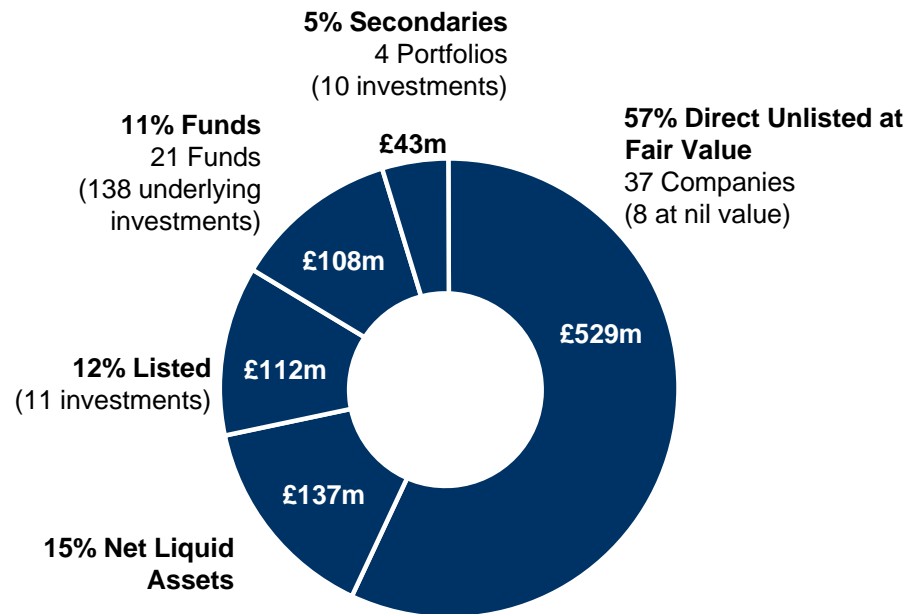


Overall Portfolio Analysis

Including Cash

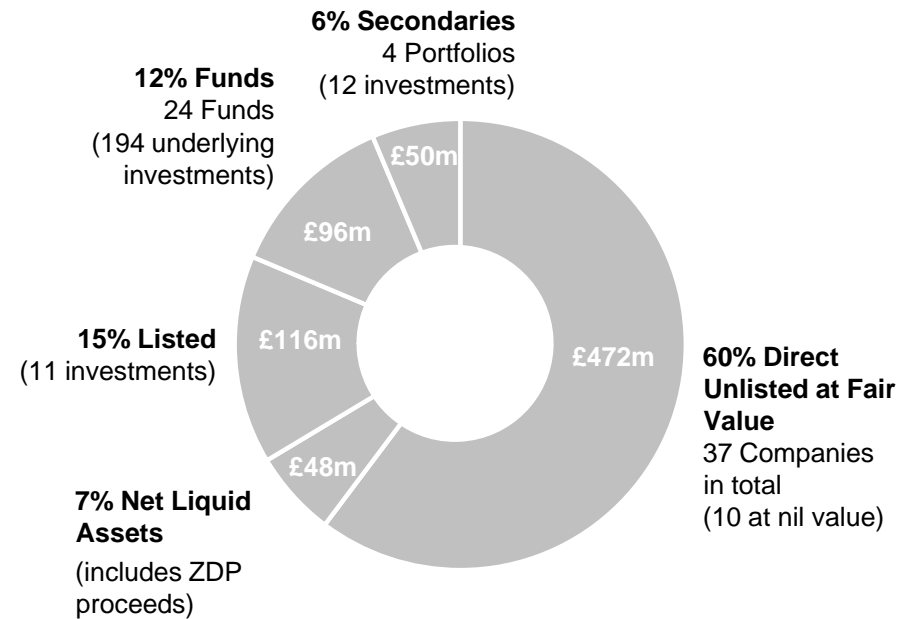
Total Portfolio £929 million*

31 March 2011



Total Portfolio £782 million*

30 September 2010





Portfolio Movement (by segment)

Six months to 31 March 2011

	Valuation at 30 Sept 2010 £m	Purchases £m	Sales £m	Changes in Valuation £m	Valuation at 31 Mar 2011 £m
Direct Unlisted	472	65	66	58	529
Secondaries	50	-	10	3	43
Funds	96	8	6	10	108
Listed	116	-	-	(4)	112
	734	73	82	67	792



Portfolio Movement (including income)

Six months to 31 March 2011

	Valuation 31 Mar 2011 £m	Changes in Valuation £m	Currency Movement £m	Income £m	Total Changes £m	% Change in 6 Months
Direct Unlisted	529	56	2	16	74	14.7
Secondaries	43	3	-	-	3	6.0
Funds	108	9	1	-	10	10.4
Listed	112	(3)	(1)	1	(3)	(2.5)
	792	65	2	17	84	11.0



Direct Investments

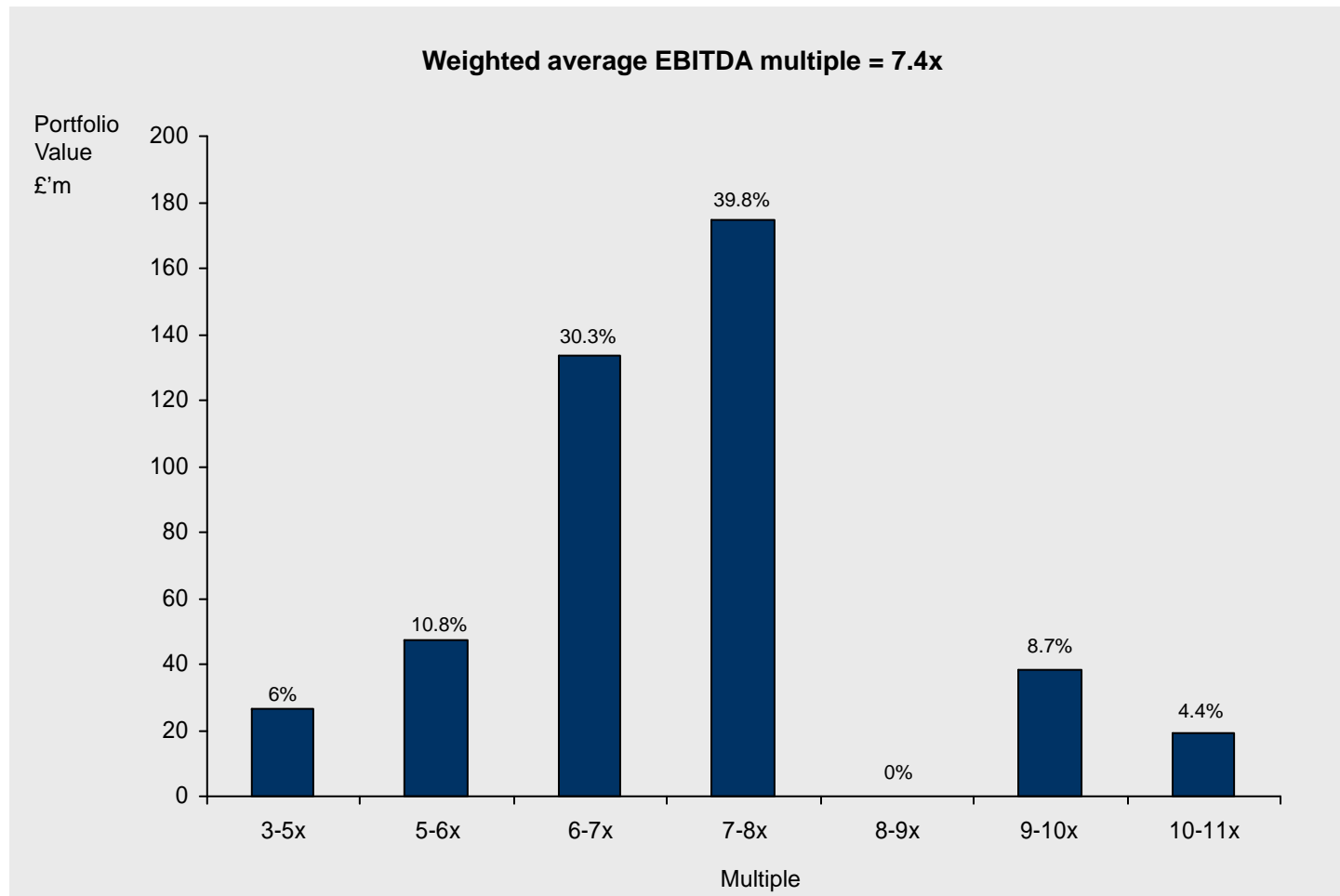
(Individual investments greater than £6.0 million in value)

Company	Sector	Year of Investment	Cost £m	Valuation at 31 Mar 2011 £m	Net change in period £m
Allflex	Animal tagging	*2007	40.5	86.4	14.5
BDR Thermea	Heating systems	*2009	28.6	61.8	10.7
esure	Motor and home insurance	2010	29.7	39.8	4.4
Promontoria	Property holding Co.	*2008	15.1	39.0	4.0
Sentinel	Heating fluids	2011	36.8	36.8	-
Premier	Financial services	2008	55.8	31.8	-
Daler-Rowney	Fine art products	2011	26.2	26.2	-
Nuaire	Ventilation systems	2007	23.1	22.8	2.6
Capital Safety Group	Specialist safety equip	*2007	17.6	21.6	3.6
Lil-Lets Group	Feminine hygiene	2007	21.4	21.1	-
Labco	Medical diagnostics	2008	24.2	19.0	3.4
CPA	Patent management	2010	13.9	16.3	2.4
PINE	Nursery school finance	2006/7	14.5	16.3	1.0
Vent-Axia	Ventilation systems	2006	15.8	15.8	-
Kalle	Food containers	2010	9.0	13.0	2.0
Amtico	Luxury flooring	*2006	22.3	12.4	-
SAV Credit	Credit card operator	2005	24.2	11.8	(0.2)
			418.7	**491.9	48.4
Other – Direct investments (20)			84.8	37.0	9.2
Total			503.5	528.9	57.6

* Date of latest refinancing

** Excludes accrued income of £40.2m

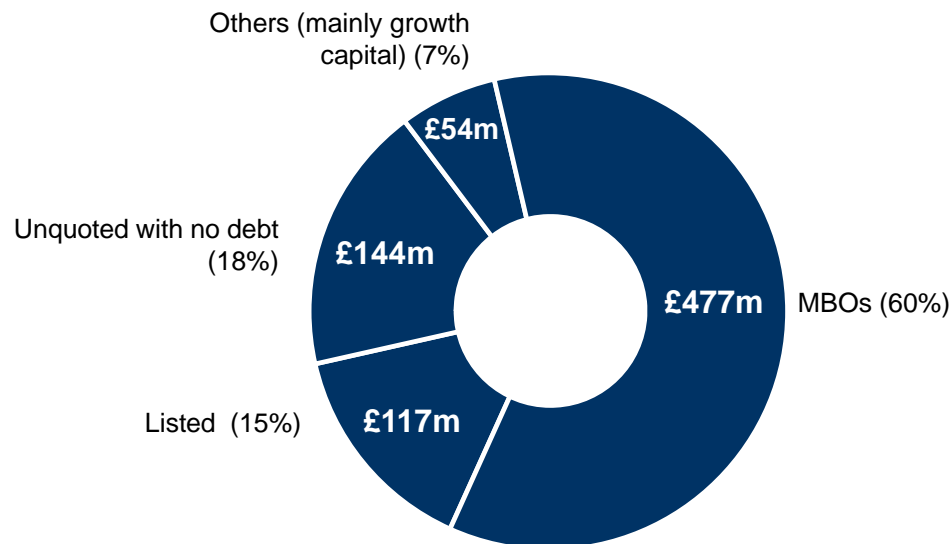
Direct Portfolio – Valuation Multiple



Investment Portfolio Debt Analysis

Investment Portfolio £792 million

31 March 2011



Management buyouts £477 million

Debt/EBITDA Ratio	%	£m	Average Ratio	No of Co's
5 – 6	5	22	5.7	1
4 – 5	4	19	4.7	1
3 – 4	35	169	3.4	6
2 – 3	11	50	2.6	3
1 – 2	27	129	1.3	4
LBO Funds	18	88	-	112
	100	477		

Weighted Average Debt/EBITDA Ratio 2.7
(excluding Funds)

30 September 2010: 2.9



Electra Liquidity Position

- As at 31 March 2011, the Company had outstanding commitments to private equity funds of £87m
- As at 31 March 2011, the portfolio included £112m of listed securities, the majority of which can be realised within a short time-frame

	31 Mar 11 £m	30 Sept 10 £m
Liquid resources	303	212
Bank borrowings [†]	(166)	(164)
Net liquid resources	137	48
ZDP shares	(51)	(50)
Convertible Bond	(100)	-
Net cash (gearing)	(14)	(2)

† Facility of £185 million available until 2013

Investment Activity

Number of opportunities in the mid-market increasing

- Bank asset sales beginning to happen
- PE firms seeking exits to support fund raising

Competition for assets remains high

- Continuing overhang of PE money
- Investment period pressure for some firms

Debt markets are improving gradually, but they remain tight in the mid market with a limited number of banks participating and margins still very high relative to historic norms

Choppy economic outlook making earnings visibility of many deal prospects challenging





Conclusion

Electra's existing portfolio is in good shape and performing well

Good opportunities exist for this portfolio to continue to drive NAV growth

The private equity market is expected to improve as the current equity overhang recedes and capital requirement rises

Electra remains well placed in terms of experience, liquidity and flexible investment approach to benefit from this market situation



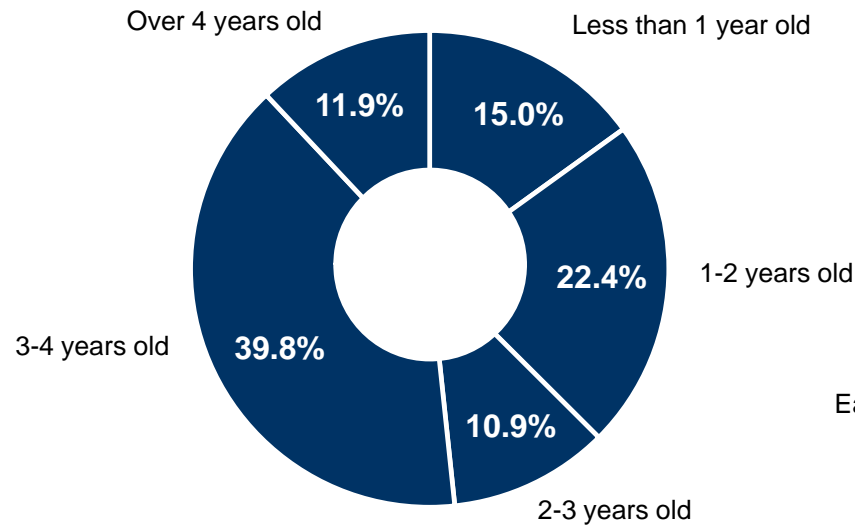
Appendices



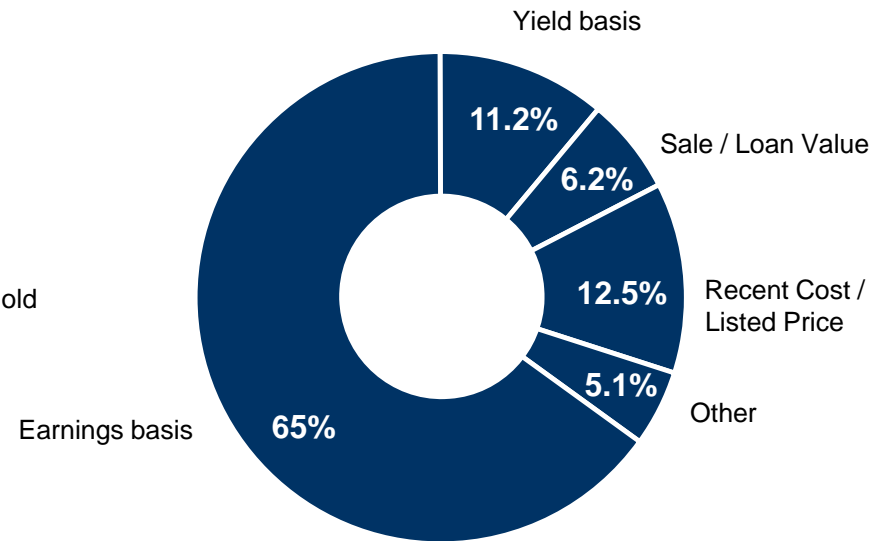
Investment Portfolio^{*}

at 31 March 2011

Age Profile By last financing



Valuation Basis



Total £529 million

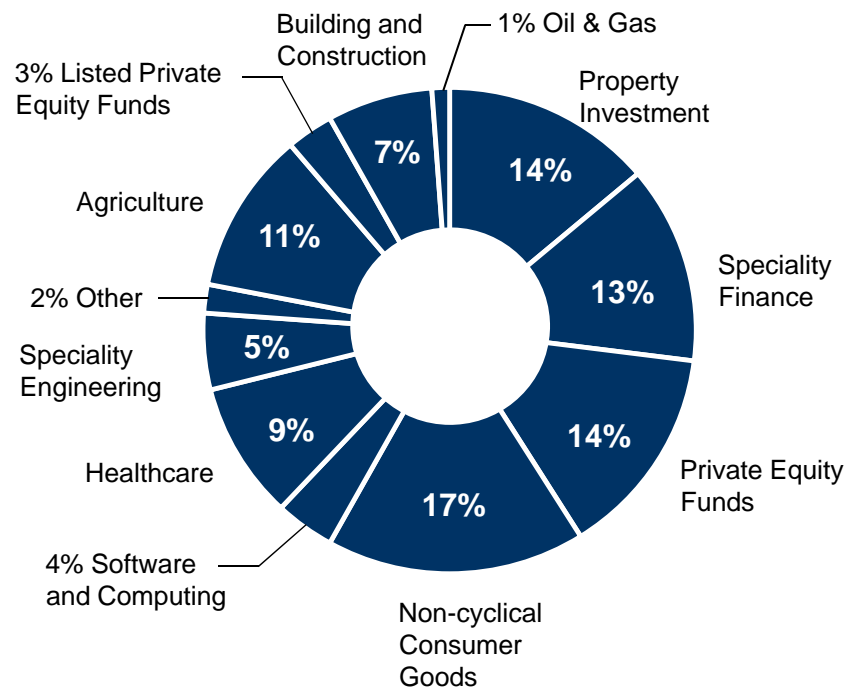
^{*} Includes Direct Unlisted investments only



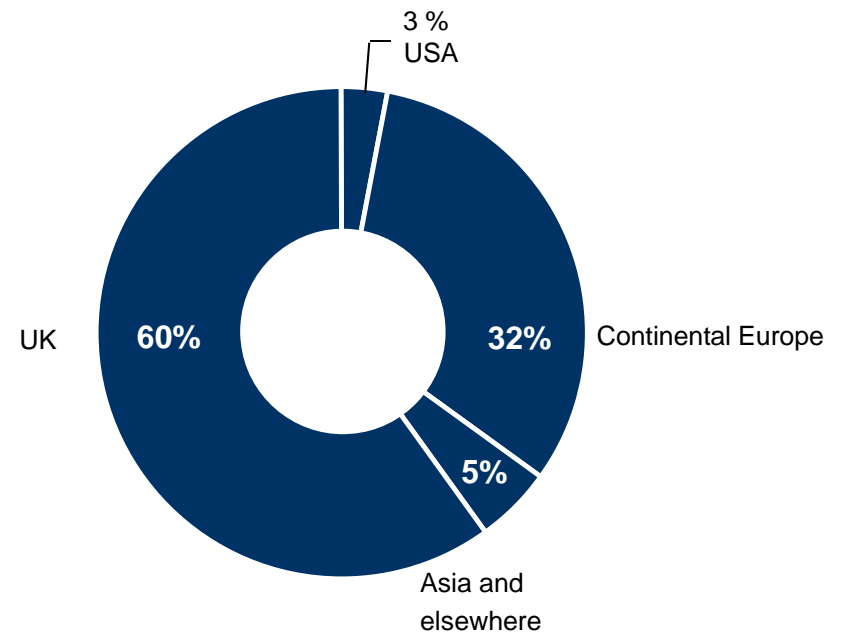
Investment Portfolio

at 31 March 2011

Classification and Distribution



Geographic Split





Listed Portfolio

	Country	No of Shares '000	Value at 31 Mar 2011 £m
London & Stamford	UK	29,700	37.1
Zensar Technologies	India	10,301	22.6
Dinamia	Spain	1,666	12.3
Moser Baer	India	9,960	5.7
Millicom	USA	110	6.6
Candover	UK	950	5.8
Orthofix	USA	329	6.7
Hornby	UK	2,995	3.2
Meghmani	India	28,389	2.6
Sundry (mainly in process of sale)			9.5
			112.1



Management Team

Well resourced

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

Experienced

- Majority of senior management have worked together for 20 years
- In private equity long enough to invest through several business cycles
- Short decision lines
- Investment professionals average over 17 years in private equity industry

Senior Management Team

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

Investment Team

Alex Cooper-Evans	Investment Partner
Ian Dyke	Investment Partner
Charles Elkington	Investment Partner
Nigel Elsley	Investment Partner
Roger Issac	Investment Partner
John Martin	Investment Manager
Sarah Williams	Investment Manager
Oliver Huntsman	Portfolio Manager



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