

Overview

Electra Private Equity PLC ("Electra") is an HM Revenue and Customs approved Investment Trust, quoted on the London Stock Exchange since 1976.

Over the 10 years to 31 March 2013 Electra invested £1.5 billion and sold investments with a total value of £2.2 billion.

The business and affairs of Electra are managed on an exclusive and fully discretionary basis by Electra Partners LLP, an independent private equity fund manager with over 30 years' experience in the mid-market.

Investment Objective

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

Electra is not an income stock as it is a policy of the Directors not to pay a dividend unless required to do so to maintain the Company's investment trust status. Risk is mitigated through portfolio diversification with investments being made across a broad range of sectors, deal types and capital structures.

At the time of investment, not more than 15% of Electra's total assets will typically be invested in any single investment.

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

Investment Focus

Electra's focus is principally on Western Europe, with the majority of investments expected to be in the UK. Where Electra Partners feels 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 typically targets investments at a cost of £40 million to £100 million in companies with an enterprise value of up to £300 million.

Why is Electra different?

Electra has delivered strong returns. In the ten years to 31 March 2013, Electra's diluted net asset value per share has increased by 298% compared to 175% for the FTSE All-Share Index.

Electra has one of the most flexible investment mandates in the listed private equity sector. It can invest in all market sectors, across the capital structure and in various forms of private equity. This flexibility has been the key to Electra's success.

Unlike many of its peers, Electra invests directly from its balance sheet. This enables the pace of investment to be adjusted at any time to suit market conditions and the level of cash resources.

Due to Electra's permanent capital there is no need to fundraise every few years. Therefore there is never a requirement to sell an investment to demonstrate the necessary track record for fundraising or because an external fund is coming to the end of its life. Electra is therefore a committed long-term investor, realising investments only when returns are maximised for its investors.

Performance (total return)

Year ended	one	three	five	ten
31 March 2013	year	years	years	years
Electra NAV per share (diluted)	14%	41%	41%	298%
Morningstar PE Index NAV per share return*	10%	20%	(31)%	52%
Electra share price	38%	75%	49%	394%
Morningstar PE Index share price return*	35%	40%	(25)%	73%
FTSE All-Share Index	17%	29%	39%	175%

*The above indices, prepared by Morningstar UK Limited reflect the performance of 20 private equity vehicles, excluding Electra, quoted on the London Stock Exchange

NAV per share (diluted)

2,684p

Share price

2,365p

Total Net Assets

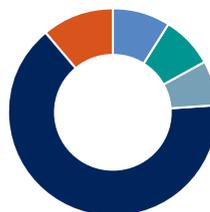
£999m

Share price vs. NAV vs. FTSE All-Share (total return)



Investment Portfolio Breakdown

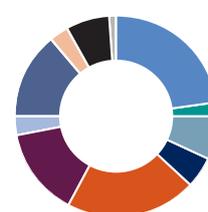
31 March 2013



- Direct unlisted at fair value 65% (34 companies)
- Secondaries 11% (12 portfolios)
- Funds 9% (145 underlying investments)
- Listed 8% (10 investments)
- Net liquid assets 7%

Investment Portfolio – Sector Breakdown

31 March 2013



- Agricultural 23%
- Building and construction 2%
- Healthcare 7%
- Non-cyclical consumer goods 5%
- Private equity funds 21%
- Property investment 14%
- Speciality engineering 3%
- Financial services 14%
- Software and computing 3%
- Senior bank debt 7%
- Other 1%

Investment Portfolio – Geographic Breakdown

31 March 2013



- UK 63%
- Continental Europe 23%
- USA 10%
- Asia and elsewhere 4%

Investment Portfolio

	Fair value of holding	
	£'000	%
Direct Unlisted and Secondary Investments		
Allflex Holdings	252,450	22.5
EP I Secondary Portfolio	109,999	9.8
AXIO Data Group	90,584	8.1
Park Resorts	70,225	6.3
Lil-lets Group	43,030	3.8
Peveler Group	34,812	3.1
Promontoria	30,412	2.7
Nuairé	27,712	2.5
Premier Asset Management	26,631	2.4
Daler-Rowney	24,973	2.2
BDR Thermea	18,500	1.6
Davies Group	17,801	1.6
PINE	17,500	1.6
esure	17,192	1.5
Labco	14,850	1.3
Kalle	13,453	1.2
CALA Group	13,286	1.2
	823,410	73.4
Other Direct Unlisted and Secondary Investments	91,738	8.2
Total Direct Unlisted and Secondary Investments	915,148	81.6
Total Direct Listed Investments	93,062	8.3
Fund investments	113,093	10.1
Investment Portfolio	1,121,303	100.0

Direct Unlisted Investments – Valuation Basis

31 March 2013



■ Earnings basis 30%
■ Recent cost/listed price 14%
■ Yield basis 6%
■ Exit price 40%
■ Redemption value 10%

Direct Unlisted – Age Analysis (by last refinancing date)

31 March 2013



■ Less than 1 year old 16%
■ 1–2 years 18%
■ 2–3 years 4%
■ Over 3 years 62%

Important Information

Please remember that past performance is not necessarily a guide to the future and that the value of shares and the income from them can go down as well as up. Exchange rates may also cause the value of underlying overseas investments to go down as well as up. Where investment is made in emerging markets, their potential volatility may increase the risk to the value of, and the income from the shares. Investments in technology related stocks can be more volatile than investments in more established companies. The principal investments held by Electra are private equity investments, property and private equity funds which are illiquid assets. Above average share price movements can be expected.

As part of its investment strategy, Electra may from time to time borrow money (known as gearing) to finance the purchase of investments for its portfolio. In addition, Electra's underlying investments may themselves be heavily geared which may mean that the valuation of these investments will therefore be affected by the level of interest rates and by the level of equity markets. The level of gearing of Electra itself and by its underlying investments may, depending on the sums involved, have a significant impact on the value of Electra's shares, such that you may not get back the amount you originally invested.

The share price of Electra may trade at a discount to the underlying net asset value of the shares. No information contained in this publication shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Nothing in this publication constitutes an offer to sell or a solicitation of any offer to buy any securities of Electra Private Equity PLC in the United States or any other jurisdiction. We do not offer investment advice, if you are unsure of the meaning of the above information, you should consult your own independent financial advisor.

Issued and approved by Electra Partners LLP which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Key financials

NAV per share (diluted)	2,684p
Share price	2,365p
Total Net Assets	£999m
Outstanding Commitments	£104m
Market Cap	£835.8m
Shares in issue	35,341,025
Management Fee Rate*	1.5%
Ongoing charges**	2.5%
Launched	1976
Year end	30 September
ISIN	GB0003085445
SEDOL Number	0308544
Ticker	ELTA

* Per annum on investments. Paid quarterly in advance. Terminable at 12 months notice by either party.

** Annualised ongoing charges over average undiluted net asset value in the year.

Calendar

IMS (31 December 2012)	14 February 2013
AGM	7 March 2013
Half-year Results (31 March 2013)	30 May 2013
IMS (30 June 2013)	July/August 2013
Annual Results (30 September 2013)	November/December 2013

Board of Directors

Colette Bowe (Chairman)
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 Francesca Barnes
 Geoffrey Cullinan
 Roger Perkin
 Roger Yates

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