

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 30 September 2013 Electra invested £1.6 billion and sold investments with a total value of £2.5 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 25 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 30 September 2013, Electra's diluted net asset value per share has increased by 279% compared to 140% 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
30 September 2013	year	years	years	years
Electra NAV per share (diluted)	12%	35%	53%	279%
Morningstar PE Index NAV per share return*	14%	19%	(13)%	46%
Electra share price	26%	63%	81%	267%
Morningstar PE Index share price return*	40%	47%	(3)%	39%
FTSE All-Share Index	19%	33%	66%	140%

*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)

2,764p

Share price

2,230p

Total Net Assets

£1,030m

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



Investment Portfolio Breakdown

30 September 2013



- Direct unlisted at fair value 53% (34 companies)
- Secondaries 10% (6 portfolios)
- Funds 7% (123 underlying investments)
- Listed 7% (11 investments)
- Net liquid assets 23%

Investment Portfolio – Sector Breakdown

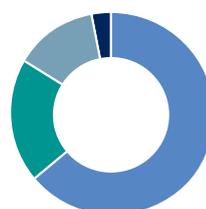
30 September 2013



- Agricultural 5%
- Building and construction 4%
- Financial services 6%
- Healthcare 7%
- Non-cyclical consumer goods 13%
- Private equity funds 12%
- Property investment 15%
- Secondaries 11%
- Senior bank debt 10%
- Software and computing 14%
- Speciality engineering 3%

Investment Portfolio – Geographic Breakdown

30 September 2013



- UK 64%
- Continental Europe 20%
- USA 13%
- Asia and elsewhere 3%

Investment Portfolio

	Fair value of holding	
	£'000	%
Direct Unlisted and Secondary Investments		
EP1 Secondary Portfolio	105,633	10.9
AXIO Data Group	104,804	10.8
Park Resorts	86,823	9.0
Allflex Corporation	52,856	5.5
Allen & Heath	42,275	4.4
Peveler Group	39,943	4.1
Lil-Hets Group	37,035	3.8
Premier Asset Management	35,904	3.7
Nuaire	35,180	3.6
Daler-Rowney	27,524	2.8
Promontoria	27,104	2.8
South Lakeland Parks	21,218	2.2
BDR Thermea	19,300	2.0
PINE	18,250	1.9
Labco	16,266	1.7
CALA Group	15,642	1.6
Davies Group	14,832	1.5
Sentinel Performance Solutions	13,471	1.4
Kalle	12,278	1.3
	726,338	75.0
Other Direct Unlisted and Secondary Investments	62,556	6.5
Total Direct Unlisted and Secondary Investments	788,894	81.5
Total Direct Listed Investments	86,805	9.0
Fund investments	92,653	9.5
Investment Portfolio	968,352	100.0

Direct Unlisted Investments – Valuation Basis

30 September 2013



- Earnings basis 69%
- Recent transaction 18%
- Redemption and exit value 13%

Direct Unlisted – Age Analysis (by last refinancing date)

30 September 2013



- Less than 1 year old 41%
- 1-2 years 24%
- 2-3 years 10%
- 3-4 years 6%
- Over 4 years 19%

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)	2,764p
Share price	2,230p
Total Net Assets	£1,030m
Outstanding Commitments	£94m
Market Cap	£788m
Shares in issue	35,342,292
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 2013)	January/February 2014
AGM	11 March 2014
Half-year Results (31 March 2014)	May 2014
IMS (30 June 2014)	July/August 2014
Annual Results (30 September 2014)	November/December 2014

Board of Directors

Colette Bowe (Chairman)
Kate Barker
Francesca Barnes
Geoffrey Cullinan
Josyane Gold
Roger Perkin
Roger Yates

Stockbroker

JP Morgan Cazenove

Manager

Hugh Mumford
Tim Syder
David Symondson
Alex Fortescue
Rhian Davies
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