

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 2014 Electra invested £2 billion and sold investments with a total value of £2.4 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 Strategy

Electra's flexible capital allows Electra Partners to invest across all forms of private equity situations, which it categorises into three groups:

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 invests £40 to £120 million in UK-centric companies with an enterprise value of up to £300 million. Electra Partners also co-invests £20 to £60 million in minority positions alongside founders, other private equity firms, corporates or the public markets.

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".

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.

Why is Electra different?

Electra has delivered strong returns. In the ten years to 30 September 2014, Electra's diluted NAV per share grew by 262%. This is nearly five times the NAV per share return of the Morningstar Private Equity Index and is equivalent to a ten-year annualised return of 14%, at the upper end of Electra's target range of 10-15% over the long-term.

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.

NAV per share (diluted)

3,174p

Share price

2,650p

Total Net Assets

£1,195m

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



Performance (total return)

30 September 2014	one year	three years	five years	ten years
Electra NAV per share (diluted)	15%	43%	84%	262%
Morningstar PE Index NAV per share return*	11%	26%	55%	56%
Electra share price	19%	95%	117%	248%
Morningstar PE Index share price return*	7%	76%	72%	41%
FTSE All-Share Index	6%	48%	59%	120%

*The above indices, prepared by Morningstar UK Limited reflect the performance of 19 private equity vehicles, excluding Electra, quoted on the London Stock Exchange

Investment Portfolio Breakdown

30 September 2014



- Direct unlisted at fair value 69% (30 companies)
- Secondarys 7% (5 portfolios)
- Funds 6% (78 underlying investments)
- Listed 6% (7 investments)
- Net liquid assets 12%

Investment Portfolio – Sector Breakdown

30 September 2014



- Construction and materials 3%
- House, leisure and personal goods 15%
- Industrial general and transportation 8%
- Media 11%
- Real estate 4%
- Private equity funds 8%
- Secondarys 8%
- Support services 18%
- Technology, hardware and equipment 5%
- Travel and leisure 15%
- Other 5%

Investment Portfolio

	Fair value of holding	
	£m	%
Direct Unlisted and Secondary Investments		
AXIO Data Group	140	11.0
Park Resorts	135	10.6
EP1 Secondary Portfolio	86	6.8
Elia	81	6.4
Hotter Shoes	72	5.7
Console Group	64	5.0
Allflex Corporation	54	4.2
The Original Bowling Company	50	3.9
Peverel Group	44	3.5
South Lakeland Parks	41	3.2
CALA Group	38	3.0
Nuaire	38	3.0
Innovia Group	33	2.6
Daler-Rowney	29	2.3
Premier Asset Management	26	2.0
PINE	24	1.9
Davies Group	23	1.8
Southview and Manor Park	20	1.6
Promontoria	18	1.4
Treetops Nurseries	16	1.3
	1,032	81.2
Other Direct Unlisted and Secondary Investments	69	5.4
Total Direct Unlisted and Secondary Investments	1,101	86.6
Total Direct Listed Investments	91	7.1
Fund investments	80	6.3
Investment Portfolio	1,272	100.0

Key financials

NAV per share (diluted)	3,174p
Share price	2,650p
Total Net Assets	£1,195m
Outstanding Commitments	£77m
Market Cap	£941m
Shares in issue	35,507,751
Management Fee Rate*	1.5%
Ongoing charges**	2.3%
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.

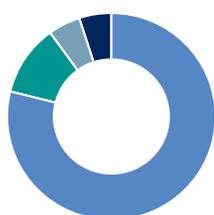
** Annualised ongoing charges over average undiluted net asset value in the year.

Calendar

AGM	16 March 2015
Half-year Results (31 March 2015)	May 2015
Annual Results (30 September 2015)	November/December 2015

Investment Portfolio – Geographic Breakdown*

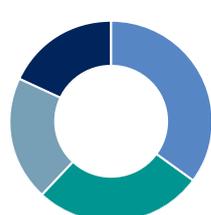
30 September 2014



UK	79%
Continental Europe	11%
USA	5%
Asia and elsewhere	5%

Direct Unlisted – Age Analysis (by last refinancing date)

30 September 2014



Less than 1 year old	35%
1–2 years	27%
2–3 years	20%
Over 3 years	18%

Board of Directors

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

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

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.

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