

Overview

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

As at 30 September 2015, Electra's net assets were £1.5 billion and its diluted NAV per share was 3,914p.

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.

It is a policy of the Company to return to shareholders a targeted 3% of NAV per annum, by way of cash dividend or share buybacks.

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 targets investments of £40 to £150 million in UK-centric companies with an enterprise value of up to £300 million. Electra Partners also co-invests £30 to £100 million in minority positions in UK or International companies 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 2015, Electra's diluted NAV per share grew by 244%. This is seven times the NAV per share return of the Morningstar Private Equity Index and is equivalent to a ten-year annualised return of 13%, 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)

3,914p

Share price

3,265p

Total Net Assets

£1,503m

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



Performance (total return)

	one year	three years	five years	ten years
30 September 2015				
Electra NAV per share (diluted)	25%	60%	93%	244%
Morningstar PE Index NAV per share return*	10%	40%	46%	35%
Electra share price	25%	87%	141%	210%
Morningstar PE Index share price return*	13%	69%	77%	10%
FTSE All-Share Index	(2)%	23%	38%	72%

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

Investment Portfolio Breakdown

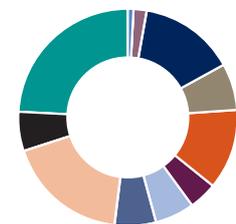
30 September 2015



- Direct unlisted at fair value 76% (25 companies)
- Secondaries 5% (6 portfolios)
- Listed 6% (6 investments)
- Funds 5% (13 funds, 59 underlying investments)
- Cash 8%

Investment Portfolio – Sector Breakdown

30 September 2015



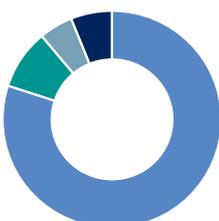
- Food & beverage 1%
- Financial & insurance 2%
- House, leisure and personal goods 14%
- Industrial general and transportation 7%
- Media 12%
- Real estate 4%
- Private equity funds 6%
- Secondaries 6%
- Support services 18%
- Technology, hardware and equipment 6%
- Travel and leisure 24%

Investment Portfolio

	Fair value of holding	
	£m	%
Direct Unlisted and Secondary Investments		
AXIO Data Group	200	12.3
Park Resorts	185	11.3
Elian	120	7.4
TGI Fridays	113	6.9
The Original Bowling Company	103	6.3
Audiotonix	91	5.6
Allflex Corporation	73	4.5
EP1 Secondary Portfolio	68	4.2
Hotter Shoes	61	3.7
South Lakeland Parks	61	3.7
PINE	56	3.4
CALA Group	50	3.1
Southview and Manor Park	41	2.5
Knight Square	34	2.1
Premier Asset Management	33	2.0
Innovia Group	30	1.8
Treetops Nurseries	27	1.7
Davies Group	23	1.4
Kalle	14	0.9
Daler-Rowney	12	0.7
Promontoria	11	0.7
	1,406	86.3
Other Direct Unlisted and Secondary Investments	37	2.3
Total Direct Unlisted and Secondary Investments	1,443	88.5
Total Direct Listed Investments	101	6.2
Fund investments	86	5.3
Investment Portfolio	1,630	100.0

Investment Portfolio – Geographic Breakdown*

30 September 2015



UK	80%
Continental Europe	9%
USA	5%
Asia and elsewhere	6%

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

Direct Unlisted – Age Analysis

30 September 2015



Less than 1 year old	11%
1–2 years	35%
2–3 years	27%
Over 3 years	27%

Key financials

NAV per share (diluted)	3,914p
Share price	3,265p
Total Net Assets	£1,503m
Outstanding Commitments	£52m
Market Cap	£1,177m
Shares in issue	36,054,938
Management Fee Rate*	1.5%
Ongoing charges**	2.0%
Launched	1976
Year end	30 September
ISIN	GB0003085445
SEDOL Number	0308544
Ticker/EPIC code	ELTA

* Per annum on core investment portfolio, 1% on non-core listed and primary fund 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	25 January 2016
Half-year Results (31 March 2016)	May 2016
Annual Results (30 September 2016)	November 2016

Board of Directors

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

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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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