ELECTRA

Electra Private Equity PLC

Half Year Report

31 March 2012

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

References in this Half Year Report to Electra Private Equity PLC and its subsidiaries have been abbreviated to 'Electra' or 'the Company'. References to Electra Partners LLP and EQM Capital LLP (manager of Electra's money market investments) have been abbreviated to 'Electra Partners' or 'the Manager'.

Objective and Investment Policy

Electra has been quoted on the London Stock Exchange since 1976. Electra is managed as an HM Revenue and Customs approved investment trust, and invests primarily in the private equity mid-market.

The business and affairs of Electra are managed on an exclusive and fully discretionary basis by Electra Partners, an independent private equity fund manager with over 25 years experience in the mid-market.

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

Electra Partners aims to achieve this target rate of return on behalf of Electra by utilising a flexible investment strategy and:

In implementing Electra's flexible investment strategy, 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.

- exploiting a track record of successful private equity investment;
- utilising the proven skills of its management team with a strong record of deal flow generation and long-term presence in the private equity market;
- targeting private equity opportunities (including direct investment, fund investments and secondary buyouts of portfolios and funds) so that the perceived risks associated with such investments are justified by expected returns;
- investing in a number of value creating transactions with a balanced risk profile across a broad range of investment sectors through a variety of financial instruments; and
- actively managing its capital position and levels of gearing in light of prevailing economic conditions.

The investment focus is principally on Western Europe, with the majority of investments made in the United Kingdom where Electra Partners has historically been most active. There is an emphasis on areas where Electra Partners has specific knowledge and expertise. In circumstances where Electra Partners feels that 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.

In implementing Electra's flexible investment strategy, 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.

Electra Partners attempts to mitigate risk through portfolio diversification. Investments will therefore be made across a broad range of sectors and industries. At the time of investment, not more than 15% of Electra's total assets will typically be invested in any single investment. If Electra acquires a portfolio of companies in a single transaction, this limitation shall be applied individually to each of the underlying companies purchased and not to the portfolio as a whole.

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

Unless required to do so to maintain Electra's investment trust status, it is the policy of the Directors not to pay dividends.

Financial Highlights

As at 31 March 2012

NAV per share (diluted)	2,360p
NAV per share increase over six months (diluted)	6.1%
Share price	1,718p
Share price increase over the six months	26.3%
Total Net Assets	£876m
Net liquid resources	£254m
Annualised return on equity over ten years (diluted)	11.0%

Performance excluding special dividends:

Period ended 31 March 2012	Six months	One year	Three years	Five years	10 years	20 years
NAV per share (diluted)	6.1%	7.7%	56.2%	30.3%	167.8%	725.8%
NAV per share (basic)	6.6%	8.3%	64.0%	36.9%	181.2%	707.5%
Share price	26.3%	3.3%	197.2%	7.2%	168.4%	919.7%
FTSE All-Share Index	13.1%	(2.1)%	51.3%	(8.5)%	28.3%	156.3%

Chairman's Statement

"Electra made good progress over the last six months with six realisations being made, at significant premiums to carrying values. The Board echoes Electra Partners' confidence that opportunities will arise over the next 12-18 months.

"At a time when debt remains scarce and expensive and there is evidence that raising funds is taking longer than usual, the Board is pleased that Electra's war chest is already well stocked and ready to be deployed."

Overview

Whilst financial markets improved over the six months to 31 March 2012, economic recovery remained weak and markets continued to be volatile. Despite this Electra made good progress with the value of realisations in the period almost double that achieved in the full year to 30 September 2011. In addition, these realisations were made at good uplifts to carrying values.

Results

Electra's unaudited diluted net asset value per share was 2,360p at 31 March 2012, up 6.1% over the six months and up 7.7% over the year. The FTSE All-Share Index increased by 13.1% over the six months but declined by 2.1% over the year.

Over the 10 years to 31 March 2012 the unaudited diluted net asset value per share, inclusive of special dividends, increased by 174.8% and Electra achieved a 10-year annualised return on equity of 11% on a diluted basis.

Electra's share price which started the period at 1,360p, broadly tracked the FTSE All-Share during the first three months but outperformed the Index from early February. This late rally saw the share price rise to end the period at 1,718p, an increase of 26.3% over the six months.

Over the 10 years to 31 March 2012, Electra's share price increased by 168.4% while the FTSE All-Share Index increased by 28.3%.

Investment Activity

The last six months saw a surge in demand for quality investments as private equity houses approaching the end of their investment periods sought to complete portfolio purchases before raising their next funds. The resulting price increases gave Electra the opportunity to realise a number of investments at significant premiums to their carrying values. However, the rate of new investment, although greater than the previous six months, was less than anticipated as Electra Partners continued to be cautious on the profit projections of new opportunities, and deals coming out of deleveraging banks were slow to materialise.

Electra invested a total of £92 million in the period compared to £63 million in the previous six months. Of the deals completed, £45 million was in respect of Park Resorts, one of the UK's leading caravan park operators, and £22 million was in respect of Peverel, the leading UK property management services group.

During the six months, £268 million was received from the sale of investments, a significant increase from the £46 million realised in the previous six months. Of the £268 million of proceeds, £51 million related to Capital Safety Group, £45 million to BDR Thermea and £38 million to SAV Credit, details of which were in my last statement. In addition, £36 million was received from the sale of luxury flooring manufacturer Amtico, £32 million from the sale of CPA, the leading global provider of intellectual property management services and software and £19 million from the repayment of Electra's debt instruments in Vent-Axia, a market leader in the manufacture of residential and commercial fans for the ventilation of buildings.

Board Changes

Michael Walton has decided to retire from the Board, with effect from today, after a number of years as a Director of the Company. He was most recently appointed as a Director in 2000 and has been Chairman of the Valuations Committee since its inception in October 2007. We shall miss his wise counsel and his considerable knowledge and experience of private equity in general and Electra in particular and the Board thanks him for his contribution to the Company.

> The Board echoes Electra Partners' confidence that opportunities will arise from the banks…

I am pleased to announce that the Board has appointed Roger Yates as a non-executive Director of the Company with immediate effect.

Roger has 30 years' experience as an investment professional and a business manager in the fund management industry having begun his career with GT Management Limited in 1981. He was Chief Executive of Henderson Global Investors from 1999 to 2003 and then, following the company's listing, of Henderson Group Plc until 2008. Prior to this he was Chief Investment Officer of Invesco Global and Morgan Grenfell Investment Management Limited. He is currently Chief Executive Officer of Pioneer Investments, part of the UniCredit Group and is also a non-executive director of JP Morgan Elect plc and IG Group Holdings plc. I am delighted to welcome Roger to the Board where I am sure he will make a valuable contribution.

I am also pleased to report that Kate Barker has been appointed as Chairman of the Valuations Committee in place of Michael Walton.

Outlook

The Board echoes Electra Partners' confidence that opportunities will arise from the banks, and indeed our investments in Park Resorts and Peverel are evidence that this has started to happen. Furthermore, with the implementation of new banking capital requirements which come into effect later this year and a large number of companies needing to refinance debt over the next 12-18 months, this activity can only increase.

We first identified these opportunities in 2009, as debt markets dried up and banks started to become forced owners of businesses, and we took advantage of an opening in the fund raising markets to increase our investment capacity by the issuing of ZDP shares and, subsequently, a Convertible Bond.

Today, at a time when debt remains scarce and expensive and there is evidence that raising funds in the current volatile, cash-strapped market is taking longer than usual, the Board is pleased that Electra's war chest is already well stocked and ready to be deployed.

Colette Bowe

Dr Colette Bowe
Chairman
28 May 2012

The Manager

Electra Partners is an independent, private equity fund manager with over 25 years experience in the mid-market. During this time the firm has invested in excess of £3 billion, accumulated considerable expertise and has built a strong track record. As at 31 March 2012, Electra Partners had funds under management of over £1.3 billion on behalf of Electra and other clients.

With one of the most experienced and stable teams in the private equity industry, the majority of the senior management have worked together for over 20 years. The investment professionals have on average over 18 years experience in private equity and are supported by a 24-strong team skilled in finance, compliance, investor relations and marketing.

Senior Management Team		Years of private equity experience
Hugh Mumford	Managing Partner	30
Tim Syder	Deputy Managing Partner	26
David Symondson	Deputy Managing Partner	28
Alex Fortescue	Chief Investment Partner	13
Rhian Davies	Partner	18
Philip Dyke	Partner	38
Steve Ozin	Partner	22

Investment Team		Years of private equity experience
Alex Cooper-Evans	Investment Partner	17
Charles Elkington	Investment Partner	17
Nigel Elsley	Investment Partner	23
Chris Hanna	Investment Partner	10
John Martin	Investment Manager	9
Sarah Williams	Investment Manager	9
Oliver Huntsman	Portfolio Manager, UK	29
Shakira Adigun-Boaye	Investment Associate	1
Tom Stenhouse	Investment Associate	1
Peter Carnwath	Portfolio Manager, US	29
John Levack	Portfolio Manager, Asia	21
Monique Dumas	Investor Relations Partner	12

Investment Highlights

"Electra has continued to deliver positive results despite the challenging private equity environment. Our existing portfolio remains well positioned to make further progress. We have an increasing pipeline of quality deals and our focus will remain on those opportunities that can deliver growth in difficult markets.

"Whilst there is now evidence that banks are starting to rationalise their portfolios and sell off non-core assets, the anticipated funding shortfall created by businesses unable to fully refinance their debt has yet to materialise. We believe that both of these situations will generate increased opportunities for Electra over the next 12-18 months given its substantial firepower and ability to invest across the capital structure."

Market Environment

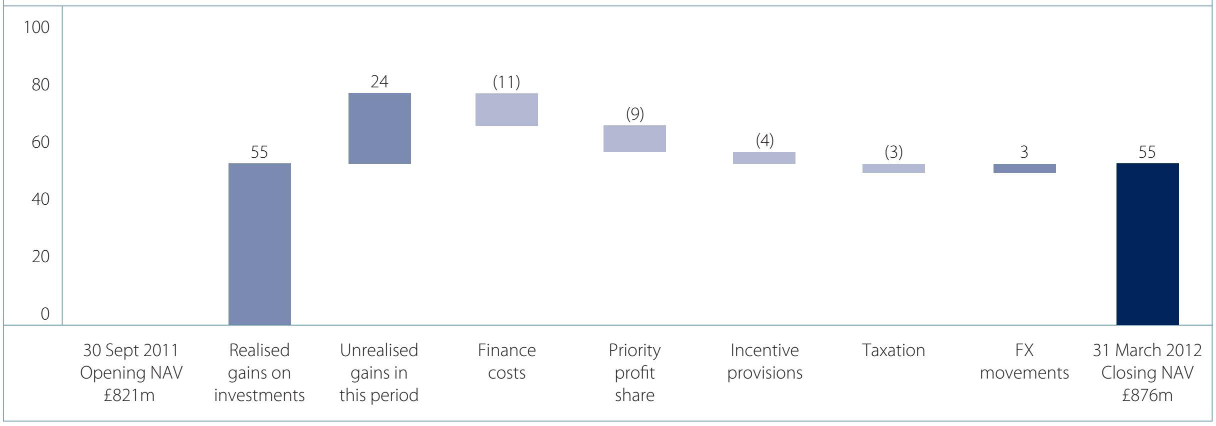
The six months to 31 March 2012 saw a deterioration in market conditions relating to private equity brought about in part by on-going concerns over the financial stability of the Euro-zone and global markets in general. With low visibility of corporate earnings and volatile stock markets the private equity market remains challenging.

Performance

Electra's net asset value continued to make positive progress with unaudited diluted net asset value per share increasing to 2,360p at 31 March 2012 from 2,225p at 30 September 2011. This 135p per share increase represents a growth in fully diluted net asset value over the six months of 6.1% compared to an increase of 13.1% in the FTSE All-Share over the same period and an increase of 7.7% over the year against a FTSE All-Share decrease of 2.1%.

The increase in net asset value over the six months is principally due to the movement in the investment portfolio of £79 million which comprises £55 million of realised gains and £24 million of unrealised appreciation.

Analysis of Movement in Net Asset Value £m



Investment Activity

Over the six months Electra Partners has seen an increase in deal activity, completing two investments and six realisations, compared with three transactions in the previous period. Total investment for the period was £92 million compared with £63 million in the previous six months. The level of new investment was affected by the slow down in the private equity market place and the poor visibility of future earnings. In addition prices for certain assets remained high due to the on-going, but declining, private equity overhang. We were however able to take advantage of this situation by realising some of our investments at substantial premiums to carrying values.

Outlook

Electra has continued to deliver positive results despite the challenging private equity environment. Our existing portfolio remains well positioned to make further progress. We have an increasing pipeline of quality deals and our focus will remain on those opportunities that can deliver growth in difficult markets.

Whilst there is now evidence that banks are starting to rationalise their portfolios and sell off non-core assets, the anticipated funding shortfall created by businesses unable to fully refinance their debt through the banks has yet to materialise. We believe that both of these situations will create increased opportunities over the next 12-18 months and Electra, with its substantial firepower and ability to invest across the capital structure, is well positioned to take advantage of these opportunities.

Over the six months Electra Partners has seen an increase in deal activity, completing two investments and six realisations…

Portfolio Review

At 31 March 2012 Electra's investment portfolio was valued at £786 million. The investment portfolio consists of direct unlisted investments, secondaries, funds and listed companies. The top 10 and 20 investments account for 56% and 74% respectively of the investment portfolio.

Investment Portfolio – Geographic Breakdown

31 Mar 2012 (31 Mar 2011)

- UK 68% (60%)
- Continental Europe 19% (32%)
- USA 8% (3%)
- Asia and elsewhere 5% (5%)

Portfolio Breakdown

Investment Portfolio* As at 31 March	2012 £m	2011 £m
Direct unlisted	543	572
Secondaries	40	40
Funds	109	108
Listed	94	112
Investment portfolio*	786	832

*Includes accrued income of £33,103,000 (2011: £40,188,000)

Direct Unlisted Investments (69% of portfolio)

Direct unlisted investments form the major part of Electra's portfolio and consist of investments in 32 companies with an aggregate value of £543 million. The 15 largest investments account for 92% of the direct unlisted investments at 31 March 2012.

Secondary Investments (5% of portfolio)

Secondary investments are predominantly acquisitions of limited partnership interests in third party funds where an existing investor is seeking to sell its position prior to the end of the fund's life. As a result of their relative maturity, secondary investments typically produce faster returns than direct investments. At 31 March 2012 Electra held five secondary positions containing 13 investments with an aggregate value of £40 million.

Investment Portfolio – Sector Breakdown

31 Mar 2012 (31 Mar 2011)

- Agricultural 17% (11%)
- Building and construction 4% (7%)
- Healthcare 12% (9%)
- Non-cyclical consumer goods 10% (17%)
- Other 2% (3%)
- Private equity funds 17% (17%)
- Property investment 15% (14%)
- Speciality engineering 3% (5%)
- Financial services 16% (13%)
- Software and computing 4% (4%)

Fund Investments (14% of portfolio)

Investments in funds are made primarily to generate co-investment opportunities for Electra. At 31 March 2012, the fund portfolio also contained a number of legacy funds which are in the process of being run off by their managers.

Listed Investments (12% of portfolio)

For the most part, listed investments are held where they arise from previously unlisted investments which continue to generate the returns required under Electra's investment objectives. However, Electra may also invest in listed companies where the management team, which Electra wishes to support, operates through a listed vehicle. Listed investments consisted of nine investments with an aggregate value of £94 million at 31 March 2012.

Portfolio Movement

Electra's investment portfolio decreased from £883 million to £786 million during the six months to 31 March 2012 as realisations were substantially greater than new investments.

Six months to 31 March	2012 £m	2011 £m	2010 £m
Opening investment portfolio*	883	766	576
Investments	92	73	138
Realisations	(268)	(91)	(96)
Total return	79	84	80
Closing investment portfolio*	786	832	698

*Includes accrued income of £33,103,000 (2011: £40,188,000, 2010: £26,704,000)

New Investments

New investments during the six months to 31 March 2012 amounted to £92 million compared to £63 million in the six months to 30 September 2011. The most significant individual new investments were in respect of Park Resorts and Peverel Group.

Park Resorts, in which Electra invested £45 million in acquiring term debt, is a leading operator of holiday parks offering caravan holidays at its 39 sites across the UK including Essex, Yorkshire, Kent, Sussex and Scotland. The debt, which was acquired from Lloyds Bank at a significant discount to face value, is due to mature in April 2014. Park Resorts operates in a resilient sector and has a very strong management team.

Peverel Group, in which Electra invested £22 million, was bought out of administration, securing some 4,000 jobs. Peverel is the UK's leading property management services group providing general management services to 4,000 developments of retirement and other residential homes across the UK, social care monitoring services, safety and security systems installation and maintenance, and insurance mediation and broking services. Headquartered in New Milton, Hampshire, Peverel has offices in London, Luton, Birmingham, Kent and Glasgow. The business will be looking to improve service quality as well as winning new management contracts.

In addition to these investments a further £8 million was drawn down by private equity funds in which Electra is a limited partner. At 31 March 2012, Electra had commitments to third party funds of £91 million which are expected to be funded substantially from realisation proceeds received from existing fund investments.

Realisations

Total realisations for the six months to 31 March 2012 amounted to £268 million. The most significant realisation related to Capital Safety Group, the specialist safety equipment manufacturer, which generated proceeds of £55 million. This sale marked the successful conclusion of a 13-year relationship where the total proceeds received by Electra were over six times the total cost of investment. The period also saw the return of £45 million from BDR Thermea and £38 million from SAV Credit. In addition, £36 million was received from the sale of luxury flooring manufacturer Amtico, £32 million from the sale of CPA, the leading global provider of intellectual property management services and software and £19 million from the repayment of Electra's debt instruments in Vent-Axia, a market leader in the manufacture of residential and commercial fans for the ventilation of buildings.

These six realisations gave rise to proceeds and potential proceeds of £254 million, an amount equal to 32% of the opening unlisted portfolio valuation.

Direct Unlisted – Age Analysis (by last refinancing date)

31 Mar 2012 (31 Mar 2011)

- Less than 1 year old 21% (14%)
- 1–2 years 5% (25%)
- 2–3 years 22% (12%)
- Over 3 years 52% (49%)

Performance

During the six months to 31 March 2012, the total return from Electra's investment portfolio amounted to £79 million, a return of 9% on the opening portfolio.

Of the total return of £79 million, £73 million arose in respect of direct unlisted investments. The gains in the secondary portfolio were offset by a £6 million decline in value of funds, whilst the listed portfolio increased in value by £6 million.

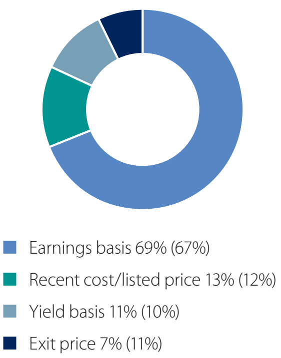
Of the changes in valuation at 31 March 2012, £8 million reflected increases in earnings multiples and changes in yield with the balance from increases in the value of listed investments offset by a £6 million reduction in the value of third party funds.

Currency movements reduced the portfolio's valuation by £8 million, although this was partly offset by gains of £5 million arising from the hedging arrangements of drawings under Electra's multicurrency loan facility.

Analysis of Gains £m

Direct Unlisted Investments – Valuation Basis

31 Mar 2012 (31 Mar 2011)



Valuation Changes

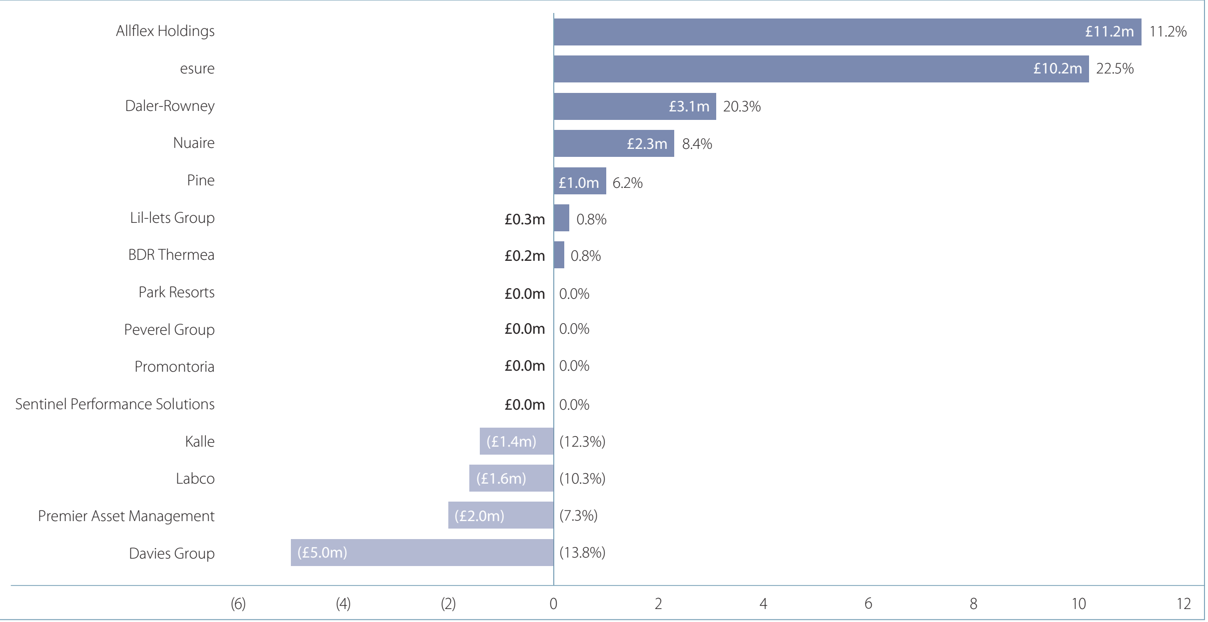
Of the total return recognised in respect of the direct unlisted investments, secondaries, funds and listed investments, £55 million represented realised gains. The balance of the total return of £24 million, represented unrealised value increases. In terms of individual investments, the two largest unrealised value increases were recorded in respect of Allflex (£11.2 million) and esure (£10.2 million), reflecting excellent profit performance.

Of the 15 largest investments in the direct unlisted portfolio, seven increased in value during the period, two remained the same, four were reduced in value and two were valued by reference to the price of recent transactions.

Electra's investments in private equity funds produced a negative return in the period. With a fund portfolio which is relatively mature, performance is expected to improve as portfolio realisations gain momentum.

Of the increase in value of the listed portfolio, £7.2 million was due to Zensar where the share price responded as a result of strong performance relative to its peers.

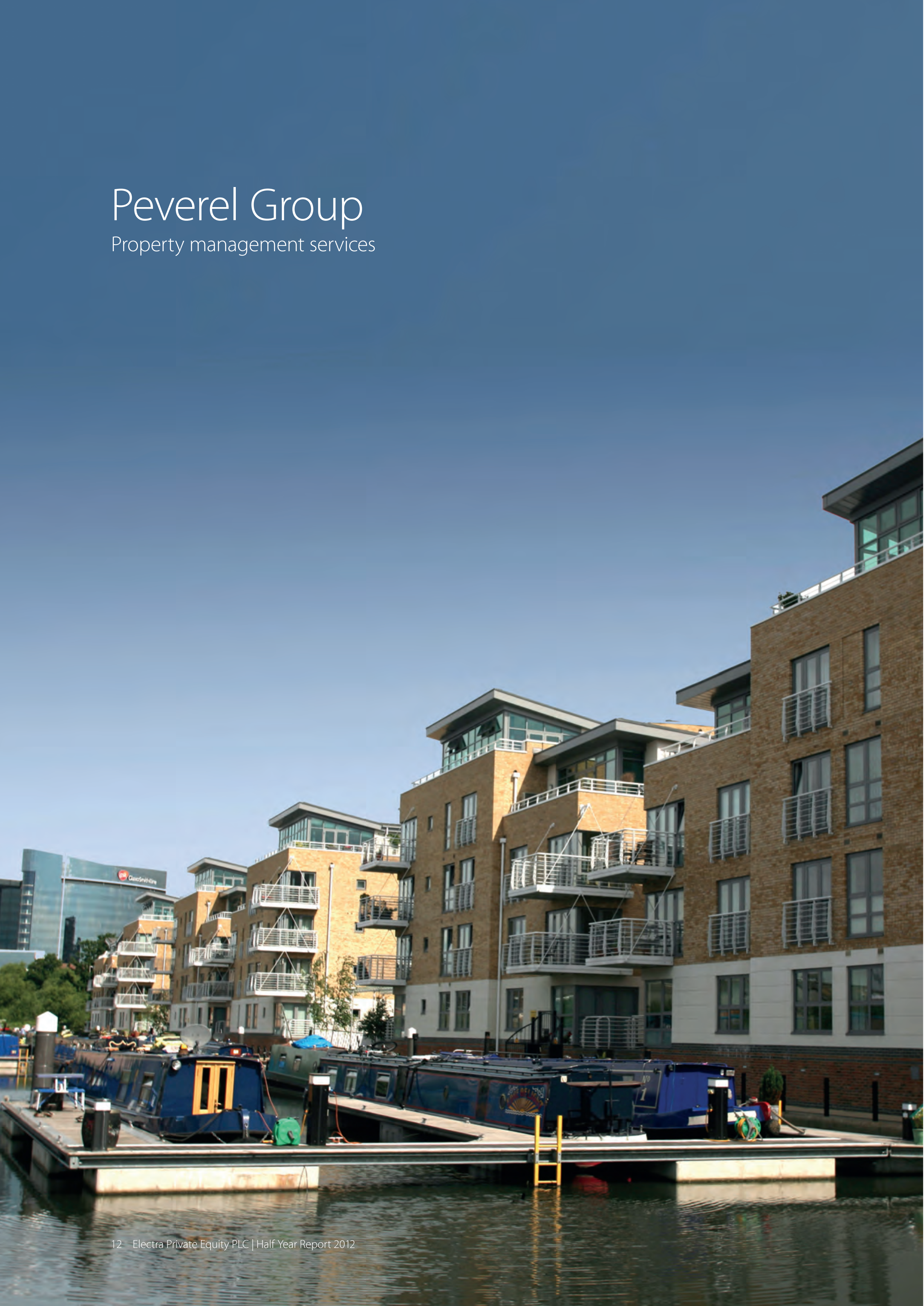
Direct Unlisted Investments – Valuation Changes



Hugh Mumford
Managing Partner
Electra Partners LLP
28 May 2012

Peverel Group

Property management services



Key New Investments and Realisations

New Investment

Equity Ownership:	nil
Valuation:	£44,911,000
Cost:	£44,911,000
Type of Deal:	Senior debt

Valuation based on price of recent transaction

Park Resorts

Location | UK

In February 2012 Electra invested £44.9 million in acquiring senior debt in Park Resorts at a discount from Lloyds Banking Group. Park Resorts is a leading operator of holiday parks offering caravan holidays at its 39 sites in largely coastal locations across the UK including Essex, Yorkshire, Kent, Sussex and Scotland. Its market has proved resilient in recent years, with demand supported by demographics and the trend towards UK holidays, driven by airport queues and taxes and pressure on disposable incomes.

Park Resorts has traded extremely well and finished the year to March 2012 ahead of budget with EBITDA of £32 million. A proposed Budget VAT change, to introduce the application of VAT to sales of static caravans for the first time, creates some uncertainty for next year.

www.park-resorts.com

New Investment

Equity Ownership:	49.4%
Valuation:	£21,971,000
Cost:	£21,971,000
Type of Deal:	MBI/MBO

Valuation based on price of recent transaction

Peverel Group

Location | UK

In March 2012 Electra, in conjunction with other investors, acquired Peverel, the UK's leading property management services group, from its administrators. Electra invested £22 million in the £62 million deal.

Headquartered in New Milton, Hampshire, Peverel has offices in London, Luton, Birmingham, Kent and Glasgow and employs over 4,200 people. Its activities include residential property management services, which it provides to 4,000 developments across the UK, as well as property sales, insurance services, installation and maintenance of safety and security systems, telecare and telehealth monitoring.

Peverel performed robustly during its year-long administration, reflecting its industry leadership and high service standards. The business strategy is to improve service quality further and then to build on Peverel's market position by winning new property management business with both new and existing developments.

www.peverel.co.uk

Key New Investments and Realisations

Realisation

Proceeds:	£38,416,000*
Cost:	£22,844,000
Type of Deal:	Co-investment/ Development capital

*excludes £1,847,000 loan repayment received in September 2011

SAV Credit

Location | UK

In 2006 Electra invested £15 million in SAV Credit ("SAV") as development capital to support the growth in the provision of non-mainstream credit cards. Following an adaptation of the original investment strategy, Electra provided further finance to support SAV Credit in the acquisition of the Marbles portfolio in 2007 and the Opus portfolio in 2010.

Trading performance remained robust during 2011 with SAV starting to benefit materially from the improvements in trading in the Opus portfolio, whilst still benefiting from the low interest rate environment. As a result, trading profits during 2011 showed significant improvement on prior year results. In November 2011 Electra realised £38 million for its remaining investment in SAV, after a loan of £1.8 million was repaid during September 2011, giving a total return of 1.7x on cost, an IRR of 11%.

www.savcredit.co.uk

Realisation

Proceeds:	£51,459,000
Residual Value:	£4,249,000
Cost:	£19,082,000
Type of Deal:	MBO

Capital Safety Group

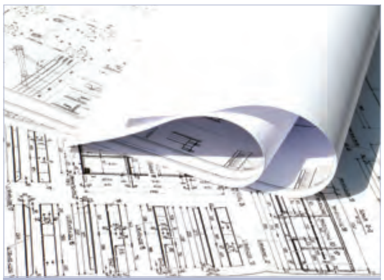
Location | International

Electra originally invested in the buyout of Capital Safety Group ("CSG") in 1998. CSG manufactures harnesses, lifelines and anchors for people working at height in a wide range of end user sectors including manufacturing, construction, oil and gas, and utilities. Following the sale of the investment in 2007, Electra reinvested in the mezzanine, shareholder loan and equity of the business to benefit from the continued growth forecast in the fall protection market and complementary acquisitions.

Since the original investment in 1998, CSG has been transformed from having a regional focus into one of the world's leading manufacturers of fall protection, confined space and rescue equipment.

In January 2012 CSG was sold to private equity firm KKR with Electra receiving proceeds of £51 million in the period to 31 March and receiving a subsequent £4 million (initially held in escrow) in April 2012. Since the initial investment of £30 million in 1998, Electra has received net proceeds of £197 million over 13 years; an IRR of 23%.

www.capitalsafety.com



Realisation

Proceeds:	£31,643,000
Cost:	£13,901,000
Type of Deal:	Co-investment

CPA Global

Location | International

In 2010 Electra purchased £14 million of mezzanine and equity interests in CPA Global ("CPA"). CPA is a leading provider of legal services outsourcing and the world's top intellectual property management specialist. The company employs 1,500 people to service clients' needs in over 100 countries.

Since the investment CPA has traded strongly and in January 2012 CPA was sold to private equity firm Cinven. Electra received total proceeds of £31.6 million which generated a 61% IRR and a return of 2.3x original cost in under two years.

www.cpaglobal.com

Realisation	
Proceeds:	£18,797,000
Cost:	£15,840,000
Type of Deal:	Mezzanine

Volution (Vent-Axia)

Location | UK

Electra invested £15.8 million in the mezzanine and debt instruments of Volution as part of a management buyout in 2006. The underlying business, Vent-Axia, is a leading manufacturer and supplier of heating, ventilation and air conditioning systems, both in the UK and around the world. Its products range from extraction fans for the home to large commercial ventilation solutions.

Over the past five years the Group has successfully pursued a strategy to focus on its core business and to drive EBITDA growth both organically and through strategic acquisitions.

In February 2012, Volution was sold to Towerbrook Capital Partners and Electra's second lien and mezzanine debt was repaid in full. Electra received total proceeds over the period of its investment of £25.3 million which represented a return of 1.6x cost, an IRR of 10%.

www.vent-axia.com

Realisation	
Proceeds:	£35,536,000
Cost:	£22,326,000
Type of Deal:	MBO

Amtico

Location | UK

In 1995 Electra invested £17.1 million in the management buyout of luxury flooring manufacturer Amtico from Courtaulds. Amtico designs, manufactures and markets resilient vinyl flooring products for both the residential and commercial sectors. The company employs 600 people operating from its headquarters in Coventry and facilities in the USA.

In 2003, Electra appointed CEO Jonathan Duck following the retirement of his predecessor and in 2006, the company was subject to a secondary buyout with Electra reinvesting part of its sale proceeds in a minority equity holding and providing the mezzanine debt. Under Duck's leadership, Amtico launched the Spacia brand which has been a significant contributor to the growth in revenues and profits.

In March 2012 Electra sold its interests in Amtico to US trade buyer Mannington Mills and received proceeds of £35.5 million. Since the original investment 16 years ago Electra has generated total proceeds of £74.5 million, a multiple of 4.4x original investment and a compound IRR of 14% per annum.

www.amtico.com

Key Investments

Direct Unlisted and Secondary Investments

Company	Fair Value of holding at 30 Sept 2011 £'000	Net payments/ (receipts) £'000	Performance in period £'000	Fair Value of holding at 31 Mar 2012 £'000	Cost of holding at 31 Mar 2012 £'000
Allflex Holdings Animal identification tags	99,000	1,121	11,192	111,313	41,902
esure Motor & home insurance	50,669	(5,287)	10,215	55,597	25,427
Park Resorts Caravan parks operator	–	44,911	–	44,911	44,911
Lil-lets Group Feminine hygiene products	41,405	1,502	334	43,241	23,194
Promontoria Property holding company	37,426	(980)	(26)	36,420	14,082
Davies Group Provider of claims solutions	35,789	–	(4,950)	30,839	35,789
Nuaire Fan manufacturer	27,581	–	2,317	29,898	23,138
BDR Thermea Heating products	73,200	(45,233)	233	28,200	21,534
Premier Asset Management Investment management	27,561	39	(2,015)	25,585	55,824
Peverel Group Property management services	–	21,971	–	21,971	21,971
Daler-Rowney Fine art materials supplier	15,473	–	3,135	18,608	17,435
Pine Property investment in nursery education	16,275	(600)	975	16,650	14,500
Labco Medical diagnostics	13,286	2,023	(1,571)	13,738	26,212
Sentinel Performance Solutions Heating system treatment products	11,385	–	–	11,385	15,692
Kalle Food casings	11,487	–	(1,411)	10,076	9,001
Sub total	460,537	19,467	18,428	498,432	390,612
Other investments	217,640	(193,274)	59,805	84,171	
Total Direct Unlisted Investments	678,177	(173,807)	78,233	582,603	

Listed Investments

	Fair Value of holding at 30 Sept 2011 £'000	Net payments/ (receipts) £'000	Performance in period £'000	Fair Value of holding at 31 Mar 2012 £'000	Cost of holding at 31 Mar 2012 £'000
London & Stamford Property Property holding company	34,779	(1,040)	(950)	32,789	30,195
Zensar Technologies Software	16,064	–	7,185	23,249	4,211
Sub total	50,843	(1,040)	6,235	56,038	34,406
Other investments	43,490	(4,759)	(621)	38,110	
Total Direct Listed Investments	94,333	(5,799)	5,614	94,148	

Fund Investments

	Fair Value of holding at 30 Sept 2011 £'000	Net payments/ (receipts) £'000	Performance in period £'000	Fair Value of holding at 31 Mar 2012 £'000	Cost of holding at 31 Mar 2012 £'000
Funds	110,665	4,206	(5,779)	109,092	120,125

The three largest funds were Cognetas Fund II LP, Sinergo Con Imprenditori and Duke Street Capital VI No 1 Limited Partnership, which accounted for 53% of the total value.

Large Private Equity Investments

Equity Ownership:	33.5%
Valuation:	£111,313,000
Cost:	£41,902,000
Type of Deal:	MBO

Valuation based on multiple of earnings

Allflex Holdings

Location | International

In 1998 Electra invested £23.1 million in the US$160 million buyout of Allflex. Allflex is the world's leading manufacturer and distributor of plastic and electronic animal identification tags with factories in France, Brazil and China. In 2005 and 2007 the business was refinanced with Electra being repaid £90 million cumulatively, whilst retaining an investment of £40.5 million in the equity of the business.

In the year ended 31 December 2011, Allflex generated sales of $259.4 million (2010: $222.1 million). The business is showing strong growth in 2012 as a result of the impact of an acquisition completed in 2011 and strong sales in the US and Mexico.

In future years, increased traceability regulation is forecast to continue across all species, products and markets.

www.allflexusa.com

Equity Ownership:	7.0%
Valuation:	£55,597,000
Cost:	£25,427,000
Type of Deal:	MBO

Valuation based on multiple of earnings

esure

Location | UK

In 2010 Electra invested £30 million in the management buyout of esure from Lloyds Banking Group, led by Peter Wood, founder and CEO of esure. The transaction was unleveraged and the total value was in excess of £185 million. esure is now one of the UK's leading motor insurers, offering car, home, pet and travel insurance over the internet and by phone through the esure and Sheilas' Wheels brands. esure also has a 50% interest in Go compare, the internet aggregator.

Following a steep rise in motor bodily injury claims since 2009, management's actions to improve profitability and reserving together with relatively benign weather drove a marked improvement in 2011 in underwriting performance and overall profitability, despite low investment returns. Go compare continues to perform reasonably well in a very competitive marketplace. Despite a number of challenges for the UK motor insurance industry, including the OFT's "Call for Evidence on Motor Insurance" and the potential ban on referral fees, management remains confident in the future prospects of the business. On 1 November 2011 esure repaid £30 million of loan notes originally due on 31 December 2012 with Electra receiving £4.5 million.

www.esure.co.uk

Equity Ownership:	61.7%
Valuation:	£43,241,000
Cost:	£23,194,000
Type of Deal:	MBO

Valuation based on multiple of earnings

Lil-lets Group

Location | UK and South Africa

In 2006 Electra made an equity investment in the management buyout of Lil-lets. Lil-lets is a leading feminine hygiene brand with operations in the UK and South Africa and sells a range of applicator and non-applicator tampons, sanitary towels and pantliners.

Towards the end of 2011 Lil-lets completed a rebranding and at the same time launched a number of new, innovative products (Silk Comfort compact applicator, FreshLOCK Towels and Teens Towels) and the investment in establishing these new products is continuing.

Whilst the UK market for feminine hygiene products remains competitive South Africa continues to be a growth market in which the company has a leading position.

Lil-lets is continuing to invest in brand and product development as well as geographic expansion opportunities. Group net sales in the year to 31 December 2011 were £39.1 million (2010: £38.6 million).

www.lil-lets.com

Equity Ownership:	10.7%
Valuation:	£36,420,000
Cost:	£14,082,000
Type of Deal:	Acquisition capital

Valuation based on a combination of rental yield and expected disposal value

Promontoria

Location | Germany

In 2002 Electra first provided acquisition funding to a new company which was subsequently acquired by Promontoria, an unleveraged investment company which owns 97 retail properties situated throughout the major towns and cities in Germany, of which 84 are leased to the discount chain Woolworth. Electra's investment in this vehicle is in the form of ordinary shares and loan stock.

The German retail property market was buoyant during 2011 with investor demand remaining high. Against this background, Promontoria has continued to progress; its major tenant, Woolworth, has been significantly restructured and its strong balance sheet has allowed it to open new units. The development of a number of vacated properties is progressing well and more than 70,000 m^2 of retail space has been leased to third parties over the past two years. Promontoria has now sold 12 properties for aggregate post tax proceeds of more than €100 million. Of the remaining 13 vacated stores it is expected that a further six will be sold during 2012.

Equity Ownership:	46.2%
Valuation:	£30,839,000
Cost:	£35,789,000
Type of Deal:	MBO

Valuation based on multiple of earnings

Davies Group

Location | UK

In September 2011 Electra invested £35.8 million in Davies Group Limited ("Davies Group"), a leading provider of claims management solutions to the insurance industry. Davies Group is recognised as one of the most innovative and well respected providers of claims solutions in the UK providing a range of services across all sectors of the insurance market, including claims management, validation and loss adjusting services, and claims fulfilment to some of the best-known and most successful insurance brands in the UK.

Operating nationally, Davies acts on behalf of a range of insurance companies, specialist sectors such as Lloyd's of London, as well as service companies, brokers and self-insured entities. Davies has won some important new clients in the last 12 months and has undertaken a bolt-on acquisition.

Davies' profits for the year to March 2012 have been adversely affected by the level of weather based insurance claims due to the mild winter.

www.davies-group.com

Equity Ownership:	38.8%
Valuation:	£29,898,000
Cost:	£23,138,000
Type of Deal:	MBO

Valuation based on multiple of earnings

Nuaire

Location | UK

In 2007, Electra led the £83 million management buyout of Nuaire. Nuaire is a leading UK based manufacturer and distributor of ventilation equipment for commercial and residential applications, with factories in Caerphilly, South Wales and St Brisson-sur-Loire, France.

In the first half of the current financial year Nuaire has delivered profits ahead of the prior year but slightly behind budget in what continues to be a competitive marketplace. During March 2012 Nuaire completed the sale of its small French subsidiary, AREM, which had a limited fit with the group. Proceeds from the sale of AREM have been used to continue Nuaire's deleveraging.

Nuaire's management continue to review all aspects of the business with the objective of maintaining and growing profitability.

www.nuaire.co.uk

Equity Ownership:	nil
Residual Value:	£28,200,000
Type of Deal:	MBO

Valuation based on net present value of expected disposal proceeds

BDR Thermea

Location | International

Electra has a longstanding relationship with Baxi Group, a leading manufacturer of heating products, and has continued to support the business since its first investment in 1999.

In 2004 Electra re-invested £14.9 million in the buyout of Baxi Group allowing Electra to maintain its exposure to a business considered to have good long-term growth potential.

In 2009 Baxi combined with De Dietrich Remeha Group to create a leading player in the European heating market. The combined group, now known as BDR Thermea, is active in over 70 countries with over 7,000 employees and has an annual turnover of over €1.8 billion.

On 31 October 2011, the interest in BDR Thermea held by the former Baxi shareholders was acquired by the group's parent company, Remeha Group BV. So far Electra has received £45 million of proceeds and will receive a further £35 million over the next two years.

www.bdrthermea.com

Equity Ownership:	73.7%
Valuation:	£25,585,000
Cost:	£55,824,000
Type of Deal:	MBO

Valuation based on multiple of earnings

Premier Asset Management

Location | UK

Premier is a retail asset manager distributing funds through IFAs as well as other discretionary and advisory channels. Electra initially invested in minority equity and subordinated debt in support of the take-private of Premier in 2007. In 2009 Electra made a further equity investment in Premier in order to support the acquisition of two OEICs from Aberdeen Asset Management.

Assets under management were £2.1 billion at the end of March 2012, in line with the level at the beginning of the current financial year. Net sales of investment products have continued to improve despite the deterioration in market conditions over the past 12 months. In addition, the fund management team has been strengthened further with new hires.

Premier is well positioned for organic growth based on its IFA market positioning and distribution infrastructure, as well as the long-term growth nature of the retail investment market. The company's strategy is to accelerate organic growth by selective recruitment and to make further acquisitions.

www.premierassetmanagement.co.uk

Equity Ownership:	41.1%
Valuation:	£18,608,000
Cost:	£17,435,000
Type of Deal:	MBO

Valuation based on multiple of earnings

Daler-Rowney

Location | International

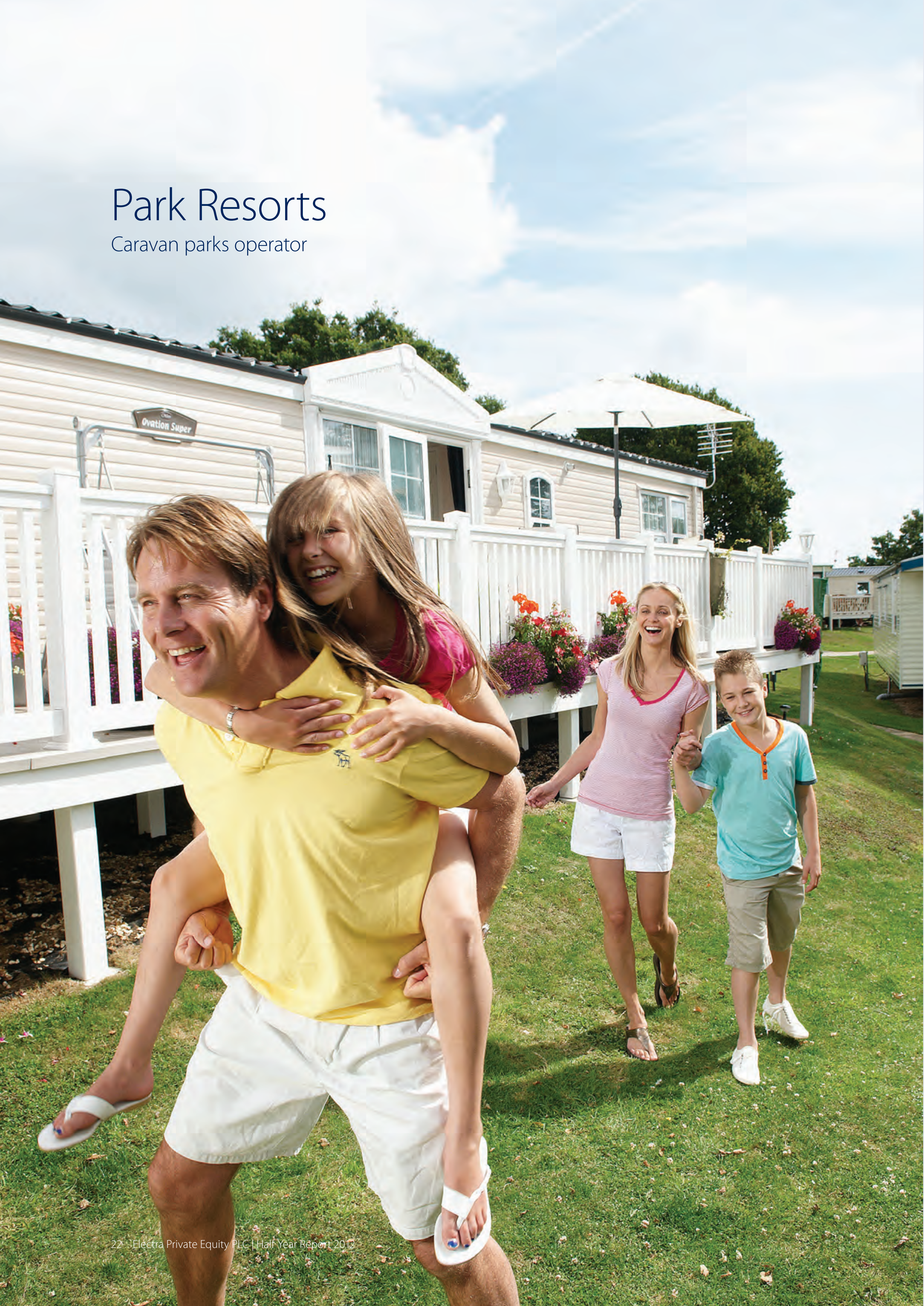
Electra made a £17.4 million equity investment in Daler-Rowney in March 2011. Daler-Rowney is one of the largest suppliers of fine art materials in the world with a comprehensive product range including artists' paints, brushes, papers and canvases which meet the needs of beginner, amateur, student and professional artists. The company manufactures its products in the UK and the Dominican Republic and sells in more than 90 countries worldwide.

As in previous years, Daler-Rowney grew its sales in every market in 2011. The company has built on its heritage brands with new product launches and at the same time has built on existing and developed new customer relationships. These activities have continued to drive growth in the current year.

The company's strategy is based on further developing market share in core markets in the US and Continental Europe and on increasing penetration in other markets; this will be achieved through continued investment in sales infrastructure and product development.

www.daler-rowney.co.uk

Park Resorts
Caravan parks operator



Consolidated Income Statement (unaudited)

Note	For the six months ended 31 March	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
	Profit on investments:						
	Investment income/net gain	24,301	55,814	80,115	17,338	68,130	85,468
	Profit/(loss) on revaluation of foreign currencies	–	3,234	3,234	–	(3,914)	(3,914)
		24,301	59,048	83,349	17,338	64,216	81,554
	Other Income	252	–	252	234	–	234
	Incentive schemes	–	(4,001)	(4,001)	–	(5,243)	(5,243)
	Priority profit share	(8,827)	–	(8,827)	(8,112)	–	(8,112)
	Fair value movement of derivatives	(355)	–	(355)	934	–	934
	Other expenses	(1,230)	–	(1,230)	(1,188)	–	(1,188)
	Net Profit before Finance Costs and Taxation	14,141	55,047	69,188	9,206	58,973	68,179
	Finance Costs	(8,912)	(1,826)	(10,738)	(6,034)	(1,705)	(7,739)
	Profit on Ordinary Activities before Taxation	5,229	53,221	58,450	3,172	57,268	60,440
	Taxation (expenses)/credit	(3,823)	–	(3,823)	–	65	65
	Profit on Ordinary Activities after Taxation attributable to owners of the parent	1,406	53,221	54,627	3,172	57,333	60,505
3	Basic Earnings per Ordinary Share	3.98p	150.60p	154.58p	8.98p	162.24p	171.22p
3	Diluted Earnings per Ordinary Share	10.72p	132.34p	143.06p	11.44p	142.56p	154.00p

The 'Total' columns of this statement represent the Group's Income Statement prepared in accordance with International Accounting Standard ('IAS') 34 'Interim Financial Reporting' as adopted by the European Union. The supplementary Revenue and Capital columns are both prepared under guidance published by the Association of Investment Companies.

The amounts dealt with in the Consolidated Income Statement are all derived from continuing activities.

Consolidated Statement of Comprehensive Income (unaudited)

Note	For the six months ended 31 March	2012 £'000	2011 £'000
	Profit for the period	54,627	60,505
	Exchange differences arising on consolidation	(285)	459
	Total Comprehensive Income for the period	54,342	60,964
	Total Comprehensive Income attributable to owners of the parent	54,342	60,964

Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 31 March 2012

Note		Called-up Share capital £'000	Share premium £'000	Capital redemp-tion reserve £'000	Other reserves £'000	Translation reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserves £'000	Total Share-holders' funds £'000
	Opening balance at 1 October 2011	8,835	24,181	34,440	23,046	(4,080)	792,823	(87,456)	29,703	821,492
	Net revenue transferred to reserves	–	–	–	–	–	–	–	1,406	1,406
	Net profits on realisation of investments during the period	–	–	–	–	–	30,336	–	–	30,336
	Financing costs	–	–	–	–	–	(1,826)	–	–	(1,826)
	Increase in value of non-current investments	–	–	–	–	–	–	25,478	–	25,478
	Increase in incentive provisions	–	–	–	–	–	–	(4,001)	–	(4,001)
	Gains and losses on foreign currencies	–	–	–	–	(285)	(1,406)	4,823	–	3,132
	Unrealised net appreciation at 1 October 2011 on investments sold during the period	–	–	–	–	–	27,248	(27,248)	–	–
	Exchange loss transferred to income statement on liquidation of subsidiary	–	–	–	–	183	(183)	–	–	–
	At 31 March 2012	8,835	24,181	34,440	23,046	(4,182)	846,992	(88,404)	31,109	876,017

Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 31 March 2011

Note		Called-up Share capital £'000	Share premium £'000	Capital redemp-tion reserve £'000	Other reserves £'000	Translation reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserves £'000	Total Share-holders' funds £'000
	Opening balance at 1 October 2010	8,835	24,147	34,440	–	(3,936)	810,981	(175,434)	25,498	724,531
	Net revenue transferred to reserves	–	–	–	–	–	–	–	3,172	3,172
	Net profits on realisation of investments during the period	–	–	–	–	–	307	–	–	307
	Financing costs	–	–	–	–	–	(1,705)	–	–	(1,705)
	Increase in value of non-current investments	–	–	–	–	–	–	67,823	–	67,823
	Increase in incentive provisions	–	–	–	–	–	–	(5,243)	–	(5,243)
	Gains and losses on foreign currencies	–	–	–	–	459	(1,697)	(2,217)	–	(3,455)
	Unrealised net appreciation at 1 October 2010 on investments sold during the period	–	–	–	–	–	(11,795)	11,795	–	–
	Convertible bond issue	–	–	–	23,046	–	–	–	–	23,046
	Conversion of convertible bond	–	22	–	–	–	–	–	–	22
	Tax liabilities on capital	–	–	–	–	–	65	–	–	65
	At 31 March 2011	8,835	24,169	34,440	23,046	(3,477)	796,156	(103,276)	28,670	808,563

Consolidated Balance Sheet (unaudited)

		As at 31 March 2012		(Audited) As at 30 September 2011		As at 31 March 2011
	£'000	£'000	£'000	£'000	£'000	£'000
Non-Current Assets						
Investments held at fair value:						
Unlisted and listed portfolio		785,843		883,175		831,974
Other investments		397,190		230,136		275,153
		1,183,033		1,113,311		1,107,127
Current Assets						
Trade and other receivables	4,334		2,173		3,237	
Current tax asset	1,482		831		600	
Cash and cash equivalents	16,211		39,434		27,928	
	22,027		42,438		31,765	
Current Liabilities						
Current tax liability	3,822		–		99	
Trade and other payables	4,934		4,414		6,021	
Derivative financial instrument	712		358		614	
Net Current Assets		12,559		37,666		25,031
Total Assets less Current Liabilities		1,195,592		1,150,977		1,132,158
Non-Current Liabilities						
Zero Dividend Preference Shares	54,859		53,034		51,265	
Bank loans	158,930		163,707		166,008	
Convertible bond	76,683		75,310		73,919	
Deferred tax liability	–		–		176	
Provisions for liabilities and charges	29,103		37,434		32,227	
		319,575		329,485		323,595
Net Assets		876,017		821,492		808,563
Capital and Reserves						
Called up share capital		8,835		8,835		8,835
Share premium	24,181		24,181		24,169	
Capital redemption reserve	34,440		34,440		34,440	
Other Reserves	23,046		23,046		23,046	
Translation Reserve	(4,182)		(4,080)		(3,477)	
Capital reserve – Realised	846,992		792,823		796,156	
Capital reserve – Unrealised	(88,404)		(87,456)		(103,276)	
Revenue reserve	31,109		29,703		28,670	
		867,182		812,657		799,728
Total Equity Shareholders' Funds		876,017		821,492		808,563
Basic Net Asset Value per Ordinary Share		2,478.80p		2,324.51p		2,287.97p
Diluted Net Asset Value per Ordinary Share		2,360.36p		2,224.78p		2,192.63p
Ordinary Shares in issue		35,340,391		35,340,391		35,339,760

The notes on pages 27 to 29 are an integral part of the financial statements.

Consolidated Cash Flow Statement (unaudited)

For the six months ended 31 March	£'000	2012 £'000	£'000	2011 £'000
Operating activities				
Purchase of portfolio investments	(86,750)		(72,923)	
Purchase of other investments	(283,600)		(251,200)	
Amounts paid under incentive schemes	(12,322)		(8,374)	
Sales of portfolio investments	219,459		82,574	
Sales of other investments	116,600		151,000	
Dividends and distributions received	8,241		1,629	
Other investment income received	35,666		7,810	
Interest income received	104		86	
Other income received	148		148	
Expenses paid	(12,170)		(11,845)	
Taxation expense	(652)		(660)	
Net Cash Outflow from Operating Activities		(15,276)		(101,755)
Financing Activities				
Bank loans drawn	–		5,049	
Bank loans repaid	–		(5,203)	
Finance costs paid	(3,790)		(3,686)	
Issue of Convertible Bond	–		96,290	
Convertible Bond Interest paid	(2,499)		–	
Net Cash (Outflow)/Inflow from Financing Activities		(6,289)		92,450
Changes in cash and cash equivalents		(21,565)		(9,305)
Cash and cash equivalents at the beginning of the period		39,434		36,947
Translation difference		(1,658)		286
Cash and Cash Equivalents at 31 March		16,211		27,928

Notes to the Accounts

Within the notes to the Half Year Report, all current and comparative data covering periods to, or as at, 31 March are unaudited.

1 Basis of Preparation

The Half Year Report is unaudited and does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006. The statutory accounts for the year ended 30 September 2011, which were prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, have been delivered to the Registrar of Companies. The Auditors' opinion on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement made under Section 498(2) or Section 498(3) of the Companies Act 2006. The financial information comprises the Consolidated Balance Sheets as at 31 March 2012, 30 September 2011 and 31 March 2011 and for the periods ended 31 March 2012 and 31 March 2011, the related Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cashflow Statement and the related notes hereinafter referred to as "financial information".

The financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority. The accounting policies adopted are consistent with those of the previous financial year and with IAS 34 'Interim Financial Reporting', as adopted by the European Union, and are set out in the Annual Report for the year ended 30 September 2011, which is available on Electra's website (www.electraequity.com). The financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of certain assets at fair value.

2 Segmental Analysis

The chief operating decision-maker has been identified as Electra Partners. Electra Partners reviews the Group's internal reporting in order to assess performance and allocate resources. Electra Partners has determined the operating segments based on these reports. Electra Partners considers the business as a single operating segment.

3 Earnings per Share

	2012	2011
Net revenue return attributable to ordinary shareholders (£'000)	1,406	3,172
Net capital return attributable to ordinary shareholders (£'000)	53,221	57,333
Total return (£'000)	54,627	60,505
Total equity shareholders' funds (£'000)	876,017	808,563
Net revenue return on which diluted return per share calculated finance charge net of taxation of £2,904,000 (2011: £1,429,000*) added back (£'000)	4,310	4,601
Net capital return on which diluted return per share calculated (£'000)	53,221	57,333
Weighted average number of ordinary shares in issue during the period on which the undiluted return per ordinary share was calculated	35,340,391	35,338,867
Weighted average number of ordinary shares in issue during the period on which the diluted return per ordinary share was calculated	40,216,732	40,215,842

3 Earnings per Share continued

	Basic earnings per share 2012 p	Basic earnings per share 2011 p	Diluted earnings per share 2012 p	Diluted earnings per share 2011 p
Revenue return per ordinary share*	3.98	8.98	10.72	11.44
Capital return per ordinary share	150.60	162.24	132.34	142.56
Earnings per ordinary share*	154.58	171.22	143.06	154.00

*2011 diluted earnings per share had been incorrectly calculated in the Half Year 2011 report as finance charge (net of taxation) amounting to £1,429,000 was not added back to the net revenue return as required. The comparative information for 2011 has been restated. As a result, the revised diluted revenue return per ordinary share is 11.44p (previously 7.89p) and diluted earnings per ordinary share is 154.00p (previously 150.45p).

4 Net Asset Value per Ordinary Share

On 29 December 2010 Electra issued £100 million of 5% Subordinated Convertible Bonds at an issue price of 100 per cent and an initial conversion price of 2,050p. Bondholders may convert their Bonds into ordinary shares of the Company from 7 February 2011 up to and including the date falling seven business days prior to 29 December 2017. The Bond has been treated as a compound financial instrument containing both a liability and an equity component.

The basic Net Asset Value ("NAV") per share is calculated by dividing NAV of £876,017,000 (2011: 808,563,000) by the number of ordinary shares in issue amounting to 35,340,391 (2011: 35,339,760). The diluted NAV per share is calculated by adding the initial liability component of the Convertible Bond amounting to £73,244,000 (2011: 73,244,000) to NAV of £876,017,000 (2011: 808,563,000) and then dividing by the weighted average number of ordinary shares amounting to 40,216,732 (2011: 40,215,842) after taking into account dilutive potential shares.

5 Share Capital

For the six months ended 31 March	2012 £'000	2011 £'000
Allotted, called-up and fully paid 35,340,391 (2011: 35,339,760) ordinary shares of 25p each	8,835	8,835

During the six months ended 31 March 2012, no Subordinated Convertible Bonds were converted into ordinary shares.

6 Related Party Transactions

Certain members of Electra Partners (the "participants") are entitled under various limited partnership agreements to benefit from carried interest and co-investment arrangements. Under these schemes the participants invest in every new investment made by Electra up to 31 March 2006. In return the participants receive a percentage of the total capital and revenue profits made on each investment, "LTI". The participants do not receive any profits until Electra has received back its initial investment.

In addition the participants are entitled to a percentage of the incremental value of unlisted investments held at 31 March 1995, subject to Electra having received in total proceeds equal to the valuation of those investments as at 31 March 1995 and a preferred return "1995 LTI".

Following approval at the Extraordinary General Meeting held on 12 October 2006 the participants entered into two new schemes. The participants are entitled to receive a percentage of the incremental value of certain investments held at 31 March 2006, "Initial Pool", following Electra receiving total proceeds equal to the opening value and a preferred return, after deduction of related priority profit share ("PPS"). The second scheme entered into under the new arrangements requires the participants to invest in every new investment made by Electra since 1 April 2006, "2006 Pool". On a pooled basis, participants receive a percentage of the total capital and revenue profits once Electra has received back its initial investment, a preferred return and a related priority profit share. Following the same methodology new pools commenced for deals starting 1 October 2009, "2009 Pool".

No Directors of Electra participate in the above schemes.

As at 31 March 2012	LTI £'000	1995 LTI £'000	Initial Pool £'000	2006 Pool £'000	2009 Pool £'000	Total £'000
Provisional Entitlement	10,416	80	10,338	–	8,269	29,103
Outstanding Entitlement	–	–	–	–	–	–
Total Amount Outstanding	10,416	80	10,338	–	8,269	29,103
Amount Paid in Period	3,653	–	8,669	–	–	12,322

As at 31 March 2011	LTI £'000	1995 LTI £'000	Initial Pool £'000	2006 Pool £'000	2009 Pool £'000	Total £'000
Provisional Entitlement	12,883	66	14,719	787	3,772	32,227
Outstanding Entitlement	–	–	–	–	–	–
Total Amount Outstanding	12,883	66	14,719	787	3,772	32,227
Amount Paid in Period	3,784	–	4,590	–	–	8,374

During the year ended 30 September 2007 Electra Partners exercised its option to cancel all priority profit share reductions by paying Electra in instalments the equivalent of the net present value of the remaining expected priority profit share reductions. An amount of £220,000 was paid during the period from 30 September 2011 to March 2012. The amount was approved by a qualified independent third party.

In November 2007, Electra entered into a co-investment agreement with Electra Partners Club 2007 LP ("Club"), a fund managed by Electra Partners LLP. The co-investment agreement requires Electra to coinvest at the ratio of 2:1 in all Electra Partners investments in private equity opportunities in Western Europe where the combined investment of Electra and the Club would represent a controlling stake and where the combined equity investment is between £25 million to £75 million. Both parties will invest on the same terms and conditions. The agreement allows for variations to these arrangements in certain prescribed circumstances. For example, where investment would compromise Electra's ability to qualify as an Investment Trust or where the Club would exceed certain concentration ratios. Investments that arise from interests that Electra already held prior to the establishment of the Club are unaffected by these sharing arrangements. These arrangements will expire in May 2013.

Independent Review Report
To Electra Private Equity PLC

We have been engaged by the Company to review the condensed financial statements in the half-yearly financial report for the six months ended 31 March 2012, which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Balance Sheet, Consolidated Cash Flow Statement and related Notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
28 May 2012

Notes:

(a) The maintenance and integrity of the Electra Private Equity PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Half Year Management Report

Current and Future Development

A review of the main features of the six months to 31 March 2012 is contained in the Chairman's Statement, the Investment Highlights and Portfolio Review which are on pages 3 to 4 and 6 to 11.

Performance

A detailed review of performance during the six months to 31 March 2012 is contained in the Investment Highlights and Portfolio Review on pages 6 to 11.

Risk Management

As the Company is focused on investment in private equity assets, Electra Partners aims to limit the risk attaching to the portfolio as a whole by careful selection of investments and by a spread of holdings in terms of overall portfolio analysis, age and geographic split in accordance with the Company's Objective and Investment Policy.

It is the role of the Board to review and manage all risks associated with the Company, either mitigating these directly or through Electra Partners. The principal risks facing the Company include Market Price Risk, Credit Risk, Interest Rate Risk, Liquidity Risk and Capital Risk as set out in Note 18 in the Notes to the Accounts of the Company's Report and Accounts for the year ended 30 September 2011. In addition the Company is also focused on Macroeconomic Risks, Gearing Risks, Foreign Currency Risk, Long-Term Strategic Risk, Government Policy and Regulation Risk, Investment Risks, Valuation Risk and Operational Risk as set out in the Report of the Directors of the Company's Report and Accounts for the year ended 30 September 2011.

Related Party Transactions

Details of Related Party Transactions are contained in Note 6 of the Notes to the Accounts for the six months ended 31 March 2012.

Going Concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Half Year Report as the Company has adequate resources to continue in operational existence for the foreseeable future.

Forward-looking Statement

Certain statements in this Half Year Report are forward looking. Although the Company believes that the expectations reflected in these forward statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. The Company undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Responsibility Statement

The Directors confirm to the best of their knowledge that:

a) the financial statements have been prepared in accordance with IAS 34 as adopted by the European Union; and

b) the Half Year Management Report includes a fair review of the information required by:

(i) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board of Directors
Dr Colette Bowe
Chairman
28 May 2012

Information for Shareholders

Financial Calendar

Interim Management Statement to December 2011	7 February 2012
Annual General Meeting	24 February 2012
Half-year Results announced	29 May 2012
Interim Management Statement to June 2012	July/August 2012
Annual Results announced	November/December 2012

Electra News via Email

If you would like to receive email notice of our announcements please visit our website at www.electraequity.com and click on the "Register for Email Alerts" logo in the top right hand corner. Registering for email alerts will not stop you receiving annual reports or any other documents you have selected to receive by post.

Trading Information – Ordinary shares

Listing	London Stock Exchange
ISIN	GB0003085445
SEDOL	0308544
Ticker/EPIC code	ELTA
Bloomberg	ELTALN
Reuters	ELTAL

Trading Information – Convertible Bond

Listing	London Stock Exchange
ISIN	GB00B5B0NW64
SEDOL	B5B0NW6
Ticker/EPIC code	ELTC
Bloomberg	ELTALN5 12/29/2017 Corp

Convertible Bond

What is a Convertible Bond?

A convertible bond is a tradable debt that can be converted into a predetermined amount of the company's equity during its life.

In the case of Electra, £100 million of Convertible Bonds were raised in December 2010. Each bond was priced at £1,000 per bond and generates 5% interest per annum payable semi-annually in equal instalments in arrears on 29 June and 29 December in accordance with the terms of the Prospectus.

Bondholders can convert their bonds into Electra shares at any time within the life of the bond (expires 2017) in accordance with the terms of the Prospectus. The conversion price in effect immediately upon issue of the bonds is 2,050p. The Convertible Bond is listed on the London Stock Exchange and can be traded like other listed securities.

In the unlikely event of Electra winding up, the Bondholders would rank above the ordinary shareholders in terms of being entitled to the capital of Electra.

For further information please visit our website www.electraequity.com/convertible.

Registrar

The Company's ordinary share register is maintained on behalf of the Company by Equiniti Limited.

Ordinary Shareholders who have enquiries concerning their registered holdings, including balance queries, assistance with lost certificates and change of address notifications should contact Equiniti Limited, whose full details are provided on page 35.

Share Fraud Warning – 'Boiler Room' Scams

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares. These operations are commonly known as 'boiler rooms' scams.

These 'brokers' can be very persistent and the Financial Services Authority (FSA) has found that it is not just the novice investor that has been duped in this way. The FSA reports that experienced investors have lost an average of £20,000, with around £200 million in total being lost in the UK each year.

Shareholders are advised to be very wary of any unsolicited calls or correspondence. If you are offered unsolicited investment advice, discounted shares or free company reports, you should take the following steps before handing over any money:

- Get the name of the person and organisation contacting you
- Check the FSA Register at www.fsa.gov.uk/fsaregister to ensure they are authorised
- Use the details on the FSA Register to contact the firm
- Call the FSA Consumer Helpline on 0845 606 1234 if there are no contact details on the Register or you are told they are out of date

To report a share scam, or to find out about the latest investment scams, go to www.fsa.gov.uk/scams

Remember: If you use an unauthorised firm to buy or sell shares, you will not be eligible to receive payment under the Financial Services Compensation Scheme if things go wrong.

Other Useful Websites

LPEQ

Electra is a founder member of LPEQ (formerly iPEIT), a group of private equity investment trusts and similar vehicles listed on the London Stock Exchange and other major European stock markets, formed to raise awareness and increase understanding of listed private equity.

LPEQ provides information on private equity in general, and the listed sector in particular, undertaking and publishing research and working to improve levels of knowledge about private equity among investors and their advisers.

For further information visit www.lpeq.com

Association of Investment Companies (AIC)

Electra is a member of the AIC, the trade organisation for the closed-ended investment companies. The AIC represents a broad range of closed-ended investment companies, including investment trusts, offshore investment companies and venture capital trusts which are traded on the London Stock Exchange, Alternative Investment Market, Special Financials Market, Euronext and the Channel Islands Stock Exchange.

For further information visit www.theaic.co.uk

Contact Details

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Geoffrey Cullinan
Roger Perkin
Michael Walton
(retired from the Board on 28 May 2012)
Lucinda Webber
Roger Yates
(appointed to the Board on 28 May 2012)
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*Calls to these numbers cost 8p per minute from a BT landline. Other providers' costs may vary. Lines open 8.30am to 5.30pm, Monday to Friday.

Notes

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