



Electra Private Equity PLC
Half Year Report

31 March **2013**

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.

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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 2013

NAV per share (diluted)	2,684p
NAV per share increase over ten years (diluted)	298%
Share price	2,365p
Share price increase over ten years	394%
Total Net Assets	£999m
Net liquid resources	£189m
Annualised return on equity over ten years (diluted)	15%

Performance (Total Return):

	Six months	One year	Three years	Five years	Ten years
Electra NAV per share (diluted)	9%	14%	41%	41%	298%
Morningstar PE Index NAV per share return (ex. Electra)*	11%	10%	20%	(31)%	52%
Electra share price	34%	38%	75%	49%	394%
Morningstar PE Index share price return (ex. Electra)**	32%	35%	40%	(25)%	73%
FTSE All-Share Index	15%	17%	29%	39%	175%

Performance calculated on a total return basis with dividends reinvested.

* The above index, prepared by Morningstar UK Limited, reflects the NAV per share performance of 20 private equity vehicles, excluding Electra, quoted on the London Stock Exchange.

**The above index, prepared by Morningstar UK Limited, reflects the share price performance of 20 private equity vehicles, excluding Electra, quoted on the London Stock Exchange.

Chairman's Statement

"Electra had a good six months to 31 March 2013 with high levels of new investment, portfolio realisations at excellent uplifts to carrying values, an increase in net asset value and a strong share price performance.

"The second half of the year has also started well with the announcement in May of the sale of Allflex Holdings, Electra's largest investment.

"Although the UK economic outlook is still uncertain, Electra Partners has successfully invested through a number of economic cycles and is able to adapt to market conditions and structure deals creatively. It is encouraging that Electra has adequate liquid resources as the conversion rate of new opportunities to completed investments increases."



Overview

Electra had a good six months to 31 March 2013 with high levels of new investment, portfolio realisations at excellent uplifts to carrying values, an increase in net asset value and a strong share price performance.

The second half of the year has also started well with the announcement in May of the receipt of a binding offer to acquire Allflex Holdings, Electra's largest investment.

Results

At 31 March 2013 Electra's diluted net asset value per share was 2,684p compared with 2,473p at 30 September 2012, an increase of 9% against a FTSE All-Share rise of 15%. Electra's share price increased by 34% over the period. The share price of 2,365p at 31 March 2013 represented a discount to diluted net asset value of 12%, a further improvement from the discount at 30 September 2012 of 28%. The return per share on a diluted basis for the six months amounted to 210p.

Based on indices prepared by Morningstar UK Limited, Electra's share price has increased by 394% over the 10 years to 31 March 2013, while the FTSE All-Share Index increased by 175%, on a total return basis.

Performance

Over the six months Electra's portfolio produced a total return of £161 million, an increase of 19%. A significant part of this increase was due to the uplift in the valuation of Allflex Holdings at 31 March 2013 and the realisation of a substantial part of Electra's holding in esure.

Investment Activity

The first six months of the year were exceptionally busy as Electra took advantage of its flexible investment approach and invested a record amount in a six month period of £204 million. This compares to £92 million in the six months to 31 March 2012 and £150 million for the year to 30 September 2012. These investments were principally in bank related assets where the purchase price was at a discount to the valuation of the underlying assets.

Realisations in the period totalled £112 million compared to £268 million for the six months to 31 March 2012 and £301 million for the year to 30 September 2012.

Carried Interest Provision

As part of the update of investment strategy and terms of appointment for Electra Partners which were approved by shareholders in 2006, members of Electra Partners receive a carried interest of 18% of net profits on each relevant three year pool of investments, subject to Electra receiving back the aggregate amounts advanced to finance investments in the relevant pool, a related priority profit share of 1.5% of valuation per annum and a performance hurdle of 8% per annum compound.

The first six months of the year were exceptionally busy as Electra took advantage of its flexible investment approach and invested a record amount in a six month period of £204 million.

In accordance with the financial reporting requirements to which Electra is subject, an accounting provision is only made in respect of carried interest arrangements when there is a reasonable likelihood that an amount may become payable in respect of a relevant investment pool.

The high level of realisation proceeds expected from the binding offer received for Allflex Holdings together with the changes in valuation to other relevant investments, has triggered a first time carried interest provision of £40 million in respect of the 2006 investment pool. The uplift in diluted net asset value per share of 9% for the six months is calculated after reflecting this provision.

Net Liquid Resources

At 31 March 2013 Electra had £189 million of liquid resources net of bank borrowings of £163 million. By 23 May 2013 liquid resources had reduced to £111 million principally as a result of new investments in AXIO Data Group and the EP I Secondary Portfolio.

Following completion of the Allflex Holdings realisation, Electra's liquid resources will increase by the receipt of US\$398 million (circa £257 million).

In 2011 Electra's multi-currency revolving credit facility was refinanced, increasing the size from £185 million to £195 million and extending the loan term from January 2013 to June 2016. The maturity profile of Electra's capital base has now been further improved by an 18 month extension of the term, with the result that the facility is repayable in four and a half years' time in December 2017.

Board Changes

As indicated in my Statement for the year ended 30 September 2012, Lucinda Webber retired from the Board with effect from the Annual General Meeting held on 7 March 2013. Francesca Barnes was appointed a non-executive Director of the Company on the same day.

Francesca has recently retired from a 27 year career in finance, the last seven of which were spent as Global Head of private equity for UBS. Her extensive knowledge of the private equity sector will prove valuable in Board discussions.

I am also pleased to report that Kate Barker has been appointed Chairman of the Remuneration and Nomination Committee and Senior Independent Director in succession to Lucinda Webber.

Outlook

I indicated in my last Statement that the Board expected that Electra's deal flow would increase in the period ahead driven by distressed sales and the necessity for companies to refinance debt and dispose of non-core assets.

Electra Partners has an interesting pipeline of potential transactions with a continued focus on bank owned assets. Although the UK economic outlook is still uncertain, Electra Partners has successfully invested through a number of economic cycles and is able to adapt to market conditions and structure deals creatively. It is encouraging that Electra has adequate liquid resources as the conversion rate of new opportunities to completed investments increases.



Dr Colette Bowe

Chairman

29 May 2013

The Manager

Electra Partners is an independent private equity fund manager with over 30 years' experience in the mid-market. During this time the firm has invested in excess of £3 billion, accumulated considerable expertise and built a strong track record.

As at 31 March 2013, Electra Partners had funds under management of over £1.6 billion on behalf of Electra and other clients.

The senior management team have on average 26 years' experience in private equity. The investment team is supported by a 23-strong team experienced in compliance, finance, investor relations and marketing.

Senior Management Team		Years of private equity experience
Hugh Mumford	Managing Partner	31
Tim Syder	Deputy Managing Partner	27
David Symondson	Deputy Managing Partner	29
Alex Fortescue	Chief Investment Partner	18
Rhian Davies	Partner	19
Philip Dyke	Partner	39
Steve Ozin	Partner	23

Investment Team		Years of private equity experience
Alex Cooper-Evans	Investment Partner	18
Charles Elkington	Investment Partner	18
Nigel Elsley	Investment Partner	24
Chris Hanna	Investment Partner	14
Sarah Williams	Investment Director	10
John Martin	Investment Manager	10
Ian Wood	Investment Manager	10
Shakira Adigun-Boaye	Investment Associate	1
Tom Stenhouse	Investment Associate	1
Oliver Huntsman	Portfolio Manager, UK	30
Peter Carnwath	Portfolio Manager, US	30
John Levack	Portfolio Manager, Asia	22

Investment Highlights

“Electra Partners continues to see an increase in the number of potential investment opportunities in a market where we believe patience and a disciplined approach to investment is likely to be well-rewarded.

“Electra’s portfolio has seen a high level of activity in the period, with a record level of investments and some major disposals at significant uplifts. The portfolio remains well positioned to make further progress.”



Electra’s portfolio has seen a high level of activity in the period, with a record level of new investment and the sale of two of the largest investments in the portfolio.

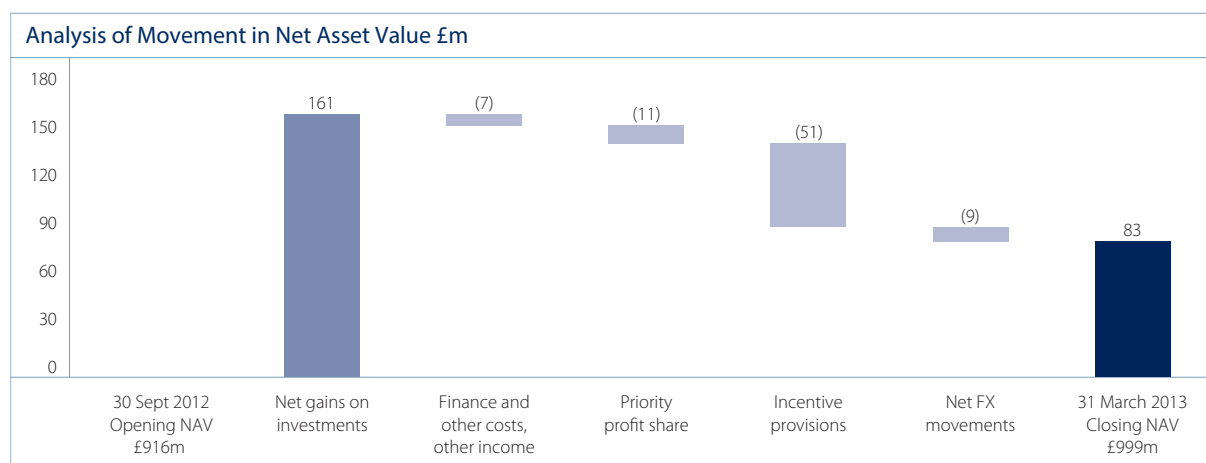
Market Environment

During the six months to 31 March 2013 the private equity market has remained challenging. While Electra’s dealflow has been robust, the economic outlook has in many cases created uncertainty in the valuation of potential investments, making it difficult to match pricing expectations of vendors. This has impacted the rate of conversion of opportunities into portfolio investments. Electra has continued to focus on transactions where either the vendor is under pressure to sell or the complexities of the deal have reduced the level of competition – circumstances which allow investments to be made at more attractive pricing levels.

Performance

Electra’s net asset value has continued to make positive progress with the unaudited fully diluted net asset value per share increasing to 2,684p at 31 March 2013 from 2,473p at 30 September 2012. This 211p per share increase represents growth of 9% compared to an increase in the FTSE All-Share Index over the same period of 15%. Over the year to 31 March 2013 the NAV has increased by 14% compared to the FTSE All-Share Index of 17%.

During the six months to 31 March 2013, the investment portfolio generated a total return of 19%. This strong performance triggered a significant carried interest charge in relation to the 2006-2009 management incentive scheme due to the fact that provisions for incentive payments are not recognised until performance thresholds are exceeded.



Investment Activity

Contrary to the low volume of transactions in the private equity market, Electra's investment activity reached a high level in the six months to 31 March 2013 both in terms of new investment and realisations from the portfolio. Total new investment for the period reached £204 million, more than double the amount of investment in the corresponding period of the previous year. In line with Electra's investment strategy, these new investments were made at attractive pricing levels. The period also saw sale activity for two of Electra's largest investments – esure was listed on the London Stock Exchange in March 2013 and Allflex is now the subject of a binding contract of sale with completion anticipated in the near term.

Outlook

The six months to 31 March 2013 have seen continued good progress from Electra's investment portfolio, with substantial additions to the portfolio and major disposals at significant uplifts to opening book value. While activity in the private equity market remains at a relatively low level, we expect an increase in the number of interesting investment opportunities as the rebalancing of the UK economy takes place. We continue to believe that this is a market where patience and a disciplined approach to investment is likely to be well-rewarded.

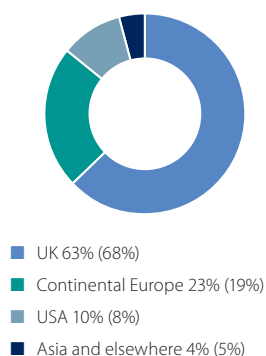
The six months to 31 March 2013 have seen continued good progress from Electra's investment portfolio, with substantial additions to the portfolio and major disposals at significant uplifts to opening book value.

Portfolio Review

At 31 March 2013 Electra's investment portfolio was valued at £1,121 million. The investment portfolio consists of direct unlisted investments, secondaries, funds and listed companies. The top 10 and 20 investments account for 64% and 81% respectively of the investment portfolio.

Investment Portfolio – Geographic Breakdown

31 Mar 2013 (31 Mar 2012)



Portfolio Breakdown

Investment Portfolio As at 31 March	2013 £m	2012 £m
Direct unlisted	777	543
Secondaries	138	40
Funds	113	109
Listed	93	94
Investment portfolio	1,121	786

Direct Unlisted Investments (70% of portfolio)

Direct unlisted investments form the major part of Electra's portfolio and consist of investments in 36 companies with an aggregate value of £777 million. The 15 largest investments accounted for 90% of the direct unlisted investments at 31 March 2013.

Secondary Investments (12% of portfolio)

Secondary investments consist of limited partnership interests in third party funds or secondary 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 2013 Electra held investments in 12 secondary positions.

Fund Investments (10% of portfolio)

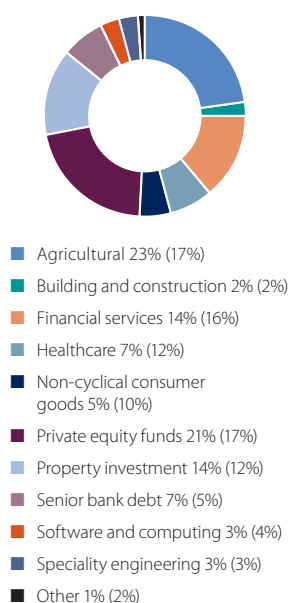
Since 2006 investments in funds have consisted of limited partnership interests in funds managed by other private equity managers where Electra has made an original commitment to a fund. These are made primarily to generate co-investment opportunities for Electra. At 31 March 2013, the fund portfolio also contained investments in funds made prior to 2006 which are in a process of run off.

Listed Investments (8% of portfolio)

For the most part, listed investments are held where they arise from previously unlisted investments. However, Electra may also invest in listed companies where the management team, which Electra wishes to support, operates through a listed vehicle. Listed investments had an aggregate value of £93 million at 31 March 2013.

Investment Portfolio – Sector Breakdown

31 Mar 2013 (31 Mar 2012)



Portfolio Movement

Electra's investment portfolio increased from £868 million to £1,121 million during the six months to 31 March 2013 as a result of net investment of £92 million and the generation of a total return from the investment portfolio of £161 million.

Six months to 31 March	2013 £m	2012 £m	2011 £m
Opening investment portfolio	868	883	766
Investments	204	92	73
Realisations	(112)	(268)	(91)
Total return	161	79	84
Closing investment portfolio	1,121	786	832

New Investments

New investments during the six months to 31 March 2013 amounted to £204 million which compared to £92 million in the corresponding period of the previous year. Investments included £91 million in the AXIO Data Group, £78 million in the purchase of secondary private equity funds and £13 million in CALA Group.

AXIO Data Group is a provider of data and information products to customers in 28 countries worldwide, with the UK, France, Canada, the US and Singapore being the key territories. Business information is provided to a wide range of sectors including healthcare, technology & IP, global trade, aviation and forest products. AXIO Data Group was purchased in a £160 million buyout from UBM plc arranged by Electra Partners.

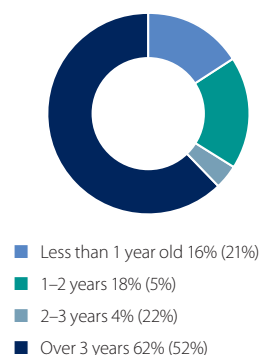
During the first six months of the financial year, Electra acquired limited partnership interests in seven secondary funds for a total investment of £78 million. These secondary funds had interests in 90 primary funds which commenced investing between 2006 and 2008 and are now mainly in a cash generative stage. Outstanding commitments at 31 March 2013 in respect of these secondary purchases amounted to £25 million. These secondary positions were purchased at a significant discount to the valuation of the investments in the underlying primary funds.

The investment in CALA Group was made in March 2013. CALA is a mid-market house builder based in the UK, well known as a high quality operator in the premium housing segment. While the majority of the land bank and current sales are in Scotland, CALA also has extensive interests in the Midlands and South East England. Electra's investment was made alongside Patron Capital, a property focused private equity fund, and Legal & General.

Electra made a number of other smaller investments and a further £9 million was drawn down by private equity funds in which Electra is a limited partner. Commitments outstanding to private equity funds increased to £104 million at 31 March 2013 including £25 million in respect of the secondary interests purchased in the period under review.

Direct Unlisted – Age Analysis (by last refinancing date)

31 Mar 2013 (31 Mar 2012)



Realisations

Realisations for the six months to 31 March 2013 amounted to £112 million. The most significant realisation related to esure, the insurance services business which was subject to an initial public offering in March 2013. Including proceeds received in February 2013, prior to this offering, Electra realised £68 million for the majority of its investment in esure, of which £57 million was realised prior to the half year end and £11 million was received shortly thereafter. Post receipt of this last payment, Electra's investment consists of 2.1 million shares in esure which had a valuation of £6 million at the issue price. The total cash received over the holding period of this investment together with the value of the shares retained have provided a return to Electra of three times the original cost of £30 million in just over three years.

In addition to the proceeds from esure, Electra also received a further £12 million of proceeds in respect of the sale of BDR Thermea and £18 million from the sale of investments in private equity funds in which Electra holds a limited partnership interest.

Shortly after the end of the half year period, Electra entered into a binding contract to sell its entire interest in Allflex Holdings, for total proceeds of US\$398 million.

Performance

During the six months to 31 March 2013, Electra's investment portfolio generated a total return of £161 million, an increase of 19% on the opening portfolio of £868 million.

This return arose principally from the direct investment portfolio which generated a total return of £122 million representing an increase in the six month period of 20%. The investments in secondary portfolios contributed £37 million to the total return while the fund portfolio added £7 million. Listed investments declined by £5 million in the period under review.

Of the total return in the period of £161 million – income received, gains realised or recognised for a contracted sale amounted to £123 million or 76% of the total return. The remaining £38 million arose from a net increase in unrealised appreciation. Of this £38 million, £33 million arose in relation to the EP I Secondary Portfolio investment which was revalued in accordance with relevant accounting standards. This return included currency movements, increases in valuation of the funds since purchase and the elimination of the discount received on the initial purchase.

Valuation Changes

The majority of changes in valuation during the period were made to recognise a realisation or impending sale. The largest gain related to Allflex Holdings, where an impending sale allowed a gain of £98 million to be recognised in respect of this investment. This resulted in the valuation of £154 million at the beginning of the period increasing to £252 million at 31 March 2013, an increase of 64%. The initial public offering of esure produced gains of £15 million. The combination of sale proceeds and retained shares represented an increase of 26% on the valuation of the investment at 30 September 2012.

Apart from esure and Allflex Holdings, Electra had holdings in 17 direct investments with a valuation of £7.5 million or more. Of these 17 investments, 12 investments were increased in value during the period, two investments were retained at their existing valuation and three were reduced in value. The net change in unrealised appreciation of these direct investments amounted to £13 million of which £3 million related to Noumena which was sold for £9 million shortly after the period end. The unrealised appreciation of direct investments with a value below £7.5 million, was reduced in aggregate by £4 million in the period.

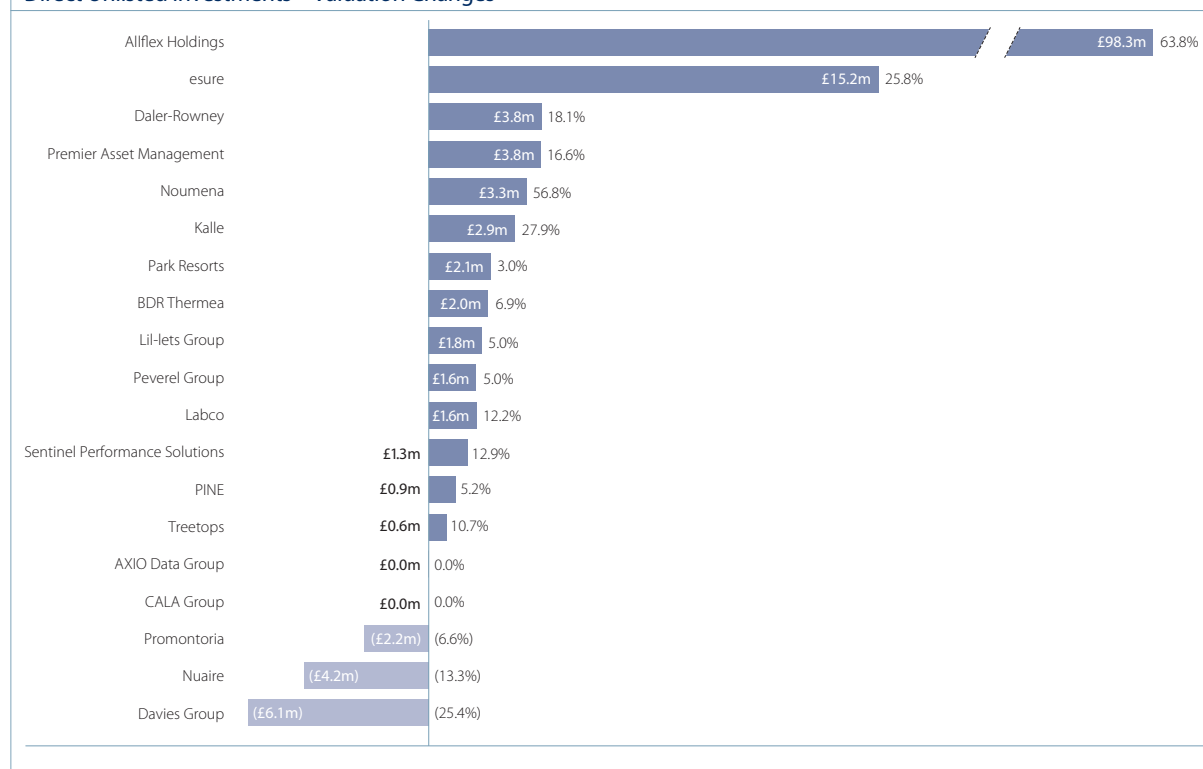
Direct Unlisted Investments – Valuation Basis

31 Mar 2013 (31 Mar 2012)



- Earnings basis 30% (69%)
- Exit price 40% (7%)
- Recent cost/listed price 14% (13%)
- Redemption value 10% (0%)
- Yield basis 6% (11%)

Direct Unlisted Investments – Valuation Changes



Hugh Mumford

Managing Partner
Electra Partners LLP
29 May 2013

Key New Investments and Realisations



New Investment

Equity Ownership:	68.8%
Valuation:	£90,584,000
Cost:	£90,584,000
Type of Deal:	MBO

AXIO Data Group

Location | International

In February 2013 Electra exchanged contracts to acquire UBM plc's Data Services division for £160 million. The majority of the transaction completed in April 2013 with the remaining parts of the transaction (accounting for £15.3 million of the consideration) due to complete separately as a result of outstanding regulatory and other approvals. Electra has invested £91 million to date and, should the outstanding part of the transaction complete, the total investment will be £98.5 million.

The businesses provide data and information products which professionals use to support their decision-making and day-to-day business activities. Operating in 28 countries worldwide, the businesses serve a wide range of sectors including healthcare, technology & IP, global trade, aviation and forest products.

Although the individual businesses will continue to operate under their own well established brands, the group will be known as AXIO Data Group.



New Investment

Equity Ownership:	10.7%
Valuation:	£13,286,000
Cost:	£13,286,000
Type of Deal:	Co-investment

CALA Group

Location | UK

In March 2013 Electra invested £13.3 million as a co-investor in Patron Capital Partners and Legal & General's acquisition of CALA Group from Lloyds Banking Group. The transaction valued CALA at £210 million and was financed by £70 million of debt and £140 million of equity.

Headquartered in Edinburgh, CALA Group is a national house builder which provides high quality homes in the North, East and West of Scotland, in the Midlands and in the South East of England, focusing on high quality, well designed homes in prime locations, from starter homes to luxury detached family properties.

CALA expects to capitalise on the continued recovery in the housing market.

www.cala.co.uk/group



Realisation

Proceeds:	£56,973,000
Residual Value:	£17,192,000
Type of Deal:	MBO

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 Executive Chairman 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.

In March 2013 esure successfully completed an IPO, allowing Electra to realise the majority of its investment. Prior to the IPO, £15.3 million of Electra's original investment had been repaid. As a result of the IPO, Electra received further cash proceeds of £51.5 million and retained a holding of 6.2 million ordinary shares in esure. Subsequently in April 2013, Electra sold 4 million of the 6.2 million esure shares receiving further proceeds of £11.2 million. Electra retains 2.2 million shares in esure which, at the IPO price, have a valuation of £6.4 million.

Including income and the shares still held, the investment in esure has generated a gross return of 3x cost for Electra; an IRR of 48%.



Realisation

Proceeds:	£9,300,000
Cost:	£4,628,000
Type of Deal:	Co-investment

Noumena

Location | UK

In 2002 Electra invested £3.7 million alongside other investors to acquire a large property in Central London at a total cost of £37 million. The property, which was purpose-built as a post office sorting facility, had been unoccupied for a considerable period of time and had a difficult planning position.

The objective was to obtain a revised planning consent based on the use required by a major anchor tenant.

In March 2013 it was agreed that the building would be sold for £95 million to a financial buyer. As a result, Electra is due to receive proceeds of £9.3 million which would represent a gross return of 2x original cost; an IRR of 7%.

Key Investments

Direct Unlisted and Secondary Investments					
Company	Fair Value of holding at 30 Sept 2012 £'000	Net payments/ (receipts) £'000	Performance in period £'000	Fair Value of holding at 31 Mar 2013 £'000	Cost of holding at 31 Mar 2013 £'000
Allflex Holdings Animal identification tags	154,143	–	98,307	252,450	49,269
EP I Secondary Portfolio Secondary private equity funds	–	76,544	33,455	109,999	76,544
AXIO Data Group B2B information services	–	90,584	–	90,584	90,584
Park Resorts Caravan parks operator	69,788	(1,647)	2,084	70,225	69,000
Lil-lets Group Feminine hygiene products	36,265	4,950	1,815	43,030	28,144
Peveler Group Property management services	33,164	–	1,648	34,812	21,972
Promontoria Property holding company	33,599	(984)	(2,203)	30,412	14,082
Nuaire Ventilation systems manufacturer	31,960	–	(4,248)	27,712	23,138
Premier Asset Management Investment management	22,843	–	3,788	26,631	55,837
Daler-Rowney Fine art materials supplier	21,149	–	3,824	24,973	17,435
BDR Thermea Heating products	28,900	(12,406)	2,006	18,500	–
Davies Group Provider of claims solutions	23,855	–	(6,054)	17,801	35,789
PINE Property investment in nursery education	17,200	(594)	894	17,500	14,030
esure Motor and home insurance	58,945	(56,973)	15,220	17,192	–
Labco Medical diagnostics	13,236	–	1,614	14,850	25,336
Kalle Food casings	10,520	–	2,933	13,453	9,001
CALA Group National house builder	–	13,286	–	13,286	13,286
	555,567	112,760	155,083	823,410	543,447
Other investments	90,114	(2,377)	4,001	91,738	
	645,681	110,383	159,084	915,148	

Listed Investments					
	Fair Value of holding at 30 Sept 2012 £'000	Net payments/ (receipts) £'000	Performance in period £'000	Fair Value of holding at 31 Mar 2013 £'000	Cost of holding at 31 Mar 2013 £'000
Zensar Technologies Software	34,413	(494)	(2,620)	31,299	4,072
LondonMetric Property Property holding company	34,125	(5,184)	(1,350)	27,591	26,463
	68,538	(5,678)	(3,970)	58,890	30,535
Other investments	36,292	(1,608)	(512)	34,172	
	104,830	(7,286)	(4,482)	93,062	

Fund Investments					
	Fair Value of holding at 30 Sept 2012 £'000	Net payments/ (receipts) £'000	Performance in period £'000	Fair Value of holding at 31 Mar 2013 £'000	Cost of holding at 31 Mar 2013 £'000
Funds	117,176	(10,699)	6,616	113,093	133,373

The three largest funds were Motion Equity Partners, Sinergo Con Imprenditori and TCR 3, which accounted for 46% of the total value.

Large Private Equity Investments



Equity Ownership:	37.7%
Valuation:	£252,450,000
Cost:	£49,269,000
Type of Deal:	MBO

Valuation based on exit value

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, Poland and China. In 2003, 2005 and 2007 the business was refinanced which resulted in Electra receiving aggregate proceeds of £98 million, whilst retaining an investment in the business.

The business continues to show strong growth as a result of the impact of an acquisition completed in 2011, organic growth in non-regulated markets and the impact of new regulations.

In early 2013 a strategic review of Electra's interest in Allflex was undertaken with both a possible sale and refinancing considered. After significant interest from both trade and private equity, Electra received a binding offer for Allflex from BC Partners on 3 May 2013.

The offer has subsequently been accepted and completion is subject to certain regulatory approvals. On completion, Electra will receive US\$398 million which would represent a gross return of 15x original cost (including income) over the 14 years of investment; an IRR of 28%.

www.allflexusa.com



Equity Ownership:	nil
Valuation:	£70,225,000
Cost:	£69,000,000
Type of Deal:	Senior debt

Valuation based on price of recent transactions

Park Resorts

Location | UK

In 2012 Electra invested £69 million in the acquisition of senior debt in Park Resorts at a discount. 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 traded well in the year to March 2013, despite unusually poor weather, continuing depressed economic conditions and the distractions of the London Olympics, and ended the year with EBITDA marginally ahead of the prior year.

www.park-resorts.com



Equity ownership:	61.7%
Valuation:	£43,030,000
Cost:	£28,144,000
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 tampons, sanitary towels and pantliners.

Lil-lets' 2011 rebranding and launch of a number of new, innovative products (applicator tampons, FreshLOCK Towels and Teens Towels) has been successfully achieved. This UK expansion from tampons to a broader range of feminine hygiene products is in response to shifting consumer demand and improving product quality in other formats. The investment in establishing the broader product range is continuing on the back of distribution gains from the trade and positive consumer feedback.

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 with a broad range of product formats. Further market opportunities exist in the wider Sub-Saharan Africa and Lil-lets has just entered into distribution agreements in both East and West Africa.

In December 2012, Electra invested a further £5 million in Lil-lets to support the growth of the business.

www.lil-lets.com



Equity Ownership: 49.4%
Valuation: £34,812,000
Cost: £21,972,000
Type of Deal: MBI/MBO

Valuation based on multiple of earnings

Peverel Group

Location | UK

In 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 and Glasgow and employs over 4,200 people. Its activities include residential property management services, which are provided to 4,000 developments across the UK, property sales, insurance services, installation and maintenance of safety and security systems, telecare and telehealth monitoring.

Peverel has benefited from the stability of new ownership and has rebuilt its management team since acquisition. The main focus of the management team has been on improving service quality. The new Appello telehealth product has been launched and represents a potentially very exciting growth area for the business.

The recent financial performance of the business has been encouraging and has benefitted from the strengthening of Peverel's balance sheet since acquisition.

www.peverel.co.uk



Equity Ownership: 10.7%
Valuation: £30,412,000
Cost: £14,082,000
Type of Deal: Acquisition
Capital

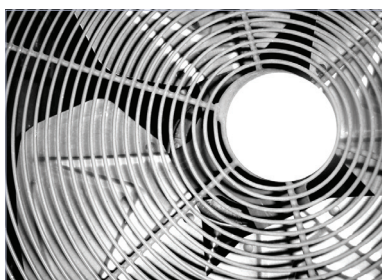
Valuation based on a combination of rental yield and expected disposal value

Promontoria

Location | Germany

In 2002 Electra provided acquisition funding to a new company which was subsequently acquired by Promontoria, an unleveraged investment company, which now owns 94 retail properties situated throughout the major towns and cities in Germany. Of these, 81 are leased to the discount chain Woolworth, which underwent a significant financial restructuring in 2010 and since that time has opened more than 50 new stores. Electra's investment in Promontoria is in the form of ordinary shares and loan stock.

The German retail property market remained buoyant throughout 2012 with investor demand continuing to be high. Against this background, Promontoria has continued to progress; the two significant redevelopments of vacated properties at Bad Homburg and Ingolstadt have been completed, let and now sold for aggregate post tax proceeds of €45 million. Up to ten further redevelopments have been identified and will be progressed. In total, 15 properties have now been sold for aggregate post tax proceeds of more than €150 million and more than 10,000m² of retail space has been leased to third parties over the past 12 months.



Equity Ownership: 38.8%
Valuation: £27,712,000
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, headquartered in Caerphilly, South Wales.

Nuaire achieved modest growth in profits during the year to 30 September 2012 and continues to reduce its net debt. The market remains challenging in 2013, however legislative changes focussed on energy efficiency and a series of new product development initiatives create the opportunity to broaden Nuaire's addressable markets and increase its market share.

www.nuaire.co.uk



Equity Ownership: 73.7%
Valuation: £26,631,000
Cost: £55,837,000
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 £2.2 billion at the end of March 2013, having benefitted from market and performance growth since the start of the current financial year. Net sales of investment products have continued to improve over the past six months, particularly driven by upper quartile multi-asset performance. 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, the effects of the FCA's Retail Distribution Review on the advisory market, 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: £24,973,000
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 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.

Daler-Rowney continues to grow sales in every market on the back of increased distribution. The company has built on its heritage brands with new product launches and at the same time has strengthened existing customer relationships and developed new ones.

The company completed its first acquisition in Germany in December 2012. This investment will make Daler-Rowney one of the biggest fine art product suppliers in Germany, Europe's largest market.

www.daler-rowney.co.uk



Equity Ownership: 46.2%
Valuation: £17,801,000
Cost: £35,789,000
Type of Deal: MBO

Valuation based on multiple of earnings

Davies Group

Location | UK

In 2011 Electra invested £35.8 million in Davies Group, a leading provider of claims management solutions to the insurance industry. Davies Group provides a range of insurance claims services across all sectors of the insurance market, including claims management, validation and loss adjusting, and claims fulfilment. 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.

Following the disappointment of some client losses and a market notably lacking in weather events, Davies has won a number of significant new clients putting the company back on a growth footing. It has also successfully integrated a bolt-on acquisition of a niche provider to local authority markets.

There has been significant progress in its entry into the commercial and liability claims markets which are not correlated to weather patterns. Significant investment in an innovative mobile IT system to support the company's field force of inspectors and loss adjusters is aimed at increasing service levels and productivity.

www.davies-group.com



Equity Ownership: 99.0%
Valuation: £17,500,000
Cost: £14,030,000
Type of Deal: Start up

Valuation derived from property investment value

PINE

Location | UK

Electra first invested in PINE as a start up business in 2005. PINE comprises a sale & leaseback property investment portfolio of nursery schools let on index-linked leases to nursery school operators who are ranked in the top ten in the UK.

PINE's property portfolio is cash positive post debt servicing and has maintained its value in a difficult commercial property market through a combination of rental growth and general market appetite for index-linked rental income.

www.thepinefund.com



Daler-Rowney
Fine art materials supplier

Consolidated Income Statement (unaudited)

Note	For the six months ended 31 March	Revenue £'000	Capital £'000	2013 Total £'000	Revenue £'000	Capital £'000	2012 Total £'000
	Profit on investments:						
	Investment income/net gain	14,567	154,074	168,641	24,301	55,814	80,115
	(Loss)/Profit on revaluation of foreign currencies	–	(10,758)	(10,758)	–	3,234	3,234
	Other income	14,567	143,316	157,883	24,301	59,048	83,349
	Incentive schemes	286	–	286	252	–	252
	Priority profit share	–	(51,052)	(51,052)	–	(4,001)	(4,001)
	Income reversal	(10,807)	–	(10,807)	(8,827)	–	(8,827)
	Other expenses	(4,391)	–	(4,391)	–	–	–
		(1,394)	–	(1,394)	(1,230)	–	(1,230)
	Net Profit before Finance Costs and Taxation	(1,739)	92,264	90,525	14,496	55,047	69,543
	Fair value movement of derivatives	337	–	337	(355)	–	(355)
	Finance costs	(7,889)	(1,934)	(9,823)	(8,912)	(1,826)	(10,738)
	Profit on Ordinary Activities before Taxation	(9,291)	90,330	81,039	5,229	53,221	58,450
	Taxation credit/(expenses)	82	9	91	(3,823)	–	(3,823)
	Profit on Ordinary Activities after Taxation attributable to owners of the parent	(9,209)	90,339	81,130	1,406	53,221	54,627
3	Basic Earnings per Ordinary Share	(26.06)p	255.62p	229.56p	3.98p	150.60p	154.58p
3	Diluted Earnings per Ordinary Share	(15.06)p	224.63p	209.57p	10.72p	132.34p	143.06p

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	2013 £'000	2012 £'000
	Profit for the period	81,130	54,627
	Exchange differences arising on consolidation	1,924	(285)
	Total Comprehensive Income for the period	83,054	54,342
	Total Comprehensive Income attributable to owners of the parent	83,054	54,342

Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 31 March 2013 for the Group									
	Called-up share capital £'000	Share premium £'000	Capital redemp- tion reserve £'000	Other reserves £'000	Translation reserve £'000	Realised capital profits/ (losses) £'000	Unrealised capital profits/ (losses) £'000	Revenue reserves £'000	Total share- holders' funds £'000
Opening balance at 1 October 2012	8,835	24,181	34,440	23,046	(4,295)	852,850	(43,872)	21,119	916,304
Net revenue transferred to reserves	–	–	–	–	–	–	–	(9,209)	(9,209)
Net profits on realisation of investments during the period	–	–	–	–	–	12,784	–	–	12,784
Financing costs	–	–	–	–	–	(1,934)	–	–	(1,934)
Increase in value of non-current investments	–	–	–	–	–	–	141,290	–	141,290
Increase in incentive provisions	–	–	–	–	–	–	(51,052)	–	(51,052)
Gains and losses on foreign currencies	–	–	–	–	1,924	2,188	(12,946)	–	(8,834)
Unrealised net appreciation at 1 October 2012 on investments sold during the period	–	–	–	–	–	27,405	(27,405)	–	–
Conversion of convertible bond	–	13	–	–	–	–	–	–	13
Tax liabilities on Capital	–	–	–	–	–	9	–	–	9
At 31 March 2013	8,835	24,194	34,440	23,046	(2,371)	893,302	6,015	11,910	999,371

Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 31 March 2012 for the Group									
	Called-up share capital £'000	Share premium £'000	Capital redemp- tion reserve £'000	Other reserves £'000	Translation reserve £'000	Realised capital profits/ (losses) £'000	Unrealised capital profits/ (losses) £'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 Balance Sheet (unaudited)

Note	As at 31 March 2013		(Audited) As at 30 September 2012		As at 31 March 2012	
	£'000	£'000	£'000	£'000	£'000	£'000
Non-Current Assets						
Investments held at fair value:						
Unlisted and listed portfolio		1,121,303		867,687		785,843
Other investments		275,898		298,969		397,190
		1,397,201		1,166,656		1,183,033
Current Assets						
Trade and other receivables	19,359		3,746		4,334	
Current tax asset	819		—		1,482	
Cash and cash equivalents	76,284		78,387		16,211	
	96,462		82,133		22,027	
Current Liabilities						
Current tax liability	—		1,305		3,822	
Trade and other payables	110,701		8,199		4,934	
Derivative financial instrument	1,674		2,010		712	
Net Current (Liabilities)/Assets		(15,913)		70,619		12,559
Total Assets less Current Liabilities		1,381,288		1,237,275		1,195,592
Bank loans	163,068		153,629		158,930	
Zero Dividend Preference Shares	58,677		56,743		54,859	
Convertible bond	79,898		78,295		76,683	
Deferred tax liability	—		8		—	
Provisions for liabilities and charges	80,274		32,296		29,103	
Non-Current Liabilities		381,917		320,971		319,575
Net Assets		999,371		916,304		876,017
Capital and Reserves						
Called up share capital		8,835		8,835		8,835
Share premium	24,194		24,181		24,181	
Capital redemption reserve	34,440		34,440		34,440	
Other reserves	23,046		23,046		23,046	
Translation reserve	(2,371)		(4,295)		(4,182)	
Realised capital profits	893,302		852,850		846,992	
Unrealised capital profits/(losses)	6,015		(43,872)		(88,404)	
Revenue reserve	11,910		21,119		31,109	
		990,536		907,469		876,182
Total Equity Shareholders' Funds		999,371		916,304		876,017
4 Basic Net Asset Value per Ordinary Share		2,827.79p		2,592.80p		2,478.80p
4 Diluted Net Asset Value per Ordinary Share		2,683.63p		2,473.10p		2,360.36p
Ordinary Shares in issue at 31 March		35,341,025		35,340,391		35,340,391

The notes on pages 25 to 27 are an integral part of the financial statements.

Consolidated Cash Flow Statement (unaudited)

For the six months ended 31 March	£'000	2013 £'000	2012 £'000
Operating activities			
Purchase of portfolio investments	(102,728)		(86,750)
Purchase of other investments	(158,100)		(283,600)
Amounts paid under incentive schemes	(3,073)		(12,322)
Sales of portfolio investments	89,761		219,459
Sales of other investments	181,100		116,600
Dividends and distributions received	6,071		8,241
Other investment income received	4,488		35,666
Interest income received	64		104
Other income received	223		148
Expenses paid	(12,714)		(12,170)
Taxation expense	(2,042)		(652)
Net Cash Inflow/(Outflow) from Operating Activities		3,050	(15,276)
Financing Activities			
Finance costs paid	(3,088)		(3,790)
Other finance costs	(251)		—
Convertible Bond Interest paid	(2,499)		(2,499)
Net Cash Outflow from Financing Activities		(5,838)	(6,289)
Changes in cash and cash equivalents		(2,788)	(21,565)
Cash and cash equivalents at 1 October		78,387	39,434
Translation gain/(loss)		685	(1,658)
Cash and Cash Equivalents at 31 March		76,284	16,211

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 2012, 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 Auditor's opinion on those accounts was unqualified 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 2013, 30 September 2012 and 31 March 2012 and for the periods ended 31 March 2013 and 31 March 2012, the related Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow 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 Conduct Authority and the principal accounting policies and key estimates set out in the Annual Report for the year ended 30 September 2012 which is available on Electra's website (www.electraequity.com). The financial statements are prepared in accordance with IAS 34. 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.

Application of new standards

At the balance sheet date, the Company has adopted all Standards and IFRIC interpretations that were either issued, or which become effective, during the year. None of the standards adopted below had any significant impact on the Group's accounts:

- IFRS 1 (revised) First time adoption
- IFRS 3 (revised) Business Combinations
- IAS 27 (revised) Consolidated and separate financial statements

At the date of authorisation of these financial statements, there were no new standards, amendments or interpretations issued that are applicable to the Group's accounts.

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

	2013	2012
Net revenue (loss)/return attributable to ordinary shareholders (£'000)	(9,209)	1,406
Net capital return attributable to ordinary shareholders (£'000)	90,339	53,221
Total return (£'000)	81,130	54,627
Total equity shareholders' funds (£'000)	999,371	876,017
Net revenue (loss)/return on which diluted return per share calculated finance charge net of taxation of £3,151,000 (2012: £2,904,000) added back (£'000)	(6,058)	4,310
Net capital return on which diluted return per share calculated (£'000)	90,339	53,221
Weighted average number of ordinary shares in issue during the period on which the undiluted return per ordinary share was calculated	35,340,555	35,340,391
Weighted average number of ordinary shares in issue during the period on which the diluted return per ordinary share was calculated	40,216,732	40,216,732
	Basic earnings per share 2013 p	2012 p
Revenue return per ordinary share	(26.06)	3.98
Capital return per ordinary share	255.62	150.60
Earnings per ordinary share	229.56	154.58
	Diluted earnings per share 2013 p	2012 p
Revenue return per ordinary share	(15.06)	10.72
Capital return per ordinary share	224.63	132.34
Earnings per ordinary share	209.57	143.06

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 £999,371,000 (2012: £876,017,000) by the number of ordinary shares in issue amounting to 35,341,025 (2012: 35,340,391).

The diluted NAV per share is calculated by adding the liability component of the Convertible Bonds amounting to £79,898,000 (2012: £73,244,000) to NAV of £999,371,000 (2012: £876,017,000) and then dividing by the fully diluted number of ordinary shares amounting to 40,216,732 (2012: 40,216,732) after taking into account dilutive potential shares.

5 Share Capital

For the six months ended 31 March	2013 £'000	2012 £'000
Allotted, called-up and fully paid 35,341,025 (2012: 35,340,391) ordinary shares of 25p each	8,835	8,835

During the six months ended 31 March 2013, 13 (2012: nil) Subordinated Convertible Bonds were converted into 634 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 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” and 1 October 2012, “2012 Pool”.

No Directors of Electra participate in the above schemes.

	LTI 2013 £'000	1995 LTI 2013 £'000	Initial Pool 2013 £'000	2006 Pool 2013 £'000	2009 Pool 2013 £'000	2012 Pool 2013 £'000	Total 2013 £'000
As at 31 March							
Provisional Entitlement	9,875	69	8,343	39,987	15,289	5,889	79,452
Outstanding Entitlement	645	–	177	–	–	–	822
Total Amount Outstanding	10,520	69	8,520	39,987	15,289	5,889	80,274
Amount Paid in Period	1,311	–	1,762	–	–	–	3,073
	LTI 2012 £'000	1995 LTI 2012 £'000	Initial Pool 2012 £'000	2006 Pool 2012 £'000	2009 Pool 2012 £'000	2012 Pool 2012 £'000	Total 2012 £'000
As at 31 March							
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

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 co-invest 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 expired in May 2013.

Independent Review Report To Electra Private Equity PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2013, which comprises the Consolidated Income Statement, the Consolidated Statement of Changes in Equity, the Consolidated Balance Sheet, the 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 Conduct 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 Conduct 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 2013 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 Conduct Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
29 May 2013

Half Year Management Report

Current and Future Development

A review of the main features of the six months to 31 March 2013 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 2013 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 19 in the Notes to Accounts of the Company's Report and Accounts for the year ended 30 September 2012. 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 2012. The risks identified in the Company's Report and Accounts for the year ended 30 September 2012 have not changed significantly since the year end.

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 2013.

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 condensed 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
29 May 2013

Information for Shareholders

Financial Calendar

Interim Management Statement to December 2012	14 February 2013
Annual General Meeting	7 March 2013
Half-year Results announced	30 May 2013
Interim Management Statement to June 2013	July/August 2013
Annual Results announced	November/December 2013

New Website

A complete overhaul of Electra's website was conducted during 2012 and the new site launched in March 2013. To view the new website please visit www.electraequity.com.

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 "Subscribe to receive news alerts" logo on the Home page. 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 33.

Share Fraud Warning – 'Boiler Room' Scams

We are aware that in the past a number of 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 Room' scams.

Please be very wary of any such calls or correspondence. Ask for the name and organisation of the person calling you and check if they can be found on the FCA Register. If they are not listed, please report it directly to the FCA using their consumer helpline (0800 111 6768) or at www.fca.org.uk/consumers/scams. You may also wish to advise us by telephoning 020 7214 4200 or emailing ir@electrapartners.com.

It is very unlikely that either the Company or the Company's Registrars, Equiniti, would make unsolicited telephone calls to shareholders. Such calls would only relate to official documentation already circulated to shareholders and never be in respect of investment 'advice'.

Please remember that 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

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*Calls to these numbers cost 8p per minute
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