

## Newsletter

April 2014

### Results for the year to 31 January 2014

In March, Graphite Enterprise released its results for the year ended 31 January 2014. The net asset value increased by 7.2% and the share price increased by 15.7%. Both outperformed the FTSE All-Share Index, which increased by 6.4%.

The performance of the portfolio was strong, driven by continued growth in underlying profits and by a number of successful realisations.

We have been very active both in realising and in making investments, with £118 million generated by the portfolio during the year, a record level, and more than £90 million re-invested.

If approved by shareholders at the Annual General Meeting in June, the Company will pay a record dividend of 15.5p on 18 June 2014, of which 8.0p will be a special dividend.

The Company has been one of the top performers in the listed private equity sector over recent years. Our flexible investment strategy and the strong performance of the largest investments position Graphite Enterprise very well for future growth.

The annual report is available to download at [www.graphite-enterprise.com](http://www.graphite-enterprise.com). The Company's Annual General Meeting will take place at the Westbury Hotel in London on 11 June 2014.

### Recent activity

It has been an active start to 2014/15, with £10.1m realised from the portfolio and £18.1m invested into the portfolio\*. The largest investment was made by the Graphite Capital buy-out team which in March completed the acquisition of ICR, a provider of maintenance services to the oil and gas industry, in which the Company invested £10.9m. The balance sheet remains strong, with total liquidity of around £150 million, and leaves us very well placed to take advantage of further opportunities.

\* 1 February to 16 April

### Financial summary – Year to 31 January 2014

**+7.2%**

Net asset value per share

**+13.8%**

Underlying value of the investment portfolio in local currencies

**£118.3m**

Realisation proceeds in the year to 31 January

### General information

#### Investment focus

Private equity – European buy-outs

**Year end** 31 January

**Listing** London (premium listing)

#### Ticker / ISIN / SEDOL

GPE.LN / GB0003292009 / 0329200

**Broker** JP Morgan Cazenove

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**677.2p**

Net asset value per share at 31.01.14

**579.0p**

Share price at 17.04.13

**£422m**

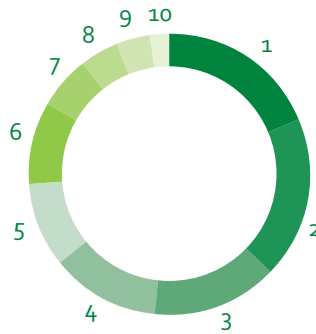
Market capitalisation at 17.04.13

## About Graphite Enterprise

Graphite Enterprise Trust plc is a specialist private equity investment trust which has been listed on the London Stock Exchange since 1981. It aims to provide shareholders with long-term capital growth through investment in unquoted companies. To achieve this, Graphite Enterprise invests in buy-outs of mature, profitable companies in established European private equity markets, both through private equity funds and directly.

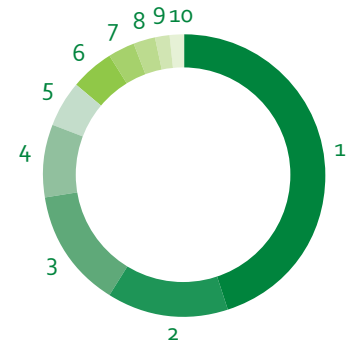
The company is managed by Graphite Capital, one of the UK's leading mid-market private equity firms with £1.5 billion of funds under management. Graphite Enterprise seeks to provide access to the investment programmes of the best buyout managers across Europe. Investments in UK-based mid-market companies are made through funds managed by Graphite Capital. Investments in larger and smaller UK companies and in overseas markets are made through funds managed by high quality third party managers, selected by Graphite Capital.

### Portfolio — Sector analysis 31.01.14



1.	Business services	18.7%
2.	Healthcare and education	18.6%
3.	Industrials	14.4%
4.	Consumer goods and services	12.6%
5.	Leisure	9.7%
6.	Financial services	9.5%
7.	Automotive supplies	6.2%
8.	Technology and telecommunications	4.2%
9.	Media	4.0%
10.	Chemicals	2.1%

### Portfolio — Geographical distribution 31.01.14



1.	UK	45.1%
2.	France	13.8%
3.	North America	13.6%
4.	Germany	8.5%
5.	Benelux	5.3%
6.	Spain	4.9%
7.	Scandinavia	3.0%
8.	Greece, Ireland, Italy, Portugal	2.7%
9.	Other Europe	1.5%
10.	Rest of world	1.6%

## Case study: Ziggo

**Cinven's investment in Ziggo generated total net proceeds of £8.3 million for Graphite Enterprise.**

Ziggo is a cable operator in the Netherlands, providing television, broadband and telephony services. Cinven formed Ziggo through the merger of three separate cable business in 2006 and 2007. Following substantial synergies and operational improvements, Ziggo listed on the Amsterdam Stock Exchange in 2012 and through a series of share placements has returned total net proceeds of £8.3 million to Graphite Enterprise, generating a multiple of 2.8x cost.

## The portfolio at 31.01.14



## Top ten underlying holdings at 31.01.14

Company	Description	Country	Manager	% of portfolio
1 <b>Micheldever</b>	Distributor and retailer of tyres	UK	Graphite	3.9%
2 <b>City &amp; County Healthcare Group</b>	Provider of home care services	UK	Graphite	3.3%
3 <b>CEVA</b>	Manufacturer of animal health products	France	Euromezzanine	3.2%
4 <b>National Fostering Agency</b>	Provider of foster care services	UK	Graphite	2.7%
5 <b>Algeco Scotsman</b>	Supplier and operator of modular buildings	USA	TDR	2.4%
6 <b>Education Personnel</b>	Provider of temporary education staff	UK	Graphite	2.0%
7 <b>U-POL</b>	Manufacturer of automotive refinishing products	UK	Graphite	1.8%
8 <b>London Square</b>	Developer of residential housing	UK	Graphite	1.5%
9 <b>David Lloyd Leisure</b>	Operator of premium health and fitness clubs	UK	TDR	1.4%
10 <b>TMF</b>	Provider of outsourcing services	Netherlands	Doughty Hanson	1.4%
				<b>23.6%</b>

## Key figures at 31.01.14

	£m
Total equity	493.8
Portfolio value	433.3
Net cash	68.2
Undrawn bank facility	97.7
Total liquidity	165.9
Outstanding commitments	277.3

**At 31 January 2014  
Graphite Capital  
directly managed  
21% of the portfolio  
and six of the top  
ten investments**

### Important information

This Newsletter has been compiled primarily using information set out in the Company's annual report and accounts for the year ended 31 January 2014. The delivery of this Newsletter shall not create any implication that there has been no change in the affairs of the Company since 31 January 2014. Past performance is not necessarily a guide to the future and the value of shares and the income from them can go down as well as up. The information contained in this Newsletter is selective and does not purport to contain all the information that recipients may require on the Company. No information contained in this Newsletter shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Nothing in this Newsletter constitutes an offer to sell or a solicitation of any offer to buy any securities of the Company in any jurisdiction. We do not offer investment advice. If you are unsure of the meaning of the above information, you should consult your own independent financial advisor. Further information and all announcements relating to the Company can be found on the Company's website [www.graphite-enterprise.com](http://www.graphite-enterprise.com). This Newsletter has not been audited or reviewed by the Company's auditors.