

## ANNOUNCEMENT TO STOCK EXCHANGE

### GRAPHITE ENTERPRISE TRUST PLC

7 OCTOBER 2011

Graphite Enterprise Trust PLC (“Graphite Enterprise” or the “Company”) announces that it has increased the size of its bank facility from £30 million to £60 million. The £30 million increase to the revolving credit facility has been provided by Lloyds Bank Corporate Markets on the same terms as the existing arrangements with The Royal Bank of Scotland. The term of the facility will end on 1 April 2015.

At 31 July 2011, the Company had cash and liquid resources of £75.8 million. Taking into account the proceeds of sales which are contracted but have not yet completed, this increases to £85.4 million, representing 19.6% of total assets at that date. Including the undrawn bank facilities of £60 million, Graphite Enterprise has pro forma liquid resources of £145.4 million. This provides the Company with both defensive strength and the ability to respond quickly to any opportunities which may arise.

- Ends -

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### Notes

#### **Graphite Enterprise Trust PLC**

Graphite Enterprise is a London listed investment trust, managed by Graphite Capital. Its objective is to generate long term capital growth through investment in unquoted companies, mostly through specialist funds but also directly.

The Company primarily invests in buy-outs of mature companies in established European private equity markets, principally the UK, France, Germany, the Benelux countries and the Nordic region.

Investments in UK-based mid-market companies are primarily made through funds managed by Graphite Capital, which will typically represent 20-25% of the portfolio. As a result, Graphite Capital directly manages many of the largest underlying companies in the portfolio. Investments in other sectors of the UK market and in overseas markets are made through third party funds selected by Graphite Capital.

The Manager’s long experience of direct investing gives it distinctive approach to making and managing fund investments.

The portfolio typically comprises more than 300 companies, with the largest 30 accounting for more than a third of the portfolio by value. Compared to other listed private equity companies, Graphite Enterprise's portfolio is more concentrated than many funds of funds, but more diversified than most direct investing funds.

The Company reached its 30<sup>th</sup> anniversary this year and has invested exclusively in private equity and been managed by Graphite Capital throughout its life. In that time, the Company has generated a return of more than 24 times the amount subscribed. The net asset value per share has outperformed the FTSE All-Share Index in 16 out of the last 20 financial years and in every rolling three-year period in that 20 years.

[www.graphite-enterprise.com](http://www.graphite-enterprise.com)

### **Graphite Capital**

Graphite Capital is one of the UK's leading mid-market private equity firms with over £1.2 billion of funds under management and a 30-year history. Graphite Capital manages both direct investments in portfolio companies and private equity fund investments. Direct investments account for more than two-thirds of funds under management while third party private equity funds and co-investments account for the remainder.

Graphite Capital's direct investments focus on buy-outs of companies valued at between £25 million and £200 million in the UK. These investments are made through limited life funds which have a global institutional investor base. The team has invested in almost 100 portfolio companies since 1991 of which approximately two thirds have been realised generating a multiple of cost of 2.7 and an annualised rate of return of over 40%.

Graphite Capital's fund investments and co-investments are made exclusively through Graphite Enterprise Trust PLC. The focus is on established managers with strong track records operating in mature markets, with the aim of building long term relationships. Since 1989 the team has invested in more than 50 funds and almost 30 co-investments. The net return on realised funds and co-investments is twice the amount invested.

Graphite Capital operates from a single office in London with separate teams focusing on direct and fund investments. As it has a long experience both of managing its own funds and investing in third party funds and co-investments, Graphite Capital has an unusually broad perspective when assessing new investment opportunities.

[www.graphitecapital.com](http://www.graphitecapital.com)