GRAPHITE ENTERPRISE TRUST PLC

INTERIM MANAGEMENT STATEMENT
QUARTER ENDED 30 APRIL 2011

Graphite Enterprise Trust PLC ('Graphite Enterprise' or 'the Company') presents its Interim Management Statement for the quarter ended 30 April 2011.

Unaudited net asset value

In the three months to 30 April 2011 the unaudited net asset value per share rose by 4.3% to 556.9p.

The increase in the underlying value of the investment portfolio generated a 2.9% increase in net asset value in the period and the appreciation of the euro against sterling accounted for a further 1.9% rise. These movements were partially offset by expenses and other items which reduced the net asset value by 0.5%.

These results do not include the effect of the proposed dividend of 2.25p per share which will be recorded in the second quarter if approved at the forthcoming annual general meeting.

Share price and discount

The share price rose by 20.3% to 370.5p in the quarter. This was substantially greater than the increase of 3.6% in the Company's benchmark, the FTSE All-Share Index. The share price was at a discount of 33.5% to the net asset value per share at 30 April 2011.

Since the period end the share price has risen by a further 4.9% and at 14 June 2011 was at 388.6p, bringing the increase in the Company's financial year to date to 26.2% and narrowing the discount to the net asset value at 30 April to 30.2%. The Index has fallen since the period end and in the Company's financial year to date has fallen by 0.4%.

Investment portfolio

Investment performance

The underlying value of the portfolio in local currencies increased by £11.2 million or by 3.1% of its opening value in the quarter and the euro rose by 4.0% against sterling increasing the sterling value of the portfolio by 2.1%. The total valuation increase was therefore 5.2%.

The realisation of the Company's investment in Kurt Geiger, the designer footwear retailer, accounted for £5.0 million or 45% of the underlying gain. This was the Company's fourth largest investment at the start of the financial year and was held through Graphite Capital Partners VII. It was acquired in February 2008 and was sold to The Jones Group Inc in early June. The Company will receive proceeds of £12.2 million reflecting a gross multiple of cost of 2.6 times and an uplift of 73% to its previous carrying value. Although the investment was sold after the period end, its valuation at 30 April was increased to take account of the agreed sale proceeds.

The investment portfolio has been valued using the latest available managers' reports. March valuations covering 63.9% of the portfolio had been received by the cut-off date of 1 June and December valuations were used for the remainder. Adjustments have been made in a small number of cases to reflect post period end events.

Proceeds
Proceeds generated by the portfolio in the quarter totalled £28.9 million or 8.1% of its opening value. The largest cash inflow was £17.0 million from the sale of Wagamama, on which the related net asset value uplift was recognised in the results for the period to 31 January 2011.

Three full disposals and a number of partial disposals, refinancings and other transactions generated a further £8.1 million. In March, Bowmark Capital sold Advanced Childcare to GI Partners for 4.2 times original cost and Euromezzanine Fund 4 sold two investments which generated an aggregate return of 2.0 times their original cost.

The sales of secondary interests in two funds generated proceeds of £3.8 million. These sales had a negligible impact on the net asset value in the quarter and reduced undrawn commitments by £12.0 million.

Additions
A total of £13.6 million was invested in the quarter, all of which was drawn down by funds. This represented 7.8% of opening commitments. A total of 11 new underlying investments were made, of which the three largest were:

- £2.1 million in Gerflor, through ICG European Fund 2006.
- £1.9 million in Abrisud, through Activa Capital Fund II.
- £1.9 million in Findis, also through Activa Capital Fund II.

The Company is actively pursuing a number of further new investment opportunities.

Cash and near cash
In the three months to 30 April 2011, cash and near cash balances increased by £14.3 million from £42.9 million to £57.2 million. The net inflow generated by the portfolio was £15.3 million and this was partially offset by net outflows of £1.0 million.

The disposals of Kwik-Fit and Preh were agreed in the quarter to 30 April but the aggregate proceeds of £14.0 million are not expected to be received until later in the current quarter. The related uplifts in net asset value were recognised in the results for the period to 31 January 2011.

After adjusting for the future receipt of £26.2 million of proceeds from Kwik-Fit, Preh and Kurt Geiger, the Company had pro forma cash and near cash at 30 April 2011 of £83.4 million or 20.0% of total assets.

Balance sheet and commitments

The summary balance sheet as at 30 April 2011 is set out below:

	30 April 2011 £m	% of total assets	31 Jan 2011 £m	% of total assets
Total portfolio	359.9	86.3%	356.6	89.2%
Cash and near cash	57.2	13.7%	42.9	10.8%
Total assets	417.1	100.0%	399.5	100.0%
Equity shareholders' funds	406.0		389.3	
Undrawn bank facility	30.0		-	
Outstanding commitments	154.1		173.7	

The bank facility remains undrawn.

Outstanding commitments fell by £19.6 million or by 11.3% to £154.1 million during the period. Drawdowns of commitments to funds accounted for £13.6 million of the fall and the secondary sales for a further £12.0 million. These reductions were partially offset by the impact of exchange rate movements and other movements totalling £6.0 million.

The level of overcommitment, which is the amount by which commitments exceed cash and near cash, fell by £33.9 million to £96.9 million, equivalent to 23.2% of total assets at 30 April 2011. If the undrawn bank facility were added to the cash balance, overcommitment falls further to £66.9 million or 16.0%.

Recent events

The Directors are not aware of any events or transactions, other than as noted above, which have taken place between 30 April 2011 and the date of publication of this statement which have had a material effect on the financial position of the company.

Not audited or reviewed

This information has not been audited or reviewed by the Company's auditors.

- Ends -

The Company's 30 largest investments and breakdowns of the portfolio by sector, geography, deal type and vintage year at 30 April 2011 are available to download from the Company's website. http://www.graphite-enterprise.com/news-downloads-2011.html

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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.

Graphite Enterprise primarily invests in buy-outs of mature companies in established European private equity markets. Investments in UK-based mid-market companies are made through funds managed by Graphite Capital, which will typically represent 20-25% of the portfolio. Investments in other sectors of the UK market and in overseas markets are made through third party funds selected by Graphite Capital. Shareholders gain exposure to a diversified portfolio in which Graphite Capital directly manages many of the largest investments.

The Company celebrates its 30 year 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 22 times the amount subscribed. The net asset value per share has outperformed the FTSE All-Share Index in 16 out of the last 20 years and in every rolling three-year period in that 20 years.

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