

ANNOUNCEMENT TO STOCK EXCHANGE

GRAPHITE ENTERPRISE TRUST PLC

2 June 2011

Graphite Enterprise Trust PLC (“Graphite Enterprise” or the “Company”) announces that it has today sold its investment in Kurt Geiger, the designer footwear and accessories retailer, which was the Company’s fourth largest investment at 31 January 2011. The effect of the disposal, taken in isolation, will be to increase the Company’s last reported net asset value per share by 6.8p or 1.3%. At 31 January 2011, the net asset value per share was 534.0p and this realisation would have increased this to 540.8p. The Company will receive proceeds of approximately £12.2 million in the next few weeks.

Kurt Geiger was acquired by The Jones Group Inc., a New York listed designer, retailer and wholesaler of branded apparel and footwear, in a transaction that values it at £215 million. Graphite Enterprise invested in Kurt Geiger through Graphite Capital Partners VII. The gross sale proceeds represent a 73% uplift to the previous carrying value of the investment.

Graphite backed the £95 million management buy-out of Kurt Geiger in February 2008. Since then, the company has grown rapidly to become one of the leading international retailers and distributors of luxury and premium ladies’ and men’s footwear and accessories. Despite the challenging economic conditions in the retail industry, turnover during Graphite’s ownership increased by over 70 per cent to £205 million at April 2011. This strong performance was driven by the company’s own brand stores, department store partnerships, investment in overseas markets and its market-leading distribution network.

Graphite Enterprise’s results for the quarter ended 30 April 2011 will be announced prior to the Annual General Meeting, on 15 June 2011.

- 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.

Graphite Enterprise primarily invests in buy-outs of mature companies in established European private equity markets. 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. 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 Manager's long experience of both fund and direct investing gives it an unusually broad perspective of the private equity market.

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