GRAPHITE ENTERPRISE TRUST PLC
UNAUDITED RESULTS FOR THE SIX MONTHS TO 31 JULY 2012

SUMMARY OF THE PERIOD

Share price The share price strongly outperformed the benchmark FTSE All-Share Index in the period	+7.8%
Net asset value per share The NAV per share outperformed the FTSE All-Share Index which fell by 0.2%	+1.4%
Underlying value of the portfolio in local currency Realisations in the period were achieved at an average uplift of 65%	+7.2%
Proportion of total assets invested in the portfolio The investment portfolio was valued at a record level of £393 million at 31 July	92%
Liquidity The Company had liquid assets of £34 million and facilities of £57 million at 31 July	£91.4m

Continuing growth in a difficult environment

"The six months to 31 July 2012 was a period of steady progress for Graphite Enterprise. The portfolio continued to perform well in a tough economic environment, again demonstrating the strengths of the private equity model. Despite the negative effect of euro weakness, the Company's net asset value has grown. At the same time the share price has performed strongly, increasing by 7.8% over the period. This brings the increase over the 18 months to 31 July to 25%.

While private equity transaction volumes are currently relatively subdued, we are seeing many attractive opportunities to invest in new funds and to acquire interests in existing funds. Our conservative balance sheet management puts us in a very strong position to take advantage of these opportunities and we expect to do so in the second half of the year. The Company's ability to participate in the current round of new fund raisings will stand it in good stead in the coming years."

Mark Fane, Chairman

CHAIRMAN'S STATEMENT

Performance in the period	31 July 2012	31 Jan 2012	Change
Net asset value per share	577.4p	569.4p	+1.4%
Share price	384.9p	357.0p	+7.8%
FTSE All-Share Index	2,927	2,933	-0.2%

OVERVIEW

In the six months to 31 July, the net asset value per share of Graphite Enterprise increased by 1.4% and the share price by 7.8%. This was against a background of continued economic uncertainty and weak financial markets. Both the net asset value and the share price outperformed the Company's benchmark, the FTSE All-Share Index, which fell by 0.2%. The rise in the share price primarily reflected a narrowing of the discount from 37.3% at 31 January to 33.3% at 31 July.

The portfolio continued to perform well, with a number of profitable full and partial realisations being achieved and the earnings of the largest underlying companies continuing to grow. The impact of this performance was, however, partially offset by the fall in the euro which reduced the sterling value of the euro-denominated portfolio.

The 7.8% increase in the share price, when added to last year's sharp rise, brought the increase over 18 months to 25.0%. This reflected the combined effect of a substantial narrowing of the discount and the Company's net asset value growth over this period.

ECONOMIC ENVIRONMENT

The Company's investment portfolio is focused principally on the mature European private equity markets. At 31 July over 85% of the portfolio was in Europe, with the UK accounting for almost half of the total portfolio and France, Germany and the Benelux countries for just over a quarter combined. The performance of these economies therefore has much the greatest impact on the performance of the portfolio.

Concerns over the sovereign debt of a number of eurozone countries, over the banking sector throughout Europe, and over the future of the euro continued to depress economic performance throughout the region. In this uncertain environment, the output of the UK is forecast to contract in 2012 and those of France, Germany and the Benelux countries are expected to grow only modestly at best. It remains to be seen whether recent action taken by central banks and politicians will stabilise the situation in the medium term but there is a general consensus that economic growth will remain subdued for some time.

We continue to have only limited exposure to those countries where concerns over sovereign debt remain greatest. At 31 July, Spain accounted for 4.7% of the portfolio, while Ireland, Portugal, Greece and Italy combined accounted for only 3.7%.

Although uncertainty invariably depresses economic growth it also creates opportunities. We continue to believe that private equity managers are ideally placed to identify these opportunities and to capitalise on them as they have done throughout the downturn.

PERFORMANCE

Net asset value performance

The investment portfolio continued to perform well in the six months, increasing in value in local currency terms by 7.2%. This followed an increase of 12.0% in the previous financial year. Profitable realisations generated just under half of this uplift with increases in the valuations of unrealised investments accounting for the remainder. The latter were driven by a combination of earnings increases and debt pay-down rather than by changes in valuation multiples. The performance of the 30 largest underlying companies at 31 July, which together constitute more than two-fifths of the portfolio, is likely to be a key driver of future growth and it is encouraging that this remained strong, with average earnings increasing by more than 11%.

The euro fell by 5.3% against sterling during the period, reducing the sterling value of the Company's euro-denominated assets and cutting the gain on the portfolio in sterling terms by approximately half, from 7.2% to 3.8%. As just over 10% of total assets were in cash and liquid assets at the start of the period, this gain generated an increase in the net asset value per share of 3.5% before the costs of running and financing the Company and the payment of the dividend. After taking these into account the net asset value grew by 1.4%.

Long term performance
The Company's net asset value has strongly outperformed its benchmark, the FTSE All-Share Index, over both five and ten years*. On a total return basis, which takes into account the effect of re-invested dividends, the Company has generated a return of 138% over ten years which is significantly greater than the return of 83% from the Index over the same period. Over five years, the net asset value has returned 24.3% while the Index has returned only 3.3%.

The net asset value has outperformed the Index in eight of the last ten years and in 16 of the last 20 years*, tending to underperform only when the Index has been rebounding from a sharp fall.

Total return	5 years	10 years
Net asset value per share	+24.3%	+138.1%
Share price	-6.4%	+110.2%
FTSE All-Share Index	+3.3%	+83.3%

* Measured using the Company's half year reporting dates. The Company's year end changed from 31 December to 31 January during 2010 and the half year therefore moved from 30 June to 31 July.

Discount and share price

Discounts in the listed private equity sector remain well above their long term averages, although they are now significantly lower than during the worst of the financial crisis. Graphite Enterprise's discount is no exception to this, with a discount at 31 July of 33.3% compared with an average of 35% since the start of the downturn* but 11% in the 10 years prior to that.

The Board recognises that the discount is a source of concern for some investors and actively and regularly considers the Company's approach to this issue. We continue to believe that the principal driver of discounts is investor sentiment. In our view, therefore, the key to reducing the discount over the long term is continuing strong performance and effective communication of the Company's performance and strategy to existing and potential investors.

* For these purposes, deemed to be 31 December 2007

BALANCE SHEET

The balance sheet has been managed conservatively over an extended period. During the downturn, we took action to ensure that the Company's net asset value was protected and we subsequently put in place a bank facility to enable levels of investment to increase when opportunities arise. As set out below, the balance sheet remains strong, giving us the capacity to continue with an active investment programme at what we believe to be an attractive point in the economic cycle.

Investment portfolio
At 31 July the investment portfolio was valued at £392.6 million, a record for Graphite Enterprise. This represented 91.5% of total assets of £429.2 million, slightly higher than the 89.2% at 31 January, and the highest proportion of assets invested for many years.

A total of £30.3 million was invested in the portfolio during the period and £29.8 million of proceeds were received. With net investment in the portfolio in the period being only £0.5 million, much the largest element of the increase in the investment portfolio was the valuation gains discussed above, which totalled £14.4 million. Further details of these movements are set out in the Manager's Review.

Cash and commitments
Cash and liquid assets of £34.3 million at 31 July accounted for 8.0% of total assets, with other net current assets accounting for the balance of 0.5%. The bank facility remained undrawn at the period end. As the loan is structured as two facilities, of £30 million and €34.5 million, the available facility at 31 July was equivalent to £57.1 million bringing total liquidity to £91.4 million. Although undrawn, the bank facility supports the current level of outstanding commitments and gives us the capacity to increase these in the future.

Outstanding commitments to funds fell by £21.6 million to £121.2 million in the period, primarily because drawdowns of £25.5 million were considerably higher than the relatively low level of new commitments. The fall in the euro also reduced the sterling value of the outstanding amounts. If managers do not increase their current rate of investment, less than £40 million of these commitments are likely to be drawn down over the next 12 months.

The current level of commitments can comfortably be supported with cash balances and undrawn borrowings. A large number of fund opportunities are currently being reviewed and the surplus balance sheet capacity is likely to be used to support a significant level of fund commitments in the coming 12 to 18 months.

Foreign currency exposure
Investments in overseas companies together with foreign currency cash balances accounted for £203.4 million or approximately half of total assets at 31 July. Of this amount, £140.0 million was in eurozone countries and £43.0 million in the USA.
Rises in the euro and dollar against sterling increase the sterling values of our overseas investments, while falls in these currencies decrease their values. While the short term impact of currency movements is easy to calculate, the medium term effect is much more difficult to assess. For example, a rise in the euro immediately increases the reported value of our German investments. However, in the medium term this rise might reduce their international competitiveness and thereby reduce their profitability and ultimately their valuation.

The Company does not currently hedge its foreign currency risk, but the Board regularly reviews the Company's exposure and approach and will continue to do so.

INCOME STATEMENT

In the six months to 31 July, the total gain after tax attributable to shareholders was £9.4 million or 13.0p per share. This comprised a net capital gain of 11.1p per share and net revenue of 1.9p per share.

Net revenues in the six months totalled £1.4 million. This was materially lower than the level last year when net revenues for the full twelve months were £4.6 million. As we have discussed previously, income from the portfolio tends to fluctuate quite widely. This is because it is closely related to realisations as portfolio companies are often restricted from paying interest or dividends to the Company until they are realised. Last year's income was particularly high as the level of realisations increased materially, driven by the sale of four of the Company's five largest investments.

It is difficult to predict the level of income that will be received from the portfolio in the second half of the year, but net income for the full year is unlikely to reach the level of last year. However the Company has substantial revenue reserves which at 31 July totalled £11.8 million, equivalent to 16.1p per share.

OUTLOOK

We are encouraged by the ability of managers in our portfolio to grow and profitably dispose of companies in this difficult environment. Moreover, we believe that managers are generally cautious about new investment and are investing in high quality companies, which bodes well for the Company's future performance. As we expect market conditions to remain broadly unchanged for the remainder of the year, we would also expect the level of investment activity to be similar in the second half.

We continue to be pleased with the trading performance of the portfolio, with the growth in earnings of the largest 30 investments remaining in double digits. As we have discussed before, the performance of private equity backed companies through the downturn has been considerably stronger than many had predicted at its outset.

We have reviewed a large number of new fund opportunities so far this year, one of which completed in the six months to July. One further commitment was made after the period end and we expect to make further commitments in the remainder of the financial year as more managers complete fund raisings.

The Company's balance sheet remains strong. The liquid assets and undrawn bank facility, when set against the relatively low level of current commitments, provide ample scope to make new commitments and to acquire secondary interests and co-investments. Shareholders can be assured, however, that the balance sheet will continue to be managed conservatively.

The Company's net asset value is now well above its pre-financial crisis peak whereas equity markets remain substantially below theirs. We remain of the view that as confidence returns, investors will recognise the strength of the Company's position and the discount will continue to narrow.

Mark Fane
September 2012

MARKET REVIEW
SIX MONTHS ENDED 31 JULY 2012

As Graphite Enterprise invests almost exclusively in European buy-outs, this section focuses on developments in this market since the start of the year.

Investment activity

The slowdown in activity in the second half of 2011 continued in the first half of 2012. A total of 172 buy-outs were completed with a value of €21 billion. This was 23% lower by value than in the second half of last year and 50% lower than in the same period last year. The fall reflects the impact of the eurozone financial crisis, which has affected the confidence of private equity managers since the middle of last year.

Prices paid for new investments in the first half of 2012 were broadly unchanged from those paid last year, although data on pricing tends to be available only on a narrow sample of new investments. In general, prices for good quality companies remain relatively high by historic standards, but lower than those paid at the peak of the market in 2007. Debt levels for new buy-outs also remained broadly stable compared with last year, but again were significantly below 2007 levels.

Fundraising

In contrast with the slowdown in new investments, fundraising for European buy-outs continued to rise in the first half of 2012. Over €12 billion was raised for 13 funds, representing an increase by value of more than 25% on the previous six months and of 50% relative to the first half of 2011. Despite recent growth, fundraising remains significantly below the peak levels seen in 2006 and 2007 and, for a variety of reasons, many private equity fund investors remain capital-constrained.

A high proportion of buy-out managers are planning to raise funds in the next 12-18 months as the investment periods of funds raised in the boom years are due to expire. One recent survey indicated that more than 400 private equity funds focused on Europe are currently seeking capital.

The combination of increased demand for capital and a reduced supply from investors is making it difficult for managers to raise capital in the current market. As an investor in funds we view a scarcity of capital as positive, as it tends to lengthen the time available for due diligence and to improve the terms for investors. Furthermore, when that capital is deployed in new underlying investments the pricing and terms should be more attractive, reflecting the lower level of competition.

Secondary market

The market for secondary interests in funds remained strong in the first half of 2012. The volume of transactions was high and good quality funds continued to trade at relatively low discounts to reported net asset values. Volumes are expected to remain high for the near future, not least because mounting regulatory pressure on financial institutions may encourage banks and insurance companies to sell private equity assets.

Despite discounts in the secondary market being relatively low, we believe that secondaries continue to offer attractive opportunities. We will continue to focus on funds with significant long-term growth potential rather than on those available on high entry discounts.

PORTFOLIO REVIEW
SIX MONTHS ENDED 31 JULY 2012

INVESTMENT PERFORMANCE

The portfolio continued to perform well in the first half of the year, despite a background of continued economic uncertainty, increasing in value by 7.2% in local currencies. This was partly offset by adverse currency movements, resulting in a net valuation increase in sterling of 3.8%.

Underlying earnings growth remained strong and several successful realisations were achieved at significant uplifts to previous holding values. Gains on disposals accounted for 47% of the £27.3 million valuation increase. The remaining 53% came from valuation uplifts which were principally driven by earnings growth.

Movement in the portfolio	**£m**
Opening portfolio at 31 January 2012	377.7
Additions	30.3
Disposal proceeds*	(29.8)
Net investment in portfolio	0.5
Total underlying valuation gains	27.3
Currency	(12.9)
Closing portfolio at 31 July 2012	392.6

* Includes income of £3.3 million generated by the portfolio in the period.

INVESTMENT ACTIVITY

Investment activity was relatively subdued in the first half, with realisations and new investments broadly in balance, resulting in a small net cash investment of £0.5 million.

Realisations

The portfolio generated a steady flow of profitable realisations in the first half of the year despite a generally unhelpful economic backdrop. Proceeds of £29.8 million were received which was similar to the level in the second half of last year.

Five full realisations were completed in the period, generating £17.1 million of proceeds. The average uplift on sale was 65% while the average multiple of original cost was 2.8. The largest cash inflow was £8.7 million from the disposal of Data Explorers, the sixth largest underlying investment, which was sold at the start of the period.

Partial realisations generated a further £10.0 million. These included two IPOs: Ziggo and Tumi, which were the tenth and eleventh largest investments at the start of the year. We also generated £2.7 million of cash through the secondary sale of a fund investment.

In the annual report we predicted that realisations in the current year would be materially lower than last year, primarily because a number of our largest underlying holdings were realised last year. In the event, proceeds in the first half of this year were equivalent to 8% of the opening value of the portfolio. This represents an annualised rate considerably below both last year's 26% and the Company's long-term average rate of 35%. We are nonetheless encouraged by the continuing flow of realisations in this challenging environment.

New investments

New investments of £30.3 million were made in the first half of the year which was 40% lower than in the previous six months.

Drawdowns by funds represented £25.6 million of the total, which was broadly in line with our expectations. Two direct co-investments accounted for the remaining £4.7 million. These were in: CPA Global, a provider of intellectual property and legal services, in which we invested alongside the Fourth Cinven Fund; and Spheros, a provider of climate systems for buses, where we invested alongside Deutsche Beteiligungs AG V. Taken together with our indirect interests through the respective funds, these investments are now at numbers 17 and 25 respectively in our top 30 underlying investments.

The managers of our fund portfolio made 13 new investments in underlying companies in the six months. This compares with 21 made in the previous six months and reflects the slow-down in activity discussed above. Of these, nine were large buy-outs and four were small and mid-market buy-outs.

New commitments

We made one new primary fund commitment in the period. This was of €10 million, to Deutsche Beteiligungs AG Fund VI, a €700 million German mid-market buy-out fund. The manager, Deutsche Beteiligungs AG ("DBAG"), is one of the leading managers in Germany. We have invested successfully with DBAG for over ten years through two predecessor funds and two direct co-investments. This commitment is in line with a core part of our strategy of building long-term relationships with top performing managers and partnering with them in selective direct co-investments and secondaries.

CLOSING PORTFOLIO

Achieving a balance between diversification and concentration remains an important element of our strategy. At 31 July the Company had investments in over 300 underlying companies across a broad range of sectors in 27 different countries. Full details are set out in the supplementary information section later in this report. As investment activity was at a relatively low level in the six months, the composition of the portfolio did not change materially in the period.

While the level of diversification within our portfolio reduces risk, many individual investments are still large enough to have an impact on overall performance. At 31 July the top ten underlying companies accounted for 20% of the value of the portfolio while the top 30 accounted for 41%. These 30 larger investments are therefore likely to play a major role in determining the future performance of the Company. As outlined in the Chairman's Statement, their performance remains encouraging with growth in revenue averaging 14% and growth in EBITDA averaging 11% in the year to June 2012*.

The top 30 investments were valued at an average of 9.0 times EBITDA, which we consider reasonable for the level of growth achieved and for the quality of the underlying earnings. In general, the leverage of these companies is modest, with net debt averaging 4.0 times EBITDA. This should enhance future equity returns without undue financial risk.

At 31 July, 99% of the portfolio was valued using June valuations. The portfolio was valued at an average of 1.3 times original cost in local currency, of which 0.3 times cost had already been realised. At these levels we believe there is considerable potential for future growth as the portfolio matures. As over half of the portfolio is in investments made prior to 2008, managers will be looking to exit many companies when market conditions allow.

* Excludes three companies where EBITDA is not a meaningful measure.

PROSPECTS

Since 31 July we have invested £1.7 million in the buy-out of Explore Learning, the UK's leading provider of after-school tuition for children aged between five and fourteen. The investment was made through Graphite Capital Partners VII and was the third investment made by this fund in 2012, reflecting an active year for Graphite Capital's direct investment team. Explore Learning follows the acquisition of National Fostering Agency, a provider of foster care services, in January and the investment in Rex Restaurants, a leading London restaurant operator, in April.

In September we made a €10 million commitment to a new mezzanine fund raised by Intermediate Capital Group plc ("ICG"). ICG is one of our most profitable historic relationships dating back to 1989. As credit remains severely limited, we believe that now is an attractive time to be investing in mezzanine.

As outlined in the market review section, many high quality new funds are currently being raised or are expected to launch in the next 12 months. These give us the opportunity to secure access to the best investment opportunities over the next four to five years alongside top performing buy-out managers. We believe that committing to these funds is important for our long-term performance, not only because we believe that the funds themselves will perform well but also because they should generate secondary and co-investment opportunities. We are therefore at a relatively advanced stage of due diligence on a number of funds and would expect to make commitments before the year end. As the balance sheet remains strong, we will also be actively pursuing opportunities to acquire funds in the secondary market and to make further direct co-investments.

The outlook for realisations remains somewhat uncertain. It is encouraging that exits have been and are still being achieved, with £8.7 million generated by the portfolio since 31 July. This is despite the economic uncertainty and the continued shortage of bank debt. In light of this, it is reasonable to expect that realisations will continue at similar levels in conditions which are likely to remain equally challenging.

As the past few years have demonstrated, we have a robust portfolio that is capable of generating growth in difficult times. Equally, our strong balance sheet allows us to capitalise on new opportunities as they present themselves. We believe this leaves the Company well positioned for the remainder of the year and beyond.

Graphite Capital
September 2012

Supplementary Information

Portfolio analysis

The following four tables analyse the closing portfolio by value.

Portfolio - Investment type

	% of total investment portfolio
Large buy-outs	47.5%
Small and mid-market buy-outs	41.8%
Mezzanine	9.7%
Infrastructure	0.3%
Quoted	0.7%
Total	100.0%

Portfolio - Geographic distribution

	% of total investment portfolio
UK	47.6%
France	12.4%
North America	10.6%
Germany	8.4%
Benelux	5.7%
Spain	4.7%
Scandinavia	2.6%
Other Europe	5.5%
Rest of world	2.5%
Totals	100.0%

Portfolio - Year of investment

	% of total investment portfolio
2012	7.2%
2011	11.2%
2010	15.1%
2009	2.4%
2008	12.5%
2007	23.5%
2006	16.9%
2005	1.8%
2004	4.9%
2003 and before	4.5%
Total	100.0%

The 30 Largest Underlying Investments

The tables below and on the following pages present the 30 companies in which Graphite Enterprise had the largest investments by value at 31 July 2012. These investments may be held directly, through funds, or in some cases both. The valuations are gross and are shown as a percentage of the total investment portfolio.

	Company	Manager	Year of investment	Country	Value as a % investment portfolio
1	Micheldever Distributor and retailer of tyres	Graphite Capital	2006	UK	3.7%
2	NES Group Provider of recruitment services	Graphite Capital	2006	UK	2.6%
3	Park Holidays UK Operator of caravan parks	Graphite Capital	2006	UK	2.3%
4	National Fostering Agency Provider of foster care services	Graphite Capital	2012	UK	2.2%
5	U-POL Manufacturer and distributor of automotive refinishing products	Graphite Capital	2010	UK	1.7%
6	Stork Provider of technical engineering services	Candover	2008	Netherlands	1.6%
7	Alexander Mann Solutions Provider of recruitment process outsourcing	Graphite Capital	2007	UK	1.5%
8	Ausco Supplier and operator of modular buildings	TDR Capital	2011	Australia	1.4%
9	Hellerman Tyton Manufacturer of cable management products	Doughty Hanson	2006	UK	1.3%
10	London Square Developer of residential housing	Graphite Capital	2010	UK	1.3%
11	Parques Reunidos Operator of attraction parks	Candover	2007	Spain	1.3%
12	Evonik Industries Provider of speciality chemicals	CVC	2008	Germany	1.3%
13	Weetabix Manufacturer of breakfast cereals	Lion Capital	2004	UK	1.3%
14	Teaching Personnel Provider of temporary staff for the education sector	Graphite Capital	2010	UK	1.3%
15	Spire Healthcare Provider of healthcare	Cinven	2007	UK	1.2%
16	Ziggo Operator of cable TV networks	Cinven	2006	Netherlands	1.2%
17	CPA Global Provider of patent and legal services	ICG 2006	2010	UK	1.2%
18	CEVA Manufacturer and distributor of animal health products	Euromezzanine	2007	France	1.2%
19	Avio Manufacturer of aerospace engine components	Cinven	2007	Italy	1.1%
20	Preh Manufacturer of automotive control systems	Deutsche Beteiligungs	2003	Germany	1.1%
21	Tumi Manufacturer and retailer of luggage and accessories	Doughty Hanson	2004	USA	1.1 %

22	Dominion Gases Supplier of specialist gases to the oil and gas industries	Graphite Capital	2007	UK	1.1%
23	Ceridian Provider of payment processing services	Thomas H Lee Partners	2007	USA	1.1%
24	Stonegate Pub Company Operator of pubs and hospitality venues	TDR Capital	2010	UK	1.0%
25	Spheros Provider of bus climate control systems	Deutsche Beteiligungs	2011	Germany	1.0%
26	Algeco Scotsman Supplier and operator of modular buildings	TDR Capital	2007	USA	1.0%
27	Acromas Provider of financial, motoring and travel services	CVC / Charterhouse	2007	UK	0.9%
28	TMF Provider of management and accounting outsourcing services	Doughty Hanson	2008	Netherlands	0.9%
29	Coperion Manufacturer of materials handling equipment	Deutsche Beteiligungs	2007	Germany	0.8%
30	Willowbrook Healthcare Operator of care homes for the elderly	Graphite Capital	2008	UK	0.8%
	Total of the 30 largest underlying investments				41.5%

The 30 Largest Fund Investments

The largest funds by value at 31 July 2012 are set out below:

	Fund	Outstanding commitment	Fund vintage	Country/ region	Value £m
1	Graphite Capital Partners VI Mid-market buy-outs	5.1	2003	UK	34.0
2	Fourth Cinven Fund Large buy-outs	3.4	2006	Europe	30.9
3	Graphite Capital Partners VII Mid-market buy-outs	15.3	2007	UK	22.4
4	ICG European Fund 2006 Mezzanine loans to buy-outs	2.3	2007	Europe	22.1
5	Euromezzanine 5 Mezzanine loans to mid-market buy-outs	1.7	2006	France	18.1
6	Thomas H Lee Parallel Fund VI Large buy-outs	6.5	2007	USA	17.2
7	Candover 2005 Fund Large buy-outs	0.9	2005	Europe	17.1
8	Doughty Hanson & Co V Mid-market and large buy-outs	3.5	2006	Europe	16.2
9	Doughty Hanson & Co IV Mid-market and large buy-outs	1.0	2005	Europe	14.2
10	CVC European Equity Partners V Large buy-outs	7.8	2008	Global	14.2

11	Apax Europe VII Large buy-outs	0.7	2007	Global	14.1
12	TDR Capital II Mid-market and large buy-outs	5.0	2006	Europe	13.3
13	Activa Capital Fund II Mid-market buy-outs	4.9	2007	France	9.5
14	Deutsche Beteiligungs AG Fund V Mid-market buy-outs	3.4	2006	Germany	8.8
15	CVC European Equity Partners IV Large buy-outs	1.4	2008	Global	7.3
16	Charterhouse Capital Partners VIII Large buy-outs	1.2	2006	Europe	7.3
17	CVC European Equity Partners Tandem Large buy-outs	1.2	2006	Global	6.8
18	Graphite Capital Partners VII Top Up Fund Mid-market buy-outs	2.3	2007	UK	6.3
19	Bowmark Capital Partners IV Mid-market buy-outs	4.4	2007	UK	5.9
20	Apax Europe VII Sidecar 2 Large buy-outs	0.9	2007	Global	4.2
21	PAI Europe V Large buy-outs	1.8	2007	Europe	4.2
22	Charterhouse Capital Partners VII Large buy-outs	1.5	2002	Europe	4.1
23	Graphite Capital Partners VII Top Up Fund Plus Mid-market buy-outs	2.2	2009	UK	3.8
24	Corpfin Capital Fund II Mid-market buy-outs	-	2000	Spain	3.7
25	CSP Secondary Opportunities Fund II Secondary fund interests	-	2008	Global	3.6
26	Deutsche Beteiligungs AG Fund IV Mid-market buy-outs	-	2002	Germany	3.4
27	Advent CEE IV Mid-market buy-outs	3.5	2008	Europe	3.1
28	Piper Private Equity Fund IV Small buy-outs	1.2	2006	UK	2.9
29	Vision Capital Partners VII Secondary portfolios	1.3	2008	Europe	2.6
30	Vision Capital Partners VI Secondary portfolios	0.4	2006	Europe	2.5
	Total of the largest 30 fund investments	84.8			323.8
	Percentage of total investment portfolio				82.5%

Portfolio - Sector analysis

	% of total investment portfolio
Business services	22.1%
Consumer goods and services	14.7%
Industrials	12.8%
Healthcare and education	12.8%
Leisure	11.0%
Financials	7.5%
Automotive supplies	6.9%
Media	4.6%
Technology and communications	4.5%
Chemicals	3.1%
Total	100.0%

Revenue growth	% of top 30 investments
<0%	4.7%
0-10%	39.8%
10-20%	14.1%
20-30%	18.7%
>30%	14.9%
n/a	7.8%
Total	100.0%

EBITDA growth	% of top 30 investments
<0%	17.9%
0-10%	33.8%
10-20%	9.3%
20-30%	11.0%
>30%	20.1%
n/a	7.8%
Total	100.0%

Enterprise value as multiple of EBITDA	% of top 30 investments
<7.0x	3.0%
7.0-8.0x	28.8%
8.0-9.0x	21.9%
9.0-10.0x	20.3%
10.0-11.0x	4.9%
11.0-12.0x	7.7%
>12.0x	5.6%
n/a	7.8%
Total	100.0%

Enterprise value as multiple of EBITDA	% of top 30 investments
<2.0x	10.9%
2.0-3.0x	23.3%
3.0-4.0x	10.9%
4.0-5.0x	23.3%
5.0-6.0x	7.6%
6.0-7.0x	8.4%
>7.0x	7.8%
n/a	7.8%
Total	100.0%

Investment activity

New investments

Financial period ending	Drawdowns £m	Co-investments and secondary fund purchases £m	Total new investments £m
31 December 2003	28.5	6.5	35.0
31 December 2004	22.8	6.6	29.4
31 December 2005	41.6	3.9	45.5
31 December 2006	74.6	5.7	80.3
31 December 2007	95.2	7.9	103.1
31 December 2008	65.8	12.1	77.9
31 December 2009	21.5	2.5	24.0
31 January 2011	65.6	19.2	84.8
31 January 2012	51.3	29.9	81.2
Six months to 31 July 2012	25.6	4.7	30.3

Largest new underlying investments

Investment	Description	Country	£m
NFA	Provider of foster care services	UK	5.5*
CPA Global	Provider of patent and legal services	UK	5.2
USP Hospitales	Provider of health care	Spain	2.4
Spheros	Provider of bus climate control systems	Germany	2.0*
Armatis	Provider of call centre outsourcing	France	1.7
Total of top 5 new investments			**16.8**

* In addition, in the previous financial year, £2.1 million was invested in Spheros through Deutsche Beteiligungs AG V and £3.0 million was invested in NFA through Graphite Capital Partners VII and directly.

Realisations – 10 year record*

Financial period ending	£m	% of opening portfolio
31 December 2003	39.4	23.7%
31 December 2004	116.7	60.4%
31 December 2005	93.8	61.9%
31 December 2006	92.9	53.3%
31 December 2007	112.4	54.5%
31 December 2008	25.8	12.9%
31 December 2009	14.0	7.3%
31 January 2011	19.8	8.5%
31 January 2012	92.9	26.0%
6 months to 31 July 2012	27.1	7.2%

*Excluding secondary sales of fund interests.

Full realisations

Investment	Manager	Buyer type	Proceeds £m
Data Explorers	Bowmark*	Trade	8.7
Kurt Geiger	Graphite Capital	Trade	3.6
Kwik-Fit	Direct	Trade	2.9
Phadia	Cinven	Trade	1.0
Preh	DBAG/Direct	Trade	0.9
Total of full realisations			17.1

*Investment was held both directly and through a fund

Commitments

Closing commitments - remaining investment period	% of commitments
<1 year	17.6%
1-2 years	33.9%
2-3 years	1.4%
3-4 years	6.2%
4-5 years	12.2%
>5 years	6.5%
Investment period complete	22.2%
Total	**100.0%**

Movement in commitments	**Year to 31 January 2012 £m**
Opening at 1 February 2012	142.8
New commitments	8.1
Drawdowns	(25.5)
Secondary disposal	(1.8)
Currency	(4.9)
Other	2.5
Closing	**121.2**

Closing commitments	**Original commitment* £m**	**Outstanding commitment £m**	**Average drawdown percentage**	**Percentage of commitments**
Funds in investment period	297.0	94.3	68.3%	77.8%
Funds post investment period	360.7	26.9	92.5%	22.2%
Total	**657.7**	**121.2**	**81.6%**	**100.0%**

* Original commitments are translated at 31 July 2012 exchange rates.

Outstanding commitments

Fund	Outstanding commitment £m	% closing commitments
Graphite Capital Partners VII	15.2	12.6%
Deutsche Beteiligungs AG VI	7.9	6.5%
Fifth Cinven Fund	7.9	6.5%
CVC European Equity Partners V	7.8	6.5%
BC European Capital IX	6.9	5.7%
Thomas H Lee Equity Fund VI	6.5	5.3%
Graphite Capital Partners VI	5.1	4.3%
TDR Capital II Fund	5.0	4.1%
Activa Capital Fund II	4.9	4.0%
Bowmark Capital Partners IV	4.4	3.6%
Steadfast Capital III	3.8	3.1%
Piper Private Equity Fund V	3.7	3.1%
Advent CEE IV	3.5	2.9%
Doughty Hanson & Co V	3.5	2.9%
Deutsche Beteiligungs AG V	3.4	2.8%
Fourth Cinven Fund	3.4	2.8%
Graphite Capital Partners VII Top Up Fund	2.3	1.9%
ICG European Fund 2006	2.3	1.9%
Graphite Capital Partners VII Top Up Fund Plus	2.2	1.8%
PAI Europe V	1.8	1.5%
Trident Private Equity III	1.7	1.4%
Euromezzanine 5	1.7	1.4%
Segulah IV	1.7	1.4%
Charterhouse Capital Partners VII	1.5	1.2%
Others less than £1.5 million	13.1	10.8%
Total	121.2	100.0%

Portfolio Statistics

	31 July 2012	31 January 2012
Third party portfolio	77%	79%
Graphite portfolio	23%	21%
Number of funds	48	48
Number of direct investments	28	24
Number of underlying companies	319	310
Number of third party managers	26	26
Number of 10 largest investments managed by Graphite Capital	7	6
Number of 30 largest investments managed by Graphite Capital	10	10

Currency exposure

	31 July 2012 £m	31 July 2012 %	31 January 2012 £m	31 January 2012 %
Total assets				
- sterling	219.6	51.2%	216.6	51.1%
- euro	140.0	32.6%	142.2	33.6%
- other	69.6	16.2%	64.8	15.3%
Total	429.2	100.0%	399.5	100.0%

Currency exposure is calculated using the headquarter location of the underlying portfolio companies.

Commitments by denomination	31 July 2012 £m	31 July 2012 %	31 January 2012 £m	31 January 2012 %
- sterling	37.4	30.9%	45.5	31.9%
- euro	75.6	62.4%	89.4	62.6%
- other	8.2	6.7%	7.9	5.5%
Total	121.2	100.0%	142.8	100.0%

Consolidated Income Statement

	Half year to 31 January 2012			Half year to 31 January 2011			Year to 31 January 2012		
	Revenue return	Capital return	Total	Revenue return	Capital return	Total	Revenue return	Capital return	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Investment returns									
Gains and losses on investments held at fair value	3,320	11,235	14,555	6,310	34,619	40,929	8,365	28,376	36,741
Income from cash and cash equivalents	15	-	15	77	-	77	127	-	127
Return from current asset investments	45	-	45	303	394	697	527	-	527
Other income	26	8	34	-	-	-	44	-	44
Foreign exchange losses	-	(222)	(222)	-	(301)	(301)	-	(498)	(498)
	3,406	11,021	14,427	6,690	34,712	41,402	9,063	27,878	36,941
Expenses									
Investment management charges	(645)	(1,934)	(2,579)	(642)	(1,925)	(2,567)	(1,301)	(3,904)	(5,205)
Other expenses	(912)	(822)	(1,734)	(613)	(229)	(842)	(1,510)	(809)	(2,319)
	(1,557)	(2,756)	(4,313)	(1,255)	(2,154)	(3,409)	(2,811)	(4,713)	(7,524)
Profit before tax	1,849	8,265	10,114	5,435	32,558	37,993	6,252	23,165	29,417
Taxation	(463)	463	-	(1,438)	1,438	-	(1,633)	1,633	-
Profit for the period from continuing operations	1,386	8,728	10,114	3,997	33,996	37,993	4,619	24,798	29,417
Attributable to:									
Equity shareholders	1,386	8,062	9,448	3,997	31,318	35,315	4,619	22,857	27,476
Non-controlling interests	-	666	666	-	2,678	2,678	-	1,941	1,941
Basic and diluted earnings per share			12.96p			48.43p			37.68p

The columns headed 'Total' represent the income statement for the relevant financial periods and the columns headed 'Revenue return' and 'Capital return' are supplementary information. There is no Other Comprehensive Income.

Consolidated Balance Sheet

	31 July 2012 £'000s	31 July 2011 £'000s	31 January 2012 £'000s
Non-current assets			
Investments held at fair value			
– Unquoted investments	390,022	356,521	374,915
– Quoted investments	2,616	2,679	2,768
	392,638	359,200	377,683
Current assets			
Trade and other receivables	2,687	1,719	2,739
Current asset investments held at fair value	26,966	15,945	34,946
Cash and cash equivalents	7,323	59,888	9,218
	36,976	77,552	46,903
Current liabilities			
Trade and other payables	430	1,947	1,021
Net current assets	36,546	75,605	45,882
Total assets less current liabilities	429,184	434,805	423,565
Capital and reserves			
Called up share capital	7,292	7,292	7,292
Capital redemption reserve	2,112	2,112	2,112
Share premium	12,936	12,936	12,936
Capital reserve	386,875	387,274	378,813
Revenue reserve	11,756	13,394	14,016
Equity attributable to equity holders	420,971	423,008	415,169
Non-controlling interest	8,213	11,797	8,396
Total equity	429,184	434,805	423,565
Net asset value per share (basic and diluted)	577.4p	580.2p	569.4p

Consolidated Cash Flow Statement

	Half year to 31 July 2012 £'000s	Half year to 31 July 2011 £'000s	Year to 31 January 2012 £'000s
Operating activities			
Sale of portfolio investments	26,016	62,244	88,385
Purchase of portfolio investments	(30,367)	(30,267)	(81,132)
Net sale/(purchase) of current asset investments held at fair value	8,033	-	(19,170)
Interest income received from portfolio investments	2,863	5,852	7,650
Dividend income received from portfolio investments	314	326	512
Other income received	41	76	170
Investment management charges paid	(2,625)	(1,396)	(5,279)
Taxation recovered/(paid)	54	(7)	(55)
Other expenses paid	(306)	(860)	(1,491)
Net cash inflow/(outflow) from operating activities	4,023	35,968	(10,410)
Financing activities			
Investments by non-controlling interests	213	-	290
Distributions to non-controlling interests	(1,624)	(1,211)	(3,976)
Banking facility	(639)	(1,233)	(2,853)
Equity dividends paid	(3,646)	(1,641)	(1,641)
Net cash outflow from financing activities	(5,696)	(4,085)	(8,180)
Net increase/(decrease) in cash and cash equivalents	(1,673)	31,883	(18,590)
Cash and cash equivalents at beginning of period	9,218	28,307	28,306
Net increase/(decrease) in cash and cash equivalents	(1,673)	31,883	(18,590)
Effect of changes in foreign exchange rates	(222)	(301)	(498)
Cash and cash equivalents at end of period	7,323	59,888	9,218

Consolidated Statement of Changes in Equity

	Half year to 31 July 2012 £'000s	Half year to 31 July 2011 £'000s	Year to 31 January 2012 £'000s
Total equity at beginning of period	423,565	399,483	399,483
Profit attributable to equity shareholders	9,448	35,315	27,476
Profit attributable to minority interests	666	2,678	1,941
Total profit for the period and total recognised income and expense	10,114	37,993	29,417
Dividends paid to equity shareholders	(3,646)	(1,641)	(1,641)
Net distribution to non-controlling interests	(849)	(1,030)	(3,694)
Total equity at end of period	429,184	434,805	423,565

Notes to the Interim Report

1 GENERAL INFORMATION

Graphite Enterprise Trust PLC (the "Company") and its subsidiaries (together "Graphite Enterprise" or the "Group") are registered in England and Wales and domiciled in England. The registered office is Berkeley Square House, Berkeley Square, London W1J 6BQ. The Company's objective is to provide shareholders with long term capital growth through investment in unquoted companies, mostly through specialist funds but also directly. The half-yearly financial report was approved for issue by the Board of Directors on 27 September 2012.

2 UNAUDITED INTERIM REPORT

This financial report does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year to 31 January 2012 were approved by the Board of Directors on 2 May 2012 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under section 498 of the Companies Act 2006.

This financial report has not been audited.

3 BASIS OF PREPARATION

The financial report for the six months ended 31 July 2012 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS34, 'Interim financial reporting' as adopted by the European Union. This financial report should be read in conjunction with the annual financial statements for the year to 31 January 2012, which have been prepared in accordance with IFRSs as adopted by the European Union.

The accounting policies applied are consistent with those of the annual financial statements for the year to 31 January 2012, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The directors have, at the time of approving the report, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the forseeable future.

4 TRADE AND OTHER RECEIVABLES

In 2011 the Company agreed two bank facilities. The set up costs in relation to these were capitalised and are recognised over the life of the facility on a straight line basis. At 31 July 2012, £1,721k of bank facility costs are included within trade and other receivables. Of this £645k is expected to be amortised in less than one year.

5 DIVIDENDS

	Half year to 31 July 2012 £'000	Half year to 31 July 2011 £'000	Year to 31 January 2012 £'000s
The half year to 31 July 2012: 5.0p per share (Half year to 31 July 2011 and year to 31 January 2012: 2.25p per share)	3,646	1,641	1,641

6 EARNINGS PER SHARE

	Half year to 31 July 2012	Half year to 31 July 2011	Year to January 2012
Revenue return per ordinary share	1.90p	5.48p	6.33p
Capital return per ordinary share	11.06p	42.95p	31.35p
Earnings per ordinary share (basic and diluted)	12.96p	48.43p	37.68p
Weighted average number of shares	72,913,000	72,913,000	72,913,000

The earnings per share figures are based on the weighted average numbers of shares set out above.

7 CHANGES IN EQUITY

Group	Share capital	Capital redemption reserve	Share premium	Capital Reserve	Revenue reserve	Total shareholder equity	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Half year ended 31 July 2012								
Opening Balance at 1 February 2012	7,292	2,112	12,936	378,813	14,016	415,169	8,396	423,565
Profit for the period attributable to recognised income and expense	-	-	-	8,062	1,386	9,448	666	10,114
Dividends paid or approved	-	-	-	-	(3,646)	(3,646)	-	(3,646)
Net distribution to non-controlling interest	-	-	-	-	-	-	(849)	(849)
Closing Balance	7,292	2,112	12,936	386,975	11,756	420,971	8,213	429,184

Group	Share capital	Capital redemption reserve	Share premium	Capital reserve	Revenue reserve	Total shareholder equity	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Half year to 31 July 2011								
Opening Balance at 1 February 2011	7,292	2,112	12,936	355,956	11,038	389,334	10,149	399,483
Profit for the period attributable to recognised income and expense	-	-	-	31,318	3,997	35,315	2,678	37,993
Dividends paid or approved	-	-	-	-	(1,641)	(1,641)	-	(1,641)
Net distribution to non-controlling interest	-	-	-	-	-	-	(1,030)	(1,030)
Closing Balance	7,292	2,112	12,936	387,274	13,394	423,008	11,797	434,805

Group	Share capital	Capital redemption reserve	Share premium	Capital reserve	Revenue reserve	Total shareholder equity	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Year to 31 January 2012								
Opening Balance at 1 February 2011	7,292	2,112	12,936	355,956	11,038	389,334	10,149	399,483
Profit for the period attributable to recognised income and expense	-	-	-	22,857	4,619	27,476	1,941	29,417
Dividends paid or approved	-	-	-	-	(1,641)	(1,641)	-	(1,641)
Net distribution to non-controlling interest	-	-	-	-	-	-	(3,694)	(3,694)
Closing Balance	7,292	2,112	12,936	378,813	14,016	415,169	8,396	423,565

8 RELATED PARTY TRANSACTIONS

Investment management charges

The investment management charges set out in the table below were payable to the Manager, Graphite Capital Management LLP, in the period. The Manager is a related party.

	Half year to 31 July 2012	Half year to 31 July 2011	Year to 31 January 2012
Investment management fee	2,579	2,567	5,160
Irrecoverable VAT	-	-	45
	2,579	2,567	5,205

The allocation of the total investment management charges was unchanged in 2012 with 75% of the total allocated to capital and 25% allocated to income.

The management fee charged by the Manager is 1.5% of the value of invested assets and 0.5% of outstanding commitments, in both cases excluding funds managed by Graphite Capital. The amounts payable during the year are set out above. At 31 July 2012 management fees of £88k (31 July 2011: £1,367k) were accrued on the balance sheet. The Company has borne management charges in respect of its investments in funds managed by Graphite Capital as set out below:

	Half year to 31 July 2012 £'000s	Half year to 31 July 2011 £'000s	Year to 31 January 2012 £'000s
Graphite Capital Partners VI	246	231	482
Graphite Capital Partners VII	349	431	822
	595	662	1,304

Other related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation for the Group.

Significant transactions between the parent company and its subsidiaries are shown below:

Subsidiary	Nature of transaction	Half year to 31 July 2012 £'000s	Half year to 31 July 2011 £'000s	Year to 31 January 2012 £'000s
Graphite Enterprise Trust LP	Increase/(decrease) in loan balance	991	(381)	(1,717)
	Income allocated	515	994	1,322
Graphite Enterprise Trust (2) LP	Increase in loan balance	325	1,340	5,868
	Income allocated	148	48	101

Statement of Directors' Responsibilities

The directors confirm that this half-yearly financial report has been prepared in accordance with IAS34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8., namely:

- an indication of important events that have occurred during the first six months 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 financial year; and

- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By the order of the Board

M. Fane, Chairman

27 September 2012

Copies of the Interim Report will be available on the Company's website www.graphite-enterprise.com and posted to shareholders who have requested to receive a paper copy in early October 2012. Copies may be obtained during normal business hours from the Company's registered office thereafter.

For further information please contact:

Tim Spence / Emma Osborne
Graphite Capital
Tel: 020 7825 5300