

GRAPHITE ENTERPRISE TRUST PLC
INTERIM MANAGEMENT STATEMENT
QUARTER ENDED 30 SEPTEMBER 2009

Graphite Enterprise Trust PLC ('Graphite Enterprise' or 'the Company') presents its Interim Management Statement for the quarter ended 30 September 2009. This is the Company's second Interim Management Statement for the financial year ending 31 December 2009, as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3.

Investment objective

The objective of Graphite Enterprise is to provide shareholders with long term capital growth through investment in unquoted companies, mostly through specialist funds but also directly.

Unaudited net asset value per share

The unaudited net asset value per share as at 30 September 2009 was 407.4p. This represents an increase of 1.9% from the level at 30 June 2009. The rise in the value of foreign currencies against sterling, principally the euro, accounted for an increase in the net asset value of 3.1%. This was partially offset by falls in underlying local currency valuations which accounted for a decrease of 0.6%. The net effect of all other items accounted for the remaining decline of 0.6%.

Share price and discount

The share price rose by 18.3% to 330.0p in the period from 30 June to 30 September 2009. This compares with a rise of 21.3% in the FTSE All-Share Index in the same period. The rise in the share price reflected the narrowing of the discount to the net asset value per share from 30.2% to 19.0%. In the nine months to 30 September, the share price rose by 76.5%, compared with a 19.3% increase in the Index.

Valuations

The investment portfolio has been valued using the latest available managers' reports. Only 14.3% of the portfolio at 30 September was valued using information on valuations at that date. The great majority of the remaining portfolio has been valued using managers' reports as at 30 June, as later reports have not yet been received. The provision against the third party portfolio, which was originally made at 31 December 2008, was maintained at a similar level to that at 30 June 2009.

Based on these figures, the underlying local currency value of the portfolio fell by 0.9% in the quarter to 30 September. The effect of the rise in the euro and the US dollar against sterling more than offset this and increased the value of the portfolio by 4.0%. The net rise in the value of the portfolio was therefore 3.1%.

Cash flows

In the three months to 30 September 2009, the Company funded investments in the portfolio of £8.6 million and the portfolio generated proceeds of £4.1 million. Other net cash flows were negligible. The rise in the value of the euro against sterling in the quarter increased the sterling value of euro denominated cash balances by £1.0 million. Overall, cash balances fell from £114.0 million to £110.5 million.

Balance sheet and commitments

The summary balance sheet as at 30 September 2009 is set out below:

| | £m | % of total assets |
|---------------------------|---------------|-------------------|
| Total portfolio | 190.3 | 63.4% |
| Cash and near cash | 110.0 | 36.6% |
| Total assets | <u>300.3</u> | 100.0% |
| Net asset value per share | <u>407.4p</u> | |

Outstanding commitments increased from £260.5 million to £270.1 million during the period. The effect of the rise in the value of the euro and US dollar against sterling increased commitments by £13.8 million in the quarter. The only new commitment in the quarter was £3.0 million to Graphite Capital Partners VII Top Up Fund Plus, which will invest alongside other Graphite funds in large new transactions. Drawdowns reduced the outstanding commitment level by £7.2 million. Overcommitment, the level by which commitments exceed cash and near cash, was £160.1 million at 30 September 2009, which represented 53.3% of total assets.

Recent events

The Directors are not aware of any events or transactions which have taken place between 30 September 2009 and the date of publication of this statement which have had a material effect on the financial position of the company.

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

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