

## GRAPHITE ENTERPRISE TRUST PLC

### INTERIM MANAGEMENT STATEMENT QUARTER ENDED 31 MARCH 2010

Graphite Enterprise Trust PLC ('Graphite Enterprise' or 'the Company') presents its Interim Management Statement for the quarter ended 31 March 2010. This is the Company's first Interim Management Statement for its current financial year, 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

In the three months to 31 March 2010 the unaudited net asset value per share fell by 1.1p or 0.2% to 463.0p.

The value of the investment portfolio increased by £1.1 million in the period and after adjusting for expenses and other movements, the net asset value before the accrual for the dividend for the year to December 2009 rose by £0.8 million.

The cost of the dividend was £1.6 million and after accounting for this the net asset value for the quarter fell by £0.8 million.

#### Share price and discount

The share price increased by 4.9% to 320.0p in the period. This compares with an increase of 5.4% in the FTSE All-Share Index. The rise in the share price reflected the narrowing of the discount to the net asset value per share from 34.3% to 30.9%.

#### The investment portfolio

The investment portfolio has been valued using the latest available managers' reports. As March valuations covering only 13.2% of the portfolio had been received by the cut-off date of 6 May, the majority of the portfolio has been valued using managers' reports as at 31 December.

Based on these figures, the underlying value of the portfolio in local currencies fell by 0.2% in the quarter. As rises in the euro and the US dollar against sterling increased the sterling value of the portfolio by 0.7%, the portfolio rose by a net 0.5% in the period.

#### Cash flows

In the three months to 31 March 2010, cash balances fell by £6.9 million from £114.0 million to £107.1 million. A total £12.3 million was invested in the period and £5.6 million of proceeds were received from the investment portfolio.

## Balance sheet and commitments

The summary balance sheet as at 31 March 2010 is set out below:

	£m	% of total assets
Total portfolio	239.0	69.5%
Cash and cash equivalents	107.1	31.2%
Net debtors/creditors	(2.3)	(0.7%)
Total assets	<u>343.8</u>	100.0%
Net asset value per share	<u>463.0p</u>	

Outstanding commitments fell by £15.9 million or by 6.5% to £227.3 million during the period. Drawdowns of commitments to funds accounted for £12.3 million of the fall and the release of a commitment for a further £9.1 million. The commitment release did not have any impact on the net asset value in the quarter. These reductions were partially offset by a new commitment of £3.0 million and by the impact of exchange rate movements.

The level of overcommitment, being the amount by which commitments exceed cash and near cash, fell by £7.3 million to £122.5 million. This was equivalent to 35.6% of total assets at 31 March 2010.

### Recent events

The Directors are not aware of any events or transactions which have taken place between 31 March 2010 and the date of publication of this statement which have had a material effect on the financial position of the company.

### Change of accounting reference date

The Company is required to report its interim results within 60 days of the half year and to provide shorter updates within approximately 50 days of the ends of the first and third quarters. As valuation reports from private equity fund managers covering these periods often arrive after these reporting deadlines, the net asset values released at the half year and at the first and third quarters are often based on relatively out of date information.

The Board has therefore decided to change the Company's year end from 31 December to 31 January. This change of accounting reference date and the resultant changes to the half year and quarterly reporting dates, should ensure that future reports are based on more up to date information.

The next annual report and accounts will cover the thirteen month period from 31 December 2009 to 31 January 2011. The Company will publish its results for the six months to 30 June 2010 in mid to late July and will also release a more detailed set of results covering the seven months to 31 July 2010 towards the end of September. The Company's second Interim Management Statement for the current financial year will cover the three month period to 31 October 2010 and will be released in early December.

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

Enquires:

Stephen Cavell

Tim Spence

0207 825 5300