

## **Electra Announces sale of Vendcrowm to MBNA**

Electra Investment Trust ("Electra") is pleased to announce the sale of Vendcrowm Limited, the holding company of Premium Credit Limited ("Premium Credit"), to MBNA Europe Bank Limited ("MBNA"). Premium Credit is the UK's leading provider of instalment credit for the financing of commercial and consumer insurance premiums. It also finances non-insurance credit products such as golf club memberships, school fees and audit fees.

Premium Credit was acquired in 1996 from HSBC Gibbs Holdings Limited (now HSBC Insurance Brokers Holdings Limited) in a transaction arranged by Electra Partners Europe Limited. The initial financing involved Electra and other funds managed by Electra Partners Europe Limited as well as HSBC Insurance Brokers Holdings Limited and other investors.

Net proceeds attributable to Electra immediately on completion are £66.6 million in cash (making total aggregate proceeds of £72.4 million inclusive of the loan stock repayment of £5.8 million in October 2003). This disposal represents an uplift in Electra's net asset value per share of 23.6p over the audited net asset value of 760p per share as at 30 September 2003 and compares with Electra's £57.0 million valuation of its interests in Vendcrowm at that date. Proceeds from the disposal will be used to reduce bank borrowings. The total aggregate proceeds on completion attributable to Electra and the other funds managed by Electra Partners Europe Limited amount to £84.1 million which compares with a residual investment cost of £15.7 million. Depending on circumstances, a further £4.4 million may become payable.

Electra and the other shareholders of Vendcrowm were advised by Lexicon Partners Limited in relation to this transaction.

Commenting on the deal, David Symondson, Director of Electra Partners Europe Limited, said: "We are pleased to have been involved with Premium Credit and are delighted with the sale of the business to MBNA. Over the 7 years which we have held the investment, the IRR will be around 29%. The return on this investment is a further demonstration of the quality of Electra's portfolio."

### Enquiries:

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### Notes to Editors:

In his Annual Statement made in December 2003, the Chairman of Electra reported that prospects for realising a number of portfolio companies over the next 12 months had increased and anticipated a significant improvement in Electra's financial position by 30 September 2004 if business confidence continued to grow and realisations were concluded at projected values. Over the four and a half year period to 30 September 2003 Electra has realised over £1.3 billion from its portfolio.

Electra Partners Europe Limited, the Manager of Electra, is a subsidiary of Electra Partners Limited, the independent private equity group which had a total of £1.5 billion of funds under management at 30 September 2003 and has invested over £625 million in the five years to that date.

Today Electra has also announced the refinancing of Baxi Group which represented an uplift in Electra's net asset value per share of 21.2p over the audited net asset value of 760p per share at 30 September 2003. The full announcement of the Baxi Group transaction is being made to the UK Listing Authority and copies will be available from M: Communications. The total uplift in Electra's net asset value per share amounts to 44.8p as a result of the Baxi Group and Vendcrowm transactions.