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HgCapital Trust plc

Full Year Results

December 2012

This document accompanies the Annual Report & Accounts for the year ended 31 December 2012 and contains a summary of information set out in that document. Reference should be made to the full Report & Accounts rather than relying on this summary. The reader's attention is also drawn to the provisions on pages 35 and 36.



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-
- Quality businesses remain in demand; SHL realised at 3.1x cost, Mercury Pharma realised at 4.2x cost
 - Whilst we remain relatively cautious on new investment, we expect to deploy capital into a number of investments over the next 6 months
 - Solid revenue and profit growth over the year, albeit weaker in the last quarter, in part driven by significant investment in a number of our businesses for the benefit of future growth
-

PERFORMANCE

- NAV per share (diluted); total return +15.3% over the year; increasing to 1,221.7p
- Share price performance in 2012 disappointing; +5.8% on a total return basis to 1,016.0p; good start to 2013
- Dividend of 23.0p per share up from 10.0p per share in 2011.
- NAV per share (diluted) at 28 February 2013 was 1,255.4p.

INVESTMENT
ACTIVITY

- £80m of cash proceeds from realisations; two full exits at a 68% uplift to book value as at 31 December 2011
- £38m invested over the year, including three new buyouts and £17m investment into the existing portfolio

TOP 20 BUYOUT
PORTFOLIO (87% OF
VALUE)

- Sales grew by 9% and EBITDA by 6% over the last 12 months
 - Top 10 (60%) grew sales by 11% and EBITDA by 11%
- Valuation multiple of 10.8x EBITDA and debt multiple of 3.7x EBITDA

BALANCE SHEET

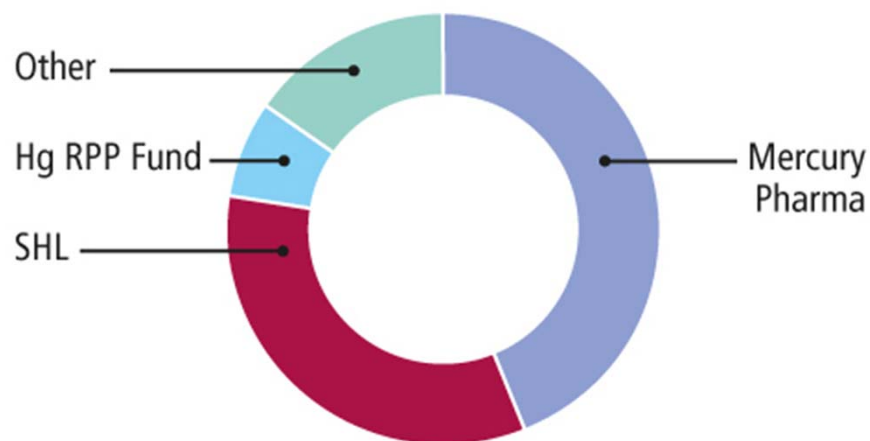
- Liquid resources of £116m (27% of NAV), additional standby facility of £40m
 - Outstanding commitments of £162m (37% of NAV)
-

Total return assumes all dividends have been reinvested



CASH REALISED IN 2012

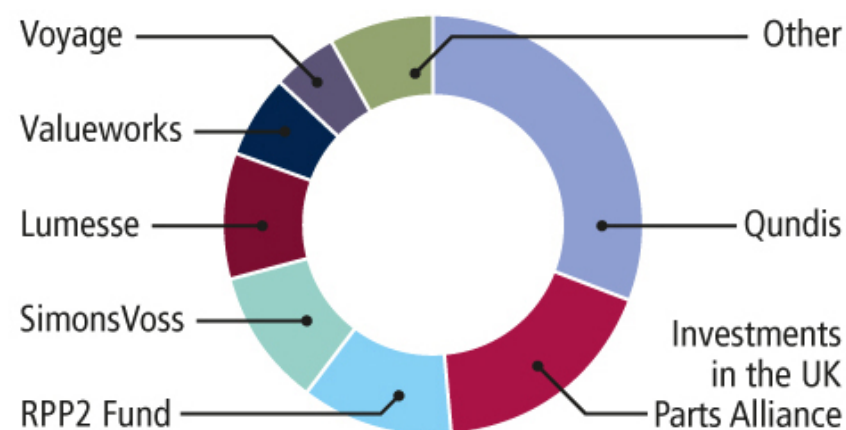
£80M



- 2 buyout exits return £62m to the Trust with average uplift over book value of 68%
- Sale of UK wind operating assets returned nearly £6m to the Trust
- A further £12m of distributions were received from the existing portfolio

CASH DEPLOYED IN 2012

£38M



- 3 new buyout investments completed in the year totalling £21m
- £4m further investment into renewable assets
- A further £13m invested into the existing portfolio

Please refer to pages 24 and 25 in the Appendices for a full breakdown of investment activity

Portfolio Review



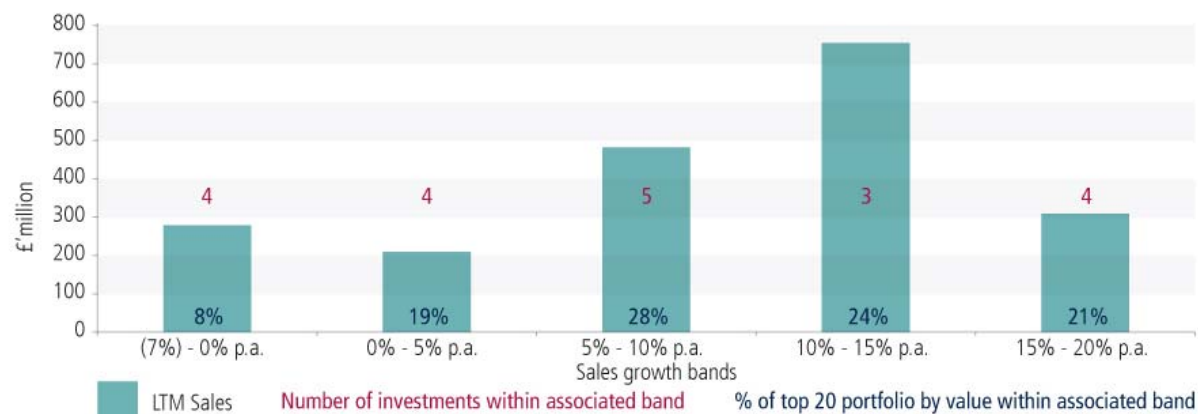
Trading Performance of Top 20 Buyout Investments

Twelve months to 31 December 2012

SALES

+9% p.a.

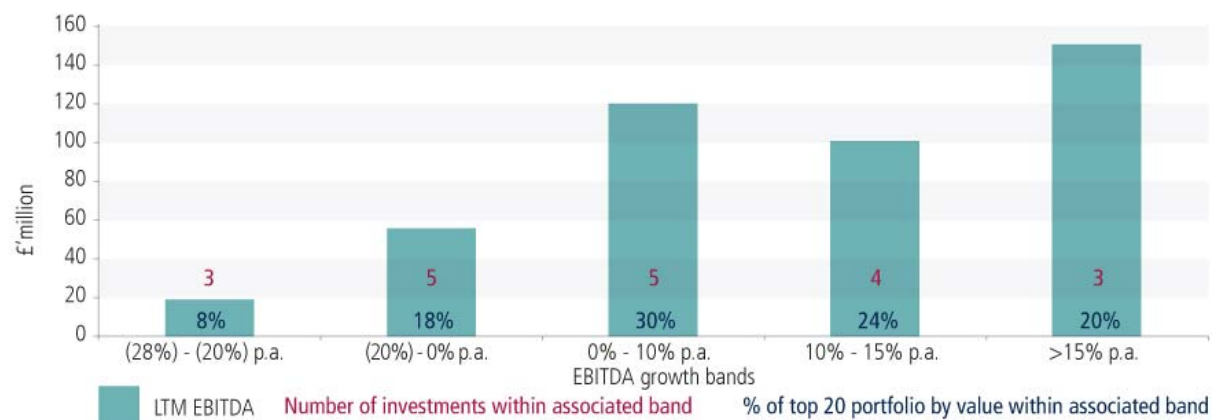
- Over 90% by value of the top 20 buyouts saw sales growth over the last 12 months
- Combined sales of £2.0 billion
- 45% of the top 20 buyout companies have increased sales by >10% p.a.



EBITDA

+6% p.a.

- Nearly 75% by value of the top 20 buyouts saw earnings growth over the last 12 months
- £447 million of EBITDA, margins of 22%
- 44% of the top 20 buyouts by value have increased profits by >10% p.a., with 20% of the portfolio growing by >15% p.a.
- Continued investment for future growth
- Weak consumer demand and margin pressure on public sector businesses



Portfolio Review



Trading Performance of Top 20 Buyout Investments

87% of the portfolio value as at 31 December 2012

INVESTMENT FOR FUTURE GROWTH IMPACTING
SHORT-TERM PROFIT GROWTH
(34% OF THE TOP 20 BY VALUE)



Investments
in the UK Parts Alliance



STRONG DOUBLE-DIGIT GROWTH
(39% OF THE TOP 20 BY VALUE)

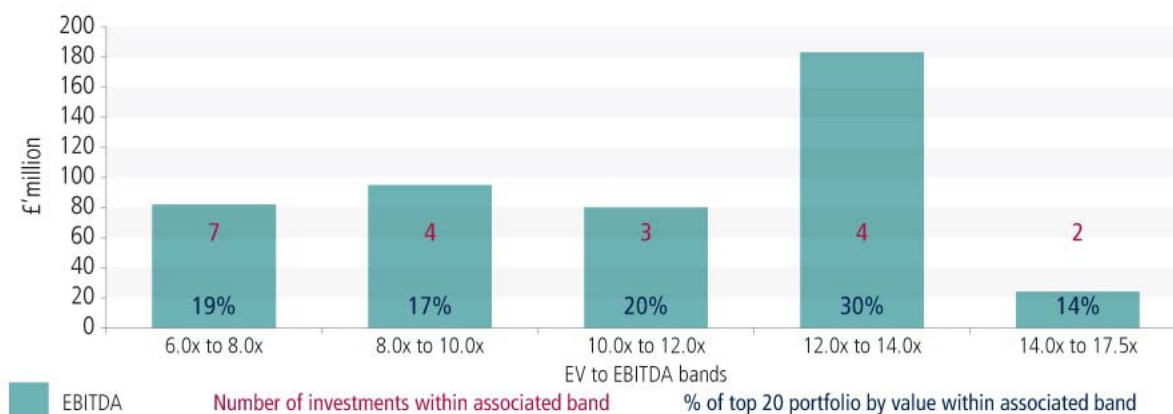


Portfolio Review

Valuation and Gearing - Top 20 Buyout Investments as at 31 December 2012

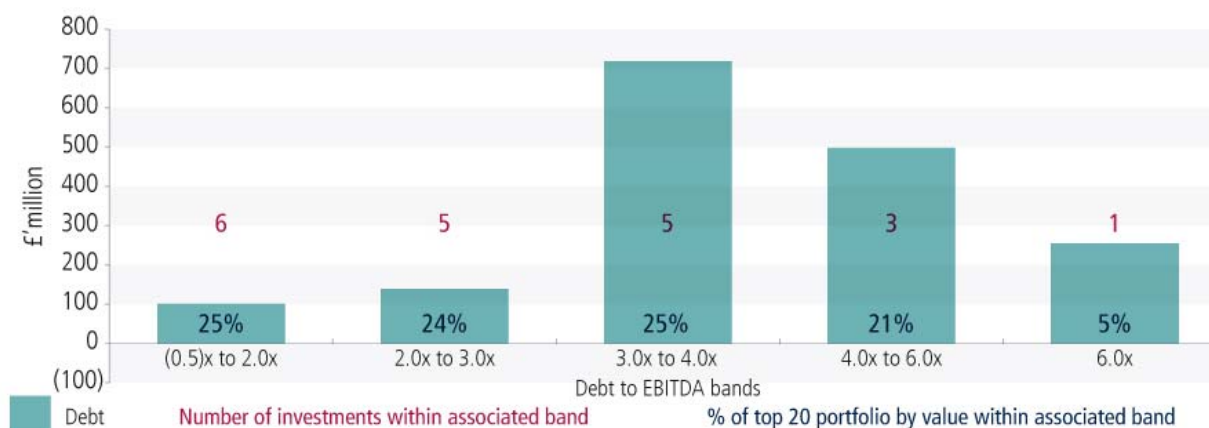
EBITDA MULTIPLE 10.8x

- Valuation multiple increased from 10.2x (Dec 2011) to 10.8x
- Multiple reflects
 - Investment strategy focusing on high growth niches
 - Increase in ratings of market comps



DEBT TO EBITDA RATIO 3.7x

- Gearing levels reduced from 4.0x (Dec 11) to 3.7x
- Several businesses now ungeared and returning cash
- Voyage public bond issue reduced debt servicing costs of company and increased the company's financial flexibility



COMPANY	VALUATION CHANGE IN YEAR TO 31 DECEMBER 2012	PRINCIPAL DRIVER OF CHANGE IN VALUATION
Largest increases		
Visma	+£9.6m	Strong profit growth, debt reduced
Atlas	+£6.8m	Strong organic profit growth and improved ratings
JLA	+£6.8m	New management and sales initiatives have led to accelerated growth
Voyage	+£5.5m	Positive impact of acquisition and improved ratings
Manx Telecom	+£5.1m	Solid profit growth and debt reduction
Achilles	+£4.3m	Strong profit growth
ATC	+£4.3m	Strong profit growth
Largest decreases		
Casa Reha	-£1.6m	Revenues up but profits down as margins squeezed by higher people costs
Teufel	-£3.1m	Profits down year on year through weak consumer demand

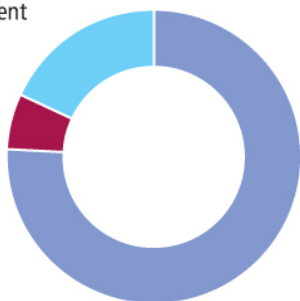
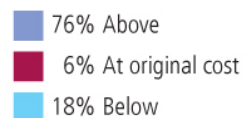
Please refer to page 21 in the appendix for a full breakdown of realised and unrealised movements in the investment portfolio (including interest) for the year ended 31 December 2012

Portfolio Review

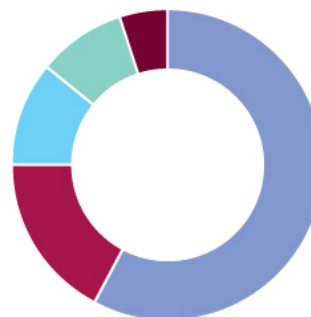
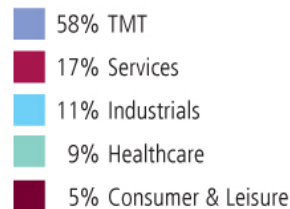


HgCapital Trust plc Portfolio Analysis as at 31 December 2012

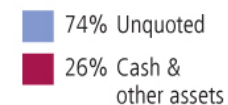
Analysis by value of investment return* relative to its original cost



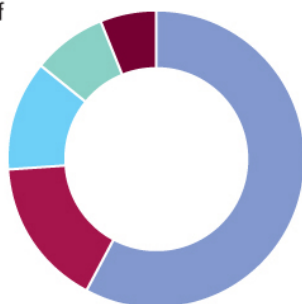
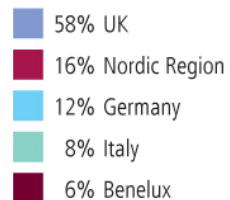
Sector by value of primary buyout portfolio



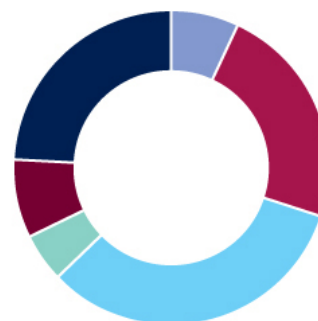
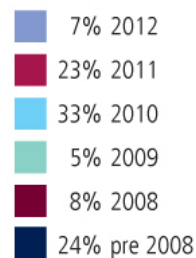
Net assets by class



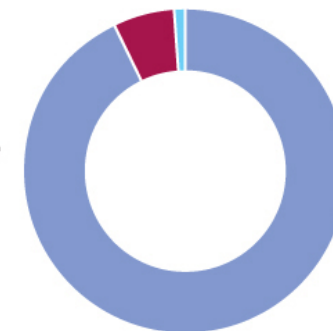
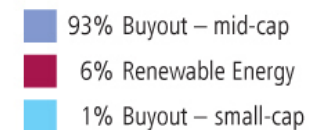
Geographic spread by value of primary buyout portfolio



Vintage by value of primary buyout portfolio



Deal type by value



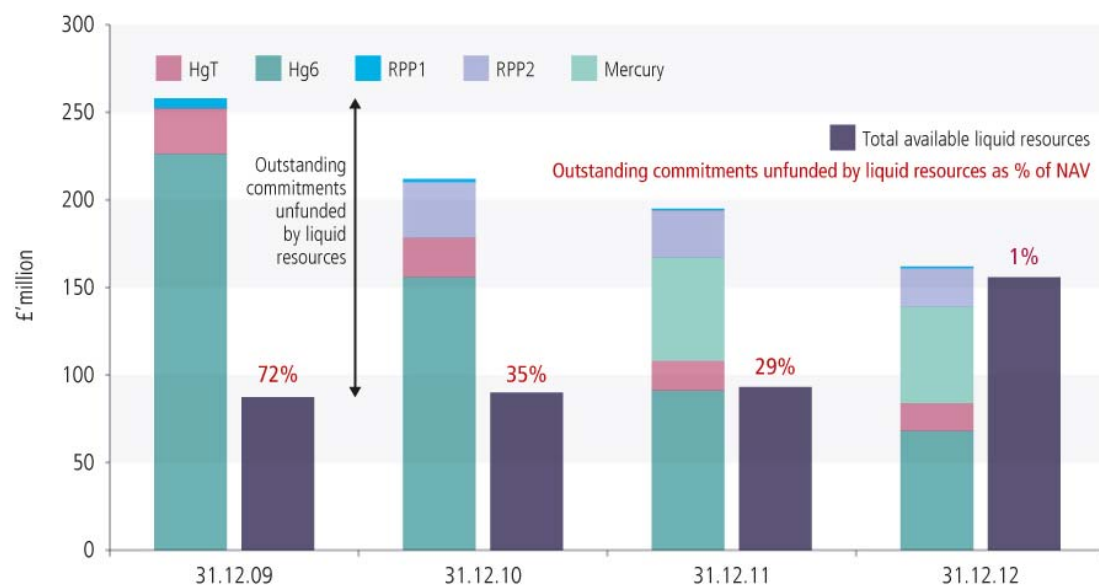
* Representing aggregate realised proceeds and unrealised valuations of an investment

Balance Sheet



Liquid Resources and Outstanding Commitments

Multiple levers in place to manage the balance sheet



	AS AT 31 DEC 2012		AS AT 30 DEC 2011	
	£m	% of NAV	£m	% of NAV
HgCapital 6 ⁽¹⁾	64.5	14.8%	85.9	24.8%
Hg Mercury	55.3	12.6%	59.0	17.0%
Hg RPP2 ⁽²⁾	22.0	5.1%	27.2	7.8%
HgT	15.8	3.6%	17.1	4.9%
HgCapital 6 E	3.6	0.8%	4.7	1.4%
Hg RPP1 ⁽²⁾	1.0	0.2%	1.2	0.3%
Outstanding commitments	162.2	37.1%	195.1	56.2%
Liquid resources	115.8	26.5%	53.5	15.4%
Standby bank facility	40.0	9.1%	40.0	11.5%
Total available liquid resources	155.8	35.6%	93.5	26.9%
Net outstanding commitments less available liquid resources	6.4	1.5%	101.6	29.3%











⁽¹⁾ HgCapital Trust plc has the benefit of an investment opt-out provision in its commitment to invest alongside HgCapital 6, so that it can opt-out of a new investment without penalty should it not have the cash available to invest.

⁽²⁾ Euro denominated commitments

Top 20 Review

Buyout Investment Portfolio

The top 10 buy-out investments represent 61% of the portfolio value

INVESTMENT	YEAR OF INVESTMENT	SECTOR	LOCATION	RESIDUAL COST £'000	TOTAL VALUATION ⁽¹⁾ £'000	PORTFOLIO VALUE %	CUM. VALUE %	CHANGE IN VALUE OVER 12M
1  VISMA	2006	TMT	Nordic Region	701	32,718	10.0%	10.0%	↑
2  IRIS <small>SOFTWARE LIMITED</small>	2011	TMT	UK	25,598	25,607	7.9%	17.9%	→
3  TeamSystem	2010	TMT	Italy	24,432	24,553	7.5%	25.4%	→
4  Lumesse	2010	TMT	UK	19,430	19,390	6.0%	31.4%	→
5  Achilles	2008	TMT	UK	5,218	18,678	5.7%	37.1%	↑
6  ATC	2011	Services	Benelux	9,913	18,552	5.7%	42.8%	↑
7  JLA	2010	Services	UK	12,227	16,628	5.1%	47.9%	↑
8  m:	2010	TMT	UK	9,844	15,108	4.6%	52.5%	↑
9  NetNames ^{NV}	2011	TMT	UK	14,249	14,321	4.4%	56.9%	→
10  epyx	2009	TMT	UK	6,388	13,653	4.2%	61.1%	↑
Top 10 Investments				128,000	199,208	61.1%		

All figures as at 31 December 2012










⁽¹⁾ including investment valuation and accrued interest

Top 20 Review



Buyout Investment Portfolio

The top 20 buy-out investments represent 87% of the portfolio value

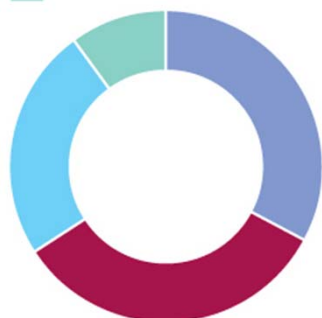
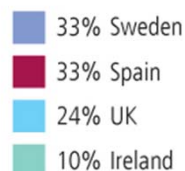
INVESTMENT	YEAR OF INVESTMENT	SECTOR	LOCATION	RESIDUAL COST £'000	TOTAL VALUATION ⁽¹⁾ £'000	PORTFOLIO VALUE %	CUM. VALUE %	CHANGE IN VALUE OVER 12M
11 	2006	Healthcare	UK	15,067	13,134	4.0%	65.1%	↑
12 	2010	Industrials	Germany	11,936	12,438	3.8%	68.9%	↓
13 	2012	Industrials	Germany	11,552	11,522	3.5%	72.4%	→
14 	2007	Services	UK	9,597	8,673	2.7%	75.1%	↑
15 	2010	Healthcare	Nordic Region	14,296	7,975	2.5%	77.6%	→
16 	2006	Consumer & Leisure	Germany	4,650	7,144	2.2%	79.8%	→
17 Investments in the UK Parts Alliance	2012	Services	UK	6,654	6,654	2.0%	81.8%	→
18 	2005	Consumer & Leisure	UK	7,440	6,445	2.0%	83.8%	↑
19 	2011	TMT	UK	5,058	5,672	1.7%	85.5%	→
20 	2010	Industrials	Germany	9,417	3,322	1.0%	86.5%	↓
Top 20 Investments				223,667	282,187	86.5%		

All figures as at 31 December 2012

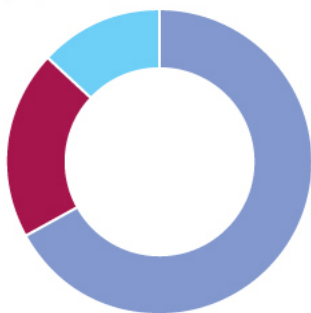
⁽¹⁾ including investment valuation and accrued interest



Geography



Resource



- The Trust is invested via limited partnership interests in HgCapital's two Renewable Energy Funds, RPPI (2006) and RPP2 (2010)
- RPP gives investors exposure to renewable power assets to deliver returns through yield during operation and capital gain at exit
- Typically, control positions in high quality renewable energy infrastructure projects with minimal GDP and technology risk
- In August 2012 we announced the sale of the UK Wind platform operating assets at 2.0x investment multiple and 20% p.a. gross IRR, whilst retaining our interest in our UK Wind development assets
- Post 31 December 2012, HgCapital sold the UK onshore development assets to Blue Energy at a 1.6x investment multiple and 15% IRR. The Trust's cash share of this exit was £2.8m, as well as retaining a current unrealised value of £1.1m.

	TOTAL VALUATION £'000	PORTFOLIO VALUE %
Spanish Solar	3,848	1.2
UK Onshore Wind - Development	3,310	1.0
Swedish Onshore Wind	2,603	0.8
UK Onshore Wind - Other	1,300	0.4
Other	274	0.1
RPPI fund	11,335	3.5
Swedish Onshore Wind	3,777	1.2
Spanish Mini-Hydro	2,550	0.8
Irish Onshore Wind	1,816	0.6
Other	362	0.1
RPP2 fund	8,505	2.6
Total Renewable Fund Investments	19,840	6.1

Conclusion } Manager Update

March 2013

- The Hg Mercury Fund, focused on lower mid-market TMT buyouts, closed at the end of January 2013 with funds raised of £380 million; one investment completed to date, with an interesting pipeline of current opportunities
 - Over the course of 2012 HgCapital continued to add to its resources and now has 104 employees including 62 investment professionals
 - The Manager's latest buyout fund, HgCapital 7, will have substantially the same size, strategy and geographic focus as HgCapital 6. The Board of the Trust has approved an initial commitment of £200 million for investment alongside HgCapital 7 on similar commercial and contractual terms as its commitment to HgCapital 6, and has expressed interest to the Manager in making a further commitment.
-

Conclusion } Outlook & Prospects

March 2013

- Despite the weak macro-economic environment across Western Europe, we believe that our investment strategy of identifying high quality growth companies in market niches will continue to benefit the performance of our portfolio
 - Whilst we remain relatively cautious on new investment, within our sectors of expertise we continue to find opportunities to acquire leading businesses at reasonable prices and expect to deploy capital into a number of investments over the next 6 months
 - As evidenced over 2012, we continue to see an active interest in acquiring a number of our portfolio companies from both financial buyers and trade and this interest may lead us to realise a number of our investments in the next 12 months
 - For some of our portfolio companies, the short term profit growth has been temporarily impacted by investments made to enhance the future earnings potential and exit rating of these businesses, we anticipate seeing the results of this investment start to come through in the 2013 trading results
-

Appendices } Contents

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Portfolio by sector	26
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Appendix



The Trust continues to deliver long term growth

Outperforming the FTSE by 2.6x over the last 10 years on a total return basis

TOTAL RETURN SHARE PRICE PERFORMANCE OVER TEN YEARS

- 10 year share price total return of +19.5% p.a. for the Trust vs. +8.8% p.a. for the FTSE All-Share Index
- 10 year NAV per share (diluted) total return of +16.1% p.a.



All figures as at 31 December 2012

Total return assumes the reinvestment of all dividends

Past performance is not necessarily indicative of future results. Please see notes to recipients on page 35 and 36

Appendix

Total Return as at 31 December 2012

£1,000 invested 10 years ago
would now be worth £5,930
on a total return basis



	1 YEAR %	3 YEARS % P.A.	5 YEARS % P.A.	7 YEARS % P.A.	10 YEARS % P.A.
Net asset value (diluted)	15.3	11.5	7.6	12.5	16.1
Share price	5.8	8.7	8.0	10.7	19.5
FTSE All-Share Index	12.3	7.5	2.5	4.8	8.8
Share price performance per annum relative to the FTSE All Share Index	(6.5)	1.2	5.5	5.9	10.7

Total return assumes the reinvestment of all dividends

Past performance is not necessarily indicative of future results. Please see notes to recipients on page 35 and 36

Appendix



NAV and Share Price Summary

Performance for year ended 31 December 2012

		AS AT 28 FEB 2012	AS AT 31 DEC 2012	% TOTAL RETURN TO 31 DEC 2012	AS AT 31 DEC 2011
Net assets (£'000)		450,538	437,956	<i>n/a</i>	346,832
Net assets per share	– diluted	1,255.4p	1,221.7p	<i>+15.3%</i>	1,069.3p
	– basic	1,266.8p	1,231.5p	<i>+14.0%</i>	1,089.9p
Share price (ordinary shares at mid-market)		1,145.0p	1,016.0p	<i>+5.8%</i>	970.0p
Discount (%) to NAV	– diluted	(8.8%)	(16.8%)	<i>n/a</i>	(9.3%)
	– basic	(9.6%)	(17.5%)	<i>n/a</i>	(11.0%)
Share price (subscription shares) ⁽¹⁾		107.3p	39.0p	<i>n/a</i>	53.0p

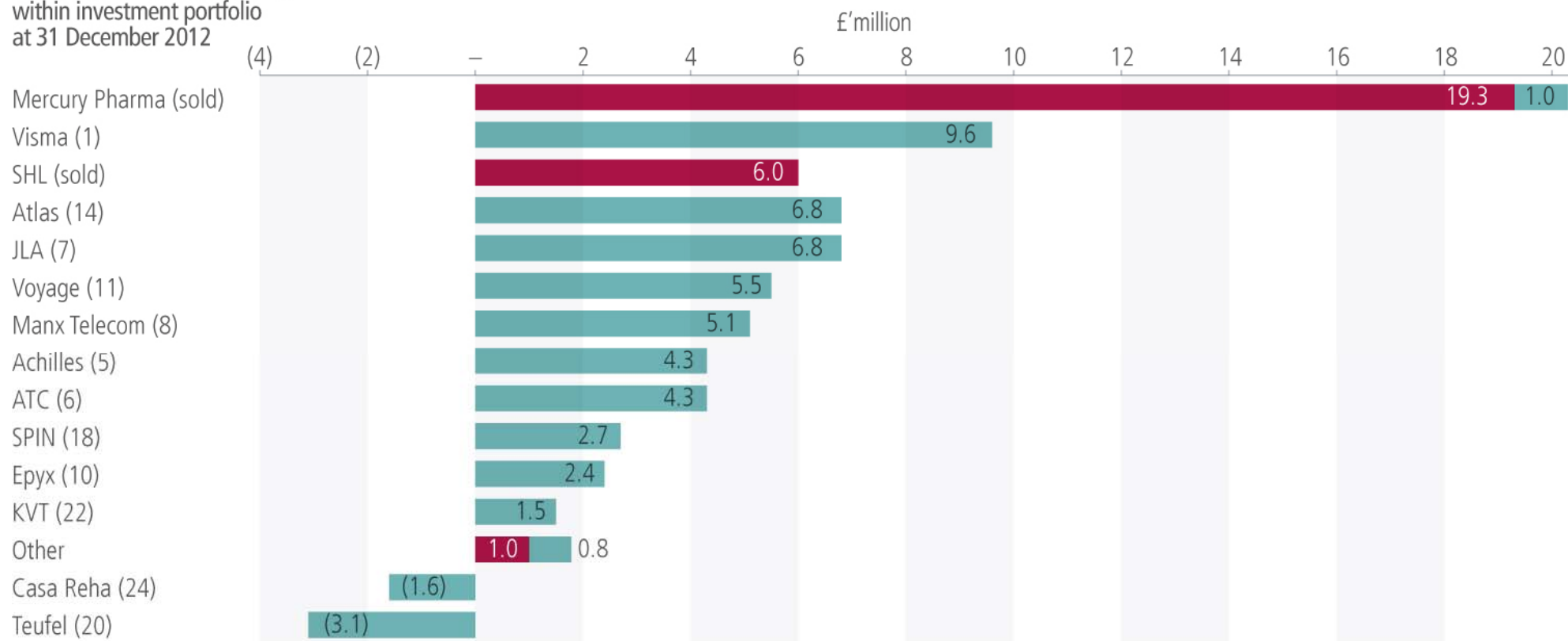
Total return assumes the reinvestment of all dividends
Pro-forma includes all post period realisations

⁽¹⁾ Each subscription share entitles the holder to subscribe for one Ordinary Share at a price of £10.25. The final exercise date is on 31 May 2013.

Appendix

Realised and unrealised movements in investment portfolio (including accrued interest) for year ended 31 December 2012

Investment name and ranking
within investment portfolio
at 31 December 2012

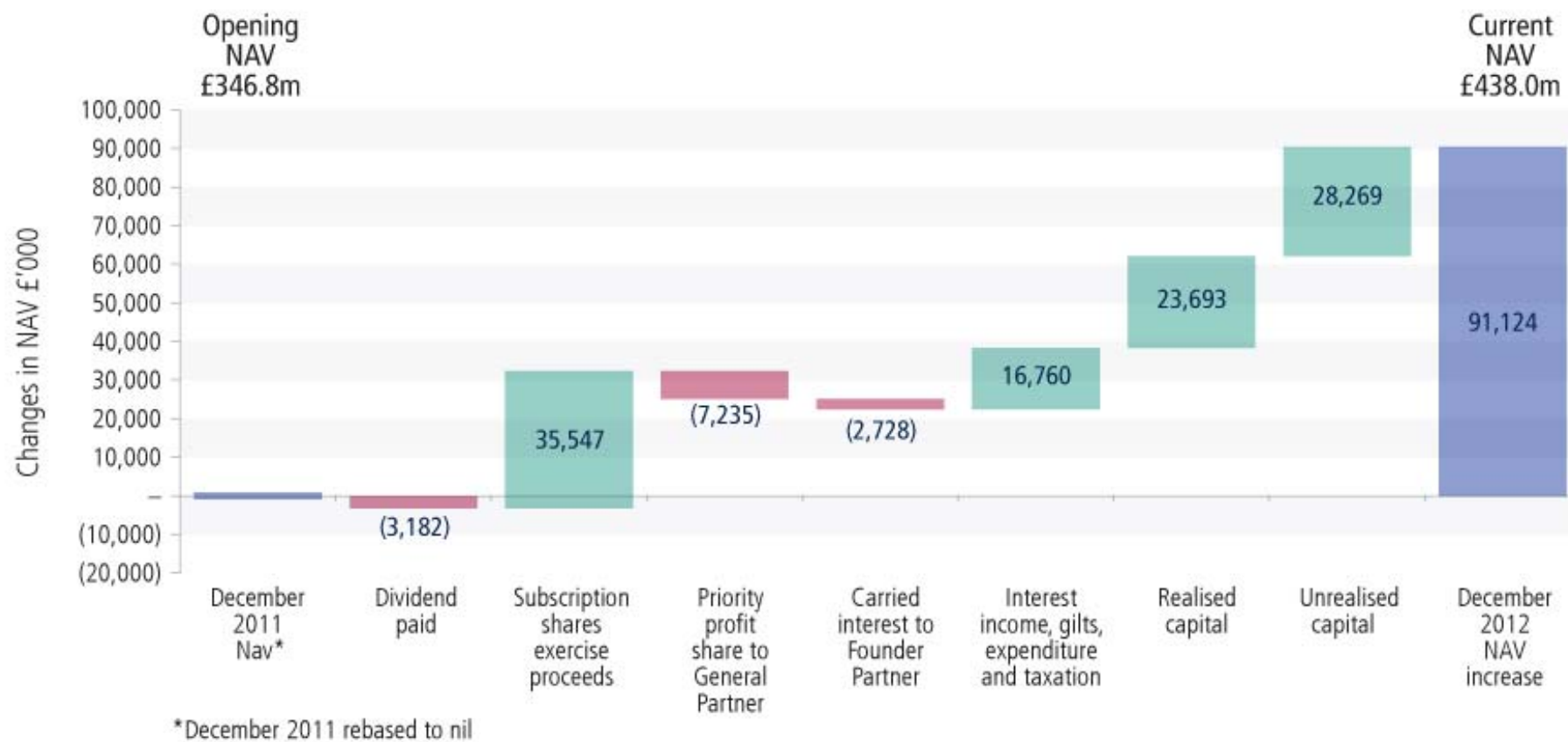


Realised proceeds in excess of 31 December 2011 book value (includes gross revenue)

Net unrealised appreciation/(depreciation) of investments

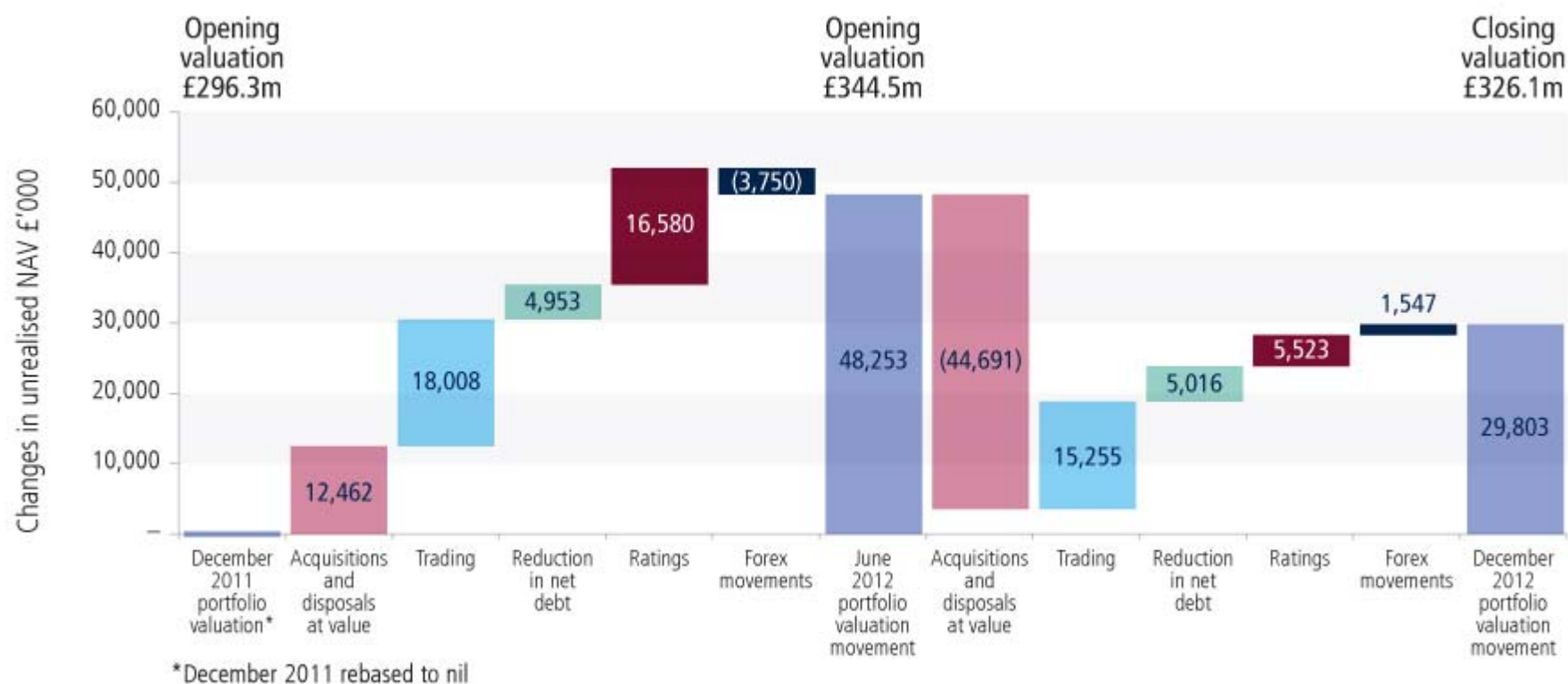
Appendix

Analysis of Net Asset Value movements for year ended 31 December 2012



Appendix

Attribution analysis of unrealised movements in the portfolio (including accrued interest movement of £9.2m) for the year ended 31 December 2012



Appendix

Investment Activity £38m invested in 2012

COMPANY	SECTOR	GEOGRAPHY	ACTIVITY	DEAL TYPE	COST £'000
Qundis	Industrials	Germany	Provider of sub-metering devices and systems	Buyout	11,552
Investments in the UK Parts Alliance	Services	UK	Aftermarket car parts distributor	Buyout	6,654
Valueworks	TMT	UK	Electronic marketplace for goods & services procurement	Buyout	2,390
New investments					20,596
RPP2 Fund	Renewable energy	Europe	Further capital funded	Fund	4,391
SimonsVoss	Industrials	Germany	Provider of digital radio-based locking and access control systems	Buyout	4,035
Lumesse	TMT	UK	Strategic HR Software	Buyout	3,640
Voyage	Healthcare	UK	Care home operator	Buyout	1,931
HgCapital 6 E	Fund	Europe	Further capital funded	Fund	1,146
Sporting Index	Consumer & Leisure	UK	Sports spread betting firm	Buyout	938
Casa Reha	Healthcare	Germany	Care home operator	Buyout	694
Other investments					211
Further investments					16,986
Total investment by the Trust					37,582

Appendix



Realisations

£80m realised from the portfolio in 2012

COMPANY	SECTOR	EXIT ROUTE	COST £'000	PROCEEDS ⁽¹⁾ £'000	CUMULATIVE GAIN/(LOSS) ⁽²⁾ £'000	CURRENT YEAR GAIN/(LOSS) ⁽³⁾ £'000
Mercury Pharma	Healthcare	Secondary sale	8,545	35,339	26,794	19,331
SHL	Services	Trade sale	7,991	27,036	19,045	5,958
Full realisations			16,536	62,375	45,839	25,289
Hg RPP Fund	Renewable energy	Distribution received	4,968	5,661	693	-
Mainio Vire	Healthcare	Refinancing	4,022	3,682	(340)	(412)
NetNames	TMT	Syndication to co-investor	2,374	2,374	-	-
HgCapital 6 E	Fund	Distribution received	1,730	1,730	-	-
Manx Telecom	TMT	Loan stock capital & interest	1,189	1,496	307	82
Epyx	TMT	Loan stock interest	-	1,029	1,029	-
Other			701	1,841	1,140	1,363
Partial realisations			14,984	17,813	2,829	1,033
Total Realisations			31,520	80,188	48,668	26,322

⁽¹⁾ Includes gross revenue received during the year

⁽²⁾ Realised proceeds including gross revenue received, in excess of historic cost

⁽³⁾ Realised proceeds including gross revenue received, in excess of 31 December 2011 book value and accrued interest

Appendix

Portfolio by Sector as at 31 December 2012

INVESTMENT	YEAR OF INVESTMENT	VALUATION BASIS	RESIDUAL COST £'000	TOTAL VALUATION ⁽¹⁾ £'000	PORTFOLIO VALUE %
TMT investments					
Visma	2006	Earnings	701	32,718	10.0%
Iris Software Group	2011	Earnings	25,598	25,607	7.9%
TeamSystem	2010	Earnings	24,432	24,553	7.5%
Lumesse	2010	Earnings	19,430	19,390	6.0%
Achilles	2008	Earnings	5,218	18,678	5.7%
Manx Telecom	2010	Earnings	9,844	15,108	4.6%
NetNames	2011	Earnings	14,249	14,321	4.4%
Epyx	2009	Earnings	6,388	13,653	4.2%
CSH	2011	Earnings	5,058	5,672	1.7%
Tiger Capital	2008	Other	632	487	0.2%
Elite	2005	Other	-	-	-
Total TMT investments			111,550	170,187	52.2%
Services investments					
ATC	2011	Earnings	9,913	18,552	5.7%
JLA	2010	Earnings	12,227	16,628	5.1%
Atlas Energy	2007	Written-down	9,597	8,673	2.7%
Investments in the UK Parts Alliance	2012	Price of recent investment	6,654	6,654	2.0%
SHL	2006	Other	-	-	-
Total Services investments			38,391	50,507	15.5%

⁽¹⁾ Including accrued interest

Appendix

Portfolio by Sector as at 31 December 2012 (continued)

INVESTMENT	YEAR OF INVESTMENT	VALUATION BASIS	RESIDUAL COST £'000	TOTAL VALUATION ⁽¹⁾ £'000	PORTFOLIO VALUE %
Healthcare investments					
Voyage	2006	Written down	15,067	13,134	4.0%
Frösunda	2010	Written-down	14,296	7,975	2.5%
Mainio Vire	2011	Written-down	8,307	3,310	1.0%
Casa Reha	2008	Written-down	8,990	1,304	0.4%
Mercury Pharma (formerly Goldshield)	2009	Other	-	987	0.3%
Total Healthcare investments			46,660	26,710	8.2%
Industrials investments					
SimonsVoss	2010	Earnings	11,936	12,438	3.8%
Qundis	2012	Price of recent investment	11,552	11,522	3.5%
Teufel	2010	Written-down	9,417	3,322	1.0%
Mondo	2007	Other	-	1,536	0.5%
KVT	2008	Written-down	5,829	2,103	0.6%
W.E.T	2003	Written-off	7,774	-	-
Total Industrials investments			46,508	30,921	9.4%
Consumer & Leisure investments					
Schleich	2006	Earnings	4,650	7,144	2.2%
Sporting Index	2005	Written-down	7,440	6,445	2.0%
Americana	2007	Written-down	4,625	1,154	0.4%
Total Consumer & Leisure investments			16,715	14,743	4.6%

⁽¹⁾ Including accrued interest

Appendix

Portfolio by Sector

as at 31 December 2012 (continued)

INVESTMENT	YEAR OF INVESTMENT	VALUATION BASIS	RESIDUAL COST £'000	TOTAL VALUATION ⁽¹⁾ £'000	PORTFOLIO VALUE %
Secondary buyout investments					
HgCapital 6 E LP	2011	Net assets	9,503	10,434	3.2%
Total Secondary buyout investments			9,503	10,434	3.2%
Primary small-cap buyout funds					
Valueworks	2011	Price of recent investment	2,390	2,390	0.7%
Total Primary small-cap buyout funds			2,390	2,390	0.7%
Renewable energy investments					
Hg RPP 1	2006	Net assets	10,214	11,335	3.5%
Hg RPP 2	2010	Net assets	10,821	8,505	2.6%
Total Renewable energy investments			21,035	19,840	6.1%
Fund investments					
Weston Presidio III	1998	Net assets	1,042	332	0.1%
ACT	1994	Net assets	27	22	-
Total Fund investments			1,069	354	0.1%
Total all investments (36)			293,821	326,086	100.0%

⁽¹⁾ Including accrued interest



OVERVIEW

- Established 1990, independent since HgCapital spun out of Merrill Lynch in 2000 (formerly Mercury Private Equity)
- Mid-market private equity firm with £3.7 billion client assets managed, wholly owned by partners and staff
- 104 employees, 62 investment professionals, offices in London and Munich
- Partners and staff have significant personal commitments to HgCapital funds

**INVESTMENT
STRATEGY**

- 5 dedicated sector teams developed over 13 years:
 - Mid-market, control buyouts primarily in Northern Europe in 4 sectors (healthcare, industrials, services, TMT)
 - Lower mid-market, control buyouts in TMT sector in Northern Europe
 - Mid-market, control renewable energy infrastructure in Europe

SECTOR FOCUS

- A deep sector focus to pick sustainable growth sub-sectors based on years of bottom up research and expertise
- Seek to make multiple investments in high quality companies with attractive business models in pre-identified sub-sectors and learn more each time
- Dedicated portfolio team helps to drive growth and optimise exits

PERFORMANCE

- Strong returns across the cycle since 1990; 112 completed investments, 90 fully or substantially realised at 2.5x cost, 36% p.a. gross IRR

HgCAPITAL TRUST PLC

- A UK listed investment trust established in 1989, HgCapital was appointed Manager in 1994, the Trust is a 'direct' investor, i.e. only investing in Hg funds
 - The Trust is currently HgCapital's largest client c. 12% of current AUM
-

Appendix

} A number of our investments in different sectors share similar characteristics

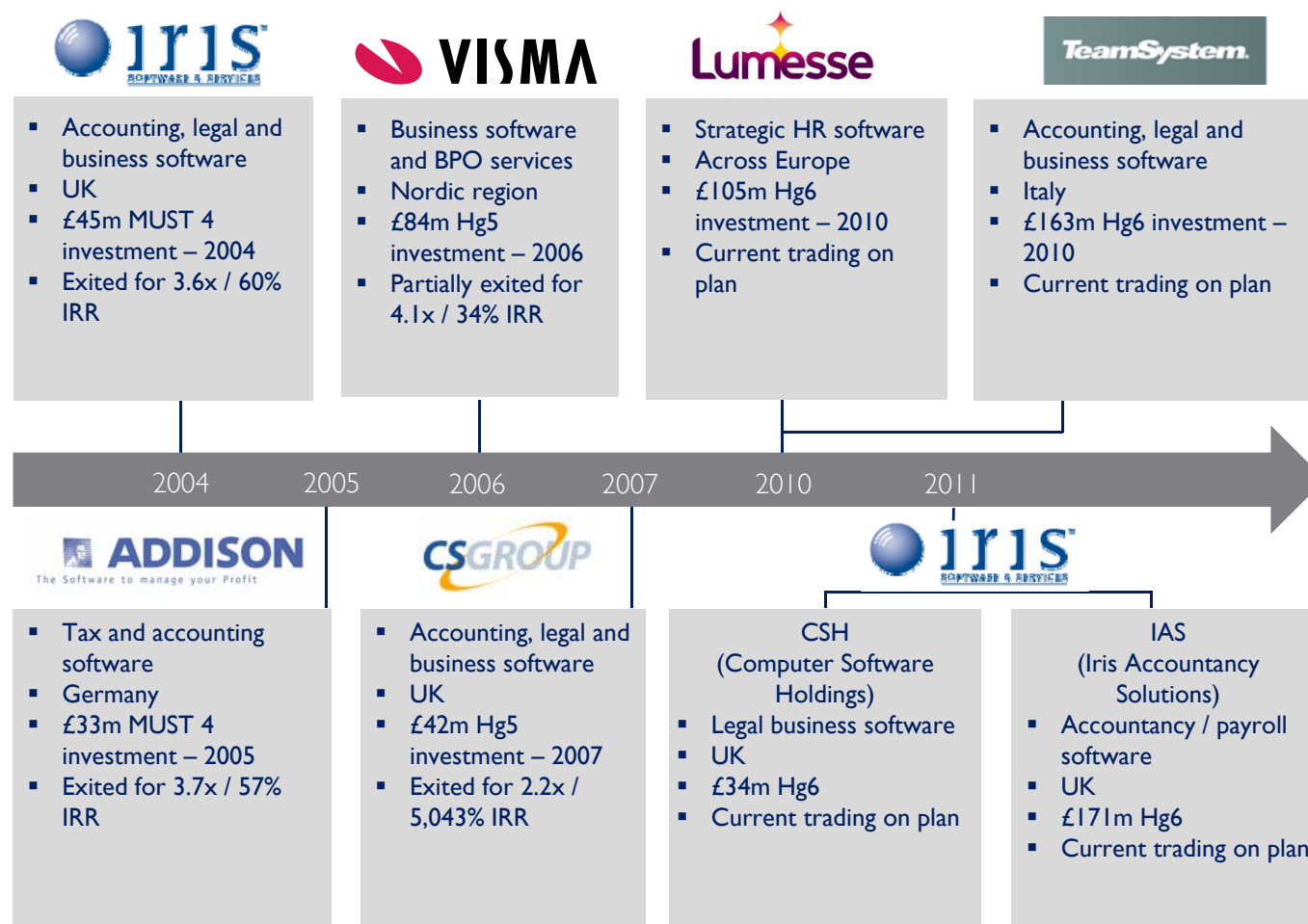


HGCAPITAL SECTOR	TMT	SERVICES	INDUSTRIALS	HEALTHCARE
DESCRIPTION	Software for accountancy practices and payroll software for SMEs	Commercial laundry distribution and services	B2B lighting systems distributor	Sale of niche prescription off-patent pharmaceuticals
TARGET CUSTOMER BASE	>350,000	>100,000	>50,000	UK patients
# OF CUSTOMERS	>30,000	>18,000	>13,000 resellers	>100,000
AVERAGE REVENUE / CUSTOMER	£4,000	£3,100	€8,600	<£250
EBITDA MARGIN	>40%	>35%	>30%	>40%
PROTECTED REVENUE MODEL	95% of revenues are subscription based	8-year rental + service bundled contracts	Mandatory subscription fee on catalogue	> 70% of products have one or fewer alternatives
NON-DISCRETIONARY ITEM	Yes, taxes need to be paid	Yes, on-premise laundry services critical to care homes and hotels	Yes, buildings need to be lit	Yes, high proportion of patients sadly chronic
CRITICAL SERVICE COMPONENT	Tax filing - Best-in-class helpdesk	Guaranteed repair within 8 hours	Shortest lead time in the industry, no need for reseller to hold inventory	Medical prescriptions

Appendix

} Sector focus – regulatory SME software example

HgCAPITAL REGULATORY SME SOFTWARE DEALS



In 2002, HgCapital identified regulatory-driven software for SME's as attractive growth sub-sector:

- SME formation runs ahead of GDP in target geographies
- Software penetration is a long run positive trend among SME users
- Red-tape and regulation has typically grown faster than GDP
- No “tech” risk – IP enabled service models that enjoy long-term contracted revenue and high cash conversion (‘4Ps’ business models)

Developed deep sector knowledge and comprehensive market map, tracking key targets over the years

Completed 8 investments across target geographies to date, of which 4 have been realised or partially realised

Appendix



Mercury Pharma – 2012 Disposal

£35.3m realised and £1.0m unrealised at 4.2x multiple of cost



BACKGROUND

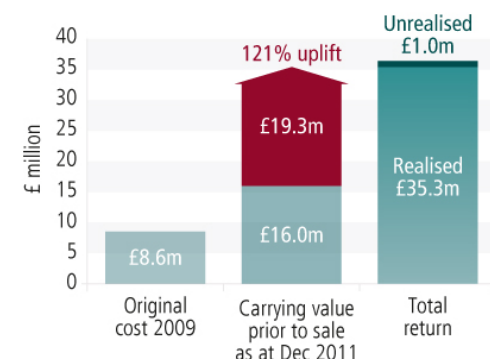
- Pharmaceutical company based in the UK distributing niche generic medicines with a particular strength in pain relief products and hospital supply.
- Primarily focused on serving the UK, where demand for its products benefits from attempts to reduce prescription costs.
- Principal growth drivers are the life-cycle management of existing drugs as well as targeted development, in-licensing, or acquisition of further products.
- Acquired in December 2009 in a Public to Private transaction, EV £132m

DEVELOPMENT

- Strengthened the management team to execute the investment strategy with a new Chairman, CEO and Heads of Business Development and Operations
- The consumer health division as well as other ancillary business parts were divested in line with our investment strategy.
- Investment made into both quality and business development left a more successful business to pursue higher revenue growth and international expansion alongside supply chain efficiency gains and procurement savings.

EXIT

- The business performed strongly during HgCapital's ownership period, consistently ahead of investment case, nearly doubling organic EBITDA
- In August 2012, HgCapital sold Mercury Pharma to Cinven, a private equity investor, for £465 million.
- The sale represented a gross IRR of 67% p.a. over the investment period and an uplift of 121% to the December 2011 valuation

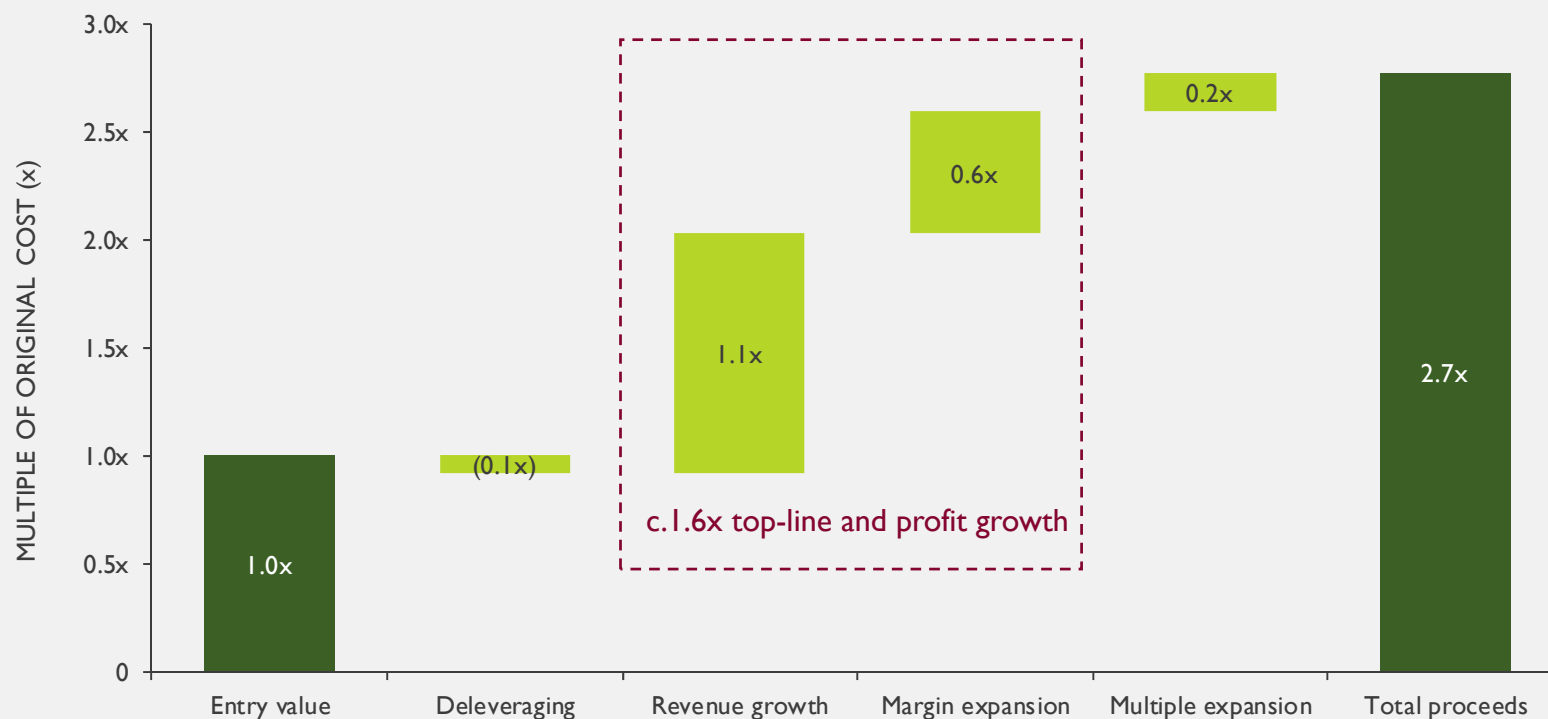


Investment return multiple of cost: **4.2x**

The numbers in the table relate to the Trust's share of transactions



VALUE CREATION ANALYSIS: MUST 4, HgCAPITAL 5 AND HgCAPITAL 6 REALISED PORTFOLIO



Note: Includes all 25 realised buyout investments in MUST 4, HgCapital 5 and HgCapital 6 as of June 2012 (excl. venture investments). Includes the realisations of SHL (announced in July 2012) and Mercury Pharma (announced in August 2012).

Past performance is not necessarily indicative of future results. Please see notes to recipients on page 35 and 36

For further information on HgCapital Trust plc, please visit our website:

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For more information on Listed Private Equity, please visit the LPEQ website www.lpeq.com

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