

# CapMan result 1 January – 30 June 2011

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**Press and Analyst conference, 11 August 2011, Helsinki**

Lennart Simonsen, CEO, Senior Partner

Jerome Bouix, Head of Sales, Marketing, IR and Communications, Senior Partner

Niko Haavisto, CFO

The logo for CapMan, featuring the word "CapMan" in a white, serif font on a dark grey rectangular background.

*Certain statements included in this material, including, without limitation, statements regarding future performance of the company, expectations regarding market growth and trend projections as well as any statements preceded by the words "expect", "believe", "foresee" or similar expressions are forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Therefore, actual results may differ materially from the results that are expressed or implied by these forward-looking statements. CapMan Plc assumes no obligation to update such forward-looking statements except as required by mandatory law. Nothing in this presentation constitutes investment advice or an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.*



## Contents

- CapMan in short
- Business environment
- H1 activity and result

# CapMan

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- Unique listed private equity fund manager
- More than 20 years' experience from Nordic and Russian private equity
- Strong local presence and market coverage



# Four key investment partnerships

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## CapMan Buyout

- Unlisted Nordic mid-market companies
- Both equity and mezzanine investments
- AUM €1.1bn

## CapMan Russia

- Growth financing in Russian SMEs with minority positions
- AUM €108m

## CapMan Public Market

- Listed Nordic small and mid cap companies
- Significant owner with Board seat
- AUM €132m

## CapMan Real Estate

- Commercial and hotel properties, and property development targets
- AUM €1.7bn

# Active owner for portfolio companies and real estate

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CapMan  
Buyout

CapMan  
Russia

CapMan  
Public Market

CapMan  
Real Estate

**35** portfolio companies and **59** real estate targets

**€5.4 billion**  
net sales

**36,800**  
personnel

**230**  
tenants

# Demonstrated capability to create value

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30 June 2011

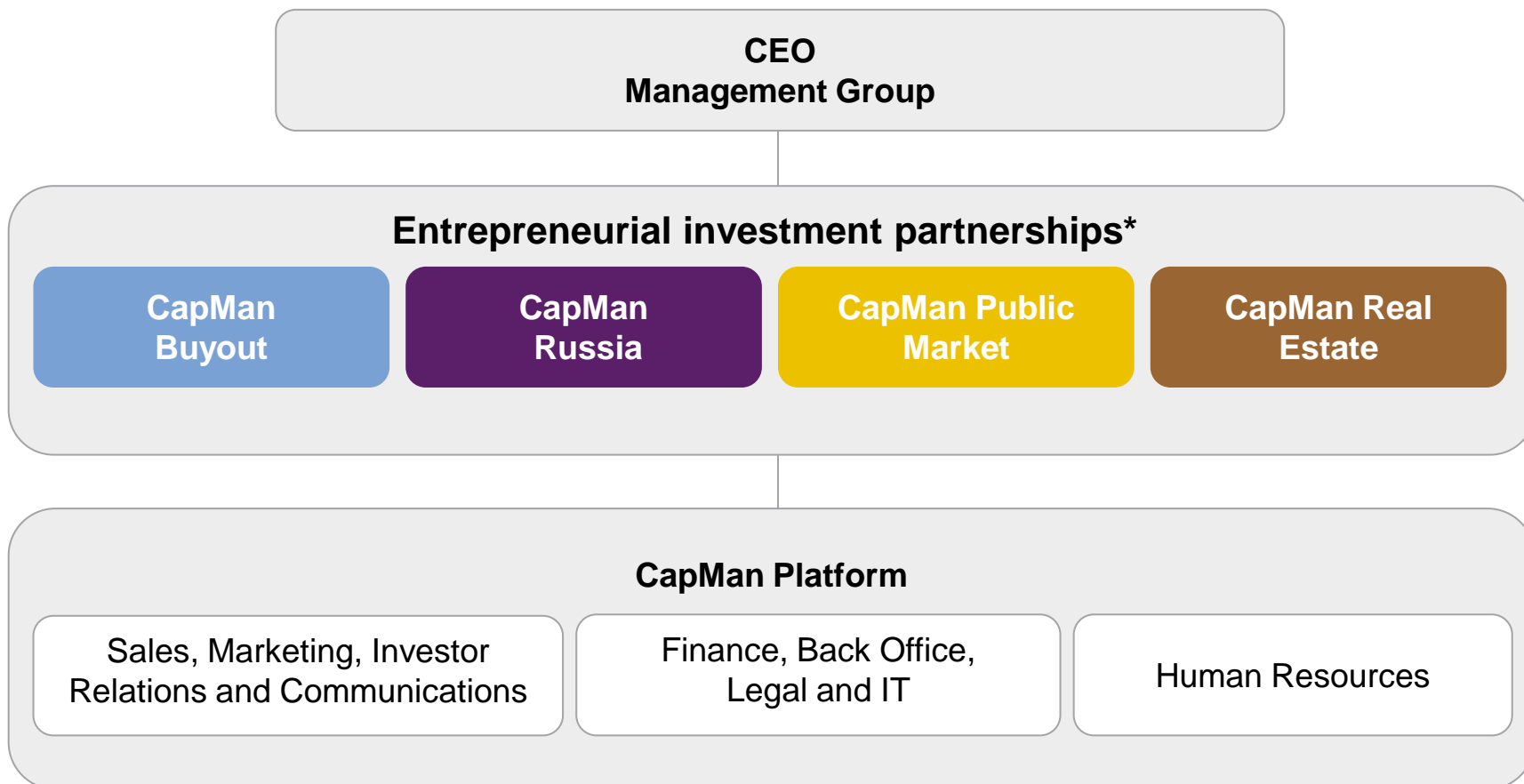
- **2.9x money back multiple** for investments in portfolio companies\*
  - IRR 36%
  - Average holding period 5.4 years
  
- **1.7x money back multiple** for real estate investments\*\*
  - IRR 50% (equity)
  - Average holding period 1.4 years

\* 75 exits by Buyout, Russia and Public Market funds (equity). Incl. dividends, interest income and sales revenue. Incl. exits made by Norum and by Alliance ScanEast Fund in Russia. Indexed (time of investment =100)

\*\* 26 exits from CapMan Real Estate I fund. The figures have been calculated for the invested equity capital (equity and bond) incl. net rental income. Indexed (time of investment =100).

# Organisation

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\* Other CapMan investment areas do not make new investments.

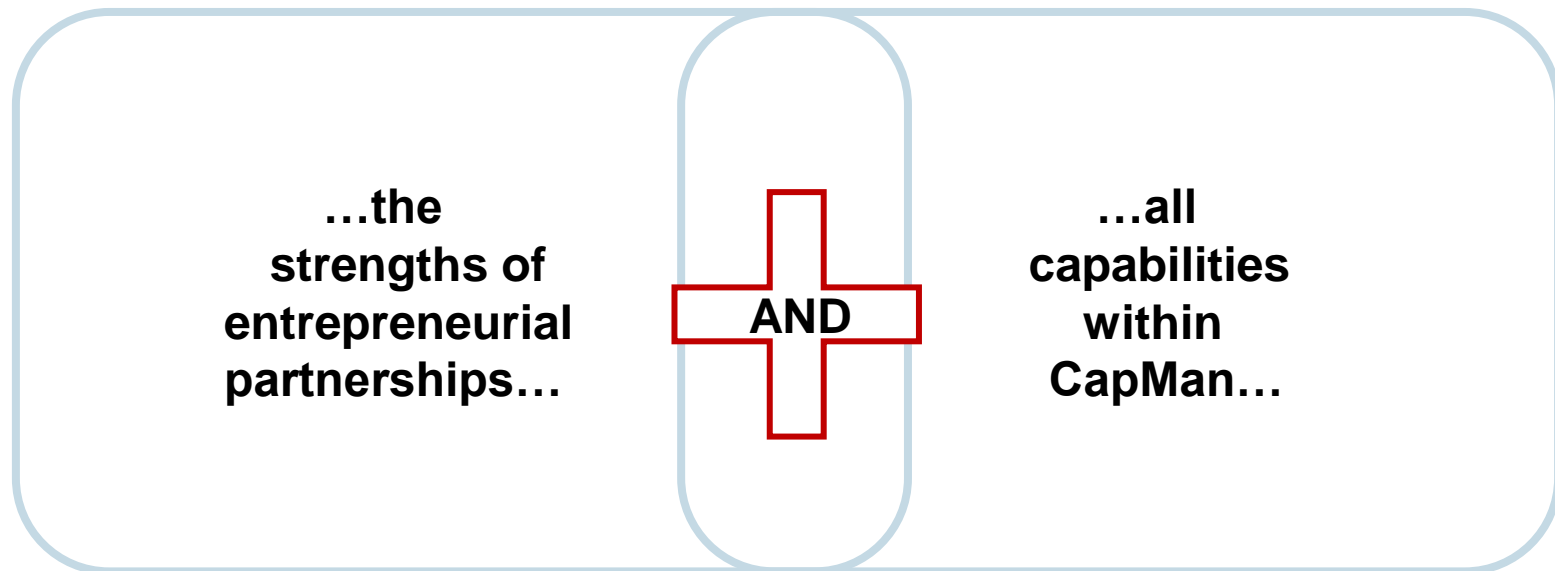
## ***Our vision***

*By 2020 we are  
the best-performing European private  
equity firm*

# Strategy

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CapMan's strategy is to combine...



...to provide excellent returns to investors.

# Significant events in H1/2011

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- Q1
  - New vision and mission
  - Updated strategy
  - Four key investment areas
  - New financial objectives
- Q2
  - Sale of real estate consulting business
  - Decision to close the Danish office

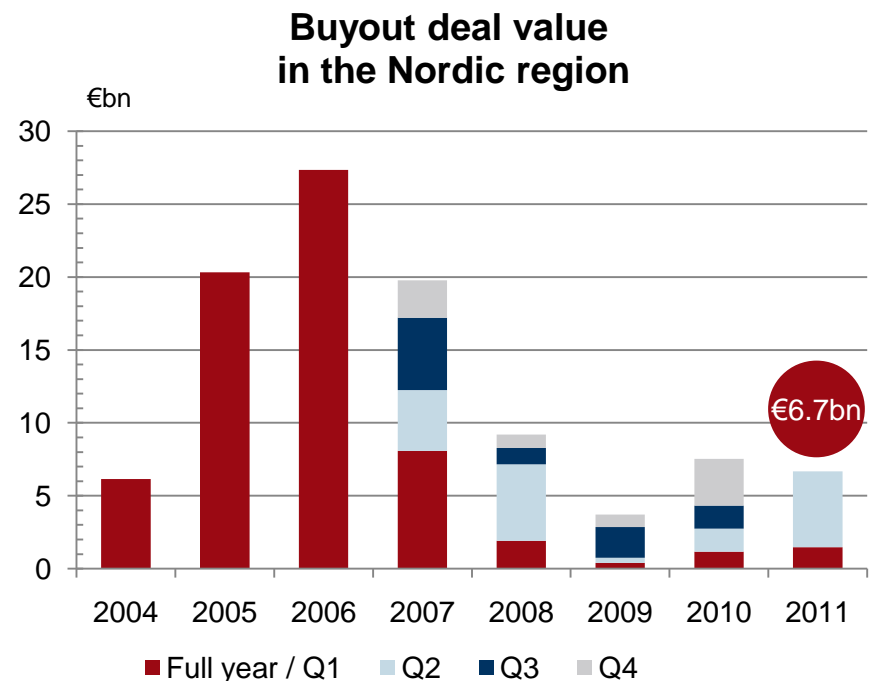
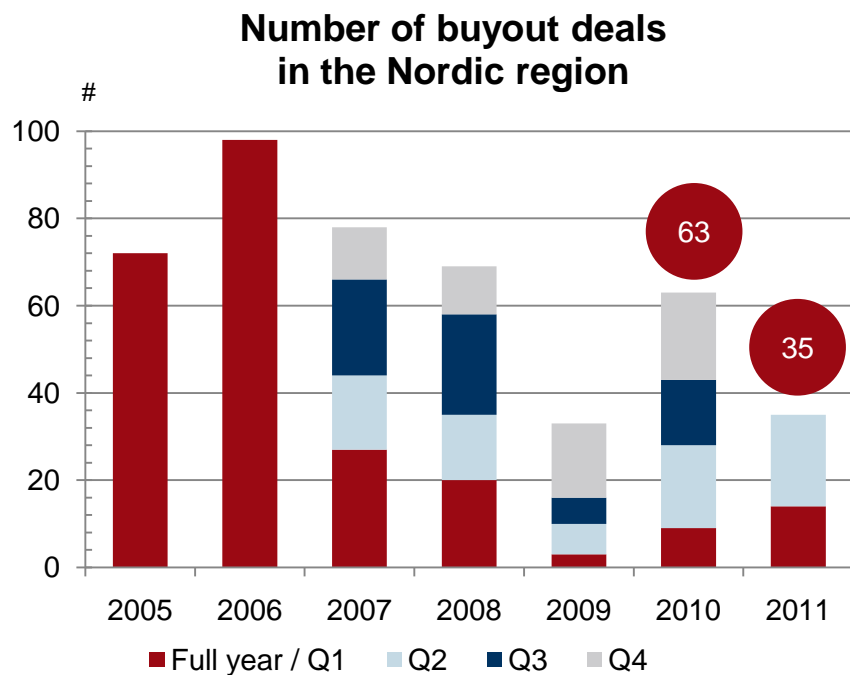


## Contents

- CapMan in short
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# *Investment operations*

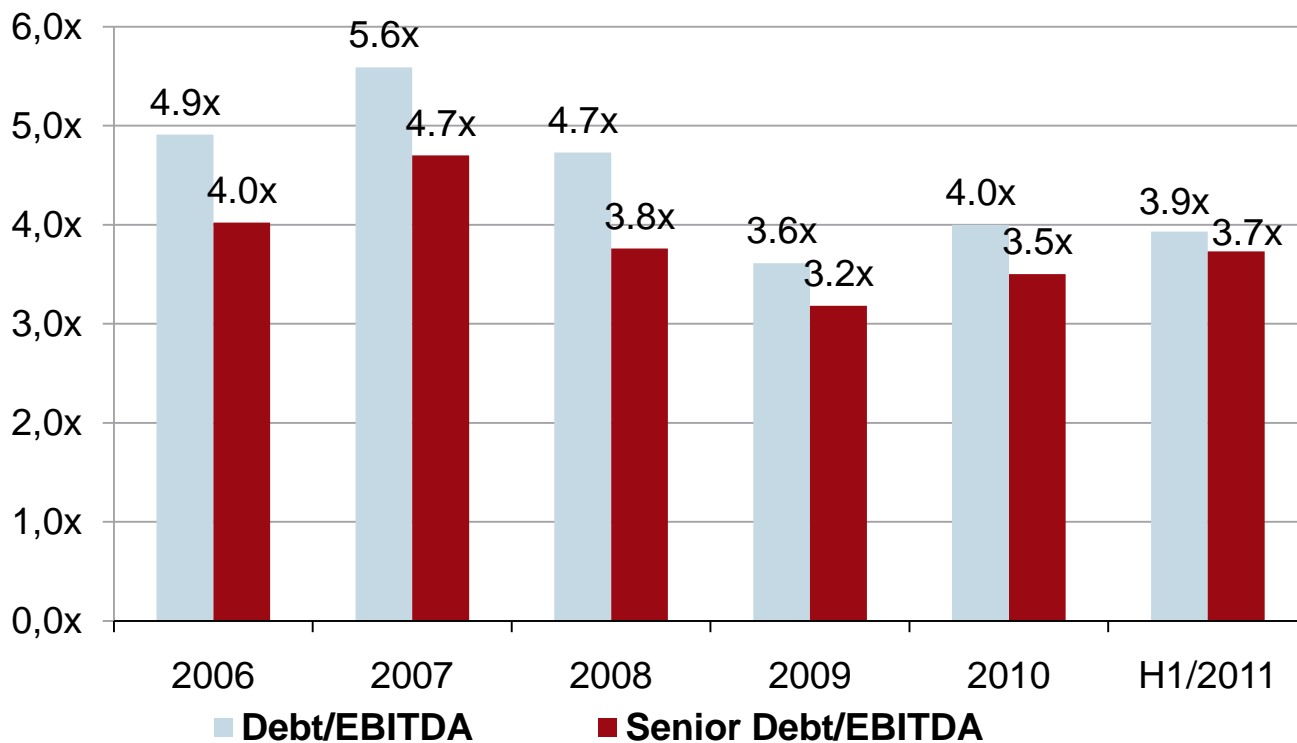
# Deal volume and total value increased in the Nordic region



Source: Unquote™ Private Equity Barometer Q2 2011, Preliminary quarterly data.

# Leverage ratios roughly at 2010 levels

## Leverage ratios in small & mid-sized transactions\*

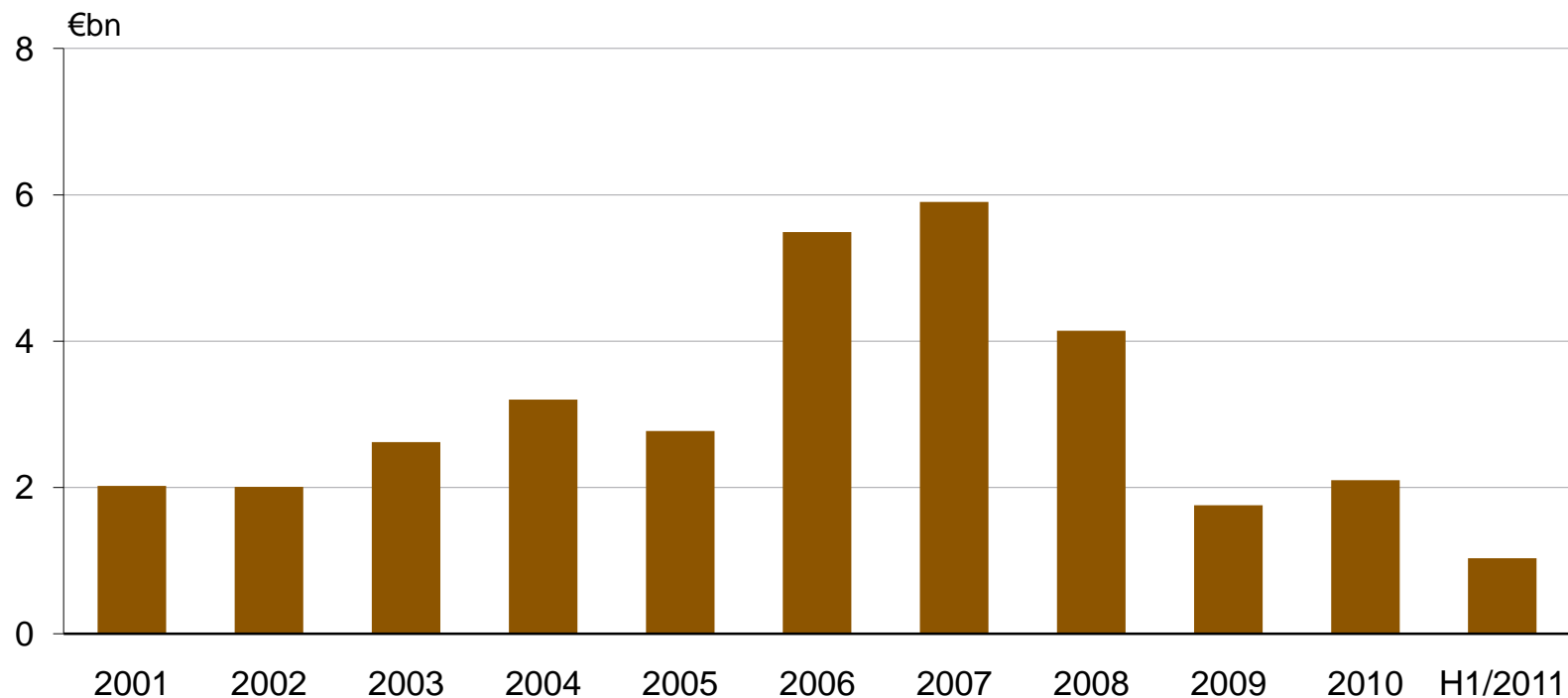


\* European buyouts (EV<250MEUR)

Source: S&P LCD European Leveraged Buyout Review 2Q11.

# The value of real estate transactions in Finland amounted to approx. €1bn in H1/2011

**Development of transaction value in the Finnish commercial property market**

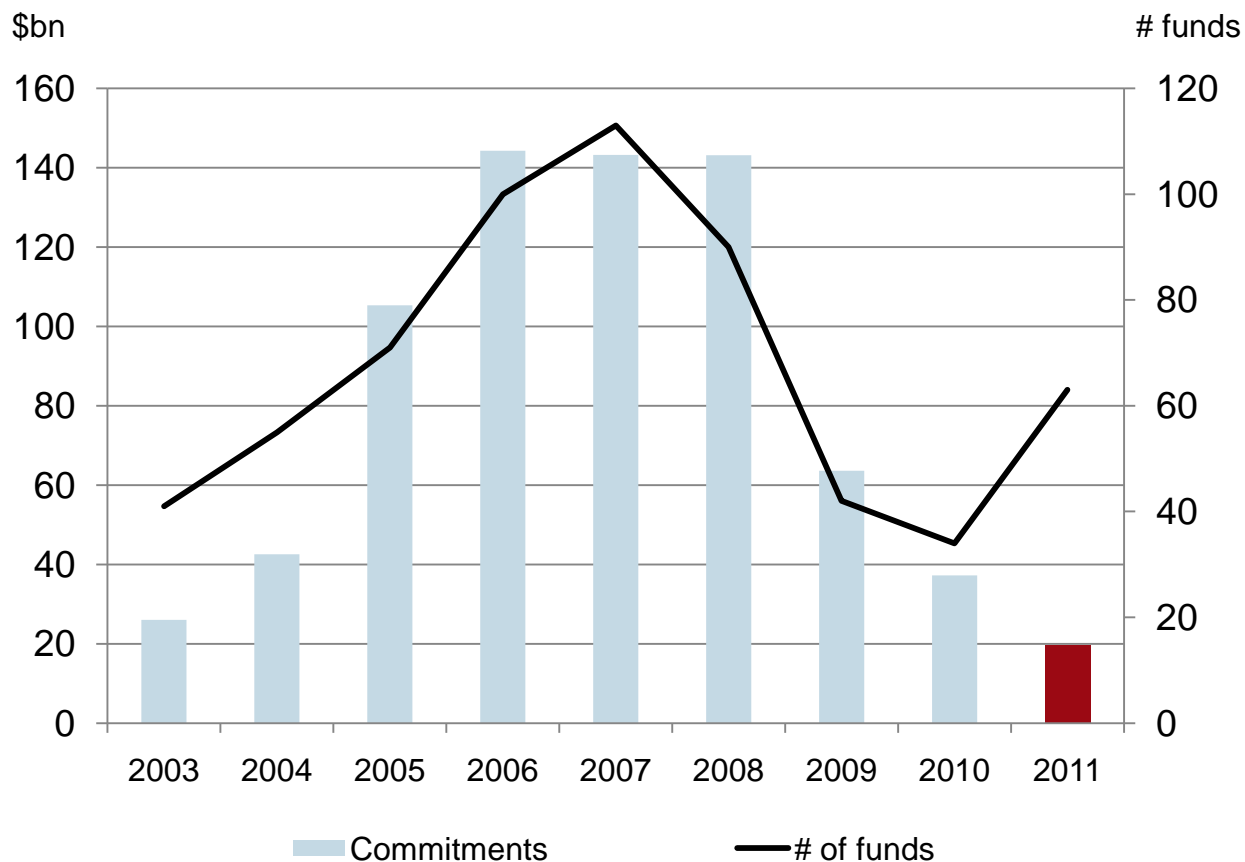


Source: KTI

# *Fundraising*

# Fundraising is still at low levels...

## Capital committed to European private equity funds

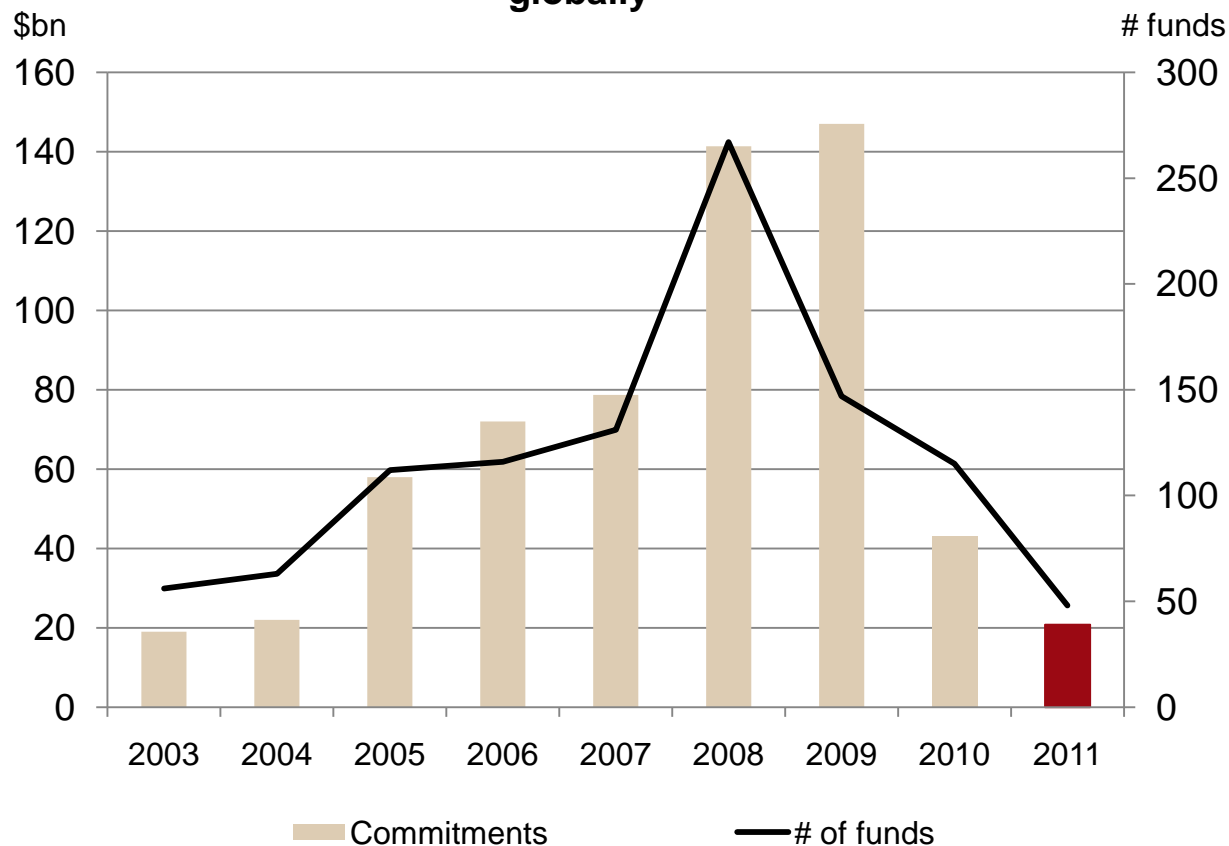


...and is expected to remain challenging in 2011

Source: Preqin Quarterly Q2 2011, July 2011

# Real estate fundraising is also suffering...

Capital committed to private equity real estate funds globally



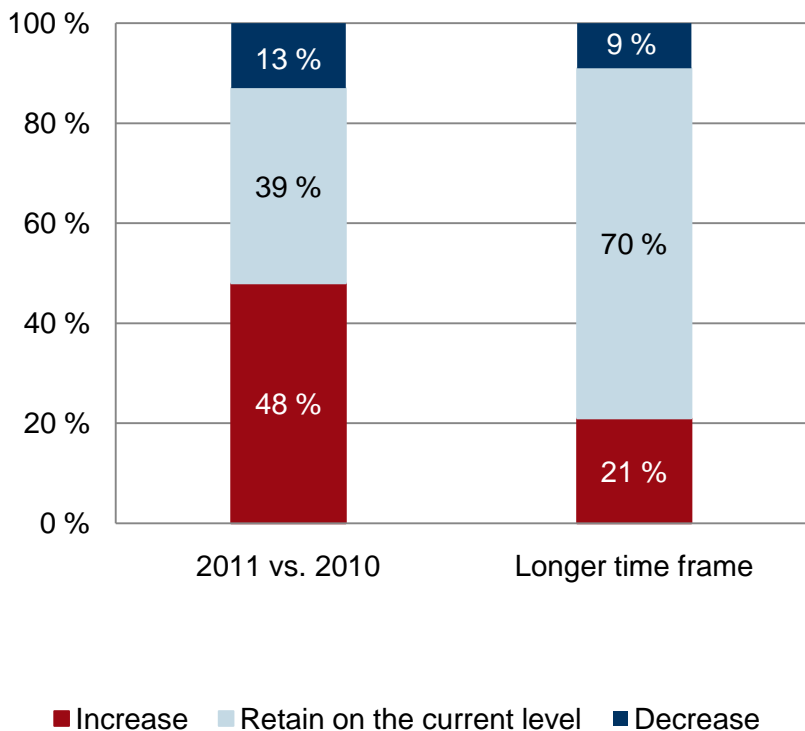
...but LPs are expected to increase their commitments from 2010

Source: Prequin Quarterly, Private Equity Real Estate Q2 2011, July 2011

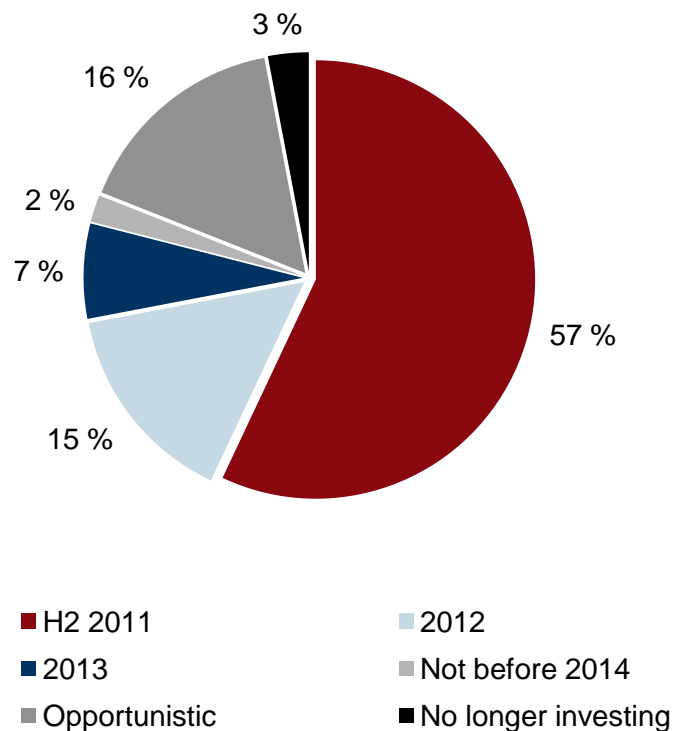
# Investors continue to be positive towards private equity

Global demand, 100 international institutional investors interviewed

## Investors' long term plans towards private equity investments

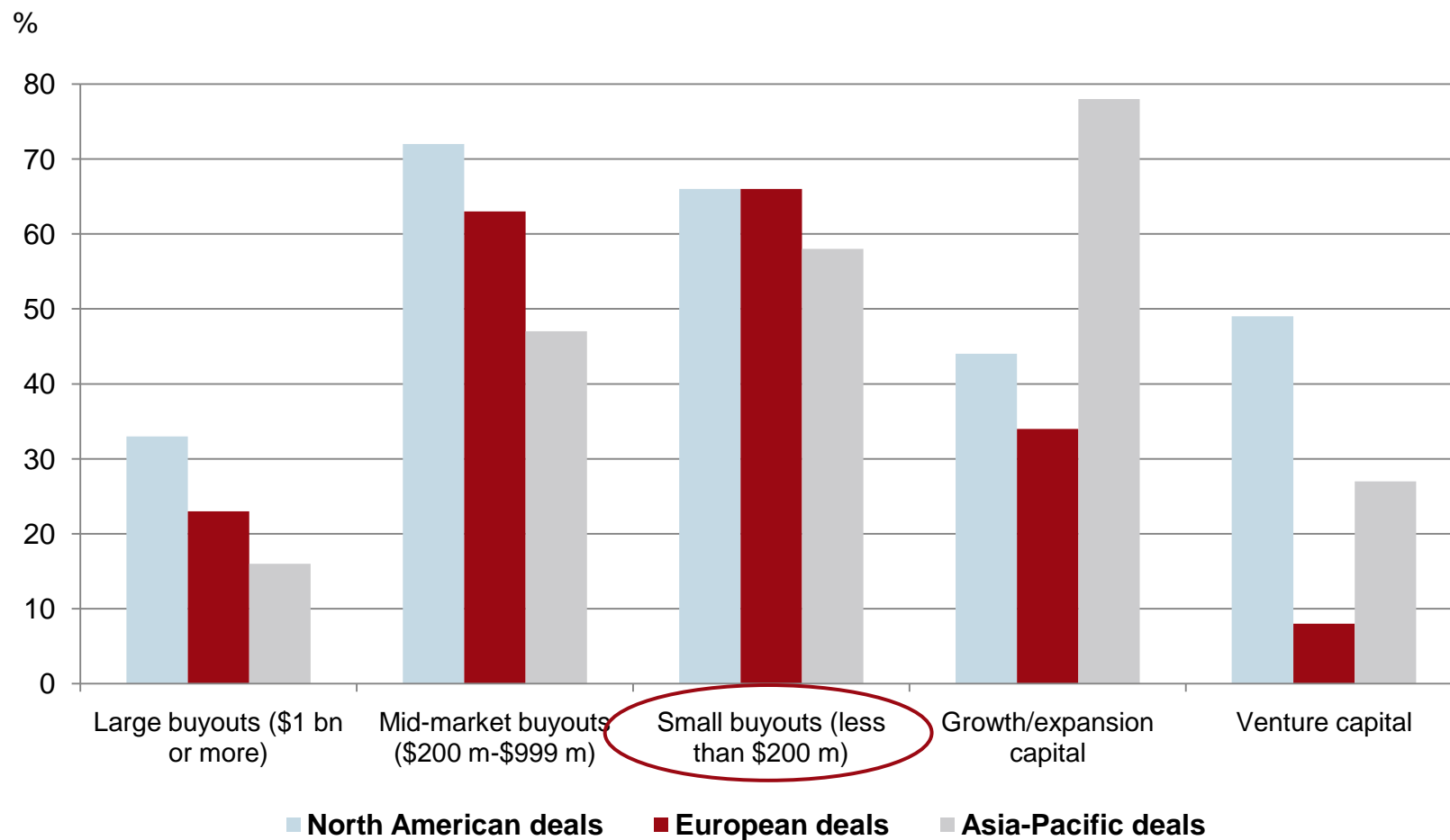


## Time frame for next intended commitments to private equity funds



Source: Preqin Private Equity Spotlight, July 2011.

# The best areas for GP investment over the next 2 years – LP views



Source: Collier Capital Global Private Equity Barometer March 2011.

# Challenges in the private equity industry

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## **Solvency II**

bad news for private equity investments  
by insurance companies

## **Basel III**

bad news for private equity investments  
by banks

LPs are also increasingly picky in GP relationships



## Contents

- CapMan in short
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# New investments in H1

- New and add-on investments totalled €119.2 million
- CapMan's own investments in funds totalled €6.5 million
  - Majority in CapMan Buyout IX and CapMan Public Market funds
- Two investments have been completed/communicated after the review period



## Investments after review period



\*Investment by CapMan Public Market Fund that has not yet been disclosed

# Exits in H1

- Exits and partial exits at cost totalled €188.7 million
- Cash flow from exits:
  - To investors approx. €272 million\*
  - To CapMan approx. €23 million\*
- Exit from Å&R will take place after the review period

## Most significant exits completed in review period

ONEMED

proxima

Aerocrine



CARDINAL  
FOODS



Affecto



## Exits after review period

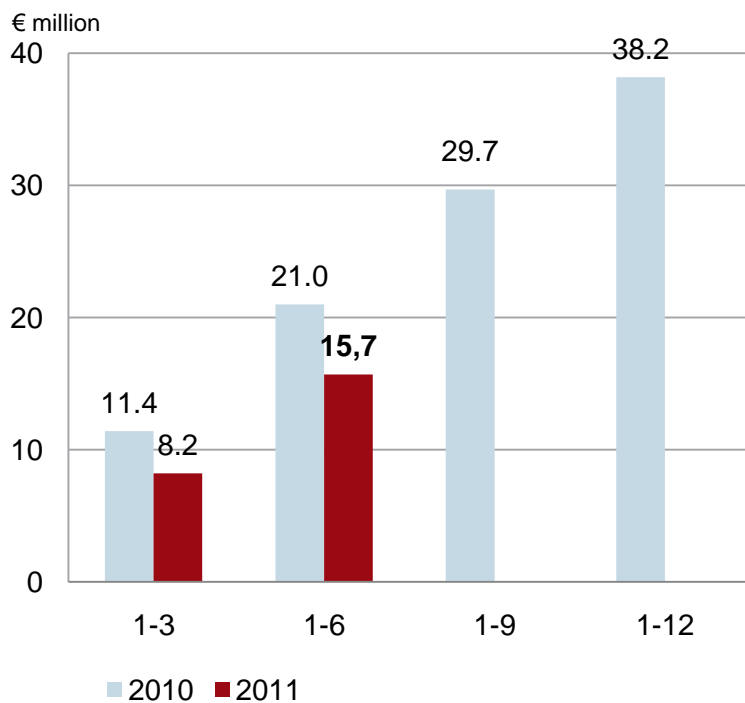
ARCARTON

Partial exit announced.

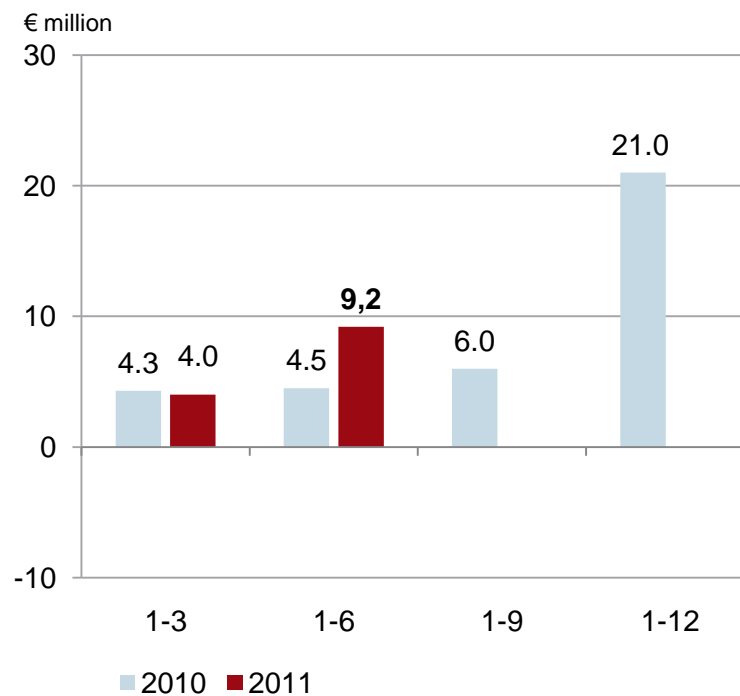
\*Excluding Å&R, including cashflow from Maneq funds

# Group turnover and operating profit

## Turnover

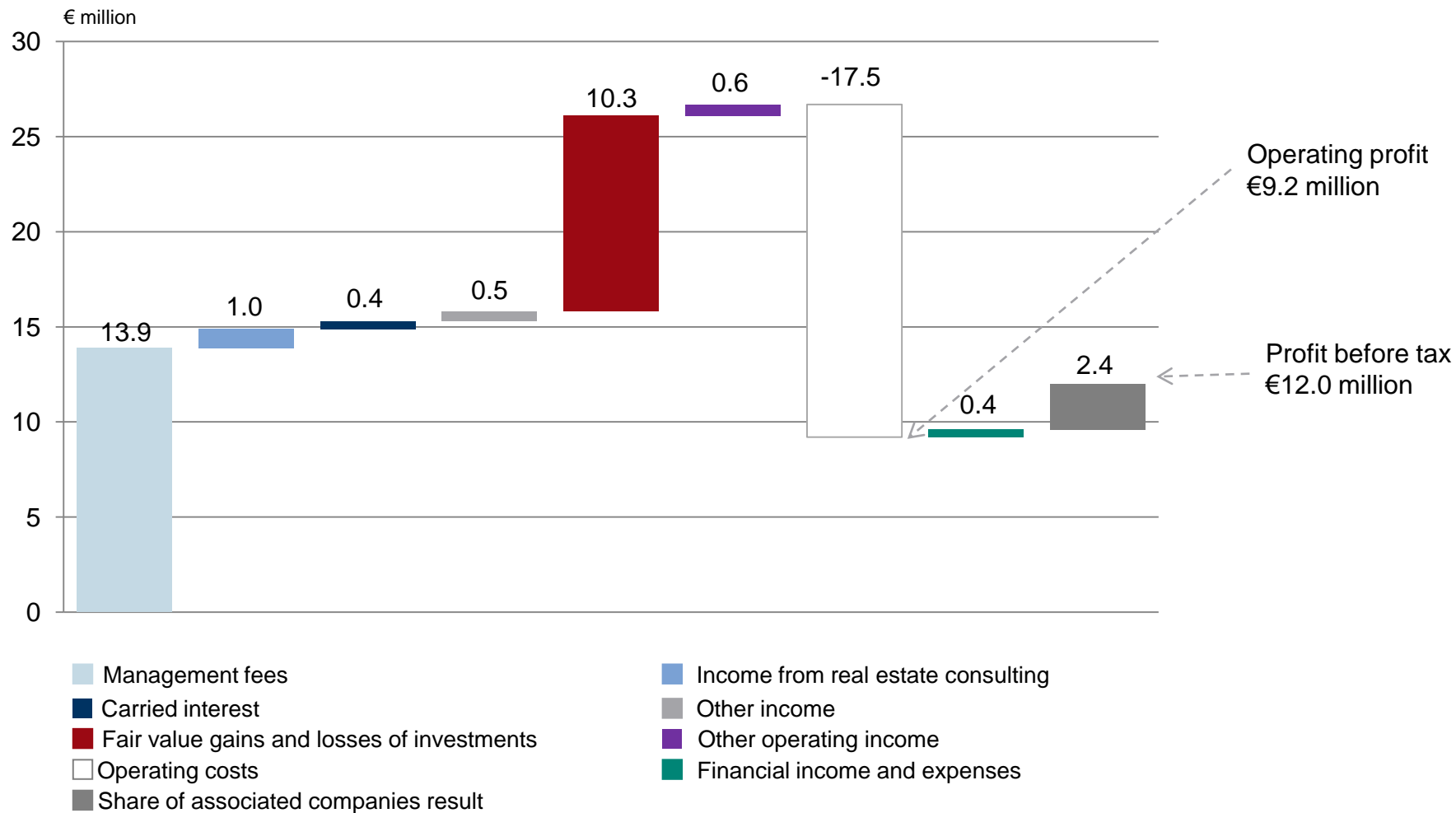


## Operating profit / loss



# Components of income and operating costs

30 June 2011



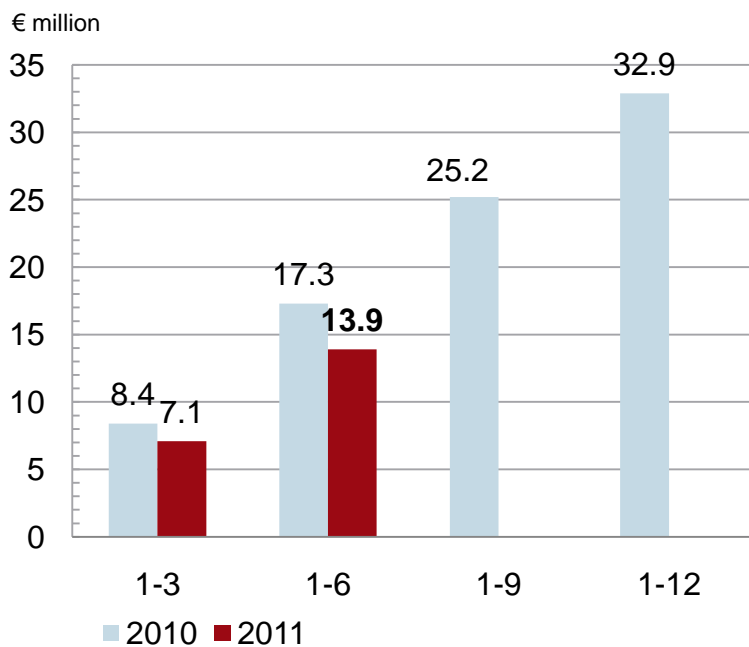
# Management Company business' result slightly negative

€ million	1-6/2011	1-6/2010	2010
Turnover	<b>15.7</b>	21.0	38.2
Management fees	<b>13.9</b>	17.3	32.9
Real estate consulting	<b>1.0</b>	0.8	1.6
Carried interest	<b>0.4</b>	2.5	2.6
Operating expenses	<b>-17.5</b>	-16.9	-42.8
Operating profit / loss	<b>-0.9</b>	4.2	18.9
Profit / loss	<b>-0.5</b>	3.5	14.1

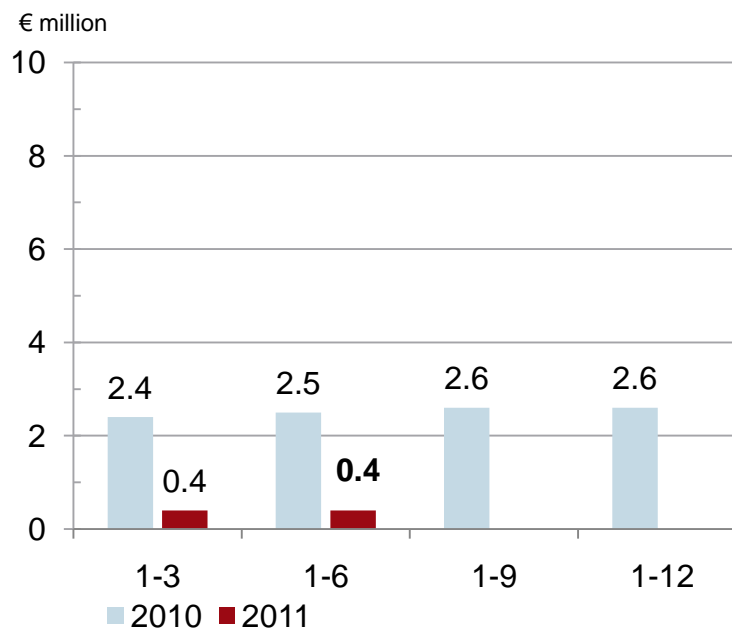
- Management fees decreased as expected from the comparison period
- No significant exits from funds in carry

# Management fees and carried interest

## Management fees



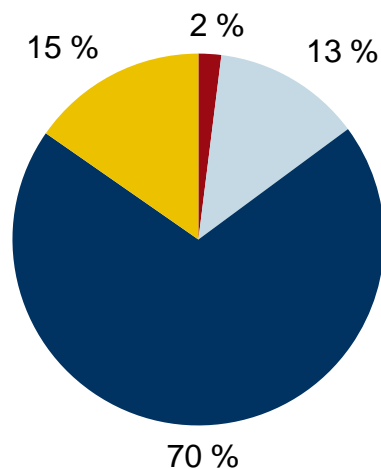
## Carried interest



# CapMan's carried interest base

30 June 2011

## Portfolios at fair value (equity) by funds' carried interest phase, in total €1.4bn



- Funds generating carried interest, €28.3m
  - Funds that are expected to start generating carried interest in 2011-2012, €184.7m
  - Other funds not yet in carry, €999.3m
  - Funds with no carried interest potential to CapMan, €219.3m
- Funds in the first three categories have equity investment capacity of €625m left with significant long-term carried interest potential

# Analysing CapMan Equity VII A, B and Sweden

	A	Sweden	B
	<i>originally 65% buyout, 35% tech allocation</i>		<i>100% buyout</i>
Fund size ~paid in capital, €m	156.7	67.0	56.5
Capital returned to investors, €m	138.8	59.7	64.0
Remaining portfolio at fair value, €m	87.8	37.6	37.1

# Analysing CapMan Equity VII A, B and Sweden

30 June 2011

- 8 companies in buyout portfolio
  - 3 companies have been partially exited
- 10 companies in technology portfolio
- Aggregate fair value of the portfolios: €162.5 million

## Buyout portfolio



## Technology portfolio



# Analysing impact of own investments and carried interest potential: CapMan Buyout VIII

Management Company  
business

Fund Investment  
business

30 June 2011

<b>CAPMAN BUYOUT VIII</b>	<b>In total</b>
<b>Fund size:</b>	€440.0m
<b>Paid-in capital:</b>	€365.1m
<b>Portfolio at fair value:</b>	€222.8m
<b>Cash flow to investors:</b>	€153.1m
<b>CapMan's commitment:</b>	€37.5m
<b>CapMan's share of cash flows if the fund is in carry</b>	14%

## Remaining portfolio

**CEDERROTH**

walki  
Your Business Covered

**KOMAS**

**AVELON**  
VEHICLE LOGISTICS GROUP

 nTime Logistics

**MAINT  
PARTNER**

Nice  
Entertainment  
Group

 **espira**  
GRUPPEN

 **Curato**

 **MQ**

MQ: Partial exit through IPO in Q2/2010.

Read more: [www.capman.com/funds](http://www.capman.com/funds)

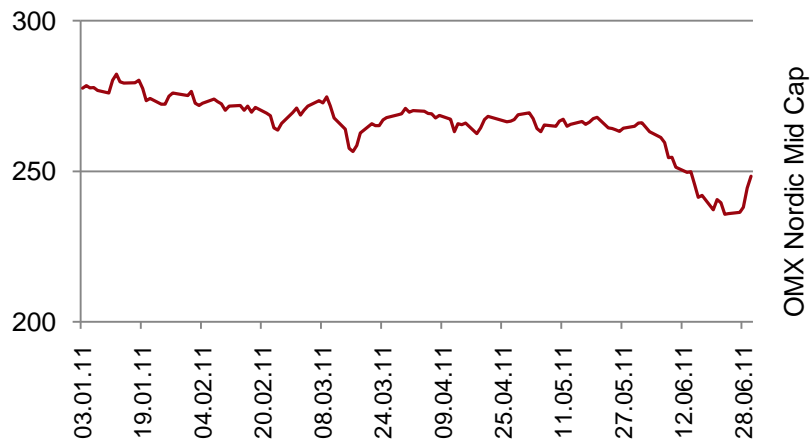
# Improved result for Fund Investment business

€ million	1-6/2011	1-6/2010	2010
Fair value gains/losses of investments	<b>10.3</b>	0.4	2.7
Operating profit / loss	<b>10.1</b>	0.3	2.1
Profit / loss for the period	<b>9.4</b>	1.7	3.5

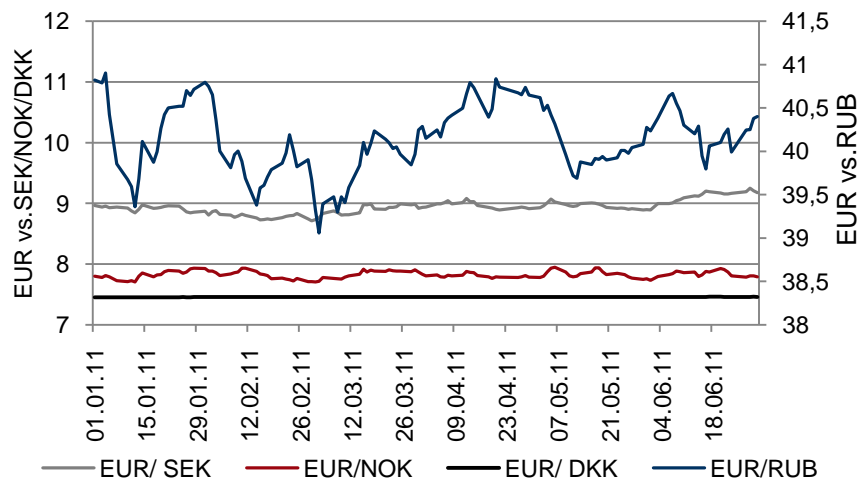
- Fair value gains, completed exits and share of associated companies' result contributed to the result of Fund Investment business

# Factors affecting the fair value development

Peer group (Nordic mid cap) trading in H1 2011

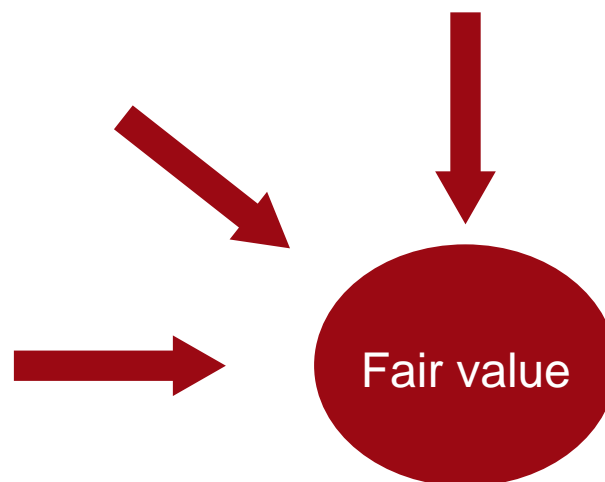


Exchange rates in H1 2011



Other factors

- Financial performance of the companies
- M&A transactions in the industry
- Preliminary exit negotiations



# Changes in fair values of investments

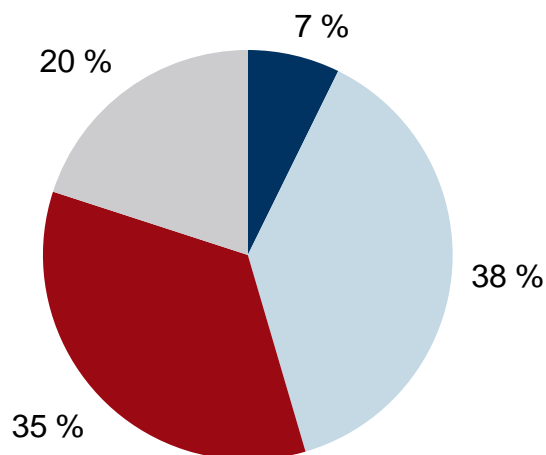
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- Fair values of investments (CapMan's own investments)
  - Change in H1 2011: €10.3 million or 16.9%
  - Change in Q2 2011: €6.2 million or 10.4%
- Exits accounted for approximately half of fair value changes
  - In addition, the development of individual portfolio companies and changes in the market capitalisation of their listed peers impacted fair value development

# Fair values of investments

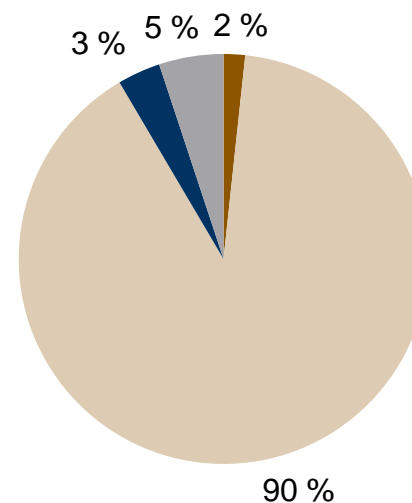
30 June 2011

**Changes in fair values of portfolio companies in 2011\***



- New investments
- Fair value increased
- Fair value as in 31 Dec 2010
- Fair value decreased

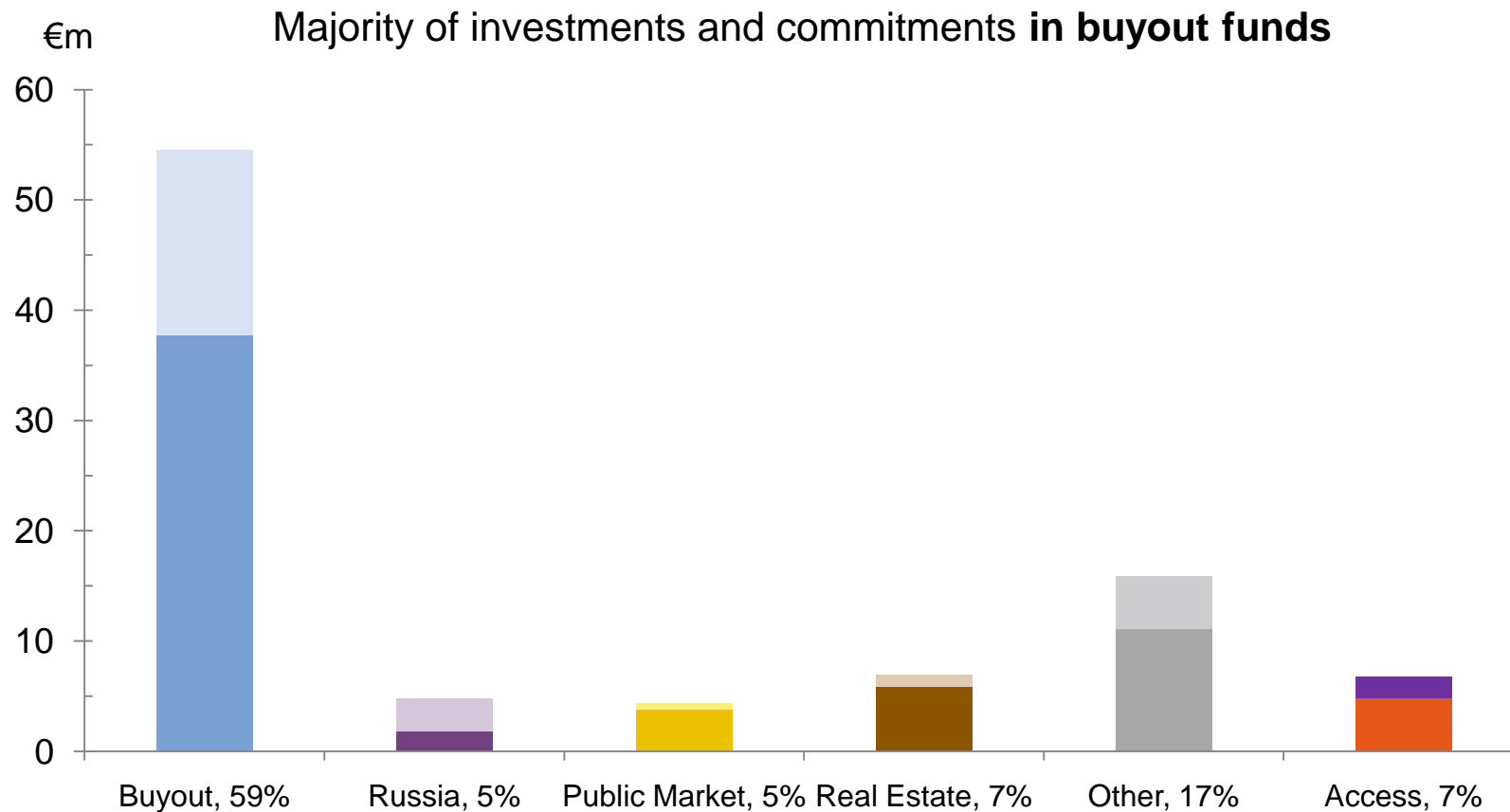
**Changes in fair values of real estate targets in 2011\***



- New investments
- Fair value increased
- Fair value as in 31 Dec 2010
- Fair value decreased





\*Exits not included in the calculations

# Fund investments and commitments totalled €93.2 million



# Key holdings for CapMan through own fund investments

30 June 2011

Company	Business	Net sales, M€*	Personnel**	Fund(s)	Investment year
 CEDERROTH	Toiletries, household, wound care, and healthcare products	240.4	800	CMB VIII CMM IV	2008
 walki Your Business Covered	Technical laminates and protective packaging materials	294.4	1,003	CMB VIII	2007
 tokmanni	Discount store chain	633.7	2,900	CME VII FM III	2004
 Curato	Medical imaging services	51.7	307	CMB VIII CMM IV CM LS IV	2007
Nice Entertainment Group	TV content production	79.5***	100***	CMB VIII CMM IV	2008

\*1 Jan -31 Dec 2010

\*\* as per 31 Dec 2010

\*\*\* Pro forma including Titan

# Financial objectives

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*We believe that private equity remains a growth industry, and CapMan continues to exploit growth opportunities especially in its key investment areas Buyout, Russia, Public Market and Real Estate.*

*Growth will be a natural outcome of high performance.*

	Objectives	Realised H1/2011
<b>Performance</b>	Return on equity over 20% p.a.	Return on equity <b>20.2%</b> p.a.
<b>Capital structure</b>	Equity ratio at least 60%	Equity ratio <b>60.2%</b>
<b>Dividend policy</b>	Pay-out ratio at least 50% of the net profit	Dividend for the year 2010 <b>€0.12</b> per share (EPS <b>€0.18</b> in 2010)

# CapMan guidance – 2011 result

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- Our guidance remains unchanged. **We expect operating profit for 2011 to exceed the 2010 operating profit, mainly as a result of positive development** in CapMan's own fund investments. Operating profit in 2010 was MEUR 6.3 excluding non-recurring items.
- Our guidance assumes that the drop in the current stock market valuations is partly temporary and will not impact the fair values of CapMan's own fund investments in full.

# IR calendar and IR team

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## IR calendar 2011

### Q3 result

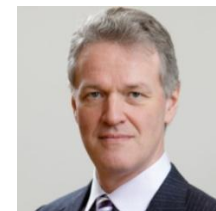
3 November 2011

## IR team

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Additional slides

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CapMan

# Key figures as of 30 June 2011

	30 Jun '11	30 Jun '10	31 Dec '10
Earnings per share, cents*	<b>8.9</b>	4.6	17.7
Diluted, cents	<b>8.7</b>	4.6	17.7
Shareholders' equity / share, cents**	<b>101.3</b>	92.0	107.7
Share issue adjusted number of shares	<b>84,255,467</b>	84,281,766	84,255,467
Number of shares at the end of period	<b>84,281,766</b>	84,281,766	84,281,766
Number of shares outstanding	<b>84,255,467</b>	84,255,467	84,255,467
Company's possession of its own shares, end of period	<b>26,299</b>	26,299	26,299
ROE, % p.a.***	<b>20.2</b>	13.3	20.8
ROI, % p.a.***	<b>19.9</b>	11.7	19.7
Equity ratio,%	<b>60.2</b>	55.7	58.5
Net gearing,%	<b>8.6</b>	37.4	7.3

\* The interest on the hybrid bond (net of tax) for the review period has been included when calculating EPS.

\*\* In line with IFRS standards, hybrid bond is included in equity when calculating equity per share.

\*\*\* ROE and ROI have been annualised.

# Group Income Statement

€ million	1-6/11	1-6/10	1-12/10
Turnover	15.8	21.0	38.2
Management fees	13.9	17.3	32.9
Carried interest	0.4	2.5	2.6
Real Estate consulting	1.0	0.8	1.6
Other income	0.5	0.4	1.1
Other operating income	0.6	0.1	23.0
Operating expenses	-17.5	-16.9	-42.8
Fair value gains / losses of investments	10.3	0.4	2.7
Operating profit	9.2	4.5	21.0
Financial income and expenses	0.4	0.0	0.6
Share of associated companies' result	2.4	1.9	2.4
Profit before taxes	12.0	6.4	23.9
Profit for the period	8.9	5.2	17.6

# Group Balance Sheet – Assets, IFRS

€ thousands	30 Jun '11	30 Jun '10	31 Dec '10
Tangible assets	506	704	602
Goodwill	6,190	10,245	6,406
Other intangible assets	2,114	2,677	2,424
Investments in associated companies	8,720	7,698	6,400
Investments at fair value through profit and loss			
Investments in funds	65,212	60,697	66,504
Other financial assets	597	617	619
Receivables	19,120	25,378	24,778
Deferred income tax assets	4,003	6,586	4,923
<b>Non-current assets</b>	<b>106,462</b>	<b>114,602</b>	<b>112,656</b>
Trade and other receivables	4,336	9,075	4,619
Other financial assets at fair value through profit and loss	378	1,368	980
Cash and bank	27,319	14,611	34,049
<b>Current assets</b>	<b>32,033</b>	<b>25,054</b>	<b>39,648</b>
Non-current assets held for sale	3,501	0	3,501
<b>TOTAL ASSETS</b>	<b>141,996</b>	<b>139,656</b>	<b>155,805</b>

# Group Balance Sheet – Total equity and liabilities, IFRS

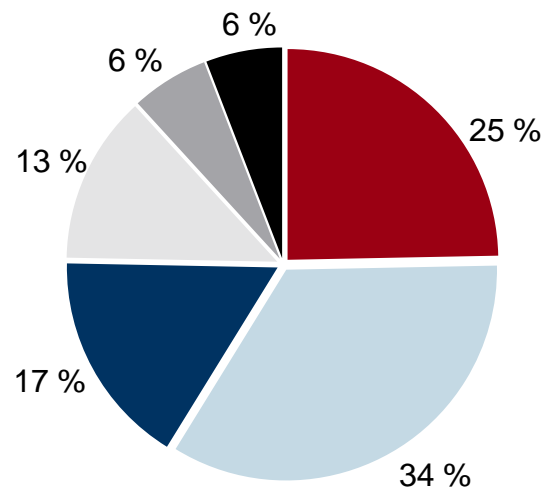
€ thousands	30 Jun '11	30 Jun '10	31 Dec '10
Share capital	772	772	772
Share premium account	38,968	38,968	38,968
Other reserves	38,679	38,678	38,679
Translation difference	55	-317	69
Retained earnings	6,881	-585	12,241
<b>Capital attributable the Company's equity holders</b>	<b>85,355</b>	<b>77,516</b>	<b>90,729</b>
<b>Non-controlling interests</b>	<b>0</b>	<b>247</b>	<b>273</b>
<b>Total equity</b>	<b>85,355</b>	<b>77,763</b>	<b>91,002</b>
Deferred income tax liabilities	3,144	1,897	3,078
Interest-bearing loans and borrowings	31,885	38,819	35,371
Other liabilities	1,260	1,267	1,331
<b>Non-current liabilities</b>	<b>36,259</b>	<b>41,983</b>	<b>39,780</b>
Trade and other payables	17,257	13,660	17,395
Interest-bearing loans and borrowings	3,125	6,250	6,250
Current income tax liabilities	0	0	1,378
<b>Current liabilities</b>	<b>20,382</b>	<b>19,910</b>	<b>25,023</b>
<b>Total liabilities</b>	<b>56,641</b>	<b>61,893</b>	<b>64,803</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>141,996</b>	<b>139,656</b>	<b>155,805</b>

# CapMan's ownership

30 June 2011



- Management and employees of CapMan\*
- Other shareholders
- Nominee registered shareholders



- Nominee registered and foreign shareholders
- Corporations
- Households
- Non-profit and public sector institutions
- CapMan Partners B.V. (CapMan's Senior Partners)
- Financial and insurance corporations

\* Shareholding among the 100 largest shareholders.

# CapMan Plc's largest shareholders

30 June 2011

	Share of all shares %	Share of all voting rights %
Aristo Invest Oy + Ari Tolppanen*	10.3%	14.2%
CapMan Partners B.V.	5.9%	23.1%
Winsome Oy + Tuomo Raasio*	4.5%	7.2%
Varma Mutual Pension Insurance Company	4.4%	2.7%
Vesasco Oy	4.0%	2.4%
Heiwes Oy + Heikki Westerlund*	3.5%	3.8%
Geldegal Oy + MOM Invest Oy (Olli Liitola**)	3.3%	7.2%
The State Pension Fund	3.0%	1.8%
Åbo Akademi University foundation	2.4%	1.4%
OP-Finland Small Firms Fund	2.3%	1.4%
<b>10 largest shareholders, in total</b>	<b>43.5%</b>	<b>65.3%</b>

Gimv NV has announced that it owns 10.005% of all CapMan shares and 6.10% of all voting rights.\*\*\*

\* Employed by CapMan.

\*\* CapMan employee who exercises controlling power in the aforementioned company but who does not own CapMan shares directly.

\*\*\* Flagging notice 14 December 2010.