

CapMan Plc Stock Exchange Release 5 February 2010 at 8.15 a.m.

## CapMan Plc Group's Financial Statements Bulletin for 2009

### Performance and main events during 2009:

- The Group's turnover totalled MEUR 36.3 during 2009 (2008: MEUR 36.8).
- Turnover during the last quarter of the year was MEUR 10.0 (MEUR 9.8).
- The Group's operating profit was MEUR 0.1 (MEUR -6.3).
- Operating profit during the fourth quarter was MEUR 2.3 (MEUR -9.6).
- The Management Company business recorded an operating profit of MEUR 3.7 (MEUR 7.3) and the Fund Investment business a loss of MEUR 3.6 (MEUR -13.6).
- Profit/loss before taxes was MEUR 1.2 in 2009 (MEUR -10.7) and profit after taxes MEUR 0.1 (MEUR -8.1).
- Profit/loss attributable to the owners of the parent company was MEUR -0.2 (MEUR -8.2). Earnings per share were -0.3 cents (-10.2 cents)
- Liquid assets and short-term investments totalled MEUR 19.7 as of 31 December 2009 (31.12.2008: MEUR 25.3).
- Capital under management during the year increased to MEUR 3,504.3 (MEUR 3,407.5).
- CapMan incorporated its Fund Management business in a new company, to which it transferred part of its fund investments and investments commitments on 30 June 2009.
- CapMan strengthened its financial position by selling a total of MEUR 21.6 of its investment commitments.
- The Board of Directors will propose to the Annual General Meeting to be held on 30 March 2010 that the Company should pay a dividend of EUR 0.04 per share from its distributable assets, equivalent to approx. MEUR 3.4.

### CEO Heikki Westerlund comments on the events of 2009 and CapMan's future prospects:

"The positive trend in our operations that began to be seen in the early autumn continued through to the end of the year. The market has slowly begun to recover as we predicted it would, and one of the examples of this was the two exits we announced on both sides of the year-end. Our management company business has achieved a good level of profitability and, following the slightly positive fair value change of our investments that took place towards the end of the year, there is now a basis for a clearly better result in 2010.

Our estimates for 2010 indicate that our portfolio companies will show clear positive growth and improved profitability in 2010. At the same time the median turnover of our portfolio companies fell by approximately 4% during 2009 and their median results by approximately 22%. Short-term predictability remains at a low level still. Although cash flow from leased properties has remained good, the risk premiums in this business have increased revenue requirements. This has been reflected in decreasing value of properties. Developments in the value of properties are not a significant short-term factor in respect of CapMan's result, however.

We expect the number of mergers and acquisitions in the Nordic area to grow significantly this year. For CapMan, this will mean a stronger exit market. The recovery of the transaction market will be encouraged by the fact that the value perceptions of vendors and purchasers are now closer than they were, and the market will also be boosted by the very large amount of untapped capital that exists in the private equity market, the expected recovery of the IPO market, and the increased interest among banks to finance mergers and acquisitions."

### Business operations

CapMan is an alternative asset manager, which also makes investments in its own funds. The guiding principle for the investment activities of the funds managed by the Group is to work actively and directly towards increasing the value of investments.

The Group has two operating segments: the Management Company business and Fund Investments. The Management Company business is subdivided into two business areas: CapMan Private Equity, which manages funds that invest in portfolio companies, and CapMan Real Estate, which manages funds that invest in real estate and



provides real estate consulting. Income from the Management Company business is derived from management fees paid by funds, carried interest received from funds, and income generated by real estate consulting.

The Fund Investment business comprises fund investments made from CapMan Plc's balance sheet and investments in Maneq funds. Income from the Fund Investment business is derived from realised returns on fund investments and changes in the fair value of investments.

There can be considerable quarterly fluctuations in carried interest and the fair value of fund investments. As a result, the Group's financial performance should be analysed over a longer time span than the quarterly cycle.

### **Incorporation of the Fund Investment business and sale of CapMan investments and commitments**

CapMan established a new company, CapMan Fund Investments SICAV SIF, during the review period, which operates as a feeder fund for funds managed by the Group. Part of CapMan's own investment commitments and fund investments were transferred to the feeder fund on 30 June 2009. The transfers had an impact of MEUR -1.8 on the parent company's distributable assets. CapMan's goal is to transfer its remaining investments and commitments to the feeder fund. These transfers will affect the parent company's distributable assets, and the size of this impact will depend on the fair value of the transferred investments on the date of transfer.

CapMan announced on 7 August 2009 that it would sell investment commitments totalling MEUR 13.6 and fund investments totalling MEUR 3.4 to Belgian-based private equity firm Gimv. The transactions were completed on 9 September 2009. The commitments and investments sold to Gimv related to the CapMan Technology 2007, CapMan Russia, and CapMan Public Market funds. The direct impact of the transaction on the Group's cash flow in 2009 was approx. MEUR 3.4. It will not have an impact on the Group's result for 2009, as the transactions were executed at fair value. As a result, Gimv has become the second investor in the feeder fund. Commitments and fund investments made by Gimv will not be consolidated with the figures of the CapMan Group. New investors may participate in the feeder fund in the future.

Incorporation of the Fund Investment business will clarify the distinction between the Group's Management Company business and its fund investments. The sale of investment commitments will reduce CapMan Plc's capital calls in the future and strengthen the Group's financial position.

### **Group turnover and result in 2009**

The Group's turnover in 2009 remained at previous year's level and totalled MEUR 36.3 (MEUR 36.8). Fair value changes related to fund investments totalled MEUR -3.3 (MEUR -13.4) and operating expenses amounted to MEUR 33.0 (MEUR 29.8). Expenses increased, particularly as a result of new investment areas CapMan Russia and CapMan Public Market.

The Group's operating profit/loss totalled MEUR 0.1 (MEUR -6.3). A goodwill write-down of MEUR 0.7 related to the life science operations acquired in 2002 was made. Financial income and expenses amounted to MEUR -0.2 (MEUR -2.0) and CapMan's share of the result of associated companies was MEUR 1.3 (MEUR -2.4). Profit/loss before taxes was MEUR 1.2 (MEUR -10.7) and profit/loss after taxes was MEUR 0.1 (MEUR -8.1).

Profit/loss attributable to the owners of the parent company was MEUR -0.2 (MEUR -8.2). Earnings per share were -0.3 cents (-10.2 cents).

The quarterly breakdown of turnover and profit, together with turnover, operating profit/loss, and profit/loss by segment for the year, are presented in the tables section.

### **Management Company business**

Turnover generated by the Management Company business in 2009 totalled MEUR 36.3 (MEUR 36.8). Management fees rose substantially compared to 2008 and amounted to MEUR 33.3 (MEUR 29.6). This increase was largely attributable to the fees paid by the CapMan Buyout IX fund, which began to accrue in June 2009.



The fee base also rose as a result of the new capital raised in the CapMan Hotels RE, CapMan Public Market, and CapMan Russia funds in 2009.

Income from real estate consulting remained at 2008 levels and totalled MEUR 2.4 (MEUR 2.4). The aggregate total of management fees and income from real estate consulting was MEUR 35.7 (MEUR 32.0).

No substantial exits were made from funds in carry during 2009 and no carried interest income was generated. Carried interest income totalling MEUR 4.1 was generated as a result of the StaffPoint exit during 2008.

The Management Company business recorded an operating profit of MEUR 3.7 (MEUR 7.3) and a profit for the year of MEUR 3.7 (MEUR 6.5).

The status of funds managed by CapMan is presented in more detail in Appendix 1.

### **Fund Investment business**

Fair value changes related to fund investments were MEUR -3.3 (MEUR -13.4), of which approximately MEUR 1.0 was realised in connection of the sale of CapMan's own fund investments. The fair value changes of fund investments represented a 5.4% reduction in value during 2009. The change in the fair value of fund investments during the fourth quarter was MEUR 0.9, equivalent to a 1.5% increase in value. The negative development in fair value was mainly attributable to the weakening results of portfolio companies. Overall, the results of portfolio companies in 2009 were below those recorded in 2008, although fund portfolios also include companies that are developing strongly. The aggregate fair value of fund investments as of 31 December 2009 was MEUR 59.4 (MEUR 53.1 as of 31 December 2008).

Operating profit/loss for the Fund Investment business was MEUR -3.6 (MEUR -13.6), and the profit/loss for the year was MEUR -3.6 (MEUR -14.5).

CapMan made new investments in its own funds totalling MEUR 13.0 (MEUR 26.3) during the year. Investments were made in funds including CapMan Buyout VIII, CapMan Buyout IX, CapMan Russia, and CapMan Public Market. CapMan did not give any new investment commitments to its funds during the year.

The amount of remaining commitments was significantly lower compared to last year as a result of the sale of commitments, and totalled MEUR 42.6 as of 31 December 2009 (MEUR 77.2 as of 31 December 2008). The aggregate fair value of existing investments and remaining commitments as of 31 December 2009 was MEUR 102.0 (MEUR 130.3). CapMan's objective is to invest in its future funds 1–5% of their original capital, depending on the demand for funds and CapMan's own investment capacity.

Investments in portfolio companies are valued at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVG), while real estate assets are valued in accordance with the value appraisals of external experts, as detailed in Appendix 1. Fair value changes have no impact on the Group's cash flows.

Investments at fair value and remaining commitments by investment area are presented in the tables section.

### **Balance sheet and financial position as of 31 December 2009**

CapMan's balance sheet total increased to MEUR 142.0 (MEUR 138.0 as of 31 December 2008). Non-current assets increased from the previous year and amounted to MEUR 112.1 (MEUR 99.8). Goodwill was MEUR 10.2 (MEUR 11.8). The carrying amount of goodwill was adjusted by MEUR 0.7 following the reduction of the final purchase price for the Norum acquisition, and by MEUR 0.7 as a result of the write-down on life science operations. Fund investments booked at fair value were MEUR 59.4 (MEUR 53.1). Long-term receivables amounted to MEUR 25.3 (MEUR 24.5), of which MEUR 23.5 (MEUR 21.1) were loan receivables from Maneq funds. In addition to CapMan Plc, CapMan personnel are investors in Maneq funds. The expected returns from CapMan's Maneq investments are broadly in line with the return expectations for CapMan's other investments in its own funds. Maneq funds pay market rate interest on loans they receive from CapMan Plc.



Current assets amounted to MEUR 29.9 (MEUR 38.2). Liquid assets (cash in hand and at banks, plus other financial assets at fair value through profit and loss) amounted to MEUR 19.7 (MEUR 25.3). Liquid assets mainly include the unused part of the hybrid bond used to finance CapMan's investments in its own funds. The size of the hybrid bond rose to MEUR 29 (MEUR 20 as of 31 December 2008).

The hybrid bond is included in 'Other reserves' under equity in the balance sheet. The interest on the bond is payable semi-annually and has been deducted from equity. Following repayments, CapMan Plc had a bank financing package of MEUR 56.9 (MEUR 60) available as of 31 December 2009, of which MEUR 46.9 (MEUR 46.0) was utilised. There were no significant changes in the amount of interest-bearing liabilities during the year. Trade and other payables totalled MEUR 12.2 (MEUR 15.8). The Group's interest-bearing net debts amounted to MEUR 27.3 (MEUR 20.7).

The Group's cash flow before financing was MEUR -16.9 (MEUR -26.8). Income from management fees received from funds is paid semi-annually, in January and July, which can be seen under working capital in the cash flow statement. Cash flow from investments is primarily related to fund investments.

### Key figures

CapMan's equity ratio as of 31 December 2009 was 55.1% (50.3% as of 31 December 2008). Return on equity was 0.2% (-11.8%) and return on investment was 2.8% (-6.3%). The target level for the company's equity ratio is at least 50% and for return on equity at least 25%.

### Key figures

	31.12.09	31.12.08
Earnings per share, cents	-3.0	-10.2
Diluted, cents	-3.0	-10.2
Shareholders' equity per share, cents*	94.2	86.1
Share issue adjusted number of shares	83,015,987	80,432,600
Number of shares at end of period	84,281,766	81,458,424
Number of shares outstanding	84,255,467	81,322,921
Own shares held by the Company at end of period	26,299	135,503
Return on equity, %	0.2	-11.8
Return on investment, %	2.8	-6.3
Equity ratio, %	55.1	50.3
Net gearing, %	34.8	30.3

\* In line with IFRS standards, the hybrid bond, MEUR 29, has been included in equity, also when calculating equity per share

### Board's proposal for distribution of profit

CapMan Plc's target is to distribute at least 50% of net profit as dividends. The company's distributable assets amounted to MEUR 10.5 on 31 December 2009 (MEUR 11.0 on 31 December 2008). CapMan Plc's Board of Directors will propose to the Annual General Meeting to be held on 30 March 2010 that a dividend of EUR 0.04 per share should be paid from distributable assets to shareholders, equivalent to a total of MEUR 3.4. No dividend was paid in respect of 2008 because of the loss recorded by the company and uncertain market prospects.

### Fundraising and capital under management as of 31 December 2009

Capital under management refers to the remaining investment capacity of funds and capital already invested at acquisition cost. CapMan's target is to increase its capital under management by an average of 15% a year.



Fundraising for the CapMan Buyout IX, CapMan Hotels RE, CapMan Public Market, and CapMan Russia funds took place during the year. Preparations for starting fundraising for the CapMan Mezzanine V fund were started in the fourth quarter and work began on evaluating the potential for establishing a private equity real estate fund to invest in Finnish housing market.

New capital totalling MEUR 70.3 was raised for the CapMan Buyout IX fund, increasing the size of the fund to MEUR 273.3. Fundraising for the fund is continuing.

CapMan Hotels RE and CapMan Public Market funds held final closings in July. The investment capacity of the CapMan Hotels RE fund totalled MEUR 872.5, of which MEUR 332.5 comprises equity while the balance is senior debt. The CapMan Hotels RE fund invests in existing hotel properties and new hotel projects, primarily in Finland and Sweden. CapMan Hotels RE Oy, which is 80%-owned by CapMan Plc, acts as the fund's management company, and has committed MEUR 5 to the fund. CapMan Plc's share of the fund's cash flows if the fund is in carry will be 12% and the investment team responsible for the fund will receive 8%.

The CapMan Public Market fund, which invests in listed Nordic companies, held its final close at MEUR 138.0. New capital totalling MEUR 40 was raised during the final round of fundraising, of which MEUR 8 was subscribed from the investment commitment previously made by CapMan. In addition, CapMan sold its MEUR 1.9 commitment to the fund to Gimv, which saw CapMan's investment commitment in the fund fall from MEUR 15 to MEUR 5.1 during the year. CapMan Plc's share of the fund's cash flows if the fund is in carry will be 10% and the investment team responsible for the fund will receive 10%.

The final close of the CapMan Russia fund, which invests primarily in medium-sized companies in Russia, was held at MEUR 118.1 in April. Following this, CapMan Plc's share of the possible carried interest to be generated by the fund was also determined. CapMan Plc will receive 3.4% of the fund's cash flows if the fund is in carry. The relatively lower carried interest share results from the fact that part of the fund had already been raised before its transfer to CapMan management.

Capital under management totalled MEUR 3,504.3 as of 31 December 2009 (MEUR 3,407.5 as of 31 December 2008). Of this, MEUR 1,845.3 (MEUR 1,767.0) was in funds making investments in portfolio companies and MEUR 1,659.0 (MEUR 1,640.5) in real estate funds.

The funds under management and their investment activities are presented in more detail in Appendices 1 and 2.

## **Board of Directors and management**

CapMan Plc announced changes in the Company's management and Management Group on 3 September 2009. Senior Partner and Head of Investor Services, Jerome Bouix, was appointed Deputy CEO of CapMan Plc, principally responsible for CapMan's own fund investments, fundraising for funds managed by the Group, and business development. Partner Göran Barsby and Senior Partner Hans Christian Dall Nygård were appointed new members of the Management Group. All the above changes became effective as of 1 October 2009.

The Head of CapMan Life Science, Senior Partner Jan Lundahl resigned from the CapMan Plc Group on 3 April 2009 and left the Management Group. Partner Dr Johan Bennarsten, who had previously acted as Deputy Head of CapMan Life Science, was appointed Head of CapMan Life Science effective 6 April 2009.

## **Personnel**

CapMan employed a total of 150 people as of 31 December 2009 (141 as of 31 December 2008), of whom 107 (102) worked in Finland and the remainder in other Nordic countries or Russia. The number of personnel increased as a result of new recruits added to both investment and service teams. A breakdown of personnel by country and team is presented in the tables section.



## Shares and share capital

There were no changes in CapMan Plc's share capital during the review period. Share capital as of 31 December 2009 totalled EUR 771,586.98. The number of listed CapMan Plc B shares increased to 78,281,766 following the issue of 2,216,541 new CapMan B shares by CapMan Plc in connection with the directed issue related to the Norum acquisition and the subscription of 606,801 B shares in September and October under 2003B options. There were no changes in the number of unlisted CapMan Plc A shares, which totalled 6,000,000 shares as of 31 December 2009. The Company's B shares entitle holders to one vote per share and its A shares to 10 votes per share.

## Shareholders

CapMan Plc had 4,774 shareholders as of 31 December 2009 (4,514 as of 31 December 2008). CapMan issued a flagging notice on 24 September 2009 when the holding of Gimv N.V. exceeded one-twentieth (1/20) of the company's shares following a share transaction concluded on 23 September 2009.

## Company shares

A total of 109,204 of CapMan's own shares were used as part payment for the additional purchase price in the Norum acquisition. As of 31 December 2009, CapMan Plc held a total of 26,299 CapMan Plc B shares. CapMan made no purchases of its own shares during the review period.

## Stock option programmes

As of 31 December 2009, CapMan Plc had one stock option programme in place, Option Program 2008, as part of the incentive and commitment programme for key personnel. The maximum number of stock options issued within Option Programme 2008 will be 4,270,000, which will carry an entitlement to subscribe to a maximum of 4,270,000 new B shares. The subscription period for 2008A options will start on 1 May 2011 and for 2008B options on 1 May 2012. The share subscription price shall be recorded in the invested non-restricted equity.

A total of 606,801 B shares were subscribed for using options under the Option Programme 2003B, for which the subscription period closed at the end of October 2009. These new shares were entered in the Trade Register in two tranches on 16 October 2009 and 3 December 2009.

## Trading and market capitalisation

The market climate and global stock market situation characteristic of 2009 were reflected in the trading volumes and prices of CapMan Plc shares. The company's B shares closed at EUR 1.34 on 31 December 2009 (EUR 0.95 on 31 December 2008). The average price during the year was EUR 1.10 (EUR 2.09). The highest price was EUR 1.63 (EUR 3.40) and the lowest EUR 0.77 (EUR 0.79). A total of 16.9 million (14.8 million) CapMan Plc B shares were traded during the year, valued at MEUR 19.2 (MEUR 29.6).

The market capitalisation of CapMan Plc B shares as of 31 December 2009 was MEUR 104.9 (MEUR 71.7). The market capitalisation of all shares, with A shares valued at the closing price of B shares for the review period, was MEUR 112.9 (MEUR 77.4).

## Board authorisations

By decision of the Annual General Meeting, CapMan Plc's Board of Directors is authorised to purchase the Company's own shares and to accept them as pledges, to decide on a share issue, and to issue stock options and other entitlements to shares. The authorisations are in force until 30 June 2010, and the terms and conditions attached to them are specified in more detail in the Stock Exchange release on decisions taken by the AGM issued on 7 April 2009.



## Norum acquisition

The purchase price of the Norum acquisition that was announced in May 2008 and in which CapMan acquired a 51% stake in Norum decreased to MEUR 7.3. The Board of Directors of CapMan Plc decided that the additional purchase price of MEUR 0.3 would be paid to the sellers in cash and in CapMan Plc shares owned by the Company. CapMan Plc acquired the remaining 49% Norum shares in April. The purchase price for the remaining shares was MEUR 3.6, of which CapMan Plc paid approx. MEUR 1.8 in cash and approx. MEUR 1.8 through a directed issue to the sellers.

The details of the Norum acquisition can be found in the Stock Exchange releases issued on 26 May 2008, 27 August 2008, 7 April 2009, and 20 April 2009, which can be consulted at CapMan's website at [www.capman.com/En/Media/Releases/](http://www.capman.com/En/Media/Releases/).

## Events occurring after the review period

### Exit from Pretax generates carried interest income totalling MEUR 1.5

CapMan's exit from the Finnish financial management and payroll processing company, Pretax Oy, was announced in early January. The funds managed by CapMan will sell their holding to a fund managed by Sponsor Capital. The transaction is expected to be completed by the end of the first quarter of 2010 and is anticipated to have an approximately MEUR 1.5 impact on CapMan Plc's result for 2010 as a result of carried interest received from the Finnventure Fund V. The closing will require the completion of customary closing conditions.

### New CFO

CapMan Plc's CFO and member of the Management Group, Kaisa Arovaara, M.Sc. (Econ), resigned from the company on 30 October 2009 and left her position on 29 January 2010. Niko Haavisto, M.Sc. (Business), was appointed on 28 January 2010 as CapMan Plc's new CFO and a member of the Management Group as of 1 May 2010. He will join the company from Oriola-KD Corporation and will report to CEO Heikki Westerlund and be responsible for Group Finances and Accounting and IT.

Senior Partner Olli Liitola, who served as CFO between 2000 and 2007, will be responsible for the duties of the CFO between 1 February and 30 April 2010.

## Publication of the Financial Statements and Report of the Board of Directors, and Annual General Meeting for 2010

CapMan Plc's Financial Statements and the Report of the Board of Directors for 2009 will be published in full, in the company's Annual Report, in week 11. CapMan Plc's 2010 Annual General Meeting will be held on Tuesday 30 March 2009 at 10.00 am in Helsinki. The documents required by the Finnish Companies Act will be available on the Company's internet site on 9 March 2010, at the latest.

## Corporate Governance Statement

CapMan Plc's Corporate Governance Statement will be published separately from the Report of the Board of Directors as part of the company's Annual Report in week 11.

## Significant risks and short-term uncertainties

CapMan's Management Company business is profitable on annual level, but there is some significant uncertainty associated with predicting the company's result linked to the timing of possible carried interest and developments in the fair value of fund investments. Structural changes affecting export industries in the Nordic countries could have a negative impact on the operations and profitability of some of our portfolio companies. The growth in unemployment and decline in consumer purchasing power resulting from the economic recession could affect the operations and profitability of portfolio companies in the consumer sector and shopping centers in the portfolios of our real estate



funds. CapMan believes that fundraising market will continue to be challenging, which could affect the end-result of ongoing fundraising activities and management fees over the next few years.

### **Business environment**

The prospects for growth in the demand for alternative assets continue to remain good over the long term. The financial crisis and its consequences are slowing the growth of these assets at the moment. Private equity has consolidated its position in financing M&A and growth, and continues to focus typically on consolidation in various sectors, family successions, the privatisation of public services and functions, and the commercialisation of R&D in the technology and life science sectors. Increased entrepreneurial activity has also boosted growth. Real estate funds have gained an established share of institutional investors' investment allocations.

The EU legislative initiative on regulation for alternative asset managers and funds – when passed – will stipulate an operating license for participants, as well as other significant requirements, including fund investor and authority reporting. The new regulations will place a burden on smaller players in particular and may also impact the number of players in the field. Thanks to its organisation and operating model, CapMan is in a good position to meet the new regulations.

The CapMan funds investing in portfolio companies will continue to implement their investment strategies. The availability of bank financing for mergers and acquisitions and real estate investments is improving. The number of new potential portfolio companies has remained at a good level, especially for CapMan's Public Market and Russia funds. We believe that the exit market is likely to start up again during 2010.

The slowdown in the growth of the underlying economy has been reflected in our portfolio companies, in sectors linked to industrial manufacturing and the automotive industry for example. Although the turnover and profit performance of portfolio companies were both lower in 2009 than in 2008, the profit and growth estimates for 2010 are more positive. Fair value changes will also be influenced by how profit prospects develop among listed companies and the exchange rates of the Swedish crown and the Polish zloty against euro in particular. We plan to keep sufficient reserves in our funds to support our companies' growth and financing. Long-term cooperation with Nordic banks is particularly important for us, and has worked well.

In the real estate sector, the debt market crisis has depressed the volume of real estate transactions. The number of foreign players in Finland, in particular, has fallen significantly. Weakening property demand and rising yield expectations have lowered property valuation levels. We anticipate transaction volumes to remain low, but expect the number of deals to increase in 2010. The use of equity for financing real estate transactions has increased. Demand for prime real estate remains good. Occupancy rates and demand for office and retail premises are at a satisfactory level. The vacancy rates for office premises are expected to rise in Greater Helsinki area, however, which will result in a downward pressure on rent levels. The demand for real estate consulting has remained stable.

All CapMan's investment teams are in a good position and have adequate resources to implement their investment strategies in the Nordic countries and Russia. CapMan's funds investing in portfolio companies have some MEUR 840 available for making new and follow-on investments, while real estate funds have approx. MEUR 300 of investment capacity, mainly for developing the existing portfolio.

### **Future outlook**

Management fees and income from real estate consulting will cover CapMan's fixed costs and interest expenses in 2010.

The exit from Pretax announced in January will have an impact of some MEUR 1.5 on CapMan's carried interest when closed. Funds have a number of portfolio companies ready to enter the exit process. We expect the CapMan Equity VII A, B, and Sweden funds, as well as the Finnmezzanine III A and B funds to transfer to carry during 2010-2011. Due to the market situation, we consider it unlikely that the CapMan Real Estate I fund, which transferred to carry in 2007, will generate new carried interest in the future.



A total of some MEUR 6 of carried interest was not entered in CapMan's profit in 2007 but instead left in reserve in case that some of the carried interest would have to be returned to investors in future.

The fair value change of CapMan's fund investments during the fourth quarter of 2009 was slightly positive and we expect a neutral trend, at a minimum, to continue in this area in early 2010. The development of the fair value of investments during the rest of the year will depend on developments in portfolio companies and the general market situation.

The Group's overall result for 2010 will mainly depend on whether new exits are made by funds already generating carried interest, whether further funds will transfer to carry, and on how the value of investments will develop in those funds in which CapMan is a substantial investor.

CapMan Plc will publish its Interim Report for 1 January – 31 March 2010 on Thursday 6 May 2010.

Helsinki, 5 February 2010

CAPMAN PLC  
Board of Directors

**Press conference:**

A press conference for analysts and the media will be held today at 12.00 noon in CapMan's offices at Korkeavuorenkatu 32, Helsinki, at which CapMan's CEO Heikki Westerlund will present the result and review the market situation. A light lunch will be served.

Presentation material for the press conference will be published in Finnish and English on CapMan Plc Group's Internet website once the conference has started.

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**Appendices (after the tables section):**

Appendix 1: CapMan Plc Group's funds under management as of 31 December 2009, MEUR

Appendix 2: Operations of CapMan's funds under management, 1 January – 31 December 2009

Appendix 3: Capital and mandates under management of associated company, Access Capital Partners, as of 31 December 2009

The logo for CapMan, featuring the word "CapMan" in a serif font. The "C" is significantly larger and more stylized than the other letters. The text is white and set against a dark grey rectangular background.

## Accounting principles

The Financial Statements Bulletin has been prepared in accordance with the International Financial Standards (IFRS). As of January 1, 2009 the company applies the following new and revised standards: Reporting IFRS 8 Operating Segments and IAS 1 Presentation of Financial Statements. Otherwise the same Accounting Principles have been applied as in the 2008 Financial Statements. The information presented in the Financial Statements Bulletin is un-audited.

### GROUP STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR ('000)	1-12/09	1-12/08
<b>Turnover</b>	<b>36,257</b>	36,790
Other operating income	137	108
Personnel expenses	-18,464	-16,867
Depreciation	-957	-635
Impairment of goodwill	-700	0
Other operating expenses	-12,845	-12,321
Fair value gains / losses of investments	-3,322	-13,373
<b>Operating profit / loss</b>	<b>106</b>	-6,298
Financial income and expenses	-185	-1,994
Share of associated companies' result	1,293	-2,378
<b>Profit / loss before taxes</b>	<b>1,214</b>	-10,670
Income taxes	-1,076	2,612
<b>Profit / loss for the period</b>	<b>138</b>	-8,058
<b>Other comprehensive income:</b>		
Translation differences	270	-359
<b>Total comprehensive income / loss</b>	<b>408</b>	-8,417
<b>Profit / loss attributable to:</b>		
Equity holders of the company	-210	-8,209
Minority interest	348	151
<b>Total comprehensive income / loss attributable to:</b>		
Equity holders of the company	60	-8,568
Minority interest	348	151
<b>Earnings per share for profit / loss attributable to the equity holders of the Company:</b>		
Earnings per share, cents	-3.0	-10.2
Diluted, cents	-3.0	-10.2

Accrued interest payable on the hybrid bond has been taken into consideration when calculating earnings per share.



**GROUP BALANCE SHEET (IFRS)**

EUR ('000) **31.12.09** 31.12.08

**ASSETS****Non-current assets**

Tangible assets	<b>838</b>	1,064
Goodwill	<b>10,245</b>	11,762
Other intangible assets	<b>2,972</b>	3,229
Investments in associated companies	<b>6,547</b>	1,575
Investments at fair value through profit and loss		
Investments in funds	<b>59,421</b>	53,147
Other financial assets	<b>585</b>	828
Receivables	<b>25,304</b>	24,451
Deferred income tax assets	<b>6,177</b>	3,707
	<b>112,089</b>	99,763

**Current assets**

Trade and other receivables	<b>10,291</b>	12,965
Other financial assets at fair value through profit and loss	<b>1,673</b>	942
Cash and bank	<b>17,978</b>	24,330
	<b>29,942</b>	38,237

**Total assets** **142,031** 138,000

**EQUITY AND LIABILITIES****Capital attributable the Company's equity holders**

Share capital	<b>772</b>	772
Share premium account	<b>38,968</b>	38,968
Other reserves	<b>37,347</b>	25,829
Translation difference	<b>-392</b>	-226
Retained earnings	<b>1,097</b>	3,585
	<b>77,792</b>	68,928

**Minority interest** **413** 221

**Total equity** **78,205** 69,149

**Non-current liabilities**

Deferred income tax liabilities	<b>1,824</b>	284
Interest-bearing loans and borrowings	<b>40,625</b>	43,125
Other liabilities	<b>2,291</b>	6,600
	<b>44,740</b>	50,009



**Current liabilities**

Trade and other payables	12,227	15,751
Interest-bearing loans and borrowings	6,250	2,875
Current income tax liabilities	609	216
	<b>19,086</b>	18,842
<b>Total liabilities</b>	<b>63,826</b>	68,851
<b>Total equity and liabilities</b>	<b>142,031</b>	138,000

**GROUP STATEMENT OF CHANGES IN EQUITY**

EUR ('000)	Attributable to the equity holders of the Company					Total	Minority interest	Total equity
	Share capital	Share premium account	Other reserves	Trans-lation Differences	Retained earnings			
<b>Equity on 31 Dec 2007</b>	<b>772</b>	<b>38,968</b>	<b>2,961</b>	<b>133</b>	<b>24,676</b>	<b>67,510</b>	<b>34</b>	<b>67,544</b>
Options			112		-87	25		25
Share subscriptions with options			639			639		639
Dividens paid					-12,795	-12,795		-12,795
Share issues			2,392			2,392		2,392
Own shares purchased			-275			-275		-275
Hybrid bond			20,000			20,000		20,000
Other changes						0	36	36
Comprehensive profit / loss				-359	-8,209	-8,568	151	-8,417
<b>Equity on 31 Dec 2008</b>	<b>772</b>	<b>38,968</b>	<b>25,829</b>	<b>-226</b>	<b>3,585</b>	<b>68,928</b>	<b>221</b>	<b>69,149</b>
<b>Equity on 31 Dec 2008</b>	<b>772</b>	<b>38,968</b>	<b>25,829</b>	<b>-226</b>	<b>3,585</b>	<b>68,928</b>	<b>221</b>	<b>69,149</b>
Options					-50	-50		-50
Share subscriptions with options			723			723		723
Dividens paid						0	-46	-46
Share issue			1,795			1,795		1,795
Hybrid bond			9,000			9,000		9,000
Hybrid bond, interest paid					-2,228	-2,228		-2,228
Other changes				-436		-436	-110	-546
Comprehensive profit / loss				270	-210	60	348	408
<b>Equity on 31 Dec 2009</b>	<b>772</b>	<b>38,968</b>	<b>37,347</b>	<b>-392</b>	<b>1,097</b>	<b>77,792</b>	<b>413</b>	<b>78,205</b>



**STATEMENT OF CASH FLOW (IFRS)**

EUR ('000)	1-12/09	1-12/08
<b>Cash flow from operations</b>		
Profit / loss for the financial year	138	-8,058
Adjustments	5,352	16,526
<b>Cash flow before change in working capital</b>	<b>5,490</b>	8,468
Change in working capital	-3,463	-4,564
Financing items and taxes	-3,825	-10,327
<b>Cash flow from operations</b>	<b>-1,798</b>	-6,423
<b>Cash flow from investments</b>	<b>-15,105</b>	-20,387
<b>Cash flow before financing</b>	<b>-16,903</b>	-26,810
Dividends paid	-46	-18,589
Other net cash flow	10,597	49,988
<b>Financial cash flow</b>	<b>10,551</b>	31,399
<b>Change in cash funds</b>	<b>-6,352</b>	4,589
Cash funds at start of the period	24,330	19,741
<b>Cash funds at end of the period</b>	<b>17,978</b>	24,330

**Segment information**

The Group reports two segments: Management company business and Fund investments

EUR ('000)	1-12/09	1-12/08
<b>Turnover</b>		
Management company business		
CapMan Private Equity	27,263	29,273
CapMan Real Estate	8,994	7,517
Total turnover	36,257	36,790
<b>Operating profit / loss</b>		
Management company business		
CapMan Private Equity	3,128	7,607
CapMan Real Estate	547	-284
Total	3,675	7,323
Fund investments	-3,569	-13,621
Total operating profit / loss	106	-6,298



**Profit / loss for the period**

Management company business		
CapMan Private Equity	<b>3,197</b>	6,766
CapMan Real Estate	<b>544</b>	-284
Total	<b>3,741</b>	6,482
Fund investments	<b>-3,603</b>	-14,540
Profit / loss for the period	<b>138</b>	-8,058

**Non-current assets**

Management company business		
CapMan Private Equity	<b>17,528</b>	16,763
CapMan Real Estate	<b>1,272</b>	2,299
Total	<b>18,800</b>	19,062
Fund investments	<b>93,289</b>	80,701
Non-current assets total	<b>112,089</b>	99,763

**Income taxes**

The Group's income taxes in the Income Statements are calculated on the basis of current taxes on taxable income and deferred taxes. Deferred taxes are calculated on the basis of all temporary differences between book value and fiscal value.

**Dividends**

No dividend was paid for the year 2008. (2007: EUR 0.16 per share, total EUR 12.8 million)

**Non-current assets**

EUR ('000)	<b>31.12.09</b>	31.12.08
Investments in funds at fair value through profit and loss at Jan 1	<b>53,147</b>	44,230
Additions	<b>13,038</b>	26,326
Distributions	<b>-3,616</b>	-3,700
Disposals	<b>-586</b>	0
Fair value gains/losses on investments	<b>-2,562</b>	-13,709
Investments in funds at fair value through profit and loss at end of the period	<b>59,421</b>	53,147
<b>Investments in funds at fair value through profit and loss at the end of period</b>	<b>31.12.09</b>	31.12.08
Buyout	<b>34,233</b>	29,301
Technology	<b>3,616</b>	5,843
Life Science	<b>3,683</b>	2,053
Russia	<b>1,049</b>	1,919
Public Market	<b>3,422</b>	
Mezzanine	<b>4,000</b>	2,570
Other	<b>364</b>	340
Real Estate	<b>4,758</b>	5,088
Access Capital Partners funds	<b>4,296</b>	6,033
In total	<b>59,421</b>	53,147



**Transactions with related parties (associated companies)**

EUR ('000)	31.12.09	31.12.08
Receivables - non-current at end of review period	22,598	21,257
Receivables - current at end of review period	779	2,196

**Non-current liabilities**

EUR ('000)	31.12.09	31.12.08
Interest bearing loans at end of review period	40,625	43,125

**Seasonal nature of business**

Carried interest income is accrued on an irregular schedule depending on the timing of exits. One exit may have an appreciable impact on CapMan Plc's result for the full financial year.

**Personnel**

By country	31.12.09	31.12.08
Finland	107	102
Denmark	3	3
Sweden	21	19
Norway	7	6
Russia	12	11
In total	150	141

**By team**

CapMan Private Equity	61	54
CapMan Real Estate	42	43
Investor Services	23	24
Internal Services	24	20
In total	150	141

**Contingent liabilities**

EUR ('000)	31.12.09	31.12.08
Leasing agreements	10,927	9,087
Securities and other contingent liabilities	68,164	69,604
Remaining commitments to funds	42,624	77,234



Remaining commitments by investment area		
Buyout	<b>20,967</b>	26,133
Technology	<b>5,486</b>	12,226
Life Science	<b>4,160</b>	5,684
Public Market	<b>2,669</b>	15,000
Russia	<b>4,067</b>	11,091
Mezzanine	<b>910</b>	2,504
Other	<b>510</b>	311
Real Estate	<b>1,582</b>	1,879
Access Capital Partners funds	<b>2,273</b>	2,406
In total	<b>42,624</b>	77,234

### Turnover and profit quarterly

<b>2009</b>					
<b>MEUR</b>	1 - 3/09	4 - 6/09	7 - 9/09	10 - 12/09	1 - 12/09
Turnover	8.1	8.7	9.5	<b>10.0</b>	<b>36.3</b>
Management fees	7.4	8.2	9.0	<b>8.7</b>	<b>33.3</b>
Carried interest	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>
Real Estate consulting	0.6	0.4	0.3	<b>1.1</b>	<b>2.4</b>
Other income	0.1	0.1	0.2	<b>0.2</b>	<b>0.6</b>
Other operating income	0.0	0.1	0.0	<b>0.0</b>	<b>0.1</b>
Operating expenses	-8.4	-8.1	-7.9	<b>-8.6</b>	<b>-33.0</b>
Fair value gains / losses of investments	-4.3	-0.3	0.4	<b>0.9</b>	<b>-3.3</b>
Operating profit / loss	-4.7	0.5	2.0	<b>2.3</b>	<b>0.1</b>
Financial income and expenses	-0.5	0.3	-0.2	<b>0.2</b>	<b>-0.2</b>
Share of associated companies' result	0.6	-1.8	0.3	<b>2.2</b>	<b>1.3</b>
Profit / loss before taxes	-4.6	-1.0	2.2	<b>4.6</b>	<b>1.2</b>
Profit / loss for the period	-3.7	-1.3	2.0	<b>3.1</b>	<b>0.1</b>
<b>2008</b>					
<b>MEUR</b>	1 - 3/08	4 - 6/08	7 - 9/08	10 - 12/08	1 - 12/08
Turnover	7.2	12.1	7.7	9.8	36.8
Management fees	6.4	7.2	7.3	8.7	29.6
Carried interest	0.0	4.1	0.0	0.0	4.1
Real Estate consulting	0.7	0.6	0.4	0.7	2.4
Other income	0.2	0.1	0.0	0.4	0.7
Other operating income	0.0	0.0	0.0	0.1	0.1
Operating expenses	-6.7	-7.9	-6.6	-8.6	-29.8
Fair value gains / losses of investments	-0.1	-1.0	-1.4	-10.9	-13.4
Operating profit	0.4	3.3	-0.4	-9.6	-6.3
Financial income and expenses	0.3	-0.1	-0.8	-1.4	-2.0
Share of associated companies' result	0.1	-0.2	0.2	-2.5	-2.4
Profit after financial items	0.7	3.0	-1.0	-13.4	-10.7
Profit for the period	0.5	2.2	-0.8	-10.0	-8.1



## APPENDIX 1: CAPMAN PLC GROUP'S FUNDS UNDER MANAGEMENT AS OF 31 DECEMBER 2009, MEUR

The tables below show the status of funds managed by CapMan at the end of 2009. When analysing the schedule for funds to start generating carried interest, the relationship between distributed cash flows to investors and paid-in capital should be compared. When a fund starts generating carried interest the capital must be returned and an annual preferential return paid on it. The fair value of a portfolio, including any of the fund's net cash assets, represents the capital distributable to investors at the end of the review period.

When assessing the cash flow a fund needs in order to start generating carried interest, it should be noted that the capital of some funds has not yet been called and paid in. The percentage figure in the last column on the right shows CapMan's share of cash flows if the fund is generating carried interest. After the previous distribution of profits, any new capital paid in, as well as the preferential annual return on it, must however be returned to investors before further carried interest income is paid. Of the funds already generating carried interest, Finnventure V fund can still make follow-on investments in its current portfolio companies.

The definitions for column headings are presented below the tables.

### FUNDS INVESTING DIRECTLY IN PORTFOLIO COMPANIES

	Size	Paid-in capital	Fund's current portfolio		Net cash as-sets	Distributed cash flow		CapMan's share of cash flow if fund generates carried interest
			at cost	at fair value		to in-vestors	to man-agement company (carried interest)	
<b>Funds generating carried interest</b>								
FV II, FV III 1) and FM II								
in total	58.6	57.4	3.1	0.2	0.1	180.1	44.2	20-35%
FV V	169.9	165.1	41.9	24.2	1.1	237.9	5.3	20%
Fenno Program								
in total 2)	59.0	59.0	8.1	6.8	0.1	123.4	8.7	10-12%
<b>Total</b>	<b>287.5</b>	<b>281.5</b>	<b>53.1</b>	<b>31.2</b>	<b>1.3</b>	<b>541.4</b>	<b>58.2</b>	
<b>Funds that are expected to transfer to carry during 2010-2011</b>								
CME VII A	156.7	148.6	98.1	127.9	1.2	92.7		20%
CME VII B	56.5	56.5	39.3	62.0	1.1	41.9		20%
CME SWE	67.0	62.9	42.0	54.9	0.1	40.0		20%
FM III A	101.4	100.0	33.1	27.8	3.1	103.1		20%
FM III B	20.2	19.9	8.7	11.4	0.8	18.6		20%
<b>Total</b>	<b>401.8</b>	<b>387.9</b>	<b>221.2</b>	<b>284.0</b>	<b>6.3</b>	<b>296.3</b>		
<b>Other funds not yet in carry</b>								
CME VII C	23.1	18.6	11.4	6.7	0.2	7.2		20%
CMB VIII 1)	440.0	341.2	287.9	252.2	11.3			14%
CM LS IV	54.1	31.7	21.4	19.0	0.7			10%
CMT 2007 1)	142.3	48.5	31.3	33.5	1.3			10%
CMR	118.1	32.0	23.9	21.9	0.3			3.4%



CMPM	138.0	65.7	59.7	91.6	3.3		10%
CMB IX	273.3	18.9	12.3	12.3	2.4		10%
CMM IV 4)	240.0	230.0	172.0	168.6	31.7	41.1	15%
<b>Total</b>	<b>1,428.9</b>	<b>786.6</b>	<b>619.9</b>	<b>605.8</b>	<b>51.2</b>	<b>48.3</b>	

**Funds with no  
carried interest  
potential to CapMan**

FM III C, FV IV, FV V ET, SWE LS,  
SWE Tech 1), 3) and FM II A, C, D

<b>Total</b>	<b>298.4</b>	<b>284.5</b>	<b>74.5</b>	<b>38.8</b>	<b>3.9</b>	<b>196.0</b>	
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**Funds investing in  
Portfolio companies,  
total**

<b>2,416.6</b>	<b>1,704.5</b>	<b>968.7</b>	<b>959.8</b>	<b>62.7</b>	<b>1,082.0</b>	<b>58.2</b>	
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**REAL ESTATE FUNDS**

	<b>Original invest- ment capa- city</b>	<b>Paid-in capital</b>	<b>Fund's current portfolio at cost</b>	<b>Fund's current portfolio at fair value</b>	<b>Net cash as- sets</b>	<b>Distributed cash flow to in- vestors</b>	<b>Distributed cash flow to man- agement company (carried Interest)</b>	<b>CapMan's share of cash flow if fund gene- rates carried interest</b>
<b>Funds that are not generating carried interest at the moment</b>								
CMRE I 5)								
equity and bonds	200.0	188.5	68.3	55.3		190.7	27.4	26%
debt financing	300.0	284.6	104.6	104.6				
<b>total</b>	<b>500.0</b>	<b>473.1</b>	<b>172.9</b>	<b>159.9</b>	<b>-1.2</b>	<b>190.7</b>	<b>27.4</b>	
CMRE II								
equity	150.0	81.9	94.3	80.8		0.5		12%
debt financing	450.0	241.2	230.0	230.0				
<b>total</b>	<b>600.0</b>	<b>323.1</b>	<b>324.3</b>	<b>310.8</b>	<b>-5.1</b>	<b>0.5</b>		
CMHRE								
equity	332.5	295.3	320.7	229.1		10.8		12%
debt financing	540.0	526.8	508.3	508.3				
<b>total</b>	<b>872.5</b>	<b>822.1</b>	<b>829.0</b>	<b>737.4</b>	<b>-5.5</b>	<b>10.8</b>		
<b>Real estate funds, total</b>	<b>1,972.5</b>	<b>1,618.3</b>	<b>1,326.2</b>	<b>1,208.1</b>	<b>-11.8</b>	<b>202.0</b>	<b>27.4</b>	
<b>All funds, total</b>	<b>4,389.1</b>	<b>3,358.8</b>	<b>2,294.9</b>	<b>2,167.9</b>	<b>50.9</b>	<b>1,284.0</b>	<b>85.6</b>	

**Abbreviations used to refer to funds:**

CMB	= CapMan Buyout	CMRE	= CapMan Real Estate
CME	= CapMan Equity	CMT 2007	= CapMan Technology 2007
CMLS	= CapMan Life Science	FM	= Finnmezzanine Fund
CMM	= CapMan Mezzanine	FV	= Finnventure Fund
CMHRE	= CapMan Hotels RE	SWE LS	= Swedestart Life Science
CMPM	= CapMan Public Market Fund	SWE Tech	= Swedestart Tech
CMR	= CapMan Russia Fund		

**Size/Investment capacity:**

Total capital committed to a fund by investors, i.e. the original size of the fund. For real estate funds, investment capacity also includes the share of debt financing used by the fund.

Capital under management by Access Capital Partners is presented separately in Appendix 3.

**Paid-in capital:**

Total capital paid into a fund by investors at the end of the review period.

**Fund's current portfolio at fair value:**

Fund investments in portfolio companies are valued at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVG, [www.privateequityvaluation.com](http://www.privateequityvaluation.com)), and investments in real estate assets are valued in accordance with the appraisals of external experts.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Due to the nature of private equity investment activities, fund portfolios contain investments with a fair value that exceeds their acquisition cost, as well as investments with a fair value less than the acquisition cost.

**Net cash assets:**

When calculating the investors' share, a fund's net cash assets must be taken into account in addition to the portfolio at fair value. The proportion of debt financing in real estate funds is presented in separate rows in the table.

**CapMan's share of cash flow if a fund generates carried interest:**

When a fund has produced for investors the cumulative preferential return specified in the fund agreements, the management company is entitled to an agreed share of future cash flows from the fund (carried interest).

Cash flow, in this context, includes both profit distributed by the funds and repayments of capital. After the previous distribution of profits, any new capital called in, as well as any annual preferential returns on it, must however be returned to investors before the new distribution of profits can be paid.

**Footnotes to the table**

- 1) The fund is comprised of two or more legal entities (parallel funds are presented separately only if their investment focuses or portfolios differ significantly).
- 2) The Fenno Rahasto, Skandia I, and Skandia II funds comprise the Fenno Programme, which is managed jointly with Fenno Management Oy.
- 3) Currency items are valued at the average exchange rates quoted on 31 December 2009.
- 4) CapMan Mezzanine IV: The paid-in commitment includes a MEUR 192 bond issued by Leverator Plc. Distributed cash flow includes payments to both bond subscribers and to the fund's partners.



5) CapMan Real Estate I: Distributed cash flow includes repayment of the bonds and cash flow to the fund's partners. Following the previous payment of carried interest, a total of MEUR 59.4 in paid-in capital had not yet been returned to investors. This capital, together with the annual income entitlement payable on it, must be paid to investors before further carried interest can be distributed. CapMan's management considers it unlikely, in the light of the market situation, that further carried interest will be provided by the CapMan Real Estate I fund. As a result, the fund has been transferred from those funds in carry. A total of some MEUR 6 of carried interest was not entered in CapMan's profit in 2007 but instead left in reserve in case that some of the carried interest would have to be returned to investors in future.

## **APPENDIX 2: OPERATIONS OF CAPMAN'S FUNDS UNDER MANAGEMENT, 1 JAN – 31 DEC 2009**

The operations of private equity funds managed by CapMan in the review period comprised direct investments in portfolio companies mainly in the Nordic countries and Russia (CapMan Private Equity) as well as real estate investments mainly in Finland (CapMan Real Estate). The investment activities of funds making direct investments in portfolio companies include mid-sized buyout investments in the manufacturing industry and the service and retail sectors, technology investments in growth stage and later growth stage technology companies, life science investments in companies specialising in medical technology and healthcare services, investments in mid-sized companies operating in Russia, and investments in significant minority stakes in listed mid-cap companies.

### **CAPMAN PRIVATE EQUITY**

#### **Investments in portfolio companies in 2009**

CapMan funds made eight new investments, as well as several follow-on investments, during 2009, investing MEUR 172.0 in all. Follow-on investments accounted for around 45% of the total and were made both for business development purposes (incl. acquisitions) and to strengthen the financial position of portfolio companies. The value new and follow-on investments made during the fourth quarter of the year accounted for around 45% of total investments made during the year. New investments in 2009 included Affecto Oyj (announced in 2010), Intrum Justitia AB, Metals and Powders Thomas Klier AB, Nobia AB, Papa John's Russia, Proffice AB, Profit Software Oy, and SRK Konsultation AB. The largest follow-on investments were in Avelon Group Oy, Komax Group Oy, Proxima AB, Moventas Oy, MQ Retail AB, and Tokmanni Oy. Major add-on investments were also made in Anhydro Holding A/S, Curato AS, Cargo Partner Group, Flander Oy, InfoCare AS, Maintpartner Oy, Metallfabriken Ljunghäll AB, Northern Alliance Oy, and ScanJour A/S. In 2008, CapMan funds made eight new investments, together with follow-on investments, amounting to MEUR 232.6.

#### **Exits from portfolio companies in 2009**

CapMan funds exited completely from KMW Energi AB, Millicore AB, and XLENT AB, and partially from Å&R Carton AB during 2009. The shares in Birdstep Technology ASA received in connection with the exit from Secgo Software in 2007 were also sold. Final and partial exits at acquisition cost by funds during the review period totalled MEUR 32.4. Final and partial exits each accounted for around half. Exits made during the last quarter of the year accounted for around 40% of the acquisition cost of exits. During 2008, funds exited completely from six companies and partially from several others. The acquisition cost for all of these exits in 2008 amounted to MEUR 39.4.

#### **Other events during the year**

In December, CapMan announced that the CapMan Equity VII, CapMan Mezzanine IV, and Finnmezzanine III A and B funds would exit Inflight AB. The exit took place after the period under review in January 2010.

#### **Events after the review period**

CapMan announced in early January that funds managed by the Group would exit the Finnish financial management and payroll processing company, Pretax Oy, and sell their holdings to a fund managed by Sponsor Capital. The transaction is expected to be completed by the end of the first quarter of 2010 and is anticipated to have an



approximately MEUR 1.5 impact on CapMan Plc's result for 2010 as a result of carried interest income received from the Finnventure V fund. The closing of the exit requires the completion of customary closing conditions.

In January, it was also announced that the CapMan Public Market fund would invest in Affecto Oyj. Part of the investment was made in 2009. The fund held 12.1% of the company's outstanding shares and votes as of 12 January 2010.

## CAPMAN REAL ESTATE

### Investments in and commitments to real estate acquisitions and projects in 2009

CapMan's real estate funds made three new investments during the review period. CapMan Real Estate I fund invested in a commercial property in Tuusula in April and acquired an office property in the Helsinki suburb of Munkkiniemi in June. CapMan RE II fund acquired in October a site in Southern Finland in Hyvinkää and the plan is to develop a shopping center on the site. It was announced in December that CapMan Hotels RE had invested in a property in the centre of Helsinki that is planned for conversion into a hotel. New and follow-on investments totalled MEUR 104.9. The largest follow-on investment was made in the Skanssi shopping centre in Turku, which was completed and opened to the public in April. In addition, as of 31 December 2009, funds had made commitments to finance real estate acquisitions and projects over the next few years amounting to MEUR 44. During 2008, funds exercised previous investment commitments and made new and follow-on investments amounting to a total of MEUR 1,070.4. Commitments to finance new projects totalled MEUR 95.0 as of 31 December 2009.

### Exits from real estate investments in 2009

An exit by CapMan Real Estate I fund from an office property located at Ludviginkatu 3–5 in Helsinki took place during the year. Funds did not make exits from real estate investments during 2008.

### Events after the review period

The CapMan RE II fund and Finesco Oy signed the final documents covering the purchase of a site zoned for commercial and residential use in Hyvinkää, Finland from the city of Hyvinkää, together with a project agreement covering the site's development, in October.

## FUNDS' INVESTMENT ACTIVITIES IN FIGURES

### Funds investments and exits at acquisition cost, MEUR

	1-12/2009	1-12/2008	
<b>New and follow-on investments</b>			
Funds investing in portfolio companies	<b>172.0</b>	232.6	
Buyout	<b>80.4</b>	190.3	
Technology	<b>13.5</b>	20.3	
Life Science	<b>8.1</b>	5.2	
Russia	<b>7.1</b>	16.8	
Public Market	<b>62.9</b>	-	
Real estate funds	<b>104.9</b>	1,070.4	
<b>Total</b>	<b>276.9</b>	1,303.0	
<b>Exits*</b>			
Funds investing in portfolio companies	<b>32.4</b>	39.4	
Buyout	<b>16.8</b>	20.9	
Technology	<b>8.6</b>	14.6	
Life Science	<b>3.9</b>	3.9	
Russia	-	-	
Public Market	<b>3.1</b>	-	
Real estate funds	<b>9.1</b>	-	
<b>Total</b>	<b>41.5</b>	39.4	



\* Including partial exits and repayments of mezzanine loans.

In addition, as of 31 December 2009, real estate funds had made commitments to finance real estate acquisitions and projects valued at MEUR 44.

#### The funds' aggregate combined portfolio\* as at 31 December 2009, MEUR

	Portfolio at acquisition cost	Portfolio at fair value	Share of portfolio (fair value) %
Funds investing in portfolio companies	968.7	959.8	44.3
Real estate funds	1,326.2	1,208.1	55.7
<b>Total</b>	<b>2,294.9</b>	<b>2,167.9</b>	<b>100.0</b>
Funds investing in portfolio companies			
Buyout	716.7	735.4	76.6
Technology	122.8	80.5	8.4
Life Science	45.6	30.4	3.2
Russia	23.9	21.9	2.3
Public Market	59.7	91.6	9.5
<b>Total</b>	<b>968.7</b>	<b>959.8</b>	<b>100.0</b>

\* Aggregated entity formed of all investments of funds under management.

#### Remaining investment capacity

After deducting actual and estimated expenses, funds investing in portfolio companies had a remaining investment capacity amounting to some MEUR 840 for new and follow-on investments as of 31 December 2009. Of their remaining capital, some MEUR 500 was earmarked for buyout investments (incl. mezzanine investments), some MEUR 135 for technology investments, some MEUR 30 for life science investments, some MEUR 95 for investments by CapMan Russia team, and some MEUR 80 for investments by CapMan Public Market team. Real estate funds had remaining a investment capacity amounting to some MEUR 300.

### APPENDIX 3: CAPITAL AND MANDATES UNDER THE MANAGEMENT OF ASSOCIATED COMPANY, ACCESS CAPITAL PARTNERS, AS OF 31 DECEMBER 2009

CapMan Plc owns a 35% holding in the European fund of funds management company, Access Capital Partners. As of 31 December 2009, Access Capital Partners had approx. EUR 2.6 billion of capital under management. Further information on Access Capital Partners can be found at [www.access-capital-partners.com](http://www.access-capital-partners.com).

<b>Fund/Mandates</b>	<b>Size, MEUR</b>
Access Capital Fund 1)	250.3
Access Capital Fund II Mid-market buy-out 1)	153.4
Access Capital Fund II Technology 1)	123.5
Access Capital Fund III Mid-market buy-out 1)	307.4
Access Capital Fund III Technology 1)	88.9
Access Capital Fund IV Growth buy-out 1)	425.0
Access Capital Fund IV High Growth Technology Europe 1)	35.0
Private Equity Mandates	1,250.0
<b>Total</b>	<b>2,633.5</b>

1) The fund is comprised of two or more legal entities (parallel funds are presented separately only if their investment focuses or portfolios differ significantly).

CapMan Plc Group's share of the carried interest from the Access funds is: Access Capital Fund: 47.5%, Access Capital Fund II: 45%, Access Capital Fund III: 25%, Access Capital Fund IV: 25%, and Access/Private Equity Mandates: 25%.