

CapMan Plc Stock Exchange Release 4 February 2011 at 8:30 a.m. EET

CapMan Plc Group's Financial Statements Bulletin for 2010

Performance and main events during 2010:

- Group turnover totalled MEUR 38.2 (2009: MEUR 36.3).
- The Group's operating profit rose to MEUR 21.0 (MEUR 0.1).
- The Management Company business recorded an operating profit of MEUR 18.9 (MEUR 3.7) and the Fund Investment business an operating profit of MEUR 2.1 (MEUR -3.6).
- Profit before taxes was MEUR 23.9 (MEUR 1.2) and profit after taxes was MEUR 17.6 (MEUR 0.1).
- Profit attributable to the owners of the parent company was MEUR 17.3 (MEUR -0,2). Earnings per share were 17.7 cents (-3.0 cents).
- The Access transaction had an impact of MEUR 22.7 on CapMan's 2010 result.
- The reorganisation of technology investment operations had an impact of MEUR -4.6 on CapMan's result for 2010.
- Capital under management as of 31 December 2010 was MEUR 3,535.4 (31.12.2009: MEUR 3,504.3).
- The Board of Directors' dividend proposal is EUR 0.12 per share.
- We expect operating profit for 2011 to slightly exceed the 2010 operating profit, which was MEUR 6.3 excluding non-recurring items.

CEO Lennart Simonsen comments on events during 2010 and the company's future prospects:

"The M&A market remained good in the last quarter of 2010 and our funds' active investment and exit operations continued. During the last quarter of 2010 we made altogether three new investments and announced two exits. On a full year 2010 basis our funds invested in total over MEUR 240, and returned nearly MEUR 200 to fund investors. Our portfolio companies' development was good overall. Our fundraising operations succeeded in closing the CapMan Buyout IX fund and establishing the CapMan Mezzanine V fund during a year when the overall fundraising in European private equity funds focused on buyouts and growth financing fell with a further 40 % from a very low level of 2009*. CapMan's result for 2010 was good mainly as a result of the Access sale.

In recent months we have taken significant steps to simplify CapMan's operations. Our decisions on not to establish new technology funds and the sale of Access will free our resources for the development of CapMan's core operations. Going forward our focus will increasingly be on continuous improvement of the performance generally and of the investment operations in particular.

For 2011 we see a continued good level of transactions. In addition to the exits already made, our funds continue working on a number of exits that are planned to materialize during 2011. We will continue the value creation work of our portfolio companies and real estate assets.

The timing of exits impacts the schedule when funds transfer to carry. We always aim to exit our investment targets at the best possible valuation. The financial development of certain portfolio companies in funds approaching the transfer to carry did not meet our original expectation in Q4 2010, which might postpone exits from these funds and delay the funds' transfer to carry from 2011 to 2012. We expect operating profit for 2011 to slightly exceed the 2010 operating profit."

Business operations

CapMan is a private equity fund manager operating in the Nordic countries and Russia. CapMan 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 the Fund Investment business.

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. Management fees and real estate consulting income normally cover the company's operating costs and generally represent a steady and very predictable source of income.



Income from the Fund Investment business comes from changes in the fair value of investments and realised returns on CapMan's own fund investments. Depending on the development of funds' investments and the general market situation, these can have a significant positive or negative impact on the Group's result.

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

Significant events in Q4 2010

Access transaction

CapMan sold 30% of Access Capital Partners Group S.A. to Pohjola in November. The transaction was closed in December and had an impact of MEUR 22.7 on CapMan's 2010 result. CapMan continues to be an Access shareholder after the transaction, with a 5% stake. CapMan's entitlement to possible carried interest income from the funds and private equity mandates managed by Access will remain unchanged after the transaction for all capital raised by Access prior to the closing.

Reorganisation of technology investment operations

CapMan decided in the last quarter of 2010 that it will not establish any new technology funds in future. The reorganisation of technology investment operations had an impact of MEUR -4.6 on CapMan's result for 2010. Of this sum, MEUR 3.8 was related to a goodwill write-down of the Swedestart acquisition made in 2002. The goodwill write-down had no impact on the Group's cash flows. Following the decision, CapMan reduced the size of the CapMan Technology 2007 fund from MEUR 142.3 to MEUR 99.6 as of the end of 2010 and ended the fund's investment period. Consequently, management fees received from the fund will decrease by approx. MEUR 2 in 2011.

In line with a decision made in 2009, CapMan will not establish any new life science funds either. The CapMan Technology and CapMan Life Science teams are focusing on developing the value of their existing portfolio companies and maximizing returns for fund investors. The Nordic technology sector, growth financing, and the health care sector will remain in the focus of CapMan's other funds in the future.

Divestment of real estate consulting operations

CapMan announced in November that it is considering divesting its real estate consulting operations while staying committed to the further development of real estate fund management business.

Group turnover and result in 2010

The Group's turnover increased slightly compared to 2009 and totalled MEUR 38.2 in 2010 (2009: MEUR 36.3). Operating expenses increased and totalled MEUR 42.8 (MEUR 33.0). This increase was attributable to non-recurring expenses in the last quarter, which totalled MEUR 5.2, and personnel bonuses payable due to the good result in the last quarter. Of the non-recurring expenses MEUR 4.6 was related to the reorganization of technology investment operations. Operating expenses, excluding non-recurring items and result-related bonuses in the last quarter of the year, were at the level of the preceding quarters.

The Group's operating profit rose to MEUR 21.0 (MEUR 0.1). Operating profit excluding non-recurring items was MEUR 6.3. Financial income and expenses amounted to MEUR 0.6 (MEUR -0.2). CapMan's share of the profit of its associated companies increased clearly compared to 2009 and totalled MEUR 2.4 (MEUR 1.3). The positive fair value development related to the investment targets of the Maneq funds impacted the result of associated companies in particular. Profit before taxes was MEUR 23.9 (MEUR 1.2) and profit after taxes was MEUR 17.6 (MEUR 0.1).

Profit attributable to the owners of the parent company was MEUR 17.3 (MEUR -0.2). Earnings per share were 17.7 cents (-3.0 cents).

A quarterly breakdown of turnover and profit, together with turnover, operating profit/loss, and profit/loss by segment for the review period, can be found in the tables section of this report.



Management Company business

Turnover generated by the Management Company business during the review period totalled MEUR 38.2 (MEUR 36.3). Management fees were comparable to 2009 and amounted to MEUR 32.9 (MEUR 33.3).

Income from real estate consulting was lower than in 2009 and totalled MEUR 1.6 (MEUR 2.4). The aggregate total of management fees and income from real estate consulting was MEUR 34.5 (MEUR 35.7).

Carried interest income totalled MEUR 2.6 (MEUR 0.0) and came mainly from the Finnventure V fund following its exit from the financial administration services company, Pretax, and its sale of the shares in the American company, On2 Technologies, that the fund received when exiting Hantro Products Oy in 2007.

The Management Company business recorded an operating profit of MEUR 18.9 (MEUR 3.7) and a profit of MEUR 14.1 (MEUR 3.7).

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

Fund Investment business

Fair value changes related to fund investments in 2010 were MEUR 2.7 (MEUR -3.3) and represented a 4.2% increase in value over 2010 (a 5.4% decrease in value in 2009). Changes during the last quarter were MEUR 1.1 (MEUR 0.9), equivalent to a 1.6% increase in value over the period (a 1.5% increase in value in October-December 2009). The development of individual portfolio companies, as well as changes in the market capitalisation of their listed peers, impacted fair value development. The aggregate fair value of fund investments as of 31 December 2010 was MEUR 66.5 (31 December 2009: MEUR 59.4).

Operating profit for the Fund Investment business was MEUR 2.1 (MEUR -3.6) and the profit for the period was MEUR 3.5 (MEUR -3.6). Profit performance benefited from CapMan's share of the result of its Maneq associated companies. Changes in the fair value of investments made by Maneq companies also made a contribution.

CapMan made new investments in its funds totalling MEUR 11.8 (MEUR 13.0) during the year. The majority of these investments were made in the CapMan Buyout IX, CapMan Public Market, CapMan Life Science IV and CapMan Buyout VIII funds. CapMan received distributions from funds totalling MEUR 6.8 (MEUR 0.6). The majority of this capital was received following exits made by the CapMan Equity VII, CapMan Buyout VIII, CapMan Mezzanine IV, and CapMan Public Market funds. CapMan gave a new MEUR 5 commitment to the CapMan Mezzanine V fund in the third quarter.

The amount of remaining commitments totalled MEUR 36.3 as of 31 December 2010 (31.12.2009: MEUR 42.6). The aggregate fair value of existing investments and remaining commitments as of 31 December 2010 was MEUR 102.8 (MEUR 102.0). CapMan's objective is to invest 1-5% of the original capital in the new funds that it manages, depending on fund size, fund demand, 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 investment capacity by investment area are presented in the tables section.

Balance sheet and financial position as of 31 December 2010

CapMan's balance sheet totalled MEUR 155.8 as of 31 December 2010 (31.12.2009: MEUR 142.0). Non-current assets amounted to MEUR 112.7 (MEUR 112.1). The carrying amount of goodwill was adjusted by MEUR 3.8 as a result of the write-down on the reorganisation of technology operations. Goodwill stood at MEUR 6.4 at year-end (MEUR 10.2).

Fund investments booked at fair value rose to MEUR 66.5 (MEUR 59.4). Long-term receivables amounted to MEUR 24.8 (MEUR 25.3), of which MEUR 24.2 (MEUR 23.5) 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, and Maneq funds pay market rate interest on loans they receive from CapMan Plc.



Current assets amounted to MEUR 39.6 (MEUR 29.9). Liquid assets (cash in hand and at banks, plus other financial assets at fair value through profit and loss) increased as a result of the Access transaction and amounted to MEUR 35.0 (MEUR 19.7).

The size of CapMan's hybrid bond stands at MEUR 29.0. Interest on the hybrid bond totalling MEUR 3.2 was paid in 2010, and it was deducted from equity in line with the terms of the loan. CapMan Plc had a bank financing package of MEUR 50.6 (MEUR 56.9) available as of 31 December 2010, of which MEUR 40.6 (MEUR 46.9) was utilised. Trade and other payables totalled MEUR 17.4 (MEUR 12.2). The Group's interest-bearing net debts amounted to MEUR 6.6 (MEUR 27.3).

The Group's cash flow from operations totalled MEUR 6.0 (MEUR -1.8). Income from fund management fees is paid semi-annually, in January and July, and is shown under working capital in the cash flow statement. Cash flow from investments totalled MEUR 20.0 (MEUR -15.1) and is related, in addition to fund investments and repaid capital received by the company, to MEUR 21.0 received from the Access transaction. Cash flow before financing totalled MEUR 26.0 (MEUR -16.9), while cash flow from financing was MEUR -9.9 (MEUR 10.6). Cash flow from financing includes the MEUR 3.7 dividend paid in April.

Key figures as of 31 December 2010

CapMan's equity ratio as of 31 December 2010 was 58.5% (31.12.2009: 55.1%). Return on equity was 20.8% (0.2%) and return on investment was 19.7% (2.8%). Non-recurring items excluded, the return on equity was 8.7% and return on investment was 6.7%. The target level for the company's equity ratio was at least 50% and at least 25% for return on equity in 2010.

Key figures

| | 31.12.10 | 31.12.09 |
|---|------------|------------|
| Earnings per share, cents | 17.7 | -3.0 |
| Diluted, cents | 17.7 | -3.0 |
| Shareholders' equity / share, cents * | 107.7 | 94.2 |
| Share issue adjusted number of shares | 84,255,467 | 83,015,987 |
| Number of shares at the end of period | 84,281,766 | 84,281,766 |
| Number of shares outstanding | 84,255,467 | 84,255,467 |
| Company's possession of its own shares, end of period | 26,299 | 26,299 |
| Return on equity, % | 20.8 | 0.2 |
| Return on investment, % | 19.7 | 2.8 |
| Equity ratio, % | 58.5 | 55.1 |
| Net gearing, % | 7.3 | 34.8 |

* In line with IFRS standards, the MEUR 29.0 hybrid bond has been included in equity, also when calculating equity per share. The net interest on the hybrid bond for the review period has been included when calculating earnings per share.

Board's proposal for distribution of profit

CapMan Plc's goal is to distribute at least 50% of net profit as dividends. CapMan Plc's distributable assets amounted to MEUR 17.4 on 31 December 2010 (MEUR 10.5 on 31 December 2009). CapMan Plc's Board of Directors will propose to the Annual General Meeting to be held on 30 March 2011 that a dividend of EUR 0.12 per share should be paid from distributable assets to shareholders, equivalent to a total of MEUR 10.1. A dividend of EUR 0.04 per share was paid for 2009.



Fundraising in 2010 and capital under management as of 31 December 2010

Capital under management refers to the remaining investment capacity of funds and capital already invested at acquisition cost. CapMan's goal has been to increase its capital under management by an average of 15% a year. Capital increases as fundraising for new funds progresses and declines as exits are made.

The fundraising market remained challenging throughout 2010. According to Preqin's preliminary data for 2010, a total of USD 37 billion was committed to European buyout and growth funds in 2010, which is 42% less than in the level seen in 2009.*

CapMan established its first project-specific hotel fund CapMan Yrjönkatu 17 Ky on 22 November 2010. The size of the fund is MEUR 13, and it has invested in a hotel property located at Yrjönkatu 17 in central Helsinki. CapMan intends setting up 5-10 project-specific hotel funds, each of which will invest in between one to four hotels, over the next five years.

The CapMan Mezzanine V fund held its first closing at MEUR 60 on 23 September 2010. CapMan's commitment to the fund is MEUR 5. The target size of the new fund is MEUR 150, or approximately half the size of the CapMan Buyout IX fund. The two funds will mainly invest in the same companies.

The CapMan Buyout IX fund held its final closing on 30 June 2010 and reached a final size of MEUR 294.6. In addition, the investment capacity of the CapMan Hotels RE fund rose during the first quarter from MEUR 872.5 to MEUR 950.0 when debt financing was increased to the maximum amount allowed under the fund's terms.

The operations of the Finnventure Rahasto II Ky, Finnventure Rahasto III Ky, and Finnventure Rahasto III G funds ended during the review period when the funds in question exited their last remaining portfolio company, Oy Turo Tailor Ab. As a result of the reorganisation of technology investment operations, the size of the CapMan Technology 2007 fund decreased from MEUR 142.3 to MEUR 99.6.

Capital under management remained at a comparable level to 2009 and totalled MEUR 3,535.4 as of 31 December 2010 (31.12.2009: MEUR 3,504.3). Of this, MEUR 1,794.6 (MEUR 1,845.3) was held in funds making investments in portfolio companies and MEUR 1,740.8 (MEUR 1,659.0) in real estate funds.

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

Other events during the review period

Funds managed by CapMan signed an agreement in December to sell OneMed Group Oy to 3i and the company's management. As CapMan is a substantial investor in funds that exited from OneMed, the impact of the transaction on CapMan's cash flow is expected to be approx. MEUR 13 in 2011. The transaction is expected to be closed in February 2011.

CapMan finalised the transfer of its own fund investments and remaining commitments to CapMan Fund Investments SICAV-SIF at the end of 2010. The transfers were initiated in 2009.

Changes in the company's management

Niko Haavisto was appointed CapMan Plc's CFO and a member of the Management Group on 28 January 2010 and took up these positions on 26 April 2010. Lennart Simonsen was appointed CapMan Plc's CEO and a Senior Partner on 30 March 2010 and took up these positions as of 1 June 2010. CapMan Group's HR Director and member of the Management Group, Hilikka-Maija Katajisto, resigned in September 2010.

CapMan announced changes in the company's Management Group on 5 November 2010. CapMan Plc's Management Group at the end of 2010 comprised: CEO Lennart Simonsen, CFO Niko Haavisto, Head of Investor Services Jerome Bouix, Head of CapMan Buyout Kai Jordahl, Head of CapMan Russia Hans Christian Dall Nygård, Head of CapMan Public Market Joakim Rubin and Deputy Head of CapMan Real Estate Mika Matikainen.

Personnel

CapMan employed a total of 150 people as of 31 December 2010 (31.12.2009: 150), of whom 103 (107) worked in Finland and the remainder in the other Nordic countries, Russia, and Luxembourg. A breakdown of personnel by country and team is presented in the tables section.



Authorisations held by the Board of Directors

Following a decision by the Annual General Meeting, CapMan Plc's Board of Directors is authorised to purchase CapMan shares and accept them as pledges, and decide on a share issue and the issuance of stock option rights and other entitlements related to CapMan shares. These authorisations will remain in force until 30 June 2011.

Shares and share capital

There were no changes in either CapMan Plc's share capital or the number of shares during the review period. Share capital as of 31 December 2010 totalled EUR 771,586.98. B shares totalled 78,281,766 and A shares 6,000,000.

B shares entitle holders to one vote per share and A shares to 10 votes per share.

Shareholders

CapMan Plc had 4,834 shareholders as of 31 December 2010 (31.12.2009: 4,774). CapMan Plc issued a flagging notice on 14 December 2010 when the holding of the Belgian private equity company Gimv N.V. exceeded one-tenth (1/10) of the company's shares and one-twentieth (1/20) of voting rights following a share transaction concluded on 10 December 2010.

Company shares

As of 31 December 2010, CapMan Plc held a total of 26,299 CapMan Plc B shares. There were no changes in the number of shares held by CapMan Plc in 2010.

Stock option programmes

As of 31 December 2010, CapMan Plc had one stock option programme in place – Option Programme 2008 – as part of incentive and commitment arrangements for personnel. The maximum number of stock options issued under 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 programme is divided into A and B series, both of which cover a maximum of 2,135,000 option entitlements. The subscription period for 2008A options will start on 1 May 2011 and for 2008B options on 1 May 2012. Receivables from shares subscribed using these options will be entered in the company's invested unrestricted shareholders' equity. At the end of year 2010, 2,018,500 of 2008A stock option entitlements and 1,820,000 of 2008B stock option entitlements were allocated.

Trading and market capitalisation

CapMan Plc's B shares closed at EUR 1.78 on 31 December 2010 (31.12.2009: EUR 1.34). The average price during the 2010 was EUR 1.57 (EUR 1.10). The highest price paid was EUR 1.98 (EUR 1.63) and the lowest EUR 1.28 (EUR 0.77). A total of 14.1 million (16.9 million) CapMan Plc B shares were traded, valued at MEUR 22.0 (MEUR 19.2).

The market capitalisation of CapMan Plc B shares as of 31 December 2010 was MEUR 139.3 (MEUR 104.9). The market capitalisation of all company shares, including A shares valued at the closing price of B shares, was MEUR 150.0 (MEUR 112.9).

Publication of the Financial Statements and Report of the Board of Directors, and Annual General Meeting for 2011

The key details of CapMan Plc Group's Financial Statements and the Report of the Board of Directors for 2010 will be published in the company's Annual Report in week 10. Complete Financial Statements, Report of the Board of Directors, and other financial statement documents required by the Finnish Companies Act will be available on CapMan's website on 9 March 2011, at the latest. CapMan Plc's 2011 Annual General Meeting will be held on Wednesday 30 March 2011 at 10.00 am in Helsinki.



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 for 2010 in week 10 and will be available also on the company's website.

Significant risks and short-term uncertainties

CapMan's Management Company business is generally profitable on an annual basis, but a major element of uncertainty is associated with forecasting the company's overall financial performance because of the timing of revenue generated from possible carried interest and the development of the fair value of portfolio companies. Structural changes in the Nordic region's export industries could have a negative impact on the operations of some portfolio companies and their profitability. The fundraising environment is expected to remain challenging, for the next 12 months at least, which could impact the outcome of fundraising during this period, the amount of capital under management, and any new management fees that CapMan could receive.

Business environment

The prospects for growth in the demand for alternative assets continue to remain good over the long term. The financial recession and its impact have clearly slowed growth in the alternative asset class, however. A recent study by Preqin** indicates that the fundraising market is expected to remain difficult in 2011. Over half of the institutional investors that took part in the study expect to increase their investments in private equity funds in 2011 compared to 2010, which indicates that a gradual improvement could take place in 2011. A more dynamic buyout and M&A market, together with capital repaid through exits, supports this development. The interest of international investors is currently focused primarily on small and mid-cap buyout funds.

Private equity has consolidated its position in financing M&A activities and growth, and continues to focus typically on sector consolidation, family successions, and the privatisation of public services and functions. Increased entrepreneurial activity has also boosted growth. Real estate funds, for their part, have gained an established share of institutional investors' investment allocations.

CapMan funds investing in portfolio companies will continue to implement their investment strategies. Bank financing for both mergers and acquisitions and real estate investments is at a good level, and the volume of deal flow has remained good across all our investment areas. The portfolios of our funds contain a number of investments which CapMan is now ready to exit from.

The development of our portfolio companies during the review period was largely good, and profit and growth projections for 2011 as a whole are positive. In accordance with IPEVG criteria, the fair value development of portfolio companies will also be impacted by how well listed companies are able to deliver on their profit projections and by how the currencies used in our areas of operations perform against the euro. We plan to keep sufficient reserves in our funds to support the growth and financing of our companies. Long-term cooperation with the Nordic banks is particularly important for us, and has worked well.

Value and number of real estate transactions remained at a moderate level during 2010 due to limited number of international investors in particular. Significant part of the transactions was carried out between Finnish, mainly institutional investors. Interest towards Finnish real estate market by international investors is, however, clearly increasing. For the present their interest has mainly focused on prime properties with a lower risk ratio, which have had a relatively limited availability on the market. Along with the increased demand, rising yield expectations have tailed off and property valuation levels have slightly risen especially in properties with a low level of lease-related cash flow risk. We expect the number of real estate transactions to increase during the spring 2011. Occupancy rates for office premises have continued to be satisfactory and there have been signs of recovery in the demand. Despite this development, the occupancy rates for office premises are expected to fall in Greater Helsinki, which creates pressure to rental levels. Retail sector grew by almost 4% in 2010, which had a positive effect especially on the number of visitors and sales of large shopping centres. The positive development in shopping centres is expected to continue also in 2011.

CapMan funds investing in portfolio companies have some MEUR 700 available for making new and add-on investments, while real estate funds have approximately MEUR 335 of investment capacity, mainly for developing their existing portfolios.



The European Parliament adopted the European Directive on Alternative Investment Fund Managers (AIFM directive) in November 2010. The directive is expected to come into force in the second quarter of 2011, after which member states will have 24 months to integrate the directive into national legislation. The directive will stipulate an operating license for participants, as well as other significant requirements, including fund investor and authority reporting. Thanks to its organisation and operating model, CapMan is in a good position to meet the challenge these new regulations represent.

Future outlook

Management fees are expected to fall behind the 2010 level in 2011 as a result of exits decreasing the management fee base and significant new fundraising rounds taking place for the main part in 2012. Following the restructuring made in 2010 also operating expenses will decrease, but proportionally less than management fees. We continue to build our organisation to ensure growth in our key investment areas. Management fees do not fully cover our operating expenses in 2011.

Exit negotiations are under way in respect of a number of companies in the portfolios of CapMan funds. 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 2011-2012. The development of the fair value of fund investments will depend on the development of portfolio companies and the general market situation; we expect fair value development to be positive in 2011.

We expect operating profit for 2011 to slightly exceed the 2010 operating profit, which was MEUR 6.3 excluding non-recurring items.

CapMan Plc Group will publish its Interim Report for 1 January - 31 March 2011 on Wednesday, 4 May 2011.

Helsinki, 4 February 2011

CAPMAN PLC

Board of Directors

Press conference:

A press conference (in Finnish) for analysts and the media will be held today at 12.00 EET in CapMan's offices at Korkeavuorenkatu 32, Helsinki, Finland, at which CapMan's CEO Lennart Simonsen 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 website once the conference has started.

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* Preqin, January 2011.

** Preqin Investor Outlook: Private Equity, 2011.

Appendices (after the tables section):

Appendix 1: CapMan Plc Group's funds under management as of 31 December 2010, MEUR

Appendix 2: Operations of CapMan's funds under management, 1 January – 31 December 2010



Accounting principles

The Financial Statements Bulletin has been prepared in accordance with the International Financial Standards (IFRS) and is in conformity with the accounting policies published in the 2009 financial statements. The information presented in the Financial Statements Bulletin is un-audited.

GROUP STATEMENT OF COMPREHENSIVE INCOME (IFRS)

| € ('000) | 1-12/10 | 1-12/09 |
|--|----------------|---------|
| Turnover | 38,150 | 36,257 |
| Other operating income | 22,963 | 137 |
| Personnel expenses | -25,241 | -18,464 |
| Depreciation and amortisation | -884 | -957 |
| Impairment of goodwill | -3,839 | -700 |
| Other operating expenses | -12,835 | -12,845 |
| Fair value gains / losses of investments | 2,707 | -3,322 |
| Operating profit | 21,021 | 106 |
| Financial income and expenses | 560 | -185 |
| Share of associated companies' result | 2,358 | 1,293 |
| Profit before taxes | 23,939 | 1,214 |
| Income taxes | -6,383 | -1,076 |
| Profit for the period | 17,556 | 138 |
| Other comprehensive income: | | |
| Translation differences | 461 | 270 |
| Total comprehensive income | 18,017 | 408 |
| Profit / loss attributable to: | | |
| Equity holders of the company | 17,328 | -210 |
| Non-controlling interests | 228 | 348 |
| Total comprehensive income attributable to: | | |
| Equity holders of the company | 17,789 | 60 |
| Non-controlling interests | 228 | 348 |
| Earnings per share for profit/loss attributable to the equity holders of the Company: | | |
| Earnings per share, cents | 17.7 | -3.0 |
| Diluted, cents | 17.7 | -3.0 |

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



GROUP BALANCE SHEET (IFRS)€ ('000) **31.12.10** 31.12.09**ASSETS****Non-current assets**

| | | |
|---|----------------|---------|
| Tangible assets | 602 | 838 |
| Goodwill | 6,406 | 10,245 |
| Other intangible assets | 2,424 | 2,972 |
| Investments in associated companies | 6,400 | 6,547 |
| Investments at fair value through profit and loss | | |
| Investments in funds | 66,504 | 59,421 |
| Other financial assets | 619 | 585 |
| Receivables | 24,778 | 25,304 |
| Deferred income tax assets | 4,923 | 6,177 |
| | 112,656 | 112,089 |

Current assets

| | | |
|--|---------------|--------|
| Trade and other receivables | 4,619 | 10,291 |
| Other financial assets at fair value through profit and loss | 980 | 1,673 |
| Cash and bank | 34,049 | 17,978 |
| | 39,648 | 29,942 |

| | | |
|----------------------------------|--------------|---|
| Non-current assets held for sale | 3,501 | 0 |
|----------------------------------|--------------|---|

| | | |
|---------------------|----------------|---------|
| Total assets | 155,805 | 142,031 |
|---------------------|----------------|---------|

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

| | | |
|------------------------|---------------|--------|
| Share capital | 772 | 772 |
| Share premium account | 38,968 | 38,968 |
| Other reserves | 38,679 | 37,347 |
| Translation difference | 69 | -392 |
| Retained earnings | 12,241 | 1,097 |
| | 90,729 | 77,792 |

| | | |
|----------------------------------|------------|-----|
| Non-controlling interests | 273 | 413 |
|----------------------------------|------------|-----|

| | | |
|---------------------|---------------|--------|
| Total equity | 91,002 | 78,205 |
|---------------------|---------------|--------|

Non-current liabilities

| | | |
|---------------------------------------|---------------|--------|
| Deferred income tax liabilities | 3,078 | 1,824 |
| Interest-bearing loans and borrowings | 35,371 | 41,779 |
| Other liabilities | 1,331 | 1,137 |
| | 39,780 | 44,740 |



| | | |
|---------------------------------------|----------------|---------|
| Current liabilities | | |
| Trade and other payables | 17,395 | 12,227 |
| Interest-bearing loans and borrowings | 6,250 | 6,250 |
| Current income tax liabilities | 1,378 | 609 |
| | 25,023 | 19,086 |
| Total liabilities | 64,803 | 63,826 |
| Total equity and liabilities | 155,805 | 142,031 |

GROUP STATEMENT OF CHANGES IN EQUITY

| € ('000) | Attributable to the equity holders of the Company | | | | | | Non-controlling interest | Total equity |
|------------------------------------|---|-----------------------|----------------|-------------------------|-------------------|---------------|--------------------------|---------------|
| | Share capital | Share premium account | Other reserves | Translation differences | Retained earnings | Total | | |
| Equity on 31 Dec 2008 | 772 | 38,968 | 25,829 | -226 | 3,585 | 68,928 | 221 | 69,149 |
| Options | | | | | -50 | -50 | | -50 |
| Share subscriptions with options | | | 723 | | | 723 | | 723 |
| Dividends paid | | | | | | 0 | -46 | -46 |
| Share issue | | | 1,795 | | | 1,795 | | 1,795 |
| Hybrid bond | | | 9,000 | | | 9,000 | | 9,000 |
| Hybrid bond, interest (net of tax) | | | | | -2,228 | -2,228 | | -2,228 |
| Other changes | | | | -436 | | -436 | -110 | -546 |
| Comprehensive profit / loss | | | | 270 | -210 | 60 | 348 | 408 |
| Equity on 31 Dec 2009 | 772 | 38,968 | 37,347 | -392 | 1,097 | 77,792 | 413 | 78,205 |
| Equity on 31 Dec 2009 | 772 | 38,968 | 37,347 | -392 | 1,097 | 77,792 | 413 | 78,205 |
| Options | | | 1,332 | | -729 | 603 | | 603 |
| Dividends paid | | | | | -3,370 | -3,370 | -309 | -3,679 |
| Hybrid bond, interest (net of tax) | | | | | -2,414 | -2,414 | | -2,414 |
| Other changes | | | | | 329 | 329 | -59 | 270 |
| Comprehensive profit | | | | 461 | 17,328 | 17,789 | 228 | 18,017 |
| Equity on 31 Dec 2010 | 772 | 38,968 | 38,679 | 69 | 12,241 | 90,729 | 273 | 91,002 |

STATEMENT OF CASH FLOW (IFRS)

| € ('000) | 1-12/10 | 1-12/09 |
|---|---------------|---------|
| Cash flow from operations | | |
| Profit for the financial year | 17,556 | 138 |
| Adjustments | -15,958 | 5,352 |
| Cash flow before change in working capital | 1,598 | 5,490 |
| Change in working capital | 9,003 | -3,463 |
| Financing items and taxes | -4,580 | -3,825 |
| Cash flow from operations | 6,021 | -1,798 |
| Cash flow from investments | 19,979 | -15,105 |
| Cash flow before financing | 26,000 | -16,903 |
| Dividends paid | -3,679 | -46 |
| Other net cash flow | -6,250 | 10,597 |
| Financial cash flow | -9,929 | 10,551 |
| Change in cash funds | 16,071 | -6,352 |
| Cash funds at start of the period | 17,978 | 24,330 |
| Cash funds at end of the period | 34,049 | 17,978 |

Segment information

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

| 1-12/2010 | Management Company business | | | Fund Investment business | Total |
|-------------------------------------|-----------------------------|--------------------|--------|--------------------------|---------|
| | CapMan Private Equity | CapMan Real Estate | Total | | |
| € ('000) | | | | | |
| Turnover | 29,745 | 8,405 | 38,150 | 0 | 38,150 |
| Operating profit/loss | 19,844 | -908 | 18,936 | 2,085 | 21,021 |
| Profit/loss for the financial year | 15,326 | -1,235 | 14,091 | 3,465 | 17,556 |
| Assets | 9,272 | 1,519 | 10,791 | 101,865 | 112,656 |
| Total assets includes: | | | | | |
| Investments in associated companies | 0 | 0 | 0 | 6,400 | 6,400 |
| Non-current assets held for sale | 3,501 | 0 | 3,501 | 0 | 3,501 |



| 1-12/2009 | Management Company business | | | Fund Investment business | Total |
|-------------------------------------|-----------------------------|--------------------------|--------|--------------------------------|---------|
| | CapMan Private Equity | CapMan Real Estate | Total | | |
| € ('000) | | | | | |
| Turnover | 27,263 | 8,994 | 36,257 | 0 | 36,257 |
| Operating profit/loss | 3,128 | 547 | 3,675 | -3,569 | 106 |
| Profit/loss for the financial year | 3,197 | 544 | 3,741 | -3,603 | 138 |
| Assets | 17,528 | 1,272 | 18,800 | 93,289 | 112,089 |
| Total assets includes: | | | | | |
| Investments in associated companies | 1,962 | 0 | 1,962 | 4,585 | 6,547 |

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

A dividend of EUR 0.04 per share, total MEUR 3.4, was paid for the year 2009. (No dividend was paid for the year 2008.)

Non-current assets

| € ('000) | 31.12.10 | 31.12.09 |
|--|-----------------|-----------------|
| Investments in funds at fair value through profit and loss at Jan 1 | 59,421 | 53,147 |
| Additions | 11,822 | 13,038 |
| Distributions | -6,759 | -586 |
| Disposals | 0 | -3,616 |
| Fair value gains/losses on investments | 2,020 | -2,562 |
| Investments in funds at fair value through profit and loss at end of the period | 66,504 | 59,421 |
| Investments in funds at fair value through profit and loss at the end of period | 31.12.10 | 31.12.09 |
| Buyout | 36,933 | 34,233 |
| Technology | 5,278 | 3,616 |
| Life Science | 4,794 | 3,683 |
| Russia | 1,488 | 1,049 |
| Public Market | 3,610 | 3,422 |
| Mezzanine | 4,238 | 4,000 |
| Other | 235 | 364 |
| Real Estate | 5,302 | 4,296 |
| Access | 4,626 | 4,758 |
| Total | 66,504 | 59,421 |



Transactions with related parties (associated companies)

| € ('000) | 31.12.10 | 31.12.09 |
|---|----------|----------|
| Receivables - non-current at end of review period | 23,126 | 22,598 |
| Receivables - current at end of review period | 765 | 779 |

Non-current liabilities

| € ('000) | 31.12.10 | 31.12.09 |
|--|----------|----------|
| Interest bearing loans at end of review period | 35,371 | 40,625 |

Seasonal nature of CapMan's 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 | 31.12.10 | 31.12.09 |
|------------|----------|----------|
| Finland | 103 | 107 |
| Denmark | 3 | 3 |
| Sweden | 22 | 21 |
| Norway | 7 | 7 |
| Russia | 14 | 12 |
| Luxembourg | 1 | 0 |
| In total | 150 | 150 |

By team

| | | |
|-----------------------|-----|-----|
| CapMan Private Equity | 64 | 61 |
| CapMan Real Estate | 43 | 42 |
| Investor Services | 22 | 23 |
| Internal Services | 21 | 24 |
| In total | 150 | 150 |

Contingent liabilities

| € ('000) | 31.12.10 | 31.12.09 |
|---|----------|----------|
| Leasing agreements | 9,191 | 10,927 |
| Securities and other contingent liabilities | 68,146 | 68,164 |
| Remaining commitments to funds | 36,299 | 42,624 |

Remaining commitments by investment area

| | | |
|---------------|--------|--------|
| Buyout | 15,910 | 20,967 |
| Technology | 4,634 | 5,486 |
| Life Science | 2,287 | 4,160 |
| Public Market | 1,443 | 2,669 |
| Russia | 3,225 | 4,067 |
| Mezzanine | 5,069 | 910 |
| Other | 493 | 510 |
| Real Estate | 1,215 | 1,582 |
| Access | 2,023 | 2,273 |
| In total | 36,299 | 42,624 |



Turnover and profit quarterly

| 2010 MEUR | 1-3/10 | 4-6/10 | 7-9/10 | 10-12/10 | 1-12/10 |
|--|--------|--------|--------|----------|--------------|
| Turnover | 11,4 | 9,6 | 8,7 | 8,5 | 38,2 |
| Management fees | 8,4 | 8,9 | 7,9 | 7,7 | 32,9 |
| Carried interest | 2,4 | 0,1 | 0,1 | 0,0 | 2,6 |
| Real Estate consulting | 0,4 | 0,4 | 0,4 | 0,4 | 1,6 |
| Other income | 0,2 | 0,2 | 0,3 | 0,4 | 1,1 |
| Other operating income | 0,1 | 0,0 | 0,0 | 22,9 | 23,0 |
| Operating expenses | -8,3 | -8,6 | -8,5 | -17,4 | -42,8 |
| Fair value gains / losses of investments | 1,1 | -0,7 | 1,3 | 1,0 | 2,7 |
| Operating profit / loss | 4,3 | 0,2 | 1,5 | 15,0 | 21,0 |
| Financial income and expenses | -0,1 | 0,1 | 0,2 | 0,4 | 0,6 |
| Share of associated companies' result | 0,8 | 1,1 | 0,6 | -0,1 | 2,4 |
| Profit / loss before taxes | 5,0 | 1,4 | 2,2 | 15,3 | 23,9 |
| Profit / loss for the period | 3,5 | 1,7 | 1,8 | 10,6 | 17,6 |

| 2009 MEUR | 1-3/09 | 4-6/09 | 7-9/09 | 10-12/09 | 1-12/09 |
|--|--------|--------|--------|----------|---------|
| Turnover | 8,1 | 8,7 | 9,5 | 10,0 | 36,3 |
| Management fees | 7,4 | 8,2 | 9,0 | 8,7 | 33,3 |
| Carried interest | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Real Estate consulting | 0,6 | 0,4 | 0,3 | 1,1 | 2,4 |
| Other income | 0,1 | 0,1 | 0,2 | 0,2 | 0,6 |
| Other operating income | 0,0 | 0,1 | 0,0 | 0,0 | 0,1 |
| Operating expenses | -8,4 | -8,1 | -7,9 | -8,6 | -33,0 |
| Fair value gains / losses of investments | -4,3 | -0,3 | 0,4 | 0,9 | -3,3 |
| Operating profit | -4,7 | 0,5 | 2,0 | 2,3 | 0,1 |
| Financial income and expenses | -0,5 | 0,3 | -0,2 | 0,2 | -0,2 |
| Share of associated companies' result | 0,6 | -1,8 | 0,3 | 2,2 | 1,3 |
| Profit after financial items | -4,6 | -1,0 | 2,2 | 4,6 | 1,2 |
| Profit for the period | -3,7 | -1,3 | 2,0 | 3,1 | 0,1 |

APPENDIX 1: CAPMAN PLC GROUP'S FUNDS UNDER MANAGEMENT AS OF 31 DECEMBER 2010, MEUR

The tables below show the status of funds managed by CapMan as of 31 December 2010. When analysing the schedule for funds to start generating carried interest, the relationship between the cumulative cash flows already distributed 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 of the tables below 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 be returned to investors before further carried interest income can be paid.

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) | |
| Funds generating carried interest | | | | | | | | |
| Fenno Program 1) and FM II B, in total | 76.0 | 74.7 | 8.1 | 7.4 | 0.4 | 145.0 | 9.3 | 10-20% |
| FV V | 169.9 | 165.4 | 34.6 | 16.4 | 0.9 | 249.5 | 7.8 | 20% |
| Total | 245.9 | 240.1 | 42.7 | 23.8 | 1.3 | 394.5 | 17.1 | |
| Funds that are expected to transfer to carry during 2011–2012 | | | | | | | | |
| CME VII A | 156.7 | 152.8 | 86.0 | 94.1 | 23.2 | 115.5 | | 20% |
| CME VII B | 56.5 | 56.5 | 32.5 | 40.4 | 13.1 | 50.8 | | 20% |
| CME SWE | 67.0 | 66.4 | 36.8 | 40.3 | 10.0 | 49.7 | | 20% |
| FM III A | 101.4 | 100.6 | 29.0 | 22.5 | 3.2 | 115.4 | | 20% |
| FM III B | 20.2 | 19.9 | 5.6 | 6.9 | 0.9 | 23.8 | | 20% |
| Total | 401.8 | 396.2 | 189.9 | 204.2 | 50.4 | 355.2 | | |
| Other funds not yet in carry | | | | | | | | |
| CME VII C | 23.1 | 19.8 | 11.5 | 8.9 | 0.1 | 8.2 | | 20% |
| CMB VIII 2) | 440.0 | 355.3 | 300.3 | 278.8 | 0.7 | 12.2 | | 14% |
| CM LS IV | 54.1 | 41.8 | 30.8 | 25.5 | 0.3 | | | 10% |
| CMT 2007 2) | 99.6 | 63.7 | 43.9 | 42.4 | 0.4 | | | 10% |
| CMR | 118.1 | 49.8 | 38.2 | 31.0 | 0.4 | | | 3.4% |
| CMPM | 138.0 | 98.8 | 76.2 | 99.5 | 0.4 | 46.8 | | 10% |
| CMB IX | 294.6 | 103.4 | 91.9 | 99.3 | 0.3 | | | 10% |
| CMM IV 4) | 240.0 | 230.0 | 160.7 | 159.3 | 17.0 | 78.1 | | 15% |
| CMM V | 60.0 | 9.9 | 9.0 | 9.5 | 0.3 | | | 10% |
| Total | 1,467.5 | 972.5 | 762.5 | 754.2 | 19.9 | 145.3 | | |
| Funds with no carried interest potential to CapMan | | | | | | | | |
| FM III C, FV IV, FV V ET, SWE LS 3), SWE Tech 2), 3) and FM II A, C, D 2) | | | | | | | | |
| Total | 315.6 | 301.6 | 62.2 | 38.7 | 4.7 | 214.0 | | |
| Funds investing in portfolio companies, total | 2,430.8 | 1,910.4 | 1,057.3 | 1,020.9 | 76.3 | 1,109.0 | 17.1 | |



REAL ESTATE FUNDS

| | Original investment capacity | Paid-in capital | Fund's current portfolio | | Net cash assets | Distributed cash flow | | CapMan's share of cash flow, if fund generates carried interest |
|---------------------------------|------------------------------|-----------------|--------------------------|----------------|-----------------|-----------------------|--|---|
| | | | at cost | at fair value | | to investors | to management company (carried interest) | |
| Funds not yet in carry | | | | | | | | |
| CMRE I 5) | | | | | | | | |
| Equity and bonds | 200.0 | 188.5 | 66.7 | 51.3 | | 195.2 | 27.4 | 26% |
| Debt financing | 300.0 | 277.2 | 98.0 | 98.0 | | | | |
| Total | 500.0 | 465.7 | 164.7 | 149.3 | -0.2 | 195.2 | 27.4 | |
| CMRE II | | | | | | | | |
| Equity | 150.0 | 95.9 | 106.8 | 92.9 | | 0.5 | | 12% |
| Debt financing | 450.0 | 246.4 | 231.5 | 231.5 | | | | |
| Total | 600.0 | 342.3 | 338.3 | 324.4 | -8.3 | 0.5 | | |
| CMHRE | | | | | | | | |
| Equity | 332.5 | 309.3 | 346.1 | 282.1 | | 21.1 | | 12% |
| Debt financing | 617.5 | 526.8 | 502.7 | 502.7 | | | | |
| Total | 950.0 | 835.8 | 848.8 | 784.8 | -9.2 | 21.1 | | |
| PSH Fund | | | | | | | | |
| Equity | 5.0 | 3.5 | 3.3 | 5.3 | | | | 10% |
| Debt financing | 8.0 | 8.0 | 8.0 | 8.0 | | | | |
| Total | 13.0 | 11.5 | 11.3 | 13.3 | 0.3 | | | |
| Real estate funds, total | 2,063.0 | 1,655.3 | 1,363.1 | 1,271.8 | -17.4 | 216.8 | 27.4 | |
| All funds, total | 4,493.8 | 3,565.7 | 2,420.4 | 2,292.7 | 58.9 | 1,325.8 | 44.5 | |

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 | PSH | = Project Specific Hotel Fund |
| CMPM | = CapMan Public Market Fund | SWE LS | = Swedestart Life Science |
| CMR | = CapMan Russia Fund | SWE Tech | = Swedestart Tech |



Explanation of the terminology used in the fund tables

Size/Original 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.

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), 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 separately in the table.

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

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

Cash flow, in this context, includes both profit distributed by 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 be returned to investors before any new distribution of profits can be paid.

Footnotes to the table

- 1) So-called "Old funds": Finnmezzanine Fund II B (established 1998, transferred to carry 2006). Fenno Fund (established 1997, transferred to carry 2005), Skandia I (established 1997, transferred to carry 2005) and Skandia II (established 1997, transferred to carry 2004) together form the Fenno Program, which is jointly managed with Fenno Management Oy.
- 2) The fund is comprised of two or more legal entities (parallel funds are presented separately only if the focus of their investment or portfolios differ significantly).
- 3) Currency items are valued at the average exchange rates quoted on 31 December 2010.
- 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 54.9 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 is no longer included in the category of funds in carry.

A total of some MEUR 6 of carried interest was not entered in CapMan's profit in 2007 and left in reserve to cover the possible need to return some of the carried interest to investors in the future.

- 6) CapMan Technology 2007: Further to the reorganisation of technology operations announced in November 2010, the size of CapMan Technology 2007 fund has been reduced by 30%.



APPENDIX 2: OPERATIONS OF CAPMAN'S FUNDS UNDER MANAGEMENT, 1 JANUARY – 31 DECEMBER 2010

In 2010, the operations of private equity funds managed by CapMan 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 included mid-sized buyout investments in the manufacturing industry and the service and retail sectors in the Nordic countries, technology investments in growth-stage and later growth-stage technology companies in the Nordic countries, life science investments in companies specialising in medical technology and healthcare services in the Nordic countries, investments in mid-sized companies operating in Russia, and investments in significant minority holdings in listed companies in the Nordic countries.

CAPMAN PRIVATE EQUITY

Investments in portfolio companies in 2010

CapMan funds made nine new investments, as well as several add-on investments, during the review period, investing MEUR 196.2 in all. Add-on investments accounted for just under a third of the total. The new investments were Bank Europeisky, Crane Technologies, Esperri Care Oy, Havator Oy, Hermelinen Hälsövärd AB, INR Aspen, Oy Lunawood AB, Swereco AB, and ÅF AB. Significant add-on investments were made in Komax Group Oy, Walki Group Oy, Northern Alliance Oy, Affecto PLC, Papa John's, Avelon Group Oy, Proxima AB and Profit Software. In 2009, funds made eight new investments and a number of add-on investments totalling MEUR 172.0.

Exists from portfolio companies in 2010

CapMan funds exited completely from 11 companies in 2010. Final exits were made from Exidio Oy, Foreca Oy, Gammadata Holding AB, Inflight Service AB, Index Pharmaceuticals AB, Inion Oy, Nobia AB, Oy Turo Tailor Ab, PacketFront Sweden AB, and Pretax Oy. In addition, funds sold the shares in US-based On2 Technologies that were received when exiting Hantro Products Oy in 2007.

Funds also sold their holdings in Farnos Holding Oy and made a partial exit from LUMENE Oy. Both transactions were partial exits for the funds from their investment in Orion's Noiro cosmetics unit (now Lumene) made in 2003. The funds made also a partial exit from MQ Sweden AB. Exits made in 2010 had a combined acquisition cost of MEUR 114.4. In 2009, complete exits were made from two companies and a partial exit from another, with a combined acquisition cost of MEUR 32.4.

Other events in 2010

The exit of CapMan funds from OneMed Group Oy was announced in December 2010. The transaction is expected to be closed in February 2011.

Events after the close of the review period

CapMan funds announced investments in Eastway Sound and Lightning Oy and Pohjolan Design-Talo Oy in January 2011. CapMan funds exited from Aerocrine AB, EM4, Inc, and Region Avia. A partial exit from Affecto PLC was also announced in January.

CAPMAN REAL ESTATE

Investments in and commitments to real estate acquisitions and projects in 2010

The CapMan Hotels RE fund invested in a property in the centre of Helsinki that is planned for conversion into a hotel. In addition, the fund made a significant add-on investment in the Rantasipi Airport Hotel in Vantaa. The CapMan RE II fund took a significant add-on investment decision to modernise and upgrade the Turun Centrum site in Turku. The project-specific hotel fund Yrjönkatu 17 Ky, established during the last quarter of 2010, acquired a hotel property located at Yrjönkatu 17 in central Helsinki. CapMan's real estate funds made a number of other add-on investments in existing properties. New and add-on investments totalled MEUR 45.6. Funds were committed to finance real estate acquisitions and projects valued at MEUR 45.0 as of 31 December 2010. In 2009, funds made three new investments and various add-on investments totalling MEUR 104.9. Commitments to finance new projects totalled MEUR 44.0 as of 31 December 2009.

Exits from real estate investments in 2010

The CapMan Real Estate I fund exited from Kiinteistö Oy Helsingin Kalevankatu 20 in Helsinki in 2010. The acquisition cost of the property was MEUR 8.7. The CapMan Real Estate I fund exited from an office property located at Ludviginkatu 3–5 in Helsinki in 2009. The acquisition cost of the property was MEUR 9.1.

FUND INVESTMENT ACTIVITIES IN FIGURES

Investments and exits made by funds at acquisition cost, MEUR

| | 1-12/2010 | 1-12/2009 | |
|--|--------------|-----------|------|
| New and add-on investments | | | |
| Funds investing in portfolio companies | 196.2 | 172.0 | |
| Buyout | 118.0 | | 80.4 |
| Technology | 18.2 | | 13.5 |
| Life Science | 10.0 | | 8.1 |
| Russia | 14.4 | | 7.1 |
| Public Market | 35.6 | | 62.9 |
| Real estate funds | 45.6 | 104.9 | |
| Total | 241.8 | 276.9 | |
| Exits* | | | |
| Funds investing in portfolio companies | 114.4 | 32.4 | |
| Buyout | 66.3 | | 16.8 |
| Technology | 17.3 | | 8.6 |
| Life Science | 11.7 | | 3.9 |
| Russia | - | | - |
| Public Market | 19.1 | | 3.1 |
| Real estate funds | 8.7 | 9.1 | |
| Total | 123.1 | 41.5 | |

* Including partial exits and repayments of mezzanine loans.

In addition, real estate funds had made commitments to finance real estate acquisitions and projects valued at MEUR 45.0 as of 31 December 2010.



Funds' aggregate combined portfolio* as of 31 December 2010, MEUR

| | Portfolio at acquisition cost | Portfolio at fair value | Share of portfolio (fair value) % |
|--|--|------------------------------------|--|
| Funds investing in portfolio companies | 1,057.3 | 1,020.9 | 44.5 |
| Real estate funds | 1,363.1 | 1,271.8 | 55.5 |
| Total | 2,420.4 | 2,292.7 | 100.0 |
| Funds investing in portfolio companies | | | |
| Buyout | 768.3 | 756.2 | 74.1 |
| Technology | 127.2 | 93.0 | 9.1 |
| Life Science | 47.4 | 41.2 | 4.0 |
| Russia | 38.2 | 31.0 | 3.0 |
| Public Market | 76.2 | 99.5 | 9.8 |
| Total | 1,057.3 | 1,020.9 | 100.0 |

* 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 700 for new and add-on investments as of 31 December 2010. Of their remaining capital, some MEUR 465 was earmarked for buyout investments (incl. mezzanine investments), some MEUR 80 for technology investments, some MEUR 20 for life science investments, some MEUR 80 for investments by the CapMan Russia team, and some MEUR 55 for investments by the CapMan Public Market team. Real estate funds had a remaining investment capacity amounting to some MEUR 335, which has largely been reserved for developing funds' existing investments.