

CapMan Plc Stock Exchange Release – 11 August 2011 at 8.30 a.m. EET

CapMan Plc Group's Interim Report, 1 January – 30 June 2011

Performance during the review period:

- Group turnover totalled MEUR 15.7 (January-June 2010: MEUR 21.0).
- The Group's operating profit was MEUR 9.2 (MEUR 4.5).
- The Management Company business recorded an operating profit of MEUR -0,9 (MEUR 4.2). The Fund Investment business recorded an operating profit of MEUR 10.1 (MEUR 0.3), of which exits accounted for approximately half.
- Profit before taxes was MEUR 12.0 (MEUR 6.4) and profit after taxes was MEUR 8.9 (MEUR 5.2).
- Profit attributable to the owners of the parent company was MEUR 8.7 (MEUR 5.1). Earnings per share were 8.9 cents (4.6 cents).
- Capital under management as of 30 June 2011 totalled MEUR 3,351.3 (30 June 2010: MEUR 3,541.0).
- Our guidance for 2011 remains unchanged. We expect CapMan's operating profit for 2011 to exceed the 2010 operating profit, mainly as a result of positive development in CapMan's own fund investments. CapMan recorded an operating profit of MEUR 6.3 excluding non-recurring items in 2010. Our guidance assumes that the drop in the current stock market valuations is partly temporary and will not impact the fair values of CapMan's own fund investments in full.

CEO Lennart Simonsen:

"We saw an overall good development in our portfolio companies resulting in a good fair value development of our own fund investments during the first half of the year. The M&A market picked up in the second quarter of the year, in terms of both increased quality deal flow and number of exit processes initiated by our funds. Our funds continue to have several exit processes ongoing both for portfolio companies and real estate, but their outcomes are difficult to forecast in the current market environment. The continued turmoil in the financial markets may decrease the visibility of both deal flow and bank financing during the rest of the year.

Fundraising market continues to be challenging despite some signs of recovery in the first half of the year. CapMan's significant new fundraising rounds will take place in 2012. The most visible simplification measure during the period was the sale of CapMan Real Estate's consulting business. We expect the cost saving effects of the simplification measures to be fully visible during 2012."

Business operations

CapMan is a private equity fund manager operating in the Nordic countries and Russia; and 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 and carried interest received from funds. Management fees 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.



Group turnover and result in January – June 2011

The Group's turnover decreased in the first half of 2011 compared to the first half of 2010 and totalled MEUR 15.7 (MEUR 21.0). This was attributable to lower carried interest income and lower management fees than in the first half of 2010. Operating expenses were MEUR 17.5 (MEUR 16.9).

The Group's operating profit totalled MEUR 9.2 (MEUR 4.5). Financial income and expenses amounted to MEUR 0.4 (MEUR 0.0). CapMan's share of the profit of its associated companies was MEUR 2.4 (MEUR 1.9). Profit before taxes was MEUR 12.0 (MEUR 6.4) and profit after taxes was MEUR 8.9 (MEUR 5.2).

Profit attributable to the owners of the parent company was MEUR 8.7 (MEUR 5.1). Earnings per share were 8.9 cents (4.6 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 15.7 (MEUR 21.0). Management fees decreased, as expected, compared to the same period last year and totalled MEUR 13.9 (MEUR 17.3). This was attributable to exits made after the comparable period in question and the decision made in the last quarter of 2010 to reduce the size of the CapMan Technology 2007 fund.

Income from real estate consulting increased compared to the same period last year and totalled MEUR 1.0 (MEUR 0.8). The aggregate total of management fees and income from real estate consulting was MEUR 14.9 (MEUR 18.1).

Carried interest income totalled MEUR 0.4 and came mainly from the Finnmezzanine III B fund following its transfer to carry after its exit from OneMed Group. Carried interest income during the first half of 2010 totalled MEUR 2.5.

The Management Company business recorded an operating profit of MEUR -0.9 (MEUR 4.2) and a profit of MEUR -0.5 (MEUR 3.5). 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 during the first half of 2011 were MEUR 10.3 (MEUR 0.4) and represented a 16.9% increase in value over the period, compared to a 0.6% increase in value during the comparable period last year. Completed exits accounted for approximately half of fair value changes. 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 30 June 2011 was MEUR 65.2 (30 June 2010: MEUR 60.7).

Operating profit for the Fund Investment business was MEUR 10.1 (MEUR 0.3) and profit for the period was MEUR 9.4 (MEUR 1.7). CapMan's share of the result of its Maneq associated companies impacted profit performance. The changes in the fair value of investments made by Maneq funds impacted the performance of Maneq companies.

CapMan made new investments in its funds totalling MEUR 6.5 (MEUR 5.5) during the review period. The majority of these were made in CapMan Buyout IX and CapMan Public Market funds. CapMan received distributions from funds totalling MEUR 17.0 (MEUR 4.4). The majority of this capital was received from the CapMan Buyout VIII fund following its exit from OneMed Group and Proxima. CapMan did not make any new commitments to funds during the first half.

The amount of remaining commitments totalled MEUR 28.0 as of 30 June 2011 (30 June 2010: MEUR 37.0). The aggregate fair value of existing investments and remaining commitments as of the same date was MEUR 93.2 (MEUR 97.7). 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 30 June 2011

CapMan's balance sheet totalled MEUR 142.0 as of 30 June 2011 (30 June 2010: MEUR 139.7). Non-current assets amounted to MEUR 106.5 (MEUR 114.6), of which the carrying amount of goodwill totalled MEUR 6.2 (MEUR 10.2). A goodwill write-down of approximately MEUR 0.2 at the end of the review period was related to the sale of the real estate consulting business. Goodwill was lower compared to the comparable period last year also as a result of the write-down related to the reorganisation of technology operations booked in the last quarter of 2010.

Fund investments booked at fair value totalled MEUR 65.2 (MEUR 60.7). Long-term receivables amounted to MEUR 19.1 (MEUR 25.4), of which MEUR 18.4 (MEUR 24.5) 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 32.0 (MEUR 25.1). 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 OneMed and Proxima exists made during the review period, and amounted to MEUR 27.7 (MEUR 16.0).

The size of CapMan's hybrid bond stands at MEUR 29.0. Due to the dividends paid, the interest on the bond for the financial year is deducted from equity in line with the terms of the loan. The interest on the bond is payable semi-annually. CapMan Plc had a bank financing package of MEUR 44.4 (MEUR 53.8) available as of 30 June 2011, of which MEUR 34.4 (MEUR 43.8) was utilised. Trade and other payables totalled MEUR 17.3 (MEUR 13.7). The Group's interest-bearing net debts amounted to MEUR 7.3 (MEUR 29.1).

The Group's cash flow from operations totalled MEUR -5.2 (MEUR 3.9). 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 17.0 (MEUR -1.1) and is related to fund investments and repaid capital received by the company. Cash flow before financing totalled MEUR 11.9 (MEUR 2.8), while cash flow from financing was MEUR -18.6 (MEUR -6.2). Cash flow from financing includes the dividend paid to shareholders in April, which totalled MEUR 10.3.

Key figures as of 30 June 2011

CapMan's equity ratio as of 30 June 2011 was 60.2% (30 June 2010: 55.7%). Return on equity was 20.2% (13.3%) and return on investment was 19.9% (11.7%). The target level for the company's equity ratio is at least 60% and at least 20% for return on equity.

Key figures

	30.6.11	30.6.10	31.12.10
Earnings per share, cents	8.9	4.6	17.7
Earnings per share, diluted, cents	8.7	4.6	17.7
Shareholders' equity / share, cents *	101.3	92.0	107.7
Share issued-adjusted number of shares	84,255,467	84,281,766	84,255,467
Number of shares as of 30.6	84,281,766	84,281,766	84,281,766
Number of shares outstanding	84,255,467	84,255,467	84,255,467
Number of company shares held by CapMan as of 30.6	26,299	26,299	26,299
Return on equity, % p.a. *	20.2	13.3	20.8
Return on investment, % p.a. **	19.9	11.7	19.7
Equity ratio, % **	60.2	55.7	58.5
Net gearing, %	8.6	37.4	7.3

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

** These figures have been adjusted to reflect annualised levels.



Fundraising during the first half and capital under management as of 30 June 2011

Capital under management refers to the remaining investment capacity of funds and capital already invested at acquisition cost. Capital increases as fundraising for new funds progresses and declines as exits are made.

Globally speaking, the fundraising market showed some signs of improvement during the early part of the year and the amount of capital raised for new funds has increased slightly. The overall amount of capital raised for new funds still remains at a significantly low level, however. The market is expected to continue to remain challenging as the number of funds raising capital is likely to grow and fund investors are increasingly selective in their investment choices.* CapMan continued fundraising for its CapMan Mezzanine V fund during the review period. CapMan's significant new fundraising rounds will take place in 2012.

Capital under management decreased following the exits made after the comparable period last year and the decision made in the last quarter of 2010 to reduce the size of the CapMan Technology 2007 fund, and totalled MEUR 3,351.3 as of 30 June 2011 (30 June 2010: MEUR 3,541.0). Of this, MEUR 1,635.3 (MEUR 1,813.2) was held in funds making investments in portfolio companies and MEUR 1,716.0 (MEUR 1,727.8) in real estate funds.

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

Board authorisations

The AGM authorised the Board to purchase CapMan B shares and accept them as pledges, to decide on a share issue, as well as the issuance of special rights entitling holders to shares. These authorisations will remain in force until 30 June 2012 and their content is covered in more detail in the stock exchange release related to the decisions adopted by the AGM issued on 30 March 2011.

Personnel

CapMan employed a total of 122 people as of 30 June 2011 (30 June 2010: 146), of whom 80 (103) worked in Finland and the remainder in the other Nordic countries, Russia, and Luxembourg. Personnel numbers dropped in the period under review mainly as a result of the sale of the real estate consulting business. A breakdown of personnel by country and team is presented in the Tables section.

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 30 June 2011 totalled EUR 771,586.98. The number of B shares totalled 78,281,766 and the number of A shares 6,000,000.

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

Shareholders

The number of CapMan Plc shareholders increased by over 10% from the comparable period and totalled 5,371 as of 30 June 2011 (30 June 2010: 4,871). No flagging notices were issued during the review period.

Company shares

As of 30 June 2011, 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 during the review period.

Stock option programmes

As of 30 June 2011, 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 share subscription price of the 2008A options is EUR 2.53 and of the 2008B option EUR 0.96. The subscription period for 2008A options started on 1 May 2011 and for 2008B options will start on 1 May 2012. Receivables from shares subscribed to using these options will be entered in the company's invested unrestricted shareholders' equity. As of the end of June 2011, 1,811,500 of 2008A stock option entitlements and 1,630,000 2008B stock option entitlements were allocated.

Trading and market capitalisation

CapMan Plc's B shares closed at EUR 1.35 on 30 June 2011 (30 June 2010: EUR 1.41). The average price during the review period was EUR 1.63 (EUR 1.67). The highest price paid was EUR 1.84 (EUR 1.98) and the lowest EUR 1.23 (EUR 1.33). The number of CapMan Plc B shares traded during the first half of 2011 was clearly higher than in the first half of 2010, with a total of 10.7 million (6.3 million) shares traded, valued at MEUR 17.5 (MEUR 10.5).

The market capitalisation of CapMan Plc B shares as of 30 June 2011 was MEUR 105.7 (MEUR 110.4). The market capitalisation of all company shares, including A shares valued at the closing price of B shares, was MEUR 113.8 (MEUR 118.9).

Other events during the review period

The final exit of CapMan-managed funds from Å&R Carton AB was announced in June. The transaction is expected to be closed during the third quarter and will have an approximately MEUR 2.5 impact on CapMan's result for 2011 as a result of the carried interest income generated for the funds involved.

CapMan sold its real estate consulting business to the business' management at the end of June. The transaction will not have a substantive impact on CapMan's 2011 result. Following the divestment, CapMan Real Estate will focus on managing the company's real estate funds. CapMan Partner Mika Matikainen was appointed Head of the CapMan Real Estate Team as of 1 July 2011.

CapMan acquired from Corintium Oy its 20% stakes in the managing companies of CapMan's current real estate funds and now owns these companies fully. The transactions will not have a substantive impact on CapMan's result for 2011 or the administration and carried interest agreements related to existing real estate funds.

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 fund investments. After the reporting period ending on 30 June 2011 the financial turmoil has increased and impacted the business environment. If the current uncertainty regarding the general economic development continues and negative developments in stock market values prevail, CapMan's operations will be affected by both the weakening of exit market and the decrease in fair values of CapMan's own fund investments. The fair value of CapMan's own fund investments is now reported as per 30 June 2011, and it doesn't therefore take into account the recent negative developments in the stock market values nor its impacts on the market multiples of our portfolio companies' listed peer group.

If prolonged, the market turmoil is likely to impact fundraising by reducing fund investors' willingness to make new commitments as a result of postponed distributions and the denominator affecting allocations between different asset classes. The fundraising environment is expected to remain challenging for at least the next 12 months, which could impact the outcome of fundraising during this period. The EU's Basel III and Solvency II legislative initiatives will limit the ability of European banks and insurance companies in particular to invest in private equity funds, and this could also impact CapMan's fundraising and consequently the amount of capital it has under management, and any new management fees that CapMan might receive.

Business environment

Long term growth prospects in the demand for private equity funds continue to remain good. The financial recession and its impacts have clearly slowed growth in the private equity industry, however. The fundraising market is expected to remain difficult in 2011 despite some signs of its gradual recovery in the first half of the year. According to a study made by Preqin in June 2011* nearly half of the institutional investors interviewed plan to commit more capital



to private equity funds in 2011 in comparison to 2010, and over a half plan to commit more in 2012 than in 2011. On the other hand, a record number of funds are currently in the market and investors are proving more selective in their investment decisions than previously.* It is unclear how the current market uncertainty affects the investors willingness to make new commitments in the coming months. International investor interest 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. 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 for real estate investments has been at a good level in the Nordic countries in the first part of 2011, and the volume of deal flow has remained good across all CapMan's investment areas. At the same time the continued financial turmoil may decrease the visibility of both deal flow and bank financing during the rest of the year. The portfolios of our funds contain a number of investments that 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 are mainly positive. In accordance with IPEVG criteria, the fair value development of portfolio companies will be impacted also by how the profit projections and market valuations of listed companies develop 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.

In the real estate market, a significant proportion of transactions in recent years have taken place between Finnish investors, mainly institutional ones. International investor interest in the Finnish real estate market is clearly increasing, however. For the present, international interest has mainly focused on prime properties with a lower risk ratio, despite the limited availability of this type of property compared to demand. Along with increased demand, rising yield expectations have tailed off and property valuation levels have risen slightly, particularly in properties with a low level of lease-related cash flow risk. The number of transactions related to non-prime properties has remained low. We expect the number of real estate transactions, including those related to the latter category, to increase somewhat towards the end of 2011, partly as a result of an imbalance between supply and demand in lower-risk properties. Occupancy rates for office premises have continued to be satisfactory and there have been signs of a recovery in demand. The retail sector grew by approximately 6% during the first half of 2011, which had a positive effect on shopper numbers and sales at large shopping centres.

CapMan funds investing in portfolio companies have some MEUR 615 available for making new and add-on investments, while real estate funds have an investment capacity of approximately MEUR 300, mainly for developing their existing portfolios.

The European Directive on Alternative Investment Fund Managers (AIFM directive) came into force on 21 July 2011, after which member states will have 24 months to integrate it into national legislation. The directive stipulates 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 adopt the new regulations.

Future outlook

Management fees are expected to fall behind 2010 levels in 2011 as a result of exits reducing the management fee base and significant new fundraising rounds taking place primarily in 2012. Following restructuring carried out in 2010, operating expenses will decrease, but proportionally less than management fees. CapMan will continue to develop its organisation during 2011 to ensure growth in key investment partnerships. Management fees will not fully cover our operating expenses in 2011.

Exit negotiations are under way in respect of a number of companies and properties in the portfolios of CapMan funds. We expect the CapMan Equity VII A, B, and Sweden funds, as well as the Finnmezzanine III A fund, 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.

Our guidance remains unchanged and we expect our operating profit for 2011 to exceed our 2010 operating profit, mainly as a result of positive development in CapMan's own fund investments. CapMan recorded an operating profit of MEUR 6.3 excluding non-recurring items in 2010.



Our guidance assumes that the drop in the current stock market valuations is partly temporary and will not impact the fair values of CapMan's own fund investments in full.

The CapMan Plc Group will publish its Interim Report for 1 January – 30 September 2011 on Thursday, 3 November 2011.

Helsinki, 11 August 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 Quarterly Research Q2 2011 July 2011.

** Preqin Investor Outlook: Private Equity, January 2011.

Appendices (after the Tables section):

Appendix 1: CapMan Plc Group's funds under management as of 30 June 2011, MEUR

Appendix 2: Operations of CapMan's funds under management, 1 January – 30 June 2011

The logo for CapMan, featuring the word "CapMan" in a serif font, with "Cap" in a smaller size and "Man" in a larger size, all in white text on a dark grey rectangular background.

Accounting principles

The Interim Report has been prepared in accordance with the International Financial Standards (IFRS) and is in conformity with the accounting policies published in the 2010 financial statements. The revised and amended standards that came into force on 1 January had no impact on this report. The information presented in the Interim Report is un-audited.

GROUP STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR ('000)	1-6/11	1-6/10	1-12/10
Turnover	15,749	20,973	38,150
Other operating income	601	65	22,963
Personnel expenses	-11,372	-10,173	-25,241
Depreciation and amortisation	-430	-456	-884
Impairment of goodwill	0	0	-3,839
Other operating expenses	-5,663	-6,294	-12,835
Fair value gains / losses of investments	10,321	358	2,707
Operating profit	9,206	4,473	21,021
Financial income and expenses	408	24	560
Share of associated companies' result	2,406	1,897	2,358
Profit before taxes	12,020	6,394	23,939
Income taxes	-3,125	-1,194	-6,383
Profit for the period	8,895	5,200	17,556
Other comprehensive income:			
Translation differences	-14	-75	461
Total comprehensive income	8,881	5,125	18,017
Profit attributable to:			
Equity holders of the company	8,707	5,057	17,328
Non-controlling interests	188	143	228
Total comprehensive income attributable to:			
Equity holders of the company	8,693	4,982	17,789
Non-controlling interests	188	143	228
Earnings per share for profit attributable to the equity holders of the Company:			
Earnings per share, cents	8.9	4.6	17.7
Diluted, cents	8.7	4.6	17.7

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



GROUP BALANCE SHEET (IFRS)

EUR ('000)	30.6.11	30.6.10	31.12.10
ASSETS			
Non-current assets			
Tangible assets	506	704	602
Goodwill	6,190	10,245	6,406
Other intangible assets	2,114	2,677	2,424
Investments in associated companies	8,720	7,698	6,400
Investments at fair value through profit and loss			
Investments in funds	65,212	60,697	66,504
Other financial assets	597	617	619
Receivables	19,120	25,378	24,778
Deferred income tax assets	4,003	6,586	4,923
	106,462	114,602	112,656
Current assets			
Trade and other receivables	4,336	9,075	4,619
Other financial assets at fair value through profit and loss	378	1,368	980
Cash and bank	27,319	14,611	34,049
	32,033	25,054	39,648
Non-current assets held for sale	3,501	0	3,501
Total assets	141,996	139,656	155,805
EQUITY AND LIABILITIES			
Capital attributable the Company's equity holders			
Share capital	772	772	772
Share premium account	38,968	38,968	38,968
Other reserves	38,679	38,678	38,679
Translation difference	55	-317	69
Retained earnings	6,881	-585	12,241
	85,355	77,516	90,729
Non-controlling interests	0	247	273
Total equity	85,355	77,763	91,002
Non-current liabilities			
Deferred income tax liabilities	3,114	1,897	3,078
Interest-bearing loans and borrowings	31,885	38,819	35,371
Other liabilities	1,260	1,267	1,331
	36,259	41,983	39,780

Current liabilities

Trade and other payables	17,257	13,660	17,395
Interest-bearing loans and borrowings	3,125	6,250	6,250
Current income tax liabilities	0	0	1,378
	20,382	19,910	25,023
Total liabilities	56,641	61,893	64,803
Total equity and liabilities	141,996	139,656	155,805

GROUP STATEMENT OF CHANGES IN EQUITY**Attributable to the equity holders of the Company**

EUR ('000)	Share capital	Share premium account	Other reserves	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity on 31 Dec 2009	772	38,968	37,347	-392	1,097	77,792	413	78,205
Options			1,331		-955	376		376
Dividends					-3,370	-3,370	-309	-3,679
Hybrid bond, interest (net of tax)					-2,414	-2,414		-2,414
Comprehensive profit				75	5,057	5,132	143	5,275
Equity on 30 June 2010	772	38,968	38,678	-317	-585	77,516	247	77,763
Equity on 31 Dec 2010	772	38,968	38,679	69	12,241	90,729	273	91,002
Options					222	222		222
Dividends					-10,114	-10,114	-222	-10,336
Hybrid bond, interest (net of tax)					-2,414	-2,414		-2,414
Comprehensive profit				-14	8,707	8,693	188	8,881
Acquisition of non-controlling interests					-1,761	-1,761	-239	-2,000
Equity on 30 June 2011	772	38,968	38,679	55	6,881	85,355	0	85,355



STATEMENT OF CASH FLOW (IFRS)

EUR ('000)	1-6/11	1-6/10	1-12/10
Cash flow from operations			
Profit for the financial year	8,895	5,200	17,556
Adjustments	-8,210	-48	-15,958
Cash flow before change in working capital	685	5,152	1,598
Change in working capital	-3,206	1,645	9,003
Financing items and taxes	-2,668	-2,870	-4,580
Cash flow from operations	-5,189	3,927	6,021
Cash flow from investments	17,045	-1,096	19,979
Cash flow before financing	11,856	2,831	26,000
Dividends paid	-10,336	-3,679	-3,679
Other net cash flow	-8,250	-2,519	-6,250
Financial cash flow	-18,586	-6,198	-9,929
Change in cash funds	-6,730	-3,367	16,071
Cash funds at start of the period	34,049	17,978	17,978
Cash funds at end of the period	27,319	14,611	34,049

Segment information

The Group has two reporting segments: the Management Company business and the Fund Investment business.

1-6/2011	Management Company business			Fund Investment business	Total
	CapMan Private Equity	CapMan Real Estate	Total		
EUR ('000)					
Turnover	11,291	4,458	15,749	0	15,749
Operating profit/loss	-197	-700	-897	10,103	9,206
Profit/loss for the financial year	232	-700	-468	9,363	8,895
Assets	8,635	772	9,407	97,055	106,462
Total assets includes:					
Investments in associated companies	0	0	0	8,720	8,720
Non-current assets held for sale	3,501	0	3,501	0	3,501
1-6/2010	Management Company business			Fund	Total
	CapMan	CapMan		Investment	
EUR ('000)	Private Equity	Real Estate	Total	business	
Turnover	16,689	4,284	20,973	0	20,973
Operating profit/loss	4,029	166	4,195	279	4,474
Profit/loss for the financial year	3,382	161	3,543	1,657	5,200
Assets	15,184	1,559	16,743	97,859	114,602
Total assets includes:					
Investments in associated companies	1,336	0	1,336	6,362	7,698
1-12/2010	Management Company business			Fund	Total
	CapMan	CapMan		Investment	
EUR ('000)	Private Equity	Real Estate	Total	business	
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

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.



Dividend

A dividend of EUR 0.12 per share, totalling MEUR 10.1 in all, was paid for 2010. The dividend was paid to shareholders on 11 April 2011. (A dividend of EUR 0.04 per share, totalling MEUR 3.4 in all, was paid for 2009.)

Non-current assets

EUR ('000)	30.6.11	30.6.10	31.12.10
Investments in funds at fair value through profit and loss at Jan 1	66,504	59,421	59,421
Additions	6,451	5,526	11,822
Distributions	-16,984	-4,408	-6,759
Fair value gains/losses on investments	9,241	158	2,020
Investments in funds at fair value through profit and loss at end of the period	65,212	60,697	66,504

Investments in funds at fair value through profit and loss at the end of period

	30.6.11	30.6.10	31.12.10
Buyout	33,104	36,803	36,933
Mezzanine	4,607	3,650	4,238
Russia	1,981	1,311	1,488
Public Market	3,812	2,113	3,610
Real Estate	5,831	4,572	5,302
Other	11,106	7,287	10,307
Access	4,771	4,961	4,626
In total	65,212	60,697	66,504

Transactions with related parties (associated companies)

EUR ('000)	30.6.11	30.6.10	31.12.10
Receivables - non-current at end of review period	18,232	23,381	23,126
Receivables - current at end of review period	352	1,272	765

Non-current liabilities

EUR ('000)	30.6.11	30.6.10	31.12.10
Interest bearing loans at end of review period	31,885	38,819	35,371

Seasonal nature of CapMan's business

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



Personnel

By country	30.6.11	30.6.10	31.12.10
Finland	80	103	103
Denmark	3	2	3
Sweden	18	20	22
Norway	6	7	7
Russia	14	13	14
Luxembourg	1	1	1
In total	122	146	150

By team

CapMan Private Equity	59	60	64
CapMan Real Estate	21	40	43
CapMan Platform	42	46	43
In total	122	146	150

Contingent liabilities

€ ('000)	30.6.11	30.6.10	31.12.10
Leasing agreements	8,132	10,004	9,191
Securities and other contingent liabilities	66,667	66,825	68,146
Remaining commitments to funds	28,026	36,982	36,299
Remaining commitments by investment area			
Buyout	12,522	17,766	15,910
Mezzanine	4,313	904	5,069
Russia	2,788	3,420	3,225
Public Market	571	2,548	1,443
Real Estate	1,097	1,292	1,215
Other	4,780	8,886	7,414
Access	1,955	2,166	2,023
In total	28,026	36,982	36,299

Turnover and profit quarterly**2011**

MEUR	1-3/11	4-6/11	1-6/11
Turnover	8.2	7.6	15.8
Management fees	7.1	6.8	13.9
Carried interest	0.4	0.0	0.4
Real Estate consulting	0.5	0.5	1.0
Other income	0.2	0.3	0.5
Other operating income	0.0	0.6	0.6
Operating expenses	-8.3	-9.2	-17.5
Fair value gains of investments	4.1	6.2	10.3
Operating profit	4.0	5.2	9.2
Financial income and expenses	0.4	0.0	0.4
Share of associated companies' result	0.5	1.9	2.4
Profit before taxes	4.8	7.2	12.0
Profit for the period	3.7	5.2	8.9

2010

MEUR	1-3/10	4-6/10	1-6/10	7-9/10	10-12/10	1-12/10
Turnover	11.4	9.6	21.0	8.7	8.5	38.2
Management fees	8.4	8.9	17.3	7.9	7.7	32.9
Carried interest	2.4	0.1	2.5	0.1	0.0	2.6
Real Estate consulting	0.4	0.4	0.8	0.4	0.4	1.6
Other income	0.2	0.2	0.4	0.3	0.4	1.1
Other operating income	0.1	0.0	0.1	0.0	22.9	23.0
Operating expenses	-8.3	-8.6	-16.9	-8.5	-17.4	-42.8
Fair value gains / losses of investments	1.1	-0.7	0.4	1.3	1.0	2.7
Operating profit	4.3	0.2	4.5	1.5	15.0	21.0
Financial income and expenses	-0.1	0.1	0.0	0.2	0.4	0.6
Share of associated companies' result	0.8	1.1	1.9	0.6	-0.1	2.4
Profit after financial items	5.0	1.4	6.4	2.2	15.3	23.9
Profit for the period	3.5	1.7	5.2	1.8	10.6	17.6



APPENDIX 1: CAPMAN PLC GROUP'S FUNDS UNDER MANAGEMENT AS OF 30 JUNE 2011, MEUR

The tables below show the status of funds managed by CapMan as of 30 June 2011. When analysing the timetable according to which funds should 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 level of cash flow a fund needs 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 figures in the last column on the right of the tables below show CapMan's share of cash flows if a 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 of column headings are presented below the tables.

The logo for CapMan, featuring the word "CapMan" in a serif font, with "Cap" in a smaller size and "Man" in a larger size, all in white text on a dark grey rectangular background.

FUNDS INVESTING DIRECTLY IN PORTFOLIO COMPANIES

	Size	Paid-in capital	Fund's current portfolio		Net cash assets	to investors	Distributed cash flow to management company (carried interest)	CapMan's share of cash flow, if fund generates carried interest
			at cost	at fair value				
Funds generating carried interest								
Fenno program ¹⁾ and FM II B, in total	76.0	74.7	8.1	5.8	0.4	145.0	9.3	10-20 %
FV V	169.9	165.7	32.3	18.5	0.9	249.7	7.8	20 %
FM III B	20.2	19.9	3.2	4.0	1.0	26.2	0.4	20 %
Total	266.1	260.3	43.6	28.3	2.3	420.9	17.5	
Funds that are expected to transfer to carry during 2011-2012								
CME VII A	156.7	152.9	74.9	87.8	3.7	138.8		20 %
CME VII B	56.5	56.5	26.3	37.1	2.1	64.0		20 %
CME SWE	67.0	66.4	32.1	37.6	1.6	59.7		20 %
FM III A	101.4	100.6	22.6	22.2	3.0	119.3		20 %
Total	381.6	376.4	155.9	184.7	10.4	381.8		
Other funds not yet in carry								
CMB VIII ²⁾	440.0	365.1	238.8	222.8	5.3	153.1		14 %
CM LS IV	54.1	44.1	28.0	28.0	2.2	12.1		10 %
CMT 2007 ^{2), 3)}	99.6	66.3	45.4	53.8	0.6	0.5		10 %
CMR	118.1	59.1	33.2	38.6	3.3			3.4 %
CMPM	138.0	122.0	94.6	104.2	0.1	53.4		10 %
CMB IX	294.6	160.7	132.1	143.0	13.3			10 %
CMM V	60.0	18.8	18.0	19.1	0.9			10 %
Total	1,204.4	836.1	590.1	609.5	25.7	219.1		
Funds with no carried interest potential to CapMan								
FM III C, FV IV, FV V ET, SWE LS ⁴⁾ , SWE Tech ²⁾ , ⁴⁾ CME VII C ja FM II A, C, D ²⁾ , CMM IV ⁵⁾								
Total	575.5	548.6	191.9	168.6	22.4	343.8		
Funds investing in portfolio companies, total	2,427.6	2,021.4	981.5	991.1	60.8	1,365.6	17.5	

REAL ESTATE FUNDS

	Original invest- ment capa- city	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 in- vestors	to man- agement company (carried interest)	
Funds not yet in carry								
CMRE I ⁶⁾								
equity and bonds	200.0	188.5	62.1	50.7		200.8	27.4	26 %
debt financing	300.0	277.2	78.2	78.2				
total	500.0	465.7	140.3	128.9	1.2	200.8	27.4	
CMRE II								
equity	150.0	104.7	109.2	98.1		0.5		12 %
debt financing	450.0	261.8	247.4	247.4				
total	600.0	366.5	356.6	345.5	2.6	0.5		
CMHRE								
equity	332.5	309.3	349.7	286.1		21.1		12 %
debt financing	617.5	534.5	510.8	510.8				
total	950.0	843.8	860.5	796.9	-3.2	21.1		
PSH Fund								
equity	5.0	3.5	3.4	5.6				10 %
debt financing	8.0	8.0	7.9	7.9				
total	13.0	11.5	11.3	13.5	0.5			
Real estate funds, total	2,063.0	1,687.5	1,368.7	1,284.8	1.1	222.4	27.4	
All funds, total	4,490.6	3,708.9	2,350.2	2,275.9	61.9	1,588.0	44.9	

Rahastojen lyhenteet:

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 Fund	= 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 a fund. For real estate funds, investment capacity also includes the share of debt financing used by a fund.

Paid-in capital:

Total capital paid into a fund by investors as of 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 tables

- 1) So-called "Old funds": Finnmezzanine Fund II B (established 1998, transferred to carry 2006). Fenno Fund (established in 1997, transferred to carry in 2005), Skandia I (established in 1997, transferred to carry in 2005) and Skandia II (established in 1997, transferred to carry in 2004) together form the Fenno Program, which is jointly managed with Fenno Management Oy.
- 2) The fund comprises two or more legal entities (parallel funds are presented separately only if the focus of their investment or portfolios differ significantly).
- 3) CapMan Technology 2007: Further to the reorganisation of technology investment operations announced in November 2010, the size of the CapMan Technology 2007 fund has been reduced by 30%.
- 4) Currency items are valued at the average exchange rates quoted on 30 June 2011.
- 5) 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.
- 6) 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 48.4 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 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 but held in reserve in case some carried interest might have to be returned to investors in the future.

APPENDIX 2: OPERATIONS OF CAPMAN'S FUNDS UNDER MANAGEMENT, 1 JANUARY – 30 JUNE 2011

During the review period, the operations of private equity funds managed by CapMan comprised direct investments in portfolio companies in the Nordic countries and Russia (CapMan Private Equity), as well as real estate investments (CapMan Real Estate). Investments by CapMan funds investing in portfolio companies focus on two key investment areas in the Nordic countries and on one investment area in Russia. The investment areas are mid-size buyouts (CapMan Buyout), investments in mid-sized companies operating in Russia (CapMan Russia), and significant minority shareholdings in listed small and mid-cap companies (CapMan Public Market). The investment focus of CapMan's real estate funds is on real estate properties, principally in Finland. CapMan also has two other investment areas (CapMan Technology and CapMan Life Science), which do not make new investments, but focus instead on developing the value of their existing portfolio companies. These two investment areas are reported under "Other" in Private Equity.

CAPMAN PRIVATE EQUITY

Investments in portfolio companies in January-June 2011

CapMan funds made five new investments, as well as some add-on investments, during the review period, investing MEUR 88.9 in all. Add-on investments accounted for under 20% of the total. New investments were made in B&B Tools AB, Design-Talo Oy, Eastway Oy, and Virial, as well as an investment by CapMan's Public Market fund that has not yet been disclosed. During the first half of 2010, funds made six new investments and several add-on investments totalling MEUR 107.1.

Exits from portfolio companies in January-June 2011

CapMan funds exited completely from 11 companies during the first half of 2011. Final exits were made from Aerocrine AB, Affecto Plc, EM4 Inc, Fastrax Oy, Jolife AB, Moventas Oy, OneMed Group, Proxima Intressenter AB, Region Avia, SaaSplaza B.V, and SMEF Group A/S. Partial exits were made from Cardinal Foods Oy, Ordyhna Holding, and Å&R Carton AB. Exits made during the first half had a combined acquisition cost of MEUR 163.9. During the first half of 2010, complete exits were made from eight companies and partial exits from two, with a combined acquisition cost of MEUR 73.1.

Other events during the review period

An investment by CapMan Buyout IX funds in Solera AS and a final exit by CapMan-managed funds from Å&R Carton AB were announced during the review period. Both transactions are expected to be closed during the third quarter of the year.

Events after the close of the review period

The CapMan Russia fund made an investment in Russian-based ExpertPhoto after the close of the review period.

CAPMAN REAL ESTATE

Investments in and commitments to real estate acquisitions and projects in January-June 2011

The CapMan RE II fund invested in an office property in Helsinki in May; and a number of add-on investments were made by the company's real estate funds. New and add-on investments totalled MEUR 30.3 in all. In addition, funds were committed to finance real estate acquisitions and projects valued at MEUR 50.0 as of 30 June 2011. During the first half of 2010, funds made one new investment and various add-on investments totalling MEUR 16.4. Commitments to finance new projects totalled MEUR 29.0 as of 30 June 2011.



Exits from real estate investments in January-June 2011

The CapMan Real Estate I fund exited two properties – Kiinteistö Oy Munkkiniemen puistotie 25 and Kiinteistö Oy Tuusulan Pysäkkikuja 1 – during the first half, with a combined acquisition cost of MEUR 24.8. During the first half of 2010, one exit was made, with an acquisition cost of MEUR 8.7.

FUND INVESTMENT ACTIVITIES IN FIGURES

Investments and exits made by funds at acquisition cost, MEUR

	1-6/2011	1-6/2010	1-12/2010	
New and add-on investments				
Funds investing in portfolio companies	88.9	107.1	196.2	
Buyout	56.4	73.0	118.0	
Russia	5.0	12.0	14.4	
Public Market	24.8	6.1	35.6	
Other	2.7	16.0	28.2	
Real estate funds	30.3	16.4	45.6	
Total	119.2	123.5	241.8	
Exits*				
Funds investing in portfolio companies	163.9	73.1	114.4	
Buyout	127.7	41.7	66.3	
Russia	10.0	-	-	
Public Market	6.5	14.3	19.1	
Other	19.7	17.1	29.0	
Real estate funds	24.8	8.7	8.7	
Total	188.7	81.8	123.1	

* including partial exits and repayments of mezzanine loans.

In addition, real estate funds had commitments to finance real estate acquisitions and projects totalling MEUR 50.0 as of 30 June 2011.

Funds' aggregate combined portfolio* as of 30 June 2011, MEUR

	Portfolio at acquisition cost	Portfolio at fair value	Share of portfolio (fair value) %
Funds investing in portfolio companies	981.5	991.1	43.5
Real estate funds	1,368.7	1,284.8	56.5
Total	2,350.2	2,275.9	100.0
Funds investing in portfolio companies			
Buyout	679.1	709.6	71.6
Russia	33.2	38.6	3.9
Public Market	94.6	104.2	10.5
Other	156.6	138.7	14.0
Total	981.5	991.1	100.0

* Aggregate 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 615 for new and add-on investments as of 30 June 2011. Of their remaining capital, some MEUR 410 was earmarked for buyout investments (incl. mezzanine investments), some MEUR 75 for technology investments, some MEUR 20 for life science investments, some MEUR 80 for investments by the CapMan Russia team, and some MEUR 35 for investments by the CapMan Public Market team. Real estate funds had a remaining investment capacity amounting to some MEUR 300, which has largely been reserved for developing funds' existing investments.