

CapMan Plc Stock Exchange Release – 1 November 2012 at 9.00 a.m. EET

## CapMan Group's Interim Report for 1 January – 30 September 2012

### Performance and main events during the review period:

- Group turnover totalled MEUR 21.3 (January–September 2011: MEUR 25.6), of which MEUR 1.9 (MEUR 3.0) was carried interest.
- The Group's operating profit was MEUR 1.9 (MEUR 11.0).
- The Management Company business recorded an operating loss of MEUR 1.3 (operating profit of MEUR 1.2), while the Fund Investment business recorded an operating profit of MEUR 3.2 (MEUR 9.8).
- Profit before taxes was MEUR 2.7 (MEUR 14.0) and profit after taxes was MEUR 2.3 (MEUR 10.5).
- Profit attributable to the owners of the parent company was MEUR 2.3 (MEUR 10.3). Earnings per share were 0.5 cent (10.1 cents).
- Capital under management as of 30 September 2012 totalled MEUR 2,977.7 (30 September 2011: MEUR 3,041.0).

### CapMan's guidance for 2012

CapMan expects to complete first closings of fundraising for the Buyout X fund and the Nordic Real Estate fund during the current year and for the CapMan Russia II fund during the first quarter of 2013.

CapMan expects its pre-tax result to be positive in 2012, subject to no fair value changes in the fourth quarter of the year. CapMan has previously not provided guidance for 2012.

### CEO Lennart Simonsen:

"This year, our efforts have been geared towards fundraising, which lays the foundation for our operations for several years to come. The outlook of our fundraising is positive despite a challenging market. We believe that we will complete the first closings of fundraising for the Buyout X and the Nordic Real Estate funds this year and for the CapMan Russia II fund in the first quarter next year.

Our investment teams focus on the value development of our portfolio companies and properties. Our portfolio companies have made 18 add-on investments this year. The funds hold several portfolio companies and properties, for which exit negotiations are ongoing. Our objective is to always sell our holdings at the most attractive valuation, which in turn may affect the timing of exits.

Management fees were lower than in the comparable period as expected. The CapMan Equity VII B fund transferred to carry in a challenging exit market. Nevertheless, our total carried interest and the value development of our own fund investments fell short of our targets in the review period. We continue to reduce our expenses and to enhance the efficiency of our operations."

### Business operations

CapMan Group is a private equity fund manager operating in the Nordic countries and Russia. The Group also makes investments in its own funds.

Private equity investment means making direct equity investments in companies and real estate. Investments are made through funds, which raise their capital primarily from institutional investors such as pension funds and foundations. Private equity investors actively develop their portfolio companies and real estate by working closely with the management and tenants. Value creation is based on promoting companies' sustainable growth and strengthening their strategic position. Private equity investment is of a long-term nature – investments are held for an average of four to six years and the entire life cycle of a fund is typically around 10 years. Over the long term, private equity funds have generated significantly higher levels of returns compared to other investment classes<sup>1</sup>, and the industry's prospects are good. By investing in CapMan, institutional and private investors can benefit from the profit potential of the private equity industry while diversifying their exposure.



The Group has two operating segments: a Management Company business and a Fund Investment business.

In its Management Company business, CapMan raises capital from Nordic and international institutions for the funds that it manages. The investment teams invest this capital in Nordic and Russian companies and real estate. The management company business has two sources of income. Fund investors pay a management fee to CapMan (typically 0.5-2.5% p.a.) during the life cycle of each fund. The management fee is based on fund size less realised exits during the fund's investment period (typically 5 years), after which the management fee is based on the remaining invested portfolio valued at cost. Management fees normally cover CapMan's operating costs and generally represent a steady and highly predictable source of income.

The second source of income of the Management Company business is carried interest received from funds. Carried interest denotes the Management Company's share of each fund's cash flow after paid-in capital has been distributed to fund investors and the latter have received their annual preferential return (so-called hurdle rate (IRR), typically 8% p.a.). The amount of carried interest generated depends on the timing of exits and the stage at which funds are in their life cycle, which makes advance prediction difficult.

Through its Fund Investment business CapMan makes investments from its own balance sheet in the funds that it manages. Income in this business is generated by increases in the fair value of investments and realised returns. Fair value is determined by the development of portfolio companies and real estate held by the funds in addition to general market developments. Revenue from CapMan's fund investments can sometimes be negative.

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–September 2012**

The Group's turnover declined compared to the first nine months of 2011 and totalled MEUR 21.3 (January–September 2011: MEUR 25.6), as a result of lower management fees and carried interest compared to the January–September 2011 period. In addition, turnover during the first nine months of last year included MEUR 1.0 of real estate consulting income. CapMan sold its real estate consulting business in June 2011. Operating expenses fell as expected, as a result of efficiency enhancement initiatives, and totalled MEUR 23.1 (MEUR 25.4). Operating expenses for the review period included an impairment loss of MEUR 0.5 resulting from CapMan's sale of a 4% stake in Access Capital Partners Group SA. Operating expenses also include the investment teams' share of total carried interest. For the review period, investment teams received MEUR 0.5 in carried interest.

The Group recorded an operating profit of MEUR 1.9 (MEUR 11.0). Financial income and expenses amounted to MEUR 0.3 (MEUR 0.2). CapMan's share of the profit of its associated companies was MEUR 0.4 (MEUR 2.8). Profit before taxes was MEUR 2.7 (MEUR 14.0) and profit after taxes was MEUR 2.3 (MEUR 10.5).

Profit attributable to the owners of the parent company was MEUR 2.3 (MEUR 10.3). Earnings per share were 0.5 cent (10.1 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 first nine months totalled MEUR 21.3 (MEUR 25.6). Management fees decreased compared to the comparable period in 2011 as a result of exits, and totalled MEUR 18.3 (MEUR 20.7).

Carried interest for the first nine months of 2012 was MEUR 1.9 compared to carried interest income of MEUR 3.0 for the first nine months of 2011.

The Management Company business recorded an operating loss of MEUR 1.3 (operating profit of MEUR 1.2) and a loss of MEUR 1.2 (profit of MEUR 1.0). 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 totalled MEUR 3.5 (MEUR 10.2) during the first nine months, and represented a 4.7% increase in value during January–September 2012 (16.8% increase in value during the first nine months of 2011). Portfolio companies have developed favourably for the most part during the first nine months of the year. For the remainder of the year, development is expected to be neutral. Fair value changes were also influenced by developments in the market value of the listed peers of our portfolio companies. The aggregate fair value of fund investments as of 30 September 2012 was MEUR 72.4 (30 September 2011: MEUR 67.7).

The operating profit of the Fund Investment business was MEUR 3.2 (MEUR 9.8) and profit for the first nine months was MEUR 3.5 (MEUR 9.5). CapMan's share of the result of its Maneq associated companies impacted this figure. Changes in the fair value of Maneq fund investments impacted the performance of Maneq companies.

CapMan invested a total of MEUR 4.9 (MEUR 10.6) in its funds during the first nine months. The majority of this was allocated to the CapMan Buyout VIII and CapMan Russia funds. CapMan received distributions from funds totalling MEUR 3.3 (MEUR 18.3). The majority of the distributions came from the CapMan Equity VII A fund and the CapMan Equity VII B fund as a result of the exit from Tokmanni Group. CapMan did not make any new commitments to funds during the review period.

The amount of remaining commitments totalled MEUR 20.2 as of 30 September 2012 (30 September 2011: MEUR 23.9). The aggregate fair value of existing investments and remaining commitments as of the same date was MEUR 92.7 (MEUR 91.6). CapMan's goal 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 investment capacity.

Investments in portfolio companies are valued at fair value in accordance with 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.

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 September 2012

CapMan's balance sheet totalled MEUR 135.5 as of 30 September 2012 (30 September 2011: MEUR 150.6). Non-current assets amounted to MEUR 114.1 (MEUR 109.2), of which the carrying amount of goodwill totalled MEUR 6.2 (MEUR 6.2).

Fund investments booked at fair value totalled MEUR 72.4 (MEUR 67.7). Long-term receivables amounted to MEUR 19.5 (MEUR 19.4), of which MEUR 18.3 (MEUR 18.5) represented loan receivables from Maneq funds. Both CapMan Plc and 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 20.4 (MEUR 37.9). Liquid assets (cash in hand and at banks, plus other financial assets at fair value through profit and loss) amounted to MEUR 12.5 (MEUR 32.0). Liquid assets decreased mainly because CapMan completed fewer exits during the review period compared to the first nine months of 2011.

CapMan Plc's hybrid bond stands at MEUR 29.0. Due to dividend payments, 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 totalling MEUR 55.0 (MEUR 44.4) available as of 30 September 2012, of which MEUR 30.0 (MEUR 34.4) was utilised. Trade and other payables totalled MEUR 18.4 (MEUR 24.1). The Group's interest-bearing net debt amounted to MEUR 18.1 (MEUR 3.1).

CapMan Plc's bank loans include financing covenants, which are conditional to the equity ratio, the ratio of interest bearing bank loans to fund investments from the balance sheet and the level of rolling 12 month EBITDA. Because the covenant related to EBITDA was below the level agreed with the bank at the end of the review period, a new EBITDA level was agreed upon with the bank while other loan terms remain unchanged.

The Group's cash flow from operations totalled MEUR -2.6 (MEUR 1.0). 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 2.4 (MEUR 15.4) and includes, *inter alia*, fund investments and repaid capital received by the Group. Cash flow before financing totalled MEUR -0.2 (MEUR 16.4), while cash flow from financing was MEUR -10.0 (MEUR -18.8).



## Key figures as of 30 September 2012

CapMan's equity ratio as of 30 September 2012 was 63.3% (30 September 2011: 59.9%), its return on equity 3.6% (15.7%), and its return on investment 4.3% (15.9%). The target levels for the company's equity ratio and return on equity are at least 60% and over 20%, respectively.

### Key figures

	30.9.12	30.9.11	31.12.11
Earnings per share, cents	0.5	10.1	10.1
Diluted, cents	0.5	9.9	10.1
Shareholders' equity / share, cents *	98.1	103.3	104.7
Share issue adjusted number of shares	84,255,467	84,255,467	84,255,467
Number of shares at the end of period	84,281,766	84,281,766	84,281,766
Number of shares outstanding	84,255,467	84,255,467	84,255,467
Company's possession of its own shares, end of period	26,299	26,299	26,299
Return on equity, %**	3.6	15.7	12.4
Return on investment, %**	4.3	15.9	11.9
Equity ratio, %	63.3	59.9	61.9
Net gearing, %	21.8	3.6	14.4

\*) In line with IFRS standards, the MEUR 29 hybrid bond has been included in equity, also when calculating equity per share. The interest on the hybrid bond (net of tax) for the review period has been included when calculating earnings per share.

## Fundraising during January–September 2012 and capital under management as of 30 September 2012

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.

We expect fundraising to remain challenging for the foreseeable future. The extended period of economic instability has prolonged fundraising efforts of many private equity funds, resulting in a record number of funds in the market. As fund investors are increasingly selective in making investment decisions, fewer funds have reached successful closes compared to previous years.

CapMan began fundraising for the Buyout X, Nordic Real Estate and CapMan Russia II funds during the review period. We believe that we will complete the first closings of fundraising for Buyout X and Nordic Real Estate during 2012. For the CapMan Russia II fund, we expect to complete the first closing of fundraising during the first quarter of 2013.

Capital under management declined to MEUR 2,977.7 as of 30 September 2012 (30 September 2011: MEUR 3,041.0). The decline is attributable to the exits made after the comparable period. Of the total capital under management, MEUR 1,537.5 (MEUR 1,599.1) was held in funds making investments in portfolio companies and MEUR 1,440.2 (MEUR 1,441.9) in real estate funds.

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

## Authorisations held by the Board

The Annual General Meeting authorised the Board of Directors to decide on the repurchase and/or on the acceptance as pledges of the company's B shares. The number of B shares concerned shall not exceed 8,000,000, and the authorisation shall remain in force until the end of the following AGM and 30 June 2013 at the latest. The AGM also authorised the Board to decide on the issuance of shares and other special rights entitling to shares. The number of



shares to be issued shall not exceed 15,000,000 B shares and the authorization shall remain in force until the end of the following AGM, however no later than 30 June 2013.

Further details on these authorisations can be found in the stock exchange release on the decisions taken by the AGM issued on 14 March 2012.

## Personnel

CapMan employed a total of 108 people as of 30 September 2012 (30 September 2011: 124), of whom 71 (82) worked in Finland and the remainder in Sweden, Norway, Russia, and Luxembourg. A breakdown of personnel by country is presented in the Tables section.

## Shares and share capital

There were no changes in CapMan Plc's share capital or the number of company shares during the first nine months of 2012. Share capital as of 30 September 2012 totalled EUR 771,586.98. The number of B shares was 78,531,766 and that of A shares 5,750,000 as of 30 September 2012.

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 9.6% compared to the first nine months of 2011 and totalled 6,039 as of 30 September 2012 (30 September 2011: 5,512).

CapMan Plc received two flagging notices during the review period. Oy Inventiainvest Ab's share of the total number of shares and voting rights in CapMan Plc has exceeded 5% and 15%, respectively. Ari Tolppanen's and Oy Aristo-Invest Ab's combined share of the total number of shares in CapMan Plc and their combined share of voting rights in CapMan Plc have fallen below 5%. Ari Tolppanen's combined direct and indirect ownership of and voting rights in CapMan Plc remain unchanged following the transaction.

## Company shares

As of 30 September 2012, CapMan Plc held a total of 26,299 CapMan Plc B shares. No changes took place in the number of shares held by CapMan Plc during the first nine months.

## Stock option programmes

As of 30 September 2012, CapMan Plc had one stock option programme – Option Programme 2008 – in place as part of its 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 0.89. The subscription period for 2008A and 2008B options started on 1 May 2011 and 1 May 2012, respectively. Receivables from shares subscribed to under these options will be entered in the company's unrestricted shareholders' equity. As of 30 September 2012, 1,926,250 2008A stock option entitlements and 2,070,000 2008B stock option entitlements were allocated.

## Trading and market capitalisation

CapMan Plc's B shares closed at EUR 0.87 on 30 September 2012 (30 September 2011: EUR 1.07). The average price during the first nine months was EUR 0.97 (EUR 1.52). The highest price paid was EUR 1.18 (EUR 1.84) and the lowest EUR 0.85 (EUR 0.90). The number of CapMan Plc B shares traded between January and September 2012 totalled 14.9 million (13.3 million), valued at MEUR 14.4 (MEUR 20.5).



The market capitalisation of CapMan Plc B shares as of 30 September 2012 was MEUR 68.3 (30 September 2011: MEUR 83.8). The market capitalisation of all company shares, including A shares valued at the closing price of B shares, was MEUR 73.3 (MEUR 90.2).

### Other events during the review period

Funds managed by CapMan completed the exit from the Tokmanni Group in July. The exit transferred the CapMan Equity VII B fund to carry. The impact of the transaction on CapMan's result for the review period was approx. MEUR 1.2 consisting of carried interest income and return on CapMan's own fund investments. The impact on the Group's review period cash flow was approx. MEUR 4.4.

CapMan sold a 4% percent stake in Access Capital Partners Group SA in July. Following the transaction, CapMan retains a 1% stake in the company. The transaction resulted in a MEUR 0.5 loss and positive cash flow of approx. MEUR 2 for the Group for the review period.

### Significant risks and short-term uncertainties

Prolonged financial market uncertainty may affect CapMan's operations by delaying exits and reducing the fair value of the Group's fund investments. Fluctuations in exchange rates could also affect the valuation of CapMan's portfolio companies.

Continued market uncertainty will also likely deteriorate the already challenging fundraising conditions by reducing fund investors' willingness and ability to make new commitments to CapMan's funds. Fundraising markets are expected to remain crowded over the short term, possibly affecting the outcome of the on-going fundraising. A successful fundraising effort will impact the total amount of capital under management, hence resulting in new management fees.

The EU's Basel III and Solvency II regulatory initiatives limit the ability of European banks and insurance companies to invest in private equity funds, and could therefore impact CapMan's fundraising activity.

### Business environment

According to statistics from Preqin, private equity assets under management reached three trillion dollars for the first time this year. This development reflects investors' faith in the long-term return potential of the private equity industry despite ongoing economic uncertainty.<sup>2</sup> A record number of funds are currently in the market and investors are more selective in making investment decisions as a consequence. Funds that focus on small and mid-cap M&A continue to attract investor interest.<sup>3</sup>

The number of buyout transactions declined from the second quarter on all markets in Europe except for France, Germany and Benelux. Transaction values also declined during the third quarter.<sup>4</sup> Credit terms for bank-based financing are expected to have tightened in Europe during the third quarter.<sup>5</sup> Compared to the rest of Europe, Nordic banks have been less affected by the economic problems in the eurozone, which has helped maintain the availability of bank-based funding and M&A activity in the Nordic region.

The exit market stalled during the third quarter and a return to levels preceding the financial crisis has been slow.<sup>6</sup> A stronger exit market would boost capital repayments to investors and enhance their ability to make new commitments to private equity funds.

Russia became a member of the World Trade Organization (WTO) in August, which enhances Russia's significance as an investment environment. The membership and the resulted increase in transparency make Russia more attractive to international investors, which in turn support the exit market. Russia's GDP and private consumption have grown fast over the past six years<sup>7</sup> and many companies are looking for growth financing. Private equity is becoming a significant source of capital for small and mid-sized businesses, as the availability of bank-based funding for this segment is limited in Russia.

Commercial real estate investment activity in the Nordic Region declined modestly during the third quarter in comparison to the second quarter. The volume seems to remain quite stable compared to the same period last year, according to data from CBRE.<sup>8</sup> Transaction volumes increased in Finland January through August 2012 compared to the corresponding period last year, according to KTI. Foreign investors have accounted for approx. 30% of the volume.<sup>9</sup> Prime rents and yields have remained stable across the Nordic capital cities according to CBRE.<sup>10</sup>



Availability of traditional senior financing outside of the prime sector remains relatively scarce with tightened terms.

CapMan funds investing in portfolio companies will continue to execute their investment strategies, and the prospects of our portfolio companies are largely neutral for the foreseeable future. In accordance with IPEVG criteria, the fair value development of portfolio companies will also be impacted by the development of the profit projections and market valuations of listed companies and the performance of currencies used in our areas of operations against the euro.

CapMan funds investing in portfolio companies have some MEUR 474 available for new and add-on investments, while real estate funds have approx. MEUR 33 in investment capacity, primarily for developing their existing portfolios. Long-term cooperation with Nordic banks is of particular importance for us, and has been successful.

### **Regulatory environment**

The European Directive on Alternative Investment Fund Managers (AIFM directive) came into force on 21 July 2011, and member states have until 21 July 2013 to integrate it into their 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 operate within the requirements of these new regulations.

In the US, the Dodd-Frank Act requires certain non-US private equity advisors and managers to register with or report to the Securities and Exchange Commission (S.E.C.). In line with the requirements of the Act, CapMan reported to the S.E.C. on Group companies that manage funds with American investors or offer investment advice covering such funds by 30 March 2012.

CapMan actively monitors other regulatory developments affecting the industry, including the Basel III and Solvency II initiatives, which are designed to set capital requirements for European banks and insurance companies.

### **CapMan's guidance for 2012**

CapMan expects to complete first closings of fundraising for the Buyout X fund and the Nordic Real Estate fund during the current year and for the CapMan Russia II fund during the first quarter of 2013.

CapMan expects its pre-tax result to be positive in 2012, subject to no fair value changes in the fourth quarter of the year. CapMan has previously not provided guidance for 2012.

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

The CapMan Group will publish its financial statements bulleting for 2012 on Friday, 8 February 2013.

Helsinki, 1 November 2012

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- 3) Preqin Investor Outlook H1 2012
- 4) Q3 2012 Arle unquote" Private Equity Barometer, October 2012
- 5) ECB The euro area bank lending survey, July 2012
- 6) Preqin Quarterly Q3 2012, October 2012
- 7) Economist Intelligence Unit
- 8) CBRE MarketView Q3 2012, European Investment Quarterly
- 9) KTI Finnish Property Monthly, July-August 2012
- 10) CBRE MarketView Q3 2012, EMEA Rents and Yields

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

Appendix 1: CapMan Group's funds under management as of 30 September 2012, MEUR  
Appendix 2: Operations of CapMan's funds under management, 1 January – 30 September 2012

The logo for CapMan, featuring the word "CapMan" in a serif font. The "C" is significantly larger and more stylized than the other letters, and the "a" is lowercase. The text is white and set against 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 2011 financial statements. The revised and amended standards entering into force on 1 January 2012 had no impact on this interim report. The information presented in the Interim Report is un-audited.

### GROUP STATEMENT OF COMPREHENSIVE INCOME (IFRS)

€ ('000)	7-9/12	7-9/11	1-9/12	1-9/11	1-12/11
<b>Turnover</b>	<b>8,054</b>	9,859	<b>21,255</b>	25,608	32,440
Other operating income	-16	40	<b>216</b>	641	670
Personnel expenses	<b>-4,744</b>	-5,002	<b>-13,371</b>	-16,374	-22,349
Depreciation and amortisation	<b>-182</b>	-203	<b>-567</b>	-633	-811
Other operating expenses	<b>-2,777</b>	-2,755	<b>-9,139</b>	-8,418	-11,704
Fair value gains / losses of investments	<b>-281</b>	-101	<b>3,545</b>	10,220	12,849
<b>Operating profit</b>	<b>54</b>	1,838	<b>1,939</b>	11,044	11,095
Financial income and expenses	<b>396</b>	-195	<b>344</b>	213	559
Share of associated companies' result	<b>-173</b>	347	<b>435</b>	2,753	2,055
<b>Profit before taxes</b>	<b>277</b>	1,990	<b>2,718</b>	14,010	13,709
Income taxes	<b>45</b>	-374	<b>-418</b>	-3,499	-2,622
<b>Profit for the period</b>	<b>322</b>	1,616	<b>2,300</b>	10,511	11,087
<b>Other comprehensive income:</b>					
Translation differences	<b>1</b>	15	<b>6</b>	1	-31
<b>Total comprehensive income</b>	<b>323</b>	1,631	<b>2,306</b>	10,512	11,056
<b>Profit attributable to:</b>					
Equity holders of the company	<b>322</b>	1,616	<b>2,300</b>	10,323	10,899
Non-controlling interests	<b>0</b>	0	<b>0</b>	188	188
<b>Total comprehensive income attributable to:</b>					
Equity holders of the company	<b>323</b>	1,631	<b>2,306</b>	10,324	10,868
Non-controlling interests	<b>0</b>	0	<b>0</b>	188	188
<b>Earnings per share for profit attributable to the equity holders of the Company:</b>					
Earnings per share, cents	<b>-0.3</b>	1.2	<b>0.5</b>	10.1	10.1
Diluted, cents	<b>-0.3</b>	1.2	<b>0.5</b>	9.9	10.1

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)	30.9.12	30.9.11	31.12.11
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	457	467	438
Goodwill	6,204	6,204	6,204
Other intangible assets	1,640	1,995	1,881
Investments in associated companies	8,971	9,068	8,347
Investments at fair value through profit and loss			
Investments in funds	72,442	67,671	70,167
Other financial assets	99	597	597
Receivables	19,528	19,392	19,601
Deferred income tax assets	4,786	3,800	4,025
	<b>114,127</b>	<b>109,194</b>	<b>111,260</b>
<b>Current assets</b>			
Trade and other receivables	7,941	5,837	5,467
Other financial assets at fair value through profit and loss	374	378	378
Cash and bank	12,100	31,664	21,887
	<b>20,415</b>	<b>37,879</b>	<b>27,732</b>
Non-current assets held for sale	945	3,501	3,501
<b>Total assets</b>	<b>135,487</b>	<b>150,574</b>	<b>142,493</b>
€ ('000)	30.9.12	30.9.11	31.12.11
<b>EQUITY AND LIABILITIES</b>			
<b>Capital attributable the Company's equity holders</b>			
Share capital	772	772	772
Share premium account	38,968	38,968	38,968
Other reserves	38,814	38,679	38,679
Translation difference	44	70	38
Retained earnings	4,052	8,582	9,784
<b>Total equity</b>	<b>82,650</b>	<b>87,071</b>	<b>88,241</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities	2,331	3,019	2,569
Interest-bearing loans and borrowings	26,523	28,905	28,753
Other liabilities	1,241	1,238	1,131
	<b>30,095</b>	<b>33,162</b>	<b>32,453</b>
<b>Current liabilities</b>			



Trade and other payables	18,417	24,091	15,269
Interest-bearing loans and borrowings	4,000	6,250	6,250
Current income tax liabilities	325	0	280
	<b>22,742</b>	30,341	21,799
<b>Total liabilities</b>	<b>52,837</b>	63,503	54,252
<b>Total equity and liabilities</b>	<b>135,487</b>	150,574	142,493

## GROUP STATEMENT OF CHANGES IN EQUITY

### Attributable to the equity holders of the Company

€ ('000)	Share capital	Share premium account	Other reserves	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 1 January 2011	772	38,968	38,679	69	12,241	90,729	273	91,002
Options					317	317		317
Dividends					-10,114	-10,114	-222	-10,336
Hybrid bond, interest (net of tax)					-2,414	-2,414		-2,414
Comprehensive profit				1	10,323	10,324	188	10,512
Acquisition of non-controlling interests					-1,771	-1,771	-239	-2,010
Equity on 30 September 2011	772	38,968	38,679	70	8,582	87,071	0	87,071
Equity on 1 January 2012	772	38,968	38,679	38	9,784	88,241	0	88,241
Options			135		272	407		407
Dividends					-5,898	-5,898		-5,898
Hybrid bond, interest (net of tax)					-2,463	-2,463		-2,463
Other changes					57	57		57
Comprehensive profit				6	2,300	2,306		2,306
<b>Equity on 30 September 2012</b>	<b>772</b>	<b>38,968</b>	<b>38,814</b>	<b>44</b>	<b>4,052</b>	<b>82,650</b>	<b>0</b>	<b>82,650</b>

**STATEMENT OF CASH FLOW (IFRS)**

€ ('000)	1-9/12	1-9/11	1-12/11
<b>Cash flow from operations</b>			
Profit for the financial year	<b>2,300</b>	10,511	11,087
Adjustments	<b>531</b>	-7,453	-10,350
<b>Cash flow before change in working capital</b>	<b>2,831</b>	3,058	737
Change in working capital	<b>-2,252</b>	2,276	-1,142
Financing items and taxes	<b>-3,183</b>	-4,310	-7,788
<b>Cash flow from operations</b>	<b>-2,604</b>	1,024	-8,193
<b>Cash flow from investments</b>	<b>2,372</b>	15,407	14,607
<b>Cash flow before financing</b>	<b>-232</b>	16,431	6,414
Dividends paid	<b>-5,898</b>	-10,336	-10,336
Other net cash flow	<b>-3,657</b>	-8,480	-8,240
<b>Financial cash flow</b>	<b>-9,555</b>	-18,816	-18,576
<b>Change in cash funds</b>	<b>-9,787</b>	-2,385	-12,162
Cash funds at start of the period	<b>21,887</b>	34,049	34,049
<b>Cash funds at end of the period</b>	<b>12,100</b>	31,664	21,887

## Segment information

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

7-9/2012	Management Company business			Fund Investment business	Total
	CapMan Private Equity	CapMan Real Estate	Total		
€ ('000)					
Turnover	6,364	1,690	8,054	0	8,054
Operating profit/loss	566	-120	446	-392	54
Profit/loss for the financial year	692	-120	572	-250	322

  

7-9/2011	Management Company business			Fund Investment business	Total
	CapMan Private Equity	CapMan Real Estate	Total		
€ ('000)					
Turnover	7,915	1,944	9,859	0	9,859
Operating profit/loss	1,754	361	2,115	-277	1,838
Profit/loss for the financial year	1,150	361	1,511	105	1,616

  

1-9/2012	Management Company business			Fund Investment business	Total
	CapMan Private Equity	CapMan Real Estate	Total		
€ ('000)					
Turnover	16,155	5,100	21,255	0	21,255
Operating profit/loss	-547	-720	-1,267	3,206	1,939
Profit/loss for the financial year	-472	-720	-1,192	3,492	2,300
Assets	7,896	503	8,399	105,728	114,127
Total assets includes:					
Investments in associated companies	0	0	0	8 971	8 971
Non-current assets held for sale	945	0	945	0	945



1-9/2011	Management Company business			Fund Investment business	Total
	CapMan Private Equity	CapMan Real Estate	Total		
€ ('000)					
Turnover	19,206	6,402	25,608	0	25,608
Operating profit/loss	1,557	-339	1,218	9,826	11,044
Profit/loss for the financial year	1,382	-339	1,043	9,468	10,511
Assets	8,687	577	9,264	99,930	109,194
Total assets includes:					
Investments in associated companies	0	0	0	9,068	9,068
Non-current assets held for sale	3,501	0	3,501	0	3,501

1-12/2011	Management Company business			Fund Investment business	Total
	CapMan Private Equity	CapMan Real Estate	Total		
€ ('000)					
Turnover	24,633	7,807	32,440	0	32,440
Operating profit/loss	-45	-1,024	-1,069	12,164	11,095
Profit/loss for the financial year	-651	-1,024	-1,675	12,762	11,087
Assets	8,362	627	8,989	102,271	111,260
Total assets includes:					
Investments in associated companies	0	0	0	8,347	8,347
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 €0.07 per share, total €5.9 million, was paid for the year 2011. The dividend was paid to the shareholders on 26 March 2012 (A dividend of €0.12 per share, total €10.1 million, was paid for the year 2010.).



**Non-current assets**

€ ('000)	30.9.12	30.9.11	31.12.11
Investments in funds at fair value through profit and loss at Jan 1	70,167	66,504	66,504
Additions	5,003	10,619	11,847
Distributions	-3,302	-18,313	-19,530
Fair value gains/losses on investments	574	8,861	11,346
Investments in funds at fair value through profit and loss at end of the period	72,442	67,671	70,167

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

	30.9.12	30.9.11	31.12.11
Buyout	37,996	35,567	37,458
Mezzanine	3,774	4,625	3,835
Russia	4,102	2,459	2,836
Public Market	3,946	3,069	3,631
Real Estate	6,375	5,716	6,038
Other	11,710	11,840	11,961
Access	4,539	4,395	4,408
In total	72,442	67,671	70,167

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

€ ('000)	30.9.12	30.9.11	31.12.11
Receivables - non-current at end of review period	18,298	18,512	18,682
Receivables - current at end of review period	520	702	890

**Non-current liabilities**

€ ('000)	30.9.12	30.9.11	31.12.11
Interest bearing loans at end of review period	26,523	28,905	28,753

**Seasonal nature of business**

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

**Personnel**

By country	30.9.12	30.9.11	31.12.11
Finland	71	82	79
Sweden	15	19	18
Norway	8	8	8
Russia	13	14	14
Luxembourg	1	1	1
In total	108	124	120



**Commitments**

€ ('000)	<b>30.9.12</b>	30.9.11	31.12.11
Leasing agreements	<b>7,296</b>	7,699	7,534
Securities and other contingent liabilities	<b>66,198</b>	68,292	67,143
Remaining commitments to funds	<b>20,245</b>	23,852	24,425
Remaining commitments by investment area			
Buyout	<b>8,082</b>	9,808	10,008
Mezzanine	<b>4,543</b>	4,281	4,826
Russia	<b>1,121</b>	2,247	2,113
Public Market	<b>1,059</b>	315	299
Real Estate	<b>834</b>	1,078	942
Other	<b>3,249</b>	4,214	4,328
Access	<b>1,357</b>	1,909	1,909
In total	<b>20,245</b>	23,852	24,425



**Turnover and profit quarterly****2012**

<b>MEUR</b>	<b>1-3/12</b>	<b>4-6/12</b>	<b>7-9/12</b>	<b>1-9/12</b>
Turnover	6.7	6.5	8.1	21.3
Management fees	6.2	6.2	5.9	18.3
Carried interest	0.0	0.0	1.9	1.9
Other income	0.5	0.3	0.3	1.1
Other operating income	0.0	0.2	0.0	0.2
Operating expenses	-7.5	-7.9	-7.7	-23.1
Fair value gains of investments	3.5	0.3	-0.3	3.5
Operating profit/loss	2.7	-0.8	0.0	1.9
Financial income and expenses	0.2	-0.3	0.4	0.3
Share of associated companies' result	0.7	-0.1	-0.2	0.4
Profit/loss before taxes	3.6	-1.2	0.3	2.7
Profit/loss for the period	3.1	-1.1	0.3	2.3

**2011**

<b>MEUR</b>	<b>1-3/11</b>	<b>4-6/11</b>	<b>7-9/11</b>	<b>1-9/11</b>	<b>10-12/11</b>	<b>1-12/11</b>
Turnover	8.2	7.6	9.8	25.6	6.8	32.4
Management fees	7.1	6.8	6.8	20.7	6.4	27.1
Carried interest	0.4	0.0	2.6	3.0	0.1	3.1
Real Estate consulting	0.5	0.5	0.0	1.0	0.0	1.0
Other income	0.2	0.3	0.4	0.9	0.3	1.2
Other operating income	0.0	0.6	0.0	0.6	0.0	0.6
Operating expenses	-8.3	-9.2	-7.9	-25.4	-9.5	-34.9
Fair value gains / losses of investments	4.1	6.2	-0.1	10.2	2.6	12.8
Operating profit	4.0	5.2	1.8	11.0	0.1	11.1
Financial income and expenses	0.4	0.0	-0.2	0.2	0.4	0.6
Share of associated companies' result	0.5	1.9	0.4	2.8	-0.7	2.1
Profit/loss after financial items	4.8	7.2	2.0	14.0	-0.3	13.7
Profit for the period	3.7	5.2	1.6	10.5	0.6	11.1



**APPENDIX 1: THE CAPMAN GROUP'S FUNDS UNDER MANAGEMENT AS OF 30 SEPTEMBER 2012, MEUR**

The tables below show the status of the funds managed by CapMan as of 30 September 2012. CapMan groups its funds into four categories in terms of their life cycle as follows: 1) Funds generating carried interest; 2) Funds in exit and value creation phase; 3) Funds in active investment phase; and 4) Funds with no carried interest potential for CapMan.

Exits made by funds generating carried interest provide CapMan with immediate carry income, while those in the exit and value creation phase can be expected to start generating carried interest within the next 1-5 years. The carry potential of funds in active investment phase is likely to be realised over the next 5-10 years. The last category comprises funds that do not offer any carried interest potential for CapMan, either because CapMan's share of carry in the funds concerned is small or because the funds are not expected to transfer to carry.

When analysing the projected timetable within which a fund could transfer to carry, the cumulative cash flow that investors have already received should be compared to the fund's paid-in capital. In order for a fund to enter carry, it must first return its paid-in capital and pay an annual preferential return to investors. In the case of funds in the exit or value creation phase, the table shows the cash flow that must be returned to investors to enable a fund to transfer to carry. The carry potential of each fund can be evaluated by comparing this figure to the fair value of the fund's portfolio. A portfolio's fair value, including its possible net cash flows, provides an indication of the distributable capital available as of the end of the reporting period. Any uncalled capital in a fund (relevant especially for funds in the active investment phase) should be taken into account when evaluating the cash flow that will be needed to enable a fund to transfer to carry.

The percentage shown in the last column indicates the share of each fund's cash flow due to CapMan as and when the fund transfers to carry. Following a previous distribution of carried interest, any new paid-in capital, together with the annual preferential return payable on it, must be returned to investors before any further distribution of carried interest can take place.

Definitions of the column headings are shown below the table.

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 IN PORTFOLIO COMPANIES

	Size	Paid-in capital	Fund's current portfolio		Net cash assets	Distributed cash flow		Amount of cash flow needed to transfer the fund to carry as of 30.9.2012	CapMan's share of cash flow if fund generates carried interest
			At cost	At fair value		To investors	To mgmt company		
<b>Funds generating carried interest</b>									
Fenno Program <sup>1)</sup> , FM II B, FV V, FM IIIB, CME VII B									
Total	314.5	308.8	30.9	24.5	4.3	492.8	19.2		10-20%
<b>Funds in exit and value creation phase</b>									
FM III A	101.4	100.6	18.4	15.7	1.6	126.7		3.9	20%
CME VII A <sup>6)</sup>	156.7	156.7	52.9	44.2	6.2	179.2		37.1	15%
CME Sweden <sup>6)</sup>	67.0	67.0	22.6	18.9	2.6	76.1		17.3	15%
CMB VIII <sup>2) 6)</sup>	440.0	391.1	258.6	290.8	1.5	158.6		377.3	12%
CMLS IV	54.1	51.0	31.7	35.7	0.2	13.2		53.5	10%
CMT 2007 <sup>2)</sup>	99.6	70.1	39.4	58.3	0.4	9.1		83.9	10%
CMPM	138.0	131.0	101.8	107.7	0.4	57.2		101.4	10%
CMR	118.1	94.3	67.7	82.5	0.4	0.0		111.9	3.4%
Total	1,174.9	1,061.8	593.1	653.8	13.3	620.1			
<b>Funds in active investment phase</b>									
CMB IX	294.6	223.9	185.0	221.7	2.5	13.4			10%
CMM V	95.0	26.2	24.3	27.5	1.0	1.7			10%
Total	389.6	250.1	209.3	249.2	3.5	15.1			
<b>Fund with no carried interest potential for CapMan</b>									
FV IV, FV VET, SWE LS <sup>3)</sup> , SWE Tech <sup>2), 3)</sup> , CME VII C, FM II A, C, D <sup>2)</sup> , FM III C, CMM IV <sup>4)</sup>									
Total	587.0	561.6	154.0	129.1	31.2	389.1			
<b>Private equity funds total</b>	<b>2,466.0</b>	<b>2,182.3</b>	<b>987.3</b>	<b>1,056.6</b>	<b>52.3</b>	<b>1,517.1</b>	<b>19.2</b>		

## REAL ESTATE FUNDS

	Investment capacity	Paid-in capital	Fund's current portfolio		Net cash assets	Distributed cash flow		Amount of cash flow needed to transfer the fund to carry as of 30.9.2012	CapMan's share of cash flow if fund generates carried interest
			At cost	At fair value		To investors	To mgmt-company		
<b>Funds in exit and value creation phase</b>									
CMRE I <sup>5)</sup>									
Equity and bonds	200.0	188.5	60.4	44.1		207.8	27.4	68.3	26%
Debt-financing	300.0	276.6	70.5	70.5					
<b>Total</b>	<b>500.0</b>	<b>465.1</b>	<b>130.9</b>	<b>114.6</b>	<b>1.1</b>	<b>207.8</b>	<b>27.4</b>		
CMRE II									
Equity and bonds	150.0	118.3	103.8	114.0		20.6		145.3	12%
Debt-financing	450.0	285.4	228.1	228.1					
<b>Total</b>	<b>600.0</b>	<b>403.7</b>	<b>331.9</b>	<b>342.1</b>	<b>3.7</b>	<b>20.6</b>			
CMHRE									
Equity and bonds	332.5	314.7	364.3	303.7		34.5		397.9	12%
Debt-financing	617.5	542.6	512.1	512.1					
<b>Total</b>	<b>950.0</b>	<b>857.3</b>	<b>876.4</b>	<b>815.8</b>	<b>4.7</b>	<b>34.5</b>			
<b>Total</b>	<b>2,050.0</b>	<b>1,726.1</b>	<b>1,339.2</b>	<b>1,272.5</b>	<b>9.5</b>	<b>262.9</b>	<b>27.4</b>		
<b>Funds in active-investment phase</b>									
PSH Fund									
Equity and bonds	5.0	3.5	3.4	6.1		0.8			10%
Debt-financing	8.0	8.0	7.9	7.9					
<b>Total</b>	<b>13.0</b>	<b>11.5</b>	<b>11.3</b>	<b>14.0</b>	<b>0.2</b>	<b>0.8</b>			
<b>Total</b>	<b>13.0</b>	<b>11.5</b>	<b>11.3</b>	<b>14.0</b>	<b>0.2</b>	<b>0.8</b>			
<b>Real Estate funds total</b>	<b>2,063.0</b>	<b>1,737.6</b>	<b>1,350.5</b>	<b>1,286.5</b>	<b>9.7</b>	<b>263.7</b>	<b>27.4</b>		

**Abbreviations used to refer to funds:**

CMB	= CapMan Buyout	CMRE	= CapMan Real Estate
CME	= CapMan Equity	CMT 2007	= CapMan Technology 2007
CMLS	= CapMan Life Science	FM	= Finnmezzanine Fund
CMM	= CapMan Mezzanine	FV	= Finnventure Fund
CMHRE	= CapMan Hotels RE	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](http://www.privateequityvaluation.com)), and investments in real estate assets are valued in accordance with the appraisals of external experts.

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

**Net cash assets:**

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

**Amount of cash flow needed to transfer the fund to carry:**

This cash flow refers to the profit distributed by funds and the capital they pay back to investors. The figure indicates the size of the cash flow that must be returned to investors as of the end of the reporting period to enable a fund to transfer to carry. A fund's carry potential can be evaluated by comparing this figure to the fair value of its portfolio.

**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.

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) Fenno Fund (founded 1997, in carry 2005) and Skandia I fund (founded 1997, in carry 2005) 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 investment focuses or portfolios differ significantly).
- 3) Currency items are valued at the average exchange rates quoted on 30 September 2012.
- 4) CapMan Mezzanine IV: The paid-in capital 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 42.3 in paid-in capital had not yet been returned to investors. This capital, together with the annual income entitlement payable on it, must be paid to investors before further carried interest can be distributed.



CapMan's management considers it unlikely, in the light of the market situation, that further carried interest will be provided by the CapMan Real Estate I fund. As a result, the fund has been transferred from those funds in carry. A total of some MEUR 6 of carried interest was not entered in CapMan's profit in 2007 but instead left in reserve in case that some of the carried interest would have to be returned to investors in future.

6) CapMan Plc's Board of Directors made a decision on 2 February 2012 to increase Buyout investment teams' share of carried interest to better reflect the prevailing industry practices. In the case of the CapMan Buyout VIII fund, the investment teams' share is approximately 40%, and in the case of the CapMan Equity VII funds approximately 25%.

## **APPENDIX 2: OPERATIONS OF CAPMAN'S FUNDS UNDER MANAGEMENT, 1 JANUARY – 30 SEPTEMBER 2012**

The operations of the private equity funds managed by CapMan during the first nine months of 2012 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 one in Russia. These take the form of 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 mainly on properties in Finland. CapMan also has two other investment areas (CapMan Technology and CapMan Life Science), which do not make new investments, but concentrate instead on developing the value of their existing portfolio companies. These two latter investment areas are reported under "Other" in Private Equity.

### **CAPMAN PRIVATE EQUITY**

#### **Investments in portfolio companies in January-September 2012**

CapMan's funds made three new investments and a number of add-on investments in existing portfolio companies during the first nine months of the year, totalling MEUR 66.5. The new investments were made by the CapMan Russia fund in Top League, KDL Test, and Vital Development. Add-on investments were largely concentrated in portfolio companies held by CapMan's Buyout funds. Eight new investments, together with a number of add-on investments, valued at a total of MEUR 160.3, were made during the first nine months of last year.

#### **Exits from portfolio companies in January-September 2012**

CapMan's funds exited completely from the Tokmanni Group, Ascade Holding AS, Inmeta Crayon ASA, Ordyhna Holding, and Quickcool AB during the review period, and partially from Metals and Powders Technology AB. Exits had a combined acquisition cost of MEUR 101.7. During the comparable period last year, final exits were made from 13 portfolio companies, with a combined acquisition cost of MEUR 200.0.

#### **Events after the close of the review period**

CapMan's funds agreed in October to combine units from existing portfolio company Komax with units from the Ruukki Engineering division to form a new company called Fortaco. The transaction has no impact on CapMan's financial result or cash flow.

### **CAPMAN REAL ESTATE**

#### **Investments in and commitments to real estate acquisitions and projects in January-September 2012**

CapMan's real estate funds did not make any new investments during the first nine months of the year. Add-on investments were made in a number of existing developments, totalling MEUR 26.8. In addition, real estate funds were committed to provide financing for real estate acquisitions and projects totalling MEUR 19 as of 30 September 2012. During the first nine months of 2011, funds made a number of add-on investments totalling MEUR 42.4, while commitments to finance new projects totalled MEUR 38.0 as of 30 September 2011.



## Exits from real estate investments in January-September 2012

The CapMan Real Estate II fund exited Kiinteistö Oy Turun Yliopistonkatu 22 during the review period. The property had an acquisition cost of MEUR 60.8. During the comparable period last year, two exits were completed, with a combined acquisition cost of MEUR 24.8.

## Events after the close of the review period

The second phase of the Willa shopping centre, a CapMan RE II fund investment, was completed and opened after the review period in October.

## FUND INVESTMENT ACTIVITIES IN FIGURES

### Investments and exits made by funds at acquisition cost, MEUR

	1-9/2012	1-9/2011	1-12/2011
<b>New and add-on investments</b>			
Funds investing in portfolio companies	66.5	160.3	168.7
Buyout	38.0	108.9	108.7
Russia	18.9	15.7	20.6
Public Market	0.2	31.1	31.8
Other	9.4	4.6	7.6
Real estate funds	26.8	42.4	56.6
<b>Total</b>	<b>93.3</b>	<b>202.7</b>	<b>225.3</b>
<b>Exits*</b>			
Funds investing in portfolio companies	101.8	200.0	205.4
Buyout	88.1	159.3	159.3
Russia	0.0	10.0	10.0
Public Market	0.0	6.5	6.5
Other	13.7	24.2	29.6
Real estate funds	60.8	24.8	35.1
<b>Total</b>	<b>162.6</b>	<b>224.8</b>	<b>240.5</b>

\* including partial exits and repayments of mezzanine loans.

Real estate funds had made commitments valued at MEUR 19 to finance real estate acquisitions and projects as of 30 September 2012.

### Funds' combined portfolio\* as of 30 September 2012, MEUR

	Portfolio at acquisition cost	Portfolio at fair value	Share of portfolio (fair value) %
Funds investing in portfolio companies	987.2	1,056.7	45.1
Real estate funds	1,350.5	1,286.5	54.9
<b>Total</b>	<b>2,337.7</b>	<b>2,343.2</b>	<b>100.0</b>
Funds investing in portfolio companies			
Buyout	667.7	727.3	68.8
Russia	67.7	82.5	7.8



Public Market	101.8	107.7	10.2
Other	150.0	139.2	13.2
<b>Total</b>	<b>987.2</b>	<b>1,056.7</b>	<b>100.0</b>

\* Total of all investments of funds under management.

### Remaining investment capacity

After deducting actual and estimated expenses, CapMan funds investing in portfolio companies had a remaining investment capacity amounting to some MEUR 474 for new and add-on investments as of 30 September 2012. Of their remaining capital, approx. MEUR 320 was earmarked for buyout investments (incl. mezzanine investments), approx. MEUR 68 for technology investments, approx. MEUR 12 for life science investments, approx. MEUR 40 for investments by the CapMan Russia team, and approx. MEUR 34 for investments by the CapMan Public Market team. CapMan's real estate funds had a remaining investment capacity of approx. MEUR 33, which has been reserved primarily for developing funds' existing investments.