

CapMan Plc, Stock exchange release 29 January 2009 at 9.30 am.

## CapMan Plc Group Financial Statements Bulletin 1 January – 31 December 2008

### Performance and main events during 2008:

- The Group's turnover totalled MEUR 37.1 (51.6 in 2007). Larger carried interest income in 2007 contributed mostly to the higher turnover in the comparison year.
- The operating loss of MEUR 6.3 (operating profit MEUR 29.8 in 2007) was largely a result of the negative change in the fair value of fund investments.
- Management company business generated a profit (operating profit excluding the profit impact of fund investments) of MEUR 7.1 (23.6).
- The profit impact of own fund investments, taking into account the fair value changes of investments and realised returns included in turnover, was MEUR -13.4 (6.2).
- Profit/loss before taxes was MEUR -10.7 (32.7) and profit/loss after taxes was MEUR -8.1 (24.2).
- Parent company equity holders' share of profit/loss was MEUR -8.2 (18.6), and earnings per share based on it were -10.2 cents (23.8 cents).
- Capital under management grew in 2008 by some 56% to MEUR 3,407.5 (2,190.0 on 31 December 2007). The establishment of the CapMan Hotels RE, CapMan Public Market and CapMan Buyout IX funds as well as the transfer of the current CapMan Russia fund to CapMan's management contributed to this growth.
- CapMan expanded its operations in line with its strategy during 2008 and established two new investment areas: CapMan Russia and CapMan Public Market. Both areas have significant potential for long-term growth.
- In December CapMan Plc strengthened its capital structure by issuing a MEUR 20 hybrid bond.
- The Board of Directors will propose to the Annual General Meeting to be held on 7 April 2009 that no dividend be paid for 2008.

### CEO Heikki Westerlund comments on the events of 2008 and on future prospects:

"CapMan posted a loss for 2008 as a consequence of the negative change in the fair value of fund investments. Nevertheless, our management company business developed favourably and generated a clear profit. We also succeeded well in fundraising for new funds towards the end of the year despite the extremely difficult fundraising climate. The establishment of our strategically important new investment areas, CapMan Russia and CapMan Public Market, in summer 2008 also supports future growth. Our capital under management reached EUR 3.4 billion, representing growth of 56% compared to the previous year.

The financial crisis, which escalated into a global recession in autumn 2008, has clearly had an impact on investment operations. Transaction volumes have remained low as sellers and buyers have different price expectations and the private equity market is still waiting positive impact of bail-out packages received by banks on transaction financing. The pronounced slowdown of the global economy was reflected in our portfolio companies' operations, especially in those sectors most affected by the crisis, such as the automobile industry. Most our funds' investment targets are in good shape and our investment operations are well placed to exploit opportunities presented by the prevailing market situation through new investments and add-on acquisitions by our existing portfolio companies.

The weak exit market will mainly affect CapMan's performance through lengthier exits and thereby postponement of potential carried interest income. We expect favourable development in the performance of our management company business, however, this year also. CapMan's overall result will depend in particular on how the valuations of our fund investments develop. Because forecasting is difficult in the current market situation, we believe it will not be possible to obtain realistic estimates of the performance of our portfolio companies this year until after summer 2009. In December we strengthened our own financial position by issuing a hybrid bond."



## Business operations

CapMan is an alternative asset manager, with operations in two business areas: CapMan Private Equity (manages funds that invest in portfolio companies) and CapMan Real Estate (manages funds that invest in real estate and also provides real estate consulting). The guiding principle for funds' investment activities is to directly and actively work towards increasing the value of investments. Information about each business area is reported in a separate segment in the company's interim reports.

CapMan Plc's income is derived from management fees paid by funds, from carried interest received from funds, from returns on fund investments made from CapMan Plc's own balance sheet, and from income generated by real estate consulting. There can be considerable quarterly fluctuation in carried interest as well as in the fair value of fund investments. For this reason CapMan's financial performance should be analysed over a longer time span than the quarterly cycle.

## Turnover and result for 2008

CapMan's turnover in 2008 amounted to MEUR 37.1 (MEUR 51.6 in 2007). The main factors affecting turnover and result are described in more detail in their own sections of this bulletin.

The Group's operating profit/loss totalled MEUR -6.3 (29.8). Management company business generated a profit (operating profit excluding the profit impact of fund investments) of MEUR 7.1 (23.6). Profit/loss before taxes was MEUR -10.7 (32.7) and profit/loss after taxes was MEUR -8.1 (24.2).

Parent company equity holders' share of profit/loss was MEUR -8.2 (18.6), and the earnings per share based on it were -10.2 cents (23.8).

The quarterly breakdown of turnover and profit, as well as turnover and profit by segment, for 2008 are presented in the tables section of this Financial Statements Bulletin.

## Management fees, real estate consulting income and operating expenses

The amount of management fees grew compared to 2007 and amounted to MEUR 29.6 (25.0). Establishment of the new MEUR 844.9 CapMan Hotels RE real estate fund in January 2008 contributed to the increase in management fees throughout the year. The CapMan Public Market and CapMan Russia funds also started to pay management fees in 2008. In addition, a management fee of MEUR 1.8 was received regressively from the CapMan Russia fund during the last quarter of the year.

Income from real estate consulting totalled MEUR 2.4 (2.1). The aggregate total of management fees and income from real estate consulting was MEUR 32.0 (27.1), and it covered the operating expenses of MEUR 29.8 (27.7).

## Carried interest

CapMan receives carried interest income from funds that have transferred to carry – i.e. repaid paid-in capital to their investors and paid an annual preferential return on the capital. In 2008 there was one exit from funds in carry. As a result of the exit from Staffpoint in May, carried interest income totalled MEUR 4.1. Carried interest in 2007 amounted to MEUR 23.6, which accrued primarily through the sale of CapMan Real Estate I fund's real estate portfolio.

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

## Income from CapMan's own fund investments and investment commitments

The profit impact of fund investments made from CapMan's own balance sheet was MEUR -13.4 (6.2). Of this, the realised returns from fund investments were MEUR 0.3 (0.5) and fair value changes related to fund investments were



MEUR -13.7 (5.7). The main factor affecting fair value changes was the general market development, but the weakening of the Swedish krona, and the new funds' expenses had also an impact. The valuation change of CapMan Equity VII's portfolio company Moventas contributed most to the fair value change in the comparison year. The negative development in the fourth quarter of 2008, altogether MEUR -11.0, was mainly attributable to the general market situation and its impact on the multiples of portfolio companies' listed peers used in company valuations. The change in the fair value of CapMan's fund investments was -17.1% in the last quarter, and -20.6% from the beginning of 2008. The aggregate fair value of fund investments on 31 December 2008 amounted to MEUR 53.1 (MEUR 44.2 on 31 December 2007).

CapMan made new investments in its funds during 2008 amounting to MEUR 26.3 (15.4). Most of these investments were made in the CapMan Buyout VIII and CapMan Hotels RE funds. CapMan's objective is to invest in its future funds 2–10% of their original capital depending on the fund's demand and CapMan's own investment capacity. In 2008 CapMan made a MEUR 5 investment commitment to the CapMan Hotels RE fund, a MEUR 13.5 investment commitment to the CapMan Russia fund, a MEUR 15 investment commitment to the CapMan Public Market fund, and a MEUR 13 investment commitment to the CapMan Buyout IX fund. The amount of remaining investment commitments at the end of 2008 was MEUR 77.2 (56.0). The aggregate fair value of existing investments and remaining investment commitments on 31 December 2008 was MEUR 130.4 (MEUR 100.2 on 31 December 2007).

Investments in portfolio companies are valued at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVG), and real estate assets are valued in accordance with the value appraisements of external experts, as detailed in Appendix 1.

### Hybrid bond

On 18 December 2008 CapMan Plc issued a MEUR 20.0 hybrid bond to Finnish institutional investors. The issue will strengthen the Group's capital structure and, in line with Group strategy, finance investments that CapMan Plc has made to the funds managed by the Group. The coupon rate for the bond is 11.25% p.a. and it is payable semi-annually.

The bond has no maturity date but the company may call the bond after five years. The size of the issue may be increased to at most MEUR 30.

### Balance sheet and financial position on 31 December 2008

CapMan's balance sheet total increased during 2008 to MEUR 138.0 (MEUR 117.4 on 31 December 2007). Non-current assets increased during 2008 to MEUR 99.8 (74.9), mainly due to investments made in funds, to growth in receivables, and to an increase in goodwill of MEUR 6.5 recognised for the Norum acquisition. Long-term receivables amounted to MEUR 24.5 (16.2), of which MEUR 21.1 (11.6) comprised loan receivables from the Maneq funds. In addition to CapMan Plc, CapMan personnel are investors in the Maneq funds, the expected returns from which are broadly in line with the return expectations for CapMan's own fund investments. Maneq funds pay market rate interest on loans they receive from CapMan Plc.

Current assets amounted to MEUR 38.2 (42.4). Liquid assets (cash in hand and at banks, plus other financial assets at fair value through profit and loss) amounted to MEUR 25.3 (34.6). Liquid assets include the hybrid bond issued on 18 December 2008. In the comparison period liquid assets were exceptionally high due to the carried interest income received from CapMan Real Estate I fund's sale of its real estate portfolio.

Equity in the balance sheet includes the hybrid bond issued on 18 December 2008, which has been entered in 'Other reserves'. At 31 December 2008 CapMan Plc had a bank financing package of MEUR 60 (16.0) available, of which MEUR 46 (16.0) was in use. Interest-bearing liabilities increased as CapMan pursued its strategy of using debt financing to finance some of its investments in funds. The amount of trade and other payables was MEUR 15.8 (21.4). The Group's interest-bearing net debts amounted to MEUR 20.7 (-18.6).



## Key figures

CapMan's equity ratio on 31 December 2008 was 50.3% (57.6% on 31 December 2007). Return on equity was -11.8% (38.9%) and return on investment was -6.3% (44.2%). The target level for the equity ratio is at least 50% and for return on equity at least 25%.

	<b>31.12.08</b>	31.12.07
Earnings per share, cents	<b>-10.2</b>	23.8
Diluted, cents	<b>-9.8</b>	23.7
Shareholders' equity per share, cents*	<b>86.1</b>	86.4
Share issue adjusted number of shares	<b>80,432,600</b>	78,142,867
Number of shares at end of period	<b>81,458,424</b>	79,968,819
Number of shares outstanding	<b>81,322,921</b>	79,968,819
Own shares held by the Company at end of period	<b>135,503</b>	0
Return on equity, %	<b>-11.8</b>	38.9
Return on investment, %	<b>-6.3</b>	44.2
Equity ratio, %	<b>50.3</b>	57.6
Net gearing, %	<b>30.0</b>	-27.5

\* In line with IFRS standards, the MEUR 20 hybrid bond issued on 18 December 2008 is included in equity and also in calculating equity per share.

## Board's proposal for distribution of profit

CapMan Plc's target is to distribute at least 50% of net profit as dividends. Owing to the loss made in 2008 and the uncertainty attached to the current market situation, CapMan Plc's Board of Directors will propose to the Annual General Meeting to be held on 7 April 2009 in Helsinki that no dividend be paid to shareholders for 2008. The company's distributable funds amounted to MEUR 11.0 on 31 December 2008 (MEUR 19.0 on 31 December 2007).

## Norum acquisition and expansion of operations in Russia

On 26 May 2008 CapMan Plc signed an agreement to buy private equity house Norum from the company's senior management, DnB NOR Bank ASA and Sitra Management Ltd. The transaction was closed on 27 August 2008, on terms whereby 51% of the CapMan Russia fund's management company's and 100% of the advisory company's share capital and voting rights were transferred to CapMan Plc's ownership. The CapMan Russia fund, which is currently in the fundraising phase, was also transferred under CapMan's management. The fund makes investments in mid-size companies operating in Russia, and its size is currently MEUR 118.1. CapMan Plc's own commitment to the fund is MEUR 13.5.

The purchase price of the shares was approx. MEUR 3.4. Some MEUR 1 of the purchase price was paid in cash and the remaining MEUR 2.4 through a direct share issue to the sellers. The value of each B share in the transaction was EUR 2.43 corresponding to the volume weighted average trading price of CapMan B shares between 22 April 2008 and 21 May 2008. CapMan Plc issued a total of 982,539 new CapMan Plc B shares, the three-phase lock-up for which will end on 25 May 2011. The purchase price of the shares will be adjusted on the basis of the final size of CapMan Russia fund.

CapMan Plc has the right to buy the remaining 49% of Norum shares by July 2012 at the latest. The sellers have the right to sell their remaining Norum shares to CapMan at any time. The payable transaction price per share will be the same as the fundraising adjusted transaction price in the first phase of the transaction.



Expanding operations into Russia is an important strategic step for CapMan, as the Russian market has considerable potential for long-term growth. Following the transaction 12 persons transferred to CapMan Group. The CapMan Russia team is headed by CapMan's senior partner Mr Petri Saavalainen, while Mr Hans Christian Dall Nygård, the former Managing Director of Norum and now a partner in CapMan, is responsible for all the investment activities of CapMan Russia. CapMan Russia is included in the CapMan Private Equity business area in CapMan Plc's financial reporting. As a subsidiary, Norum is fully consolidated in CapMan Group's figures, including the goodwill arising from the transaction. The Norum acquisition will have no significant impact on CapMan Plc's result over the next few years.

### **CapMan Public Market fund**

On 11 July 2008 CapMan Plc established a new equity fund, CapMan Public Market. The size of the fund is at present MEUR 106, including CapMan Plc's commitment of MEUR 15. The CapMan Public Market fund invests in Nordic listed companies that have a market capitalisation of MEUR 100–1,000, and it utilises private equity style value creation methods in its operations. The fund's fundraising continues.

The establishment of the fund was the start of CapMan's sixth investment area, CapMan Public Market, which is headed by CapMan's senior partner Mr Jukka Ruuska. CapMan Public Market is included in the CapMan Private Equity business area in CapMan Plc's financial reporting. CapMan Public Market's operations have considerable potential for long-term growth, but establishment of the investment area will have no significant impact on CapMan Plc's result over the next few years.

### **CapMan Hotels RE fund**

On 18 January 2008 CapMan Plc established a new private equity fund focusing on hotel real estate, CapMan Hotels RE Ky. The size of the hotel fund at the end of 2008 was MEUR 844.9, and the fund's fundraising is ongoing. The fund acquired a MEUR 805 hotel portfolio of 39 properties from Northern European Properties Ltd in conjunction with its establishment. Seven professionals in the hotel business transferred to CapMan Group through the transaction. The management company of CapMan Hotels RE Ky is CapMan Hotels RE Oy, of which CapMan Plc owns 80%. Establishment of the fund has had a slightly positive effect on CapMan Plc's result in 2008 through the management fees paid by the fund.

### **CapMan Buyout IX fund**

On 22 December 2008 CapMan Plc established its ninth buyout fund, CapMan Buyout IX. The size of the fund after the first closing was MEUR 203, including CapMan Plc's own investment commitment of MEUR 13. The fund will make investments in mid-sized Nordic buyouts, and its fundraising is ongoing. The fund will start paying a management fee to CapMan as from its first investment.

### **Capital under management on 31 December 2008**

Capital under management refers to funds' remaining investment capacity and capital already invested at acquisition cost. CapMan's target is to increase the capital under management by an average 15% per year. As a result of the establishment of the CapMan Hotels RE, CapMan Public Market and CapMan Buyout IX funds, and of the CapMan Russia fund being transferred to CapMan's management, the capital under management grew in 2008 by some 56% from MEUR 2,190.0 to MEUR 3,407.5. At the end of 2008, MEUR 1,767.0 (1,394.3) was in funds making investments in portfolio companies and MEUR 1,640.5 (795.7) in real estate funds. Capital was raised during 2008 as follows:



<b>Fund</b>	<b>Established</b>	<b>Capital 31 Dec 07 MEUR</b>	<b>Capital 31 Dec 08 MEUR</b>	<b>CapMan Group's commitment MEUR</b>	<b>CapMan Group's carried interest (net*)</b>
CapMan Technology 2007	9.2.2007	140.3	142.3	15.0	10%
CapMan Hotels RE Ky	18.1.2008	0.0	844.9	5.0	12%
CapMan Public Market Fund	11.7.2008	0.0	106.0	15.0	10%
CapMan Russia Fund**	27.8.2008	56.0	118.1	13.5	n/a
CapMan Buyout IX	22.12.2008	0.0	203.0	13.0	10%

\* CapMan Group's carried interest taking into account the carried interest due to management companies' other owners and investment teams after the fund has transferred into carry. Carried interest = share of the fund's cash flows after it has transferred into carry.

\*\* The CapMan Russia fund was transferred to CapMan's management on 27 August 2008 on finalisation of the Norum acquisition. CapMan Plc's share of carried interest will depend on the final size of the fund and will be announced in conjunction with notification of the final fund size.

Capital under management was reduced by exits made during 2008, amounting to MEUR 39.4 at acquisition price. The Nordic Private Equity Partners II fund was terminated owing to its exit during the year from its last remaining investment.

More detailed information about managed funds and their investment activities is presented in Appendices 1 and 2.

## Personnel

On 31 December 2008 CapMan employed altogether 141 people (110 people on 31 December 2007), of whom 102 (86) worked in Finland and the remainder worked in other Nordic countries or Russia. In particular, the establishment of the new hotel fund and the Norum acquisition both contributed to growth in the number of personnel. A breakdown of personnel by country and by team is presented in the tables section of this Financial Statements Bulletin.

## Shares and share capital

There were no changes in CapMan Plc's share capital during 2008. Share capital on 31 December 2008 was MEUR 771,586.98 (MEUR 771,586.98 on 30 December 2007). The number of CapMan Plc's listed B shares increased during the year by altogether 1,489,605 shares, after a total of 507,066 B shares were subscribed for with 2003A options and 982,539 new B shares were issued in connection with the Norum acquisition. The number of B shares on 31 December 2008 was 75,458,424, and the number of unlisted A shares 6,000,000.

## Shareholders

CapMan Plc had 4,514 shareholders on 31 December 2008 (4,489 on 31 December 2007). The biggest change in the Company's ownership during 2008 was that following the Norum transaction Norum's management became shareholders of CapMan Plc with a combined holding of 1.21% in the company. No flagging notices were issued during 2008.





## Own shares

CapMan Plc's Board of Directors decided on 8 August 2008 to start purchases of CapMan Plc B shares based on the authorization granted by the Annual General Meeting on 27 March 2008. During the period 18 August –15 October 2008 a total of 135,503 was repurchased. The authorization to repurchase CapMan Plc B shares applies to a maximum 8,000,000 shares and is valid until 30 June 2009.

## Stock option programs

At the end of 2008 CapMan Plc had two stock option programs as part of the incentive and commitment program for the key personnel: Option program 2003 and Option program 2008. The 2003B options are traded on the options list of the OMX Nordic Exchange in Helsinki. A total of 625,000 B shares can still be subscribed for with 2003B options, for which the subscription period ends on 31 October 2009. No shares were subscribed for with 2003B options in 2008. At the end of October 2008, a total of 507,066 B shares were subscribed for with 2003A options, which expired at the end of October 2008. Receivables from shares subscribed for with options are entered in the company's invested unrestricted shareholders' equity.

CapMan Plc's Annual General Meeting held on 27 March 2008 approved the issue of stock options to key personnel under the Option program 2008. The maximum total number of stock options issued within the Option program 2008 will be 4,270,000, which will carry entitlement to subscribe for a maximum total of 4,270,000 new B shares. The subscription period for 2008A options starts on 1 May 2011 and for 2008B options on 1 May 2012.

## Trading and prices of shares and stock options

The exceptional market climate and the steep decline in global stock markets in 2008 were also reflected in the trading volumes and prices of CapMan Plc shares. On 31 December 2008 the closing price of CapMan Plc B shares was EUR 0.95 (EUR 3.25 on 31 December 2007). The average price during the year was EUR 2.09 (3.49). The highest price was EUR 3.40 (4.07) and the lowest EUR 0.79 (2.86). The trading of the company's shares declined appreciably with respect to 2007, in terms of both volume and value. Altogether 14.8 (30.9) million CapMan Plc B shares were traded in 2008 for a total of MEUR 29.6 (107.0).

The market capitalisation of CapMan Plc B shares on 31 December 2008 was MEUR 71.7 (240.4). The market capitalisation of all shares, in which the A shares are valued at the closing price of B shares for the review period, was MEUR 77.4 (259.9).

## Board authorisations

By decision of the Annual General Meeting, CapMan Plc's Board of Directors is authorised to decide on a share issue as well as to issue stock options and other entitlements to shares, and is also authorised to purchase the Company's own shares and to accept them as a pledge. The authorisations are valid until 30 June 2009, and the terms and conditions attached to them were specified in more detail in the Stock Exchange release issued on 27 March 2008.

## Other events in 2008

On 9 October 2008 CapMan Plc announced that the sale of Access Capital Partners (Access), first announced on 25 July 2008, was cancelled after the purchaser announced that its lender bank had decided to withdraw the pre-agreed financing from the transaction, invoking force majeure caused by the general financial crisis. CapMan Plc continues as a 35% minority shareholder in Access after the cancellation of the deal. The original sizes of the funds and the mandates managed by Access on 31 December 2008 are presented in Appendix 3.



## Significant risks and short-term uncertainties

CapMan Plc's management company business is profitable, but the prevailing market climate has increased the uncertainty attached to forecasting the company's financial performance. The combination of an almost total standstill in the buyout market, a credit squeeze and a sharp decline in fair values of investments have appreciably weakened exit opportunities. This can result in postponement of exits, and consequently therefore of carried interest income. In the real estate market, the economic climate can impact tenants' operations, and thereby the vacancy rate and rental income of investment properties. CapMan believes that fundraising also will continue to be challenging, which might affect the end result of ongoing fundraising activities and, through that, management fees over the next few years. CapMan Plc's financial position was strengthened by issuing a MEUR 20 hybrid bond in December.

## Publication of the Financial Statements and Report of the Board of Directors, and Annual General Meeting 2009

CapMan Plc's Financial Statements and Report of the Board of Directors for 2008 will be published in full together with the company's Annual Report for 2008 in week 11. CapMan Plc's 2009 Annual General Meeting will be held on Tuesday 7 April 2009 in Helsinki, Finland.

## Business environment

The prospects for growth in the demand for alternative assets have remained good over the long term. The financial crisis and the steep decline in market valuations of other asset classes, however, are clearly slowing the growth in the alternative asset class. Private equity has consolidated its position in financing M&A and growth, and continues to focus typically on consolidation in various sectors, family successions, privatisation of public services and functions, and the commercialisation of R&D in the technology and life science sectors. Increased entrepreneurial activity has also boosted growth. Real estate funds, for their part, have gained an established share of institutional investors' investment allocations.

The CapMan funds investing in portfolio companies will continue to implement their investment strategies. The deep crisis in the debt market has been reflected, however, in CapMan's operating area also. At present the M&A market is still waiting for the positive impact of banking sector bail-out plans to materialise. The banks have focused their lending on large corporations in particular which has delayed the positive impact on other companies. We believe that bank financing for buyouts, mergers & acquisitions and real estate investments will gradually recover during 2009. The market looks promising for new investments both in the Nordic countries and Russia. The number of new potential portfolio companies has remained at a good level especially for the Public Market and Russia funds. The exit market has at present come to a standstill and the impact of the crisis is visible in lower prices.

The slowdown in growth of the real economy has been seen in our portfolio companies, especially in those sectors that are linked, for instance, to consumer demand or the automobile industry. Generally our portfolio companies' development has been favourable, but forecasting for 2009 is difficult. A steep decline in listed market valuations was reflected in the fair value of our investments. We plan to keep enough reserves in our funds to support our companies' growth and financing in this market situation. Long-term cooperation with Nordic banks is particularly important to us.

In the real estate sector, instability in debt markets has appreciably depressed the volume of real estate transactions. Tighter bank credit will continue to affect both competition and the valuation levels in the real estate sector, and we expect to see increased use of equity for the financing of real estate transactions. Demand for prime real estate is still at a good level and the changed market situation could well open up good investment opportunities. The challenging market has boosted demand for real estate consulting. On the leasing market, the occupancy rate and demand for office and retail premises remain at a good level. Vacancy rates for office premises, however, are expected to rise in the Helsinki metropolitan area.





All CapMan's investment teams are in a good position and have adequate resources to implement their investment strategies in the Nordic countries and Russia. The funds investing in portfolio companies have some MEUR 875 for making new and follow-on investments, while the real estate funds have approx. a MEUR 320 investment capacity for identifying new investment targets and developing the existing portfolio.

### **Future outlook**

CapMan's strategy is to exploit growth opportunities within the alternative asset class. The projects for expanding geographically into Russia and for establishing a fund utilising private equity style value creation methods in public markets have now been implemented, and these funds are now in the fundraising phase. A new buyout fund was established in December and its fundraising is also ongoing. We will focus on fully exploiting our existing business portfolio, and we have no plans to expand it in the near future. CapMan will invest in its future funds 2–10% of their original capital depending on the fund's demand and CapMan's own investment capacity. As one element in preparing for the continuation of the weak exit market CapMan is exploring possibilities for incorporating its own fund investments. This would clarify the difference between CapMan's management company business and its own investment operations and enable having third party investors in the possible new vehicle to be formed. CapMan strengthened its financial position in December by issuing a MEUR 20 hybrid bond. The size of the bond can be increased to MEUR 30.

Management fees and income from real estate consulting will cover CapMan's fixed expenses in 2009. Income from carried interest will depend on developments in the exit market. Despite the slowdown in the exit market, the funds still have portfolio companies ready to enter the exit process. We expect the CapMan Equity VII A, B and Sweden funds as well as the Finnmezzanine III A and B funds to transfer to carry during 2009–2010. The unstable market climate and the sharp decline in listed peers' valuations may, however, be reflected as a decline in the fair value of CapMan Plc's fund investments in 2009. The Group's overall result for 2009 will mainly depend on whether new exits are made by funds already generating carried interest, and on how the value of investments develops in those funds in which CapMan is a substantial investor.

CapMan Plc's Interim Report for January–March 2009 will be published on Monday 11 May 2009.

Helsinki, Finland, 29 January 2009

CAPMAN PLC  
Board of Directors

### **Press conference**

A press conference for analysts and the media will be held today at 12 noon in CapMan's offices at Korkeavuorenkatu 32, Helsinki, Finland. CapMan's CEO Heikki Westerlund will present the result for 2008 and review the market situation. A light lunch will be served at the event.

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

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

Appendix 1: CapMan Plc Group's funds under management at 31 December 2008, MEUR  
Appendix 2: Operations of CapMan's funds under management, 1 January – 31 December 2008  
Appendix 3: Capital and mandates under management of associated company Access Capital Partners, 31 December 2008



## Accounting principles

The Group's financial statement bulletin has been prepared in accordance with the previous accounting principles, while addressing the IFRS interpretations arising during financial year 2008. The financial statement bulletin has not been audited.

### GROUP INCOME STATEMENT (IFRS)

TEUR	1-12/08	1-12/07
<b>Turnover</b>	<b>37,126</b>	51,572
Other operating income	<b>108</b>	236
Personnel expenses	<b>-16,867</b>	-15,381
Depreciation and amortisation	<b>-635</b>	-581
Other operating expenses	<b>-12,321</b>	-11,783
Fair value gains / losses of investments	<b>-13,709</b>	5,696
<b>Operating profit/loss</b>	<b>-6,298</b>	29,759
Financial income and expenses	<b>-1,994</b>	1,070
Share of associated companies' result	<b>-2,378</b>	1,915
<b>Profit/loss before taxes</b>	<b>-10,670</b>	32,744
Income taxes	<b>2,612</b>	-8,509
<b>Profit/loss for the financial year</b>	<b>-8,058</b>	24,235
<b>Attributable to:</b>		
Equity holders of the company	<b>-8,209</b>	18,620
Minority interest	<b>151</b>	5,615
<b>Earnings per share for profit/loss attributable to the equity holders of the Company:</b>		
Earnings per share, cents	<b>-10.2</b>	23.8
Diluted, cents	<b>-9.8</b>	23.7
Operating profit/loss, %	<b>-17.0</b>	57.7



**GROUP BALANCE SHEET (IFRS)**

TEUR	31.12.08	31.12.07
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible assets	1,064	819
Goodwill	11,762	4,845
Other intangible assets	3,229	1,001
Investments in associated companies	1,575	3,407
Other financial assets at fair value through profit and loss		
Investments in funds	53,147	44,230
Other financial assets	828	878
Receivables	24,451	16,191
Deferred income tax assets	3,707	3,547
	<b>99,763</b>	<b>74,918</b>
<b>Current assets</b>		
Trade and other receivables	12,965	7,837
Other financial assets at fair value through profit and loss	942	14,857
Cash in hand and at bank	24,330	19,741
	<b>38,237</b>	<b>42,435</b>
<b>Total assets</b>	<b>138,000</b>	<b>117,353</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital attributable to the Company's equity holders</b>		
Share capital	772	772
Share premium account	38,968	38,968
Other reserves	25,829	2,961
Translation difference	-226	133
Retained earnings	3,585	24,676
	<b>68,928</b>	<b>67,510</b>
<b>Minority interest</b>	<b>221</b>	<b>34</b>
<b>Total equity</b>	<b>69,149</b>	<b>67,544</b>
<b>Non-current liabilities</b>		
Deferred income tax liabilities	284	3,734
Interest-bearing loans	43,125	16,000
Other liabilities	6,600	701
	<b>50,009</b>	<b>20,435</b>



**Current liabilities**

Trade and other payables	15,751	21,356
Interest-bearing loans and borrowings	2,875	0
Current income tax liabilities	216	8,018
	<b>18,842</b>	29,374

**Total liabilities** 68,851 49,809

**Total equity and liabilities** 138,000 117,353

**GROUP STATEMENT OF CHANGES IN EQUITY**

TEUR	Attributable to the equity holders of the Company					Total	Minority interest	Total equity
	Share capital	Share premium account	Other reserves	Translation differences	Retained earnings			
<b>Equity on 31.12.2006</b>	772	38,968	1,218	316	15,074	56,348	599	56,947
Share subscriptions with options			1,726					
Translation difference				-183				
Options			17		223			
Profit for the financial year					18,620		5,615	
Dividends paid					-9,259		-6,222	
Other changes					18		42	
<b>Equity on 31.12.2007</b>	<b>772</b>	<b>38,968</b>	<b>2,961</b>	<b>133</b>	<b>24,676</b>	<b>67,510</b>	<b>34</b>	<b>67,544</b>
<b>Equity on 31.12.2007</b>	772	38,968	2,961	133	24,676	67,510	34	67,544
Share subscriptions with options			639					
Translation difference				-359				
Options			112		-87			
Share issue			2,392					
Repurchase of own shares			-275					
Loss for the financial year					-8,209		151	
Dividends paid					-12,795			
Other changes			20,000				36	
<b>Equity on 31.12.2008</b>	<b>772</b>	<b>38,968</b>	<b>25,829</b>	<b>-226</b>	<b>3,585</b>	<b>68,928</b>	<b>221</b>	<b>69,149</b>



**GROUP'S CASH FLOW (IFRS)**

TEUR	1-12/08	1-12/07
<b>Cash flow from operations</b>		
Profit/loss for the financial year	-8,058	24,235
Adjustments	16,526	239
<b>Cash flow before change in working capital</b>	<b>8,468</b>	24,474
Change in working capital	-4,564	5,662
Financing items and taxes	-10,088	-1,111
<b>Cash flow from operations</b>	<b>-6,184</b>	29,025
<b>Cash flow from investments</b>	<b>-24,168</b>	-6,823
<b>Cash flow before financing</b>	<b>-30,352</b>	22,202
Dividends paid (incl. minority share)	-18,589	-9,687
Other net cash flow	53,530	-6,911
<b>Financial cash flow</b>	<b>34,941</b>	-16,598
<b>Change in cash funds</b>	<b>4,589</b>	5,604
Cash funds at start of the period	19,741	14,137
<b>Cash funds at end of the period</b>	<b>24,330</b>	19,741

**Segment information**

TEUR	1-12/08	1-12/07
<b>Turnover</b>		
CapMan Private Equity	29,609	25,840
CapMan Real Estate	7,517	25,732
Total	37,126	51,572
<b>Operating profit/loss</b>		
CapMan Private Equity	-5,565	9,484
CapMan Real Estate	-733	20,275
Total	-6,298	29,759

**Income taxes**

The Group's tax expenses for 2008 comprise taxes on taxable income for the period and deferred taxes. Deferred taxes are calculated on the basis of all temporary differences between book value and fiscal value.

**Dividends**

A dividend of EUR 0.16 per share was paid for financial year 2007, representing a total of MEUR 12.8 (2006: EUR 0.12 per share representing a total of MEUR 9.3).





**Non-current assets**

TEUR	31.12.08	31.12.07
Investments in funds at fair value through profit and loss at Jan 1	44,230	33,122
Additions	26,326	15,384
Disposals	-3,700	-9,972
Fair value gains/losses on investments	-13,709	5,696
Investments in funds at fair value through profit and loss at end of the period	53,147	44,230

**Additions and investments in funds by area:**

	1-12/08	1-12/07
<b>Additions</b>		
Funds investing in portfolio companies	20,555	14,500
Real estate funds	5,296	598
Access Capital Partners	475	286
Total	26,326	15,384

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

	31.12.08	31.12.07
Funds investing in portfolio companies	42,026	36,010
Real estate funds	5,088	526
Access Capital Partners	6,033	7,694
Total	53,147	44,230

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

TEUR	31.12.08	31.12.07
Receivables – non-current at end of year	21,257	12,497
Receivables – current at end of year	2,196	879

**Non-current liabilities**

TEUR	31.12.08	31.12.07
Interest-bearing loans at end of year	43,125	16,000

**Seasonal nature of business**

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



**Personnel**

<b>By country</b>	<b>31.12.08</b>	31.12.07
Finland	<b>102</b>	86
Denmark	<b>3</b>	4
Sweden	<b>19</b>	15
Norway	<b>6</b>	5
Russia	<b>11</b>	0
Total	<b>141</b>	110

**By team**

CapMan Private Equity	<b>54</b>	37
CapMan Real Estate	<b>43</b>	30
Investor Services	<b>24</b>	25
Internal Services	<b>20</b>	18
Total	<b>141</b>	110

**Contingent liabilities**

<b>TEUR</b>	<b>31.12.08</b>	31.12.07
Leasing contracts and other contingent liabilities	<b>18,691</b>	17,081
Commitments to funds	<b>77,234</b>	55,994

**Commitments to funds by area**

Funds investing in portfolio companies	<b>72,949</b>	51,577
Real estate funds	<b>1,879</b>	2,174
Access Capital Partners	<b>2,406</b>	2,243
Total	<b>77,234</b>	55,994

Of the remaining investment commitments, MEUR 15 is allocated to the CapMan Public Market fund, MEUR 13 to the CapMan Buyout IX fund, MEUR 12 to the CapMan Buyout VIII fund, MEUR 11.1 to the CapMan Russia fund, MEUR 10.8 to the CapMan Technology 2007 fund and the remainder mainly to the CapMan Life Science IV, CapMan Mezzanine IV, CapMan Equity VII and Access Capital Fund II funds.



## Turnover and profit/loss quarterly

<b>2008</b>					
<b>MEUR</b>	1-3/08	4-6/08	7-9/08	10-12/08	<b>1-12/08</b>
Turnover	7.2	12.3	7.7	9.9	<b>37.1</b>
Management fees	6.4	7.2	7.3	8.7	<b>29.6</b>
Carried interest	0.0	4.1	0.0	0.0	<b>4.1</b>
Income of investments in funds	0.0	0.2	0.0	0.1	<b>0.3</b>
Real estate consulting	0.7	0.6	0.4	0.7	<b>2.4</b>
Other income	0.2	0.1	0.0	0.4	<b>0.7</b>
Other operating income	0.0	0.0	0.0	0.1	<b>0.1</b>
Operating expenses	-6.7	-7.9	-6.6	-8.6	<b>-29.8</b>
Fair value gains / losses of investments	-0.1	-1.2	-1.4	-11.0	<b>-13.7</b>
Operating profit/loss	0.4	3.3	-0.4	-9.6	<b>-6.3</b>
Financial income and expenses	0.3	-0.1	-0.8	-1.4	<b>-2.0</b>
Share of associated companies' result	0.1	-0.2	0.2	-2.5	<b>-2.4</b>
Profit/loss before taxes	0.7	3.0	-1.0	-13.4	<b>-10.7</b>
Profit/loss for the period	0.5	2.2	-0.8	-10.0	<b>-8.1</b>
<b>2007</b>					
<b>MEUR</b>	1-3/07	4-6/07	7-9/07	10-12/07	1-12/07
Turnover	28.1	7.5	8.0	8.0	51.6
Management fees	5.9	6.6	6.3	6.2	25.0
Carried interest	21.2	0.2	1.0	1.2	23.6
Income of investments in funds	0.3	0.0	0.1	0.1	0.5
Real estate consulting	0.6	0.5	0.5	0.5	2.1
Other income	0.1	0.2	0.1	0.0	0.4
Other operating income	0.0	0.1	0.0	0.1	0.2
Operating expenses	-6.8	-7.0	-6.0	-7.9	-27.7
Fair value gains / losses of investments	4.1	0.5	2.9	-1.8	5.7
Operating profit / loss	25.4	1.1	4.9	-1.6	29.8
Financial income and expenses	0.3	0.2	0.2	0.4	1.1
Share of associated companies' result	0.9	0.2	0.8	0.0	1.9
Profit/loss before taxes	26.7	1.4	5.9	-1.3	32.7
Profit/loss for the period	19.9	1.0	4.6	-1.3	24.2



## APPENDIX 1: CAPMAN PLC GROUP'S FUNDS UNDER MANAGEMENT ON 31 DECEMBER 2008, MEUR

The tables below show the status of funds managed by CapMan at the end of 2008. When analysing the schedule for funds to start generating carried interest, the relationship between distributed cash flows to investors to paid-in capital should be compared. When a fund starts generating carried interest the capital must be returned and an annual preferential return paid on it. The fair value of a portfolio, including any of the fund's net cash assets, represents the capital distributable to investors at the end of the review period.

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

The definitions for column headings are presented below the tables.

### FUNDS INVESTING DIRECTLY IN PORTFOLIO COMPANIES

	Size	Paid-in capital	Fund's current portfolio		Net cash as-sets	Distributed cash flow		CapMan's share of cash flow if fund generates carried interest
			at cost	at fair value		to in-vestors	to man-agement company (carried interest)	
<b>Funds generating carried interest</b>								
FV II, FV III 1) and FM II B in total	58.6	57.4	3.1	0.1	0.2	180.1	44.2	20-35%
FV V	169.9	164.0	48.5	23.5	1.1	237.7	5.3	20%
Fenno Program in total 2)	59.0	59.0	10.7	6.3	0.1	123.2	8.7	10-12%
<b>Total</b>	<b>287.5</b>	<b>280.4</b>	<b>62.3</b>	<b>29.9</b>	<b>1.4</b>	<b>541.0</b>	<b>58.2</b>	
<b>Funds that are expected to transfer to carry during 2009–2010</b>								
CME VII A	156.7	135.9	84.7	117.7	3.6	92.4		20%
CME VII B	56.5	54.2	34.3	55.9	2.3	41.9		20%
CME SWE	67.0	58.1	36.2	50.4	1.5	39.8		20%
FM III A	101.4	98.8	32.1	31.9	2.9	103.1		20%
FM III B	20.2	19.8	8.4	10.0	0.4	18.6		20%
<b>Total</b>	<b>401.8</b>	<b>366.8</b>	<b>195.7</b>	<b>265.9</b>	<b>10.7</b>	<b>295.8</b>		



**Other funds****not yet in carry**

CME VII C	23.1	16.7	9.5	7.1	0.4	7.0	20%
CMB VIII 1)	440.0	300.5	264.1	222.7	2.8		14%
CM LS IV	54.1	23.5	14.5	10.3	0.8		10%
CMT 2007 1)	142.3	40.3	32.7	30.0	0.9		10%
CMR 3)	118.1	21.1	16.8	16.8	0.0		n/a
CMPM	106.0	1.3	0.0	0.0	0.2		10%
CMB IX	203.0	0.0	0.0	0.0	0.0		10%
FM III C	13.9	13.9	3.8	2.8	2.0	12.9	20%
CMM IV 4)	240.0	131.1	148.1	140.2	-38.2	28.8	15%
<b>Total</b>	<b>1,340.5</b>	<b>548.4</b>	<b>489.5</b>	<b>429.9</b>	<b>-31.1</b>	<b>48.7</b>	

**Funds with limited****carried interest****potential to CapMan**

FV IV, FV V ET, SWE LS

SWE Tech 1), 5)

and FM II A, C, D 1)

<b>Total</b>	<b>277.7</b>	<b>262.1</b>	<b>78.5</b>	<b>50.8</b>	<b>3.6</b>	<b>174.7</b>	
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**Funds that invest in  
portfolio companies,  
total**

<b>2,307.5</b>	<b>1,457.7</b>	<b>826.0</b>	<b>776.5</b>	<b>-15.4</b>	<b>1,060.2</b>	<b>58.2</b>
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**REAL ESTATE FUNDS**

	<b>Invest- ment capa- city</b>	<b>Paid- in capital</b>	<b>Fund's current portfolio at cost</b>	<b>at fair value</b>	<b>Net cash as- sets</b>	<b>Distributed cash flow to in- vestors</b>	<b>to man- agement company (carried interest)</b>	<b>CapMan's share of cash flow if fund gene- rates carried interest</b>
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**Funds generating  
carried interest**

CMRE I 6)

equity and bonds	200.0	165.0	44.4	46.2		187.1	27.4	26%
debt financing	300.0	252.1	102.1	102.1				
<b>Total</b>	<b>500.0</b>	<b>417.1</b>	<b>146.5</b>	<b>148.3</b>	<b>-1.3</b>	<b>187.1</b>	<b>27.4</b>	



**Other funds****not yet****in carry**

## CMRE II

equity	150.0	68.1	72.7	72.9		0.5	12%
debt financing	450.0	199.4	198.2	198.2			
<b>Total</b>	<b>600.0</b>	<b>267.5</b>	<b>270.9</b>	<b>271.1</b>	<b>-7.0</b>	<b>0.5</b>	

## CMHRE 7)

equity	304.9	269.1	268.3	249.9		10.8	12%
debt financing	540.0	526.0	544.8	544.8			
<b>Total</b>	<b>844.9</b>	<b>795.1</b>	<b>813.1</b>	<b>794.7</b>	<b>4.5</b>	<b>10.8</b>	

**Real estate funds total**    **1,944.9**    **1,479.7**    **1,230.5**    **1,214.1**    **-3.8**    **198.4**    **27.4**

**All funds, total**                    **4,252.4**    **2,937.4**    **2,056.5**    **1,990.6**    **-19.2**    **1,258.6**    **85.6**

**Abbreviations used to refer to funds:**

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

**Size / investment capacity:**

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

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

**Paid-in capital:**

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

**Fair value of fund's current portfolio:**

The funds' investments in portfolio companies are valued at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVG) and investments in real estate assets are valued in accordance with the value appraisements of external experts.

The 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, the funds' 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. In defining the fair value of portfolio companies, investments are valued at acquisition cost from the time of investment for a 12-month period, after which they are valued at fair value. According to the IPEVG's policy of prudence, technology and life science targets are typically valued at acquisition cost or a lower figure up until exit.

#### **Net cash assets:**

When calculating the investors' share, the fund's net cash assets must be taken into account in addition to the portfolio at fair value. Net cash assets in the CapMan Mezzanine IV fund may be negative, due to a credit facility used in the fund. Real estate funds' shares of debt financing are presented in separate rows in the table.

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

When a fund has produced for investors the cumulative preferential return specified in the fund agreements, the management company is entitled to an agreed share of future cash flows from the fund (carried interest). Cash flow, in this context, includes both profit distributed by the funds and repayments of capital. After the previous distribution of profits, any new capital called in, as well as any annual preferential returns on it, must however be returned to investors before the new distribution of profits can be paid.

#### **Footnotes to table**

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

<sup>2)</sup> The Fenno Rahasto, Skandia I and Skandia II funds together comprise the Fenno Program, which is managed jointly with Fenno Management Oy.

<sup>3)</sup> The CapMan Russia fund was transferred under CapMan's management on 27 August 2008 on completion of the Norum acquisition. CapMan Plc's share of carried interest will depend on the final size of the fund and will be announced in conjunction with notification of the final fund size.

<sup>4)</sup> CapMan Mezzanine IV: The paid-in commitment includes a MEUR 96 bond issued by Leverator Plc. The fund's net cash assets include a loan facility, with which investments are financed up to the next bond issue. Distributed cash flow includes payments to both bond subscribers and to the fund's partners.

<sup>5)</sup> Currency items are valued at the average exchange rates quoted on 31 December 2008.

<sup>6)</sup> CapMan Real Estate I: Distributed cash flow includes repayment of the bonds and cash flow to the fund's partners.

<sup>7)</sup> CapMan Hotels RE: The portfolio has been financed with a MEUR 26.2 short-term loan in addition to a senior loan of MEUR 526.

## **APPENDIX 2: OPERATIONS OF CAPMAN'S FUNDS UNDER MANAGEMENT, 1 JANUARY – 31 DECEMBER 2008**

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



## CAPMAN PRIVATE EQUITY

### Investments in portfolio companies in 2008

In 2008 the CapMan funds made eight new investments as well as several follow-on investments worth altogether MEUR 232.6. The new investments were Barnebygg Gruppen, CargoPartner Group, Cederroth International AB, The New Black Oy (Varesvuo Partners Oy), Accanto Systems Oy (formerly LTE Innovations Oy), Crayon Group, Region Avia Airlines and Russia Baltic Pork Invest A/S. Follow-on investments accounted for almost MEUR 100 of all investments made, some of which were to support the liquidity of the portfolio companies in the difficult market situation. The largest follow-on investments were in Tokmanni Oy, Walki Group, Curato A/S and OneMed Group. In 2007 the funds made 11 new investments as well as follow-on investments amounting to MEUR 164.7.

### Exits from portfolio companies in 2008

The CapMan funds made final exits in 2008 from 6 companies: Staffpoint Oy, Reima Holding, Animex AB, Solid Information Technology Oy, Spintop Netsolution AB, and ProstaLund AB. The CapMan Equity VII fund's portfolio company LUMENE Group split into the LUMENE Group and Farnos Oy, which returned some of the original investment to investors in the fund. Final and partial exits at acquisition cost by the funds during 2008 totalled MEUR 39.4. In 2007 the funds exited finally from nine companies and partially from several others. The exits at acquisition cost during 2007, including repayments of mezzanine loans, amounted to MEUR 93.2.

### Other events in 2008

In December an investment in the Danish technology company Danfysik ACP A/S was announced. The closing of the transaction is uncertain due to general uncertainty in markets.

## CAPMAN REAL ESTATE

### Investments in and commitments to real estate acquisitions and projects in 2008

In January 2008 the CapMan Hotels RE Ky fund acquired 39 hotel properties for MEUR 805 from Northern European Properties Ltd in conjunction with the establishment of the fund. Investments in retail properties located at Yliopistonkatu 22 and Kristiinankatu 8 in Turku were also finalised in January. In addition, investment commitments made earlier were used during 2008 for financing the Skanssi Kauppakeskus shopping mall project, for acquiring the Tokmanni logistics centre and the Entresse Kauppakeskus shopping centre, and for developing the CapMan Real Estate I's investments. A land area situated in the Kivistö district of Vantaa was also purchased, and a new commitment made for constructing a head office for OneMed Oy in Helsinki.

In 2008 investments amounting to MEUR 1,070.4 were made, in addition to which the funds had made commitments as at 31 December 2008 to finance real estate acquisitions and projects over the next few years amounting to MEUR 95.0. In 2007 a decision was made to invest in 16 new targets and the investments implemented totalled MEUR 160.0. Commitments to financing new projects totalled MEUR 302.1 on 31 December 2007.

### Exits from real estate investments in 2008

The funds did not exit from any real estate investments during 2008. In 2007 the CapMan Real Estate I fund sold its portfolio of 22 office properties to Samson Properties Ltd, The Royal Bank of Scotland (RBS) and Ajanta Oy for MEUR 377.5.



## FUND'S INVESTMENT ACTIVITIES IN FIGURES

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

	1-12/2008	1-12/2007
New and follow-on investments		
Funds investing in portfolio companies	<b>232.6</b>	164.7
Buyout	<b>190.3</b>	126.7
Technology	<b>20.3</b>	28.6
Life Science	<b>5.2</b>	9.4
Russia	<b>16.8</b>	-
Public Market	-	-
Real estate funds	<b>1,070.4</b>	160.0
<b>Total</b>	<b>1,303.0</b>	324.7

### Exits\*

Funds investing in portfolio companies	<b>39.4</b>	93.2
Buyout	<b>20.9</b>	74.1
Technology	<b>14.6</b>	19.1
Life Science	<b>3.9</b>	-
Russia	-	-
Public Market	-	-
Real estate funds	-	304.4
<b>Total</b>	<b>39.4</b>	397.6

\* Including partial exits and repayments of mezzanine loans.

In addition, the real estate funds had on 31 December 2008 made commitments to finance real estate acquisitions and projects to the amount of MEUR 95.

### Funds' aggregate combined portfolio\* as at 31 December 2008, MEUR

	Portfolio at acquisition cost	Portfolio at fair value	Share of portfolio (fair value) %
Funds investing in portfolio companies	826.0	776.5	39.0
Real estate funds	1,230.5	1,214.1	61.0
<b>Total</b>	<b>2,056.5</b>	<b>1,990.6</b>	<b>100.0</b>
Funds investing in portfolio companies			
Buyout	653.0	649.7	83.7
Technology	116.4	86.0	11.0
Life Science	39.8	24.0	3.1
Russia	16.8	16.8	2.2
Public Market	-	-	-
<b>Total</b>	<b>826.0</b>	<b>776.5</b>	<b>100.0</b>

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



### Remaining investment capacity

After deduction of actual and estimated expenses, on 31 December 2008 the funds that invest in portfolio companies had some MEUR 875 remaining for new and follow-on investments. Of the remaining capital, some MEUR 478 earmarked for buyout investments (incl. mezzanine investments), MEUR 153 for technology investments, MEUR 38 for life science investments, MEUR 100 for the CapMan Russia team's investments and MEUR and MEUR 106 for the CapMan Public Market team's investments. The real estate funds have remaining investment capacity amounting to MEUR 320.

### APPENDIX 3: CAPITAL UNDER MANAGEMENT OF ACCESS CAPITAL PARTNERS ON 31 DECEMBER 2008

CapMan Plc owns a 35% holding in the European company Access Capital Partners, which manages funds of funds. At the end of 2008 Access had capital under management of approx. EUR 2.5 billion. Further information about the operations of Access Capital Partners is available on the Internet: [www.access-capital-partners.com](http://www.access-capital-partners.com).

<b>Fund/mandates</b>	<b>Size, MEUR</b>
Access Capital Fund 1)	250.3
Access Capital Fund II Mid-market buy-out 1)	153.4
Access Capital Fund II Technology 1)	123.5
Access Capital Fund III Mid-market buy-out 1)	307.4
Access Capital Fund III Technology 1)	88.9
Access Capital Fund IV Growth buy-out 1)	425.0
Access Capital Fund IV High Growth Technology Europe 1)	35.0
Private Equity Mandates	1,162.0
<b>Total</b>	<b>2,545.5</b>

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

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

