CAPMAN GROUP'S
INTERIM REPORT
1 JANUARY – 30 JUNE 2013

CapMan Group's Interim Report for 1 January–30 June 2013

Performance and main events for the review period:

- Group turnover totalled MEUR 16.5 (January - June 2012: MEUR 13.2).
- The Group's operating profit was MEUR 4.0 (MEUR 1.9).
- Profit before taxes was MEUR 4.3 (MEUR 2.4) and profit after taxes was MEUR 4.3 (MEUR 2.0).
- Earnings per share for the review period were 3.7 cents (1.0 cents).
- The Management Company business recorded an operating profit of MEUR 0.3 (loss of MEUR 1.7). The Fund Investment business recorded an operating profit of MEUR 3.7 (MEUR 3.6).
- Capital under management as of 30 June 2013 totalled MEUR 3,270.2 (30 June 2012: MEUR 3,022.2).
- CapMan held a second closing at MEUR 206 for the CapMan Buyout X fund in June 2013.
- CapMan sold part of its Maneq investments for MEUR 14 as planned.
- Heikki Westerlund has been appointed CEO of CapMan Plc as of 8 August 2013and Karri Kaitue was elected Chairman of the Board.

CapMan maintains outlook for 2013:

The development of management fees during 2013 depends on the timing of exits made from current funds and the size and timing of new funds under establishment. We are adjusting our operating costs to match the level of management fees and anticipate that our management fees will cover our expenses as of the second half of 2013.

Our current portfolio holds several investments, which we are ready to exit during 2013. The timing of such exits will impact the results of our Management Company business for 2013 through carried interest income from funds, in the event that the fund is in carry or about to enter carry as a result of the exit.

The result of our Fund Investment business will mainly depend on the value development of investments in those funds, in which CapMan is a substantial investor. We continue our value creation effort in our portfolio companies and believe that the fair values of our fund investments will develop positively during the current year.

We estimate our operating profit to increase from the level obtained in 2012.

Niko Haavisto, CEO and CFO:

> ”The return to profitability of our Management Company business in the second quarter was due to cost savings and the successful establishment of our new funds, as well as the ability of our investment teams to drive exits even in an uncertain market. Carried interest income impacts the profitability of our operations significantly and was the main reason that our profit for the review period more than doubled from last year.
>
> We strengthened our balance sheet and the financial position of the Group by selling a portion of our Maneq investments. The transaction is part of our preparation to repay the hybrid loan, which is possible in December at the earliest.
>
> The developments in the first six months of 2013 provide a foundation for the balance of management fees and expenses also during the second half of the year.”

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. The Group operates through two 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 Nordic real estate. The Management Company business has two main sources of income: management fees and carried interest from funds.

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.

Please see Appendix 3 for additional details about CapMan's business model.

Group turnover and result for January–June 2013

The Group's turnover during the first six months of 2013 grew by 25% from the corresponding period last year and totalled MEUR 16.5 (Jan-June 2012: MEUR 13.2). The increase in turnover was mainly due to higher carried interest compared to the corresponding period last year.

Operating expenses totalled MEUR 16.4 (MEUR 15.4). Expenses for the review period included the investment teams' share of total carried interest, in addition to approx. MEUR 1.5 non-recurring expenses related to the change in CapMan's CEO, the establishment of the CapMan Nordic Real Estate fund and the assessment of possible M&A activity.

The Group recorded an operating profit of MEUR 4.0 (MEUR 1.9), which represented an increase of 114% from the comparable period. The increase in operating profit from the comparable period was mainly due to higher carried interest income.

Financial income and expenses amounted to MEUR 0.1 (MEUR -0.1). CapMan's share of the profit of its associated companies was MEUR 0.2 (MEUR 0.6). The decrease was mainly due to the reduction in CapMan's Maneq holdings. Profit before taxes was MEUR 4.3 (MEUR 2.4) and profit after taxes was MEUR 4.3 (MEUR 2.0). Earnings per share were 3.7 cents (1.0 cents).

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

Management Company business

Turnover generated by the Management Company business during the first half totalled MEUR 16.5 (MEUR 13.2). Management fees increased compared to the corresponding period and totalled MEUR 12.5 (MEUR 12.4). The increase was moderate due to exits after the end of the comparable period and as the newly established funds started to generate management fees only as of the end of March 2013.

Carried interest income totalled MEUR 2.8 (MEUR 0) and was received from the CapMan Equity VII B fund and the Finnventure Rahasto V fund following the exit from MQ Retail AB, Tieturi Oy and Cardinal Foods AS.

Other income included in turnover was MEUR 1.2 (MEUR 0.8) for the first six months of 2013 and included income from a purchasing service aimed at portfolio companies, among other income.

The Management Company business recorded an operating profit of MEUR 0.3 (loss of MEUR 1.7) and a profit for the first half of the year of MEUR 0.6 (loss of MEUR 1.8). The status of the funds managed by CapMan is presented in more detail in Appendix 1.

Fund Investment business

Fair value changes related to fund investments during January–June 2013 were MEUR 3.9 (MEUR 3.8) and represented a 5.0% increase in value during the period (5.2% increase in value during the first half of 2012). The change was due to the financial development of portfolio companies in line with expectations, the growth in the market cap of listed portfolio companies and ongoing exit processes during the first six months. 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 June 2013 was MEUR 75.8 (30 June 2012: MEUR 75.9).

Operating profit and profit for the review period for the Fund Investment business was MEUR 3.7 (MEUR 3.6 and MEUR 3.7). CapMan's share of the result of its Maneq associated companies impacted profit performance. Changes in the fair value of Maneq fund investments impacted the performance of Maneq companies. CapMan sold part of its Maneq investments in June 2013.

CapMan invested a total of MEUR 3.8 (MEUR 4.1) in its funds during the first half of 2013. The majority of this was allocated to the CapMan Buyout IX fund. CapMan received distributions from funds totalling MEUR 3.8 (MEUR 1.7). CapMan made new commitments in total of MEUR 4.4 into the CapMan Nordic Real Estate and CapMan Russia II funds during the review period.

The amount of remaining commitments not yet called totalled MEUR 25.1 as of 30 June 2013 (30 June 2012: MEUR 21.7). The aggregate fair value of existing investments and remaining commitments as of the same date was MEUR 100.9 (MEUR 97.5). CapMan's objective is to invest 1-5% of the original capital in the new funds that it manages, depending on fund size, fund demand, and CapMan's own investment capacity.

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

Investments at fair value and remaining investment capacity by investment area are presented in the Tables section.

Balance sheet and financial position as of 30 June 2013

CapMan's balance sheet totalled MEUR 123.8 as of 30 June 2013 (30 June 2012: MEUR 130.7). Non-current assets amounted to MEUR 100.2 (MEUR 114.2), of which goodwill totalled MEUR 6.2 (MEUR 6.2).

Fund investments booked at fair value totalled MEUR 75.8 (MEUR 75.9). Long-term receivables amounted to MEUR 1.8 (MEUR 20.0). The reduction in long-term receivables was due to the sale of CapMan's Maneq receivables. As of the end of the comparable period, Maneq receivables amounted to MEUR 18.8. Investments in associated companies were MEUR 10.0 (MEUR 5.3) and included CapMan's remaining stake (equity and receivables) in the Maneq funds. The transaction did not impact the Maneq holdings of CapMan personnel.

Current assets amounted to MEUR 23.6 (MEUR 13.5). Liquid assets (cash in hand and at banks, plus other financial assets at fair value through profit and loss) amounted to MEUR 16.6 (MEUR 4.3). The increase in liquid assets was mainly due to the sale of Maneq assets.

CapMan has retrospectively revised the retained earnings and investments in associated companies in the opening balance as of 1.1.2012. The mistake relates to the booking of interest receivables in the previous accounting periods. A table showing the change is included in the notes to the financial statements.

CapMan Plc's hybrid bond stands at MEUR 29.0. Interest on the bond is deducted from equity as interest is paid, which is semi-annually. According to the terms of the loan, CapMan has an opportunity to repay the loan as of December 2013. CapMan Plc had a bank financing package totalling MEUR 43.0 (MEUR 45.0) available as of 30 June 2013, of which MEUR 24.7 (MEUR 35.0) was utilised. Trade and other payables totalled MEUR 13.9 (MEUR 13.1). The Group's interest-bearing net debts amounted to MEUR 8.1 (MEUR 31.1).

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. CapMan honoured all covenants as of 30 June 2013.

The Group's cash flow from operations totalled MEUR 1.5 for the review period (MEUR -10.9). Income from fund management fees is paid semi-annually, in January and July, and is shown under working capital in the cash flow statement. Cash flow from investments totalled MEUR 15.6 (MEUR -1.5) and includes, *inter alia*, fund investments and repaid capital received by the Group. Cash flow before financing totalled MEUR 17.1 (MEUR -12.4), while cash flow from financing was MEUR -7.5 (MEUR -5.5).

Key figures 30 June 2013

CapMan's equity ratio was 67.5% as of 30 June 2013 (30 June 2012: 61.2%), its return on equity 10.5% (4.6%), and its return on investment 9.1% (5.3%). The target levels for the company's equity ratio and return on equity are at least 60% and over 20%, respectively.

Key figures

	30.6.13	30.6.12	31.12.12
Earnings per share, cents	**3.7**	1.0	0.3
Diluted, cents	**3.7**	1.0	0.3
Shareholders' equity / share, cents *	**97.8**	98.8	98.6
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, %	**10.5**	4.6	3.0
Return on investment,%	**9.1**	5.3	4.2
Equity ratio,%	**67.5**	61.2	63.1
Net gearing,%	**9.4**	37.9	30.7

*) 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 the review period and capital under management as of 30 June 2013

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.

In June 2013, CapMan held a second closing for the CapMan Buyout X fund at MEUR 206. Fundraising for the fund continues. Fundraising is ongoing also for the CapMan Russia II and CapMan Nordic Real Estate funds.

CapMan has successfully attracted new investor groups during the ongoing fundraising round despite crowded fundraising markets and investors being selective in making investment decisions as a result.

Capital under management was MEUR 3,270.2 as of 30 June 2013 (30 June 2012: MEUR 3,022.2). The increase is attributable to the establishment and subsequent closings of the CapMan Buyout X, CapMan Nordic Real Estate and CapMan Russia II funds. Of the total capital under management, MEUR 1,780.2 (MEUR 1,587.2) was held in funds making investments in portfolio companies and MEUR 1,490.0 (MEUR 1,435.0) in real estate funds.

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

Authorisations given to the Board by the AGM

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 2014 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 17,500,000 B shares and the authorization shall remain in force until the end of the following AGM and 30 June 2014 at the latest.

Further details on these authorisations can be found in the stock exchange release on the decisions taken by the AGM issued on 20 March 2013.

Other events during the review period

In June, CapMan transferred its ownership in 2005-2011 Maneq funds (including equity and loan receivables) to a Luxemburg company founded by CapMan and sold part of that company for a cash consideration of MEUR 14. After the transaction, the Group’s share of the Maneq funds is approx. MEUR 10 at fair value as of 30 June 2013. The Group’s holdings in Maneq funds are shown in the balance sheet as investments in associated companies. The transaction is part of the previously announced plan to strengthen the balance sheet and improve liquidity. The transaction did not have a material impact on CapMan’s results for 2013.

Funds managed by CapMan completed the sale of Cardinal Foods AS in June 2013. The transaction contributed a total of MEUR 1.8 to CapMan’s result for 2013, of which the net carry impact of MEUR 1.4 was recorded at close. The cash flow impact from the transaction is MEUR 3.7 for 2013.

In June, CapMan completed a second closing for the Buyout X fund at MEUR 206. Fundraising for the fund continues.

Events after the end of the review period

CapMan appointed Heikki Westerlund (M.Sc. (Econ.)) as CEO as of 8 August 2013. As a consequence, he stepped down from CapMan’s Board of Directors. The Board elected Karri Kaitue, the Vice Chairman of the Board, as Chairman and Nora Kerppola as Vice Chairman.

The composition of the Board of Directors as of 7 August 2013 is as follows:

Karri Kaitue (LL. Lic.) (Chairman)
Claes de Neergaard (M.Sc. Econ.)
Koen Dejonckheere (MBA, M.Sc. Eng.)
Nora Kerppola (MBA)
Ari Tolppanen (M.Sc. Eng.)

The members of the committees as of 7 August 2013 is as follows:

Audit Committee
Karri Kaitue (Chairman)
Nora Kerppola

Nomination Committee
Koen Dejonckheere (Chairman)
Ari Tolppanen

Remuneration Committee
Nora Kerppola (Chairman)
Koen Dejonckheere
Claes de Neergaard

The Board of Directors has decided, in accordance with the Finnish Corporate Governance Code’s Recommendation 22, that due to the overall small size of the Board, the Audit Committee and the Nomination Committee comprise two members.

Personnel

CapMan employed a total of 105 people as of 30 June 2013 (30 June 2012: 109), of whom 67 (72) worked in Finland and the remainder in the other Nordic countries, 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 half of 2013. Share capital totalled EUR 771,586.98 as of 30 June 2013. The number of B shares was 78,531,766 and that of A shares 5,750,000 as of 30 June 2013.

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

Shareholders

The number of CapMan Plc shareholders decreased by 3.6% during the first half of 2013 and totalled 5,924 as of 30 June 2013 (30 June 2012: 6,049).

Company shares

As of 30 June 2013, CapMan Plc held a total of 26,299 CapMan Plc B shares, representing 0.03% of both classes of shares and 0.02% of voting rights. The market value of shares held by CapMan was EUR 22,091 as of 30 June 2013 (30 June 2012: EUR 23,406). No changes occurred in the number of shares held by CapMan Plc during the review period.

Stock option programmes

As of 30 June 2013, CapMan Plc had two stock option programmes–Option Programme 2008 and Option Programme 2013–in place as part of its incentive and commitment arrangements for key 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 2.46 and of the 2008B option EUR 0.89. The subscription period for 2008B options started on 1 May 2012. Receivables from shares subscribed to under these options will be entered in the company's unrestricted shareholders' equity. As of 30 June 2013, 1,926,250 2008A stock option entitlements and 2,070,000 2008B stock option entitlements were allocated.

The maximum number of stock options issued under Option Programme 2013 will be 4,230,000, which will carry an entitlement to subscribe to a maximum of 4,230,000 new B shares. The programme is divided into A, B and C series, each of which covers a maximum of 1,410,000 option entitlements. The share subscription price of the 2013A options is EUR 0.92 (the trade volume weighted average quotation of the share during 1 April–31 May 2013 with an addition of 10%), of the 2013B options the trade volume weighted average quotation of the share during 1 April–31 May 2014 with an addition of 10%, and of the 2013C options the trade volume weighted average quotation of the share during 1 April–31 May 2015 with an addition of 10%. The subscription period for 2013A options starts on 1 May 2016, for 2013B options on 1 May 2017 and 2013C options on 1 May 2018. Receivables from shares subscribed to under these options will be entered in the company's unrestricted shareholders' equity. No stock option entitlements had been allocated as of 30 June 2013.

The terms for the stock option programmes are available on CapMan's website.

Trading and market capitalisation

CapMan Plc's B shares closed at EUR 0.84 on 30 June 2013 (30 June 2012: EUR 0.89). The average price during the six month period was EUR 0.84 (EUR 1.05). The highest price paid was EUR 0.94 (EUR 1.19) and the lowest EUR 0.78 (EUR 0.84). The number of CapMan Plc B shares traded totalled 6.3 million (8.5 million), valued at MEUR 5.3 (MEUR 8.9).

The market capitalisation of CapMan Plc B shares as of 30 June 2013 was MEUR 66.0 (30 June 2012: MEUR 69.9). The market capitalisation of all company shares, including A shares valued at the closing price of B shares, was MEUR 70.8 (MEUR 75.0).

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 may also deteriorate 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 projections related to the profitability of the Management Company business involve significant uncertainty especially related to timing. Due to limitations in forecasting the timing of carried interest and the change in fair value developments, providing financial guidance remains challenging over the long term.

The company's financing agreements include financing covenants, which, if breached, may result in increased financing costs for the company or stipulate partial or full repayment of outstanding bank loans. Risks for a breach in covenants are related to potential market-induced volatility in EBITDA.

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

Despite some recent positive developments in the fundraising market, a record number of funds are still in the market and the overall outlook for fundraising remains challenging.

Buyout activity in the Nordic region shows signs of picking up as the number of buyout transactions almost doubled from a slow first quarter. The resurgence in the value of larger buyout deals in Europe in the second quarter compared to the previous quarter indicates, among other things, that there is liquidity available for deals. However, the low volume implies an underlying lack of deal flow.[1]

There is bank financing available for companies in the euro area, although credit terms remain relatively tight. According to a survey by the European Central Bank, the net percentage of euro area banks tightened their credit standards on loans to companies in the second quarter of 2013. The net tightening of credit terms was more pronounced for small and mid-sized enterprises than for large companies. The euro area banks continued to report a net decline in the demand for loans to businesses in the second quarter of 2013. The reduction in demand was mainly due to reduced need for fixed investments, while the impact of M&A activity on reduced demand was less pronounced compared to previous quarters.[2]

In the second quarter of 2013, the volume of real estate transactions in Finland remained low. For the first half of the year the transaction volume dropped to below BEUR 0.7 from BEUR 1.1 in the same period last year.[3] Also in Sweden, the transaction volume remained at a relatively low level in the second quarter of the year. Investors in Finland and Sweden continued to focus mainly on prime real estate targets with stable

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[1] Unquote Private Equity Barometer Q2 2013
[2] ECB – The euro area bank lending survey July 2013
[3] KTI Transactions information service – July 2013

rents. For this reason, the yield gap between prime and secondary assets continued to increase. Rents were generally stable in the Nordic countries during the second quarter of this year, while vacancy rates were edging higher, with an exception of CBD areas in capital cities.[4] Availability of traditional senior financing remained scarce, although some signs of a recovery in respect were noticeable.

Investors remain generally positive towards private equity and are for the most part not changing their allocations to the asset class. Nevertheless, almost one-third of investors consider regulation a challenge for operating an effective private equity program, and a vast majority of investors consulted consider the scope of regulatory changes to be detrimental to the private equity industry compared to those who consider it beneficial.[5]

Regulatory environment

The European Directive on Alternative Investment Fund Managers (AIFM directive) came into force on 21 July 2011 and AIFMD Level 2, the supplementing act that guides its implementation, was released on 19 December 2012. The act was scheduled to be integrated into member states' national legislation by 22 July 2013. The implementation of the directive in Finland has been delayed by some months. The directive stipulates an operating license for participants, as well as other significant requirements, including fund investor and authority reporting. CapMan evaluates that its organisation and operating model enables it to comply with the requirements of these new regulations, as applicable.

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 maintains outlook for 2013:

The development of management fees during 2013 depends on the timing of exits made from current funds and the size and timing of new funds under establishment. We are adjusting our operating costs to match the level of management fees and anticipate that our management fees will cover our expenses as of the second half of 2013.

Our current portfolio holds several investments, which we are ready to exit during 2013. The timing of such exits will impact the results of our Management Company business for 2013 through carried interest income from funds, in the event that the fund is in carry or about to enter carry as a result of the exit.

The result of our Fund Investment business will mainly depend on the value development of investments in those funds, in which CapMan is a substantial investor. We continue our value creation effort in our portfolio companies and believe that the fair values of our fund investments will develop positively during the current year.

We estimate our operating profit to increase from the level obtained in 2012.

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[4] Jones Lang Lasalle Summer 2013
[5] Preqin Quarterly Update Q2 2013 July 2013

The CapMan Group will publish its Interim Report for 1 January - 30 September 2013 on Thursday, 7 November 2013.

Helsinki, 8 August 2013

CAPMAN PLC
Board of Directors

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Appendices (after the Tables section):

Appendix 1: The CapMan Group's funds under management as of 30 June 2013, MEUR
Appendix 2: Operations of CapMan's funds under management, 1 January – 30 June 2013
Appendix 3: Description of CapMan's business operations

Accounting principles

The Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS). The information presented in the Interim Report is un-audited.

GROUP STATEMENT OF COMPREHENSIVE INCOME (IFRS)

€ ('000)	**4-6/13**	4-6/12	**1-6/13**	1-6/12	1-12/12
Turnover	**9,678**	6,525	**16,484**	13,201	27,304
Other operating income	**19**	232	**19**	232	216
Personnel expenses	**-5,061**	-4,295	**-9,696**	-8,627	-17,411
Depreciation and amortisation	**-171**	-190	**-350**	-385	-822
Other operating expenses	**-2,766**	-3,440	**-6,361**	-6,362	-12,017
Fair value gains / losses of investments	**289**	339	**3,932**	3,826	5,333
Operating profit / loss	**1,988**	-829	**4,028**	1,885	2,603
Financial income and expenses	**-127**	-270	**52**	-52	131
Share of associated companies' result	**-343**	-81	**179**	608	598
Profit / loss before taxes	**1,518**	-1,180	**4,259**	2,441	3,332
Income taxes	**218**	44	**66**	-463	-624
Profit / loss for the period	**1,736**	-1,136	**4,325**	1,978	2,708
Other comprehensive income:					
Translation differences	**-203**	0	**-92**	5	5
Total comprehensive income	**1,533**	-1,136	**4,233**	1,983	2,713
Profit attributable to:					
Equity holders of the company	**1,736**	-1,136	**4,325**	1,978	2,708
Total comprehensive income attributable to:					
Equity holders of the company	**1,533**	-1,136	**4,233**	1,983	2,713
Earnings per share for profit attributable to the equity holders of the Company:					
Earnings per share, cents	**0.6**	-2.0	**3.7**	1.0	0.3
Diluted, cents	**0.6**	-2.0	**3.7**	1.0	0.3

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)	**30.6.13**	30.6.12	31.12.12
ASSETS			
Non-current assets			
Tangible assets	**300**	389	364
Goodwill	**6,204**	6,204	6,204
Other intangible assets	**1,249**	1,774	1,491
Investments in associated companies	**10,031**	5,349	5,170
Investments at fair value through profit and loss			
Investments in funds	**75,769**	75,893	74,465
Other financial assets	**94**	116	99
Receivables	**1,845**	19,977	19,957
Deferred income tax assets	**4,718**	4,497	4,578
	100,210	114,199	112,328
Current assets			
Trade and other receivables	**7,000**	9,161	8,532
Other financial assets at fair value through profit and loss	**365**	373	365
Cash and bank	**16,214**	3,972	6,625
	23,579	13,506	15,522
Non-current assets held for sale	**0**	3,000	848
Total assets	**123,789**	130,705	128,698

€ ('000)	**30.6.13**	30.6.12	31.12.12
EQUITY AND LIABILITIES			
Capital attributable the Company's equity holders			
Share capital	**772**	772	772
Share premium account	**38,968**	38,968	38,968
Other reserves	**38,814**	38,814	38,814
Translation difference	**-49**	43	43
Retained earnings	**3,882**	-111	666
Total equity	**82,387**	78,486	79,263
Non-current liabilities			
Deferred income tax liabilities	**2,105**	2,421	2,313
Interest-bearing loans and borrowings	**14,678**	26,492	22,678
Other liabilities	**620**	1,185	1,241
	17,403	30,098	26,232

Current liabilities			
Trade and other payables	**13,856**	13,121	13,219
Interest-bearing loans and borrowings	**10,000**	9,000	9,785
Current income tax liabilities	**143**	0	199
	23,999	22,121	23,203
Total liabilities	**41,402**	52,219	49,435
Total equity and liabilities	**123,789**	130,705	128,698

GROUP STATEMENT OF CHANGES IN EQUITY

€ ('000)	Attributable to the equity holders of the Company Share capital	Share premium account	Other reserves	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity on 1 January 2012	772	38,968	38,679	38	6,000	84,457	0	84,457
Options			135		272	407		407
Dividends					-5,898	-5,898		-5,898
Hybrid bond, interest (net of tax)					-2,463	-2,463		-2,463
Copmrehensive profit				5	1,978	1,983		1,983
Equity on 30 June 2012	772	38,968	38,814	43	-111	78,486	0	78,486
Equity on 1 January 2013	772	38,968	38,814	43	666	79,263	0	79,263
Hybrid bond, interest (net of tax)					-1,135	-1,135		-1,135
Copmrehensive profit				-92	4,351	4,259		4,259
Equity on 30 June 2013	**772**	**38,968**	**38,814**	**-49**	**3,882**	**82,387**	**0**	**82,387**

STATEMENT OF CASH FLOW (IFRS)

€ ('000)	**1-6/13**	1-6/12	1-12/12
Cash flow from operations			
Profit for the period	**4,325**	1,978	2,708
Adjustments	**-1,815**	-2,415	-240
Cash flow before change in working capital	**2,510**	-437	2,468
Change in working capital	**1,712**	-7,597	-6,875
Financing items and taxes	**-2,743**	-2,844	-4,351
Cash flow from operations	**1,479**	-10,878	-8,758
Cash flow from investments	**15,610**	-1,495	862
Cash flow before financing	**17,089**	-12,373	-7,896
Dividends paid	**0**	-5,898	-5,898
Other net cash flow	**-7,500**	356	-1,468
Financial cash flow	**-7,500**	-5,542	-7,366
Change in cash funds	**9,589**	-17,915	-15,262
Cash funds at start of the period	**6,625**	21,887	21,887
Cash funds at end of the period	**16,214**	3,972	6,625

Segment information

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

4-6/2013	**Management Company business**			**Fund Investment business**	**Total**
€ ('000)	CapMan Private Equity	CapMan Real Estate	Total		
Turnover	**7,827**	**1,851**	**9,678**	**0**	**9,678**
Operating profit/loss	**1,682**	**84**	**1,766**	**222**	**1,988**
Profit/loss for the period	**1,723**	**84**	**1,807**	**-71**	**1,736**

4-6/2012	**Management Company business**			**Fund Investment business**	**Total**
€ ('000)	CapMan Private Equity	CapMan Real Estate	Total		
Turnover	4,841	1,684	6,525	0	6,525
Operating profit/loss	-693	-372	-1,065	236	-829
Profit/loss for the period	-869	-372	-1,241	105	-1,136

1-6/2013	**Management Company business**			**Fund Investment business**	**Total**
€ ('000)	CapMan Private Equity	CapMan Real Estate	Total		
Turnover	**12,968**	**3,516**	**16,484**	**0**	**16,484**
Operating profit/loss	**651**	**-315**	**336**	**3,692**	**4,028**
Profit/loss for the period	**920**	**-315**	**605**	**3,720**	**4,325**
Assets	**7,502**	**345**	**7,847**	**92,363**	**100,210**
Total assets includes:					
Investments in associated companies	**0**	**0**	**0**	**10,031**	**10,031**
Non-current assets held for sale	**0**	**0**	**0**	**0**	**0**

1-6/2012	Management Company business			Fund Investment business	Total
€ ('000)	CapMan Private Equity	CapMan Real Estate	Total		
Turnover	9,791	3,410	13,201	0	13,201
Operating profit/loss	-1,113	-600	-1,713	3,598	1,885
Profit/loss for the period	-1,165	-600	-1,765	3,743	1,978
Assets	8,004	2,122	10,126	107,857	117,983
Total assets includes:					
Investments in associated companies	0	0	0	9,133	9,133
Non-current assets held for sale	3,000	0	3,000	0	3,000

1-12/2012	Management Company business			Fund Investment business	Total
€ ('000)	CapMan Private Equity	CapMan Real Estate	Total		
Turnover	20,529	6,775	27,304	0	27,304
Operating profit/loss	-1,401	-895	-2,296	4,899	2,603
Profit/loss for the financial year	-1,614	-931	-2,545	5,253	2,708
Assets	7,714	444	8,158	107,954	116,112
Total assets includes:					
Investments in associated companies	0	0	0	8,954	8,954
Non-current assets held for sale	848	0	848	0	848

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 temperary differences between book value and fiscal value.

Dividends

No dividend is paid for the year 2012. A dividend of EUR 0.07 per share, total EUR 5.9 million, was paid for the year 2011. The dividend was paid to the shareholders on 26 March 2012.

Changes to the opening balance as of 1 January 2012

A mistake was noted in the valuation of investments in associated companies relating to the booking of interest receivables. The mistake has been corrected in earlier accounting periods as presented in the table below.

Balance sheet 1 Jan 2012	Previously reported figures	Change	Revised figures
Investments in associated companies	8 347	-3 784	**4 563**
Equity	88 241	-3 784	**84 457**

Non-current assets

€ ('000)	**30.6.13**	30.6.12	31.12.12
Investments in funds at fair value through profit and loss at Jan 1	**74,465**	70,167	70,167
Additions	**3,840**	4,068	6,333
Distributions	**-3,785**	-1,715	-4,042
Fair value gains/losses on investments	**1,249**	3,373	2,007
Investments in funds at fair value through profit and loss at end of the period	**75,769**	75,893	74,465

Investments in funds at fair value through profit and loss at the end of period	**30.6.13**	30.6.12	31.12.12
Buyout	**42,031**	41,010	39,562
Credit	**2,969**	3,817	3,647
Russia	**4,574**	3,697	4,202
Public Market	**4,483**	3,774	4,009
Real Estate	**6,666**	6,246	6,862
Other	**11,566**	12,870	11,833
Access	**3,480**	4,479	4,350
In total	**75,769**	75,893	74,465

The Group's assets measured at fair value at 30 June 2013

The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets

Level 2: Other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as a price) or indirectly (that is, derived from prices)

Level 3: Asset values that are not based on observable market data

	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss				
investments in funds				
at 1 January		4,008	70,457	74,465
Additions		30	3,810	3,840
Distributions		-102	-3,683	-3,785
Fair value gains/losses on investments		546	703	1,249
at the end of period		4,482	71,287	75,769

The fund investments in level 3 include mainly the investments in the unlisted companies, and those have no quoted market values.

Valuation of CapMan funds' investment targets is based on international valuation guidelines that are widely used and accepted within the industry and investors. CapMan always aims at valuing funds' investments at their actual value. Fair value is the best estimate for the amount at which an investment could be exchanged on a reporting date in an arm's length transaction between knowledgeable and willing parties.

The determination of the fair value of fund investments for funds investing in portfolio companies is done applying the International Private Equity and Venture Capital Valuation Guidelines ("IPEVG"), taking into account a range of factors, including the price at which an investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment. These valuation methodologies involve a significant degree of management judgment.

Investments in real estate are valued at fair value based on appraisals made by independent external experts, who follow International Valuation Standards (IVS). The method most appropriate to the use of the property is always applied, or a combination of such methods.

Because there is significant uncertainty in the valuation of, or in the stability of, the value of illiquid investments, the fair values of such investments as reflected in a fund's net asset value do not necessarily reflect the prices that would actually be obtained when such investments are realised.

Transactions with related parties (associated companies)

€ ('000)	**30.6.13**	30.6.12	31.12.12
Receivables - non-current at end of review period	**0**	18,797	18,721
Receivables - current at end of review period	**0**	783	691

Non-current liabilities

€ ('000)	**30.6.13**	30.6.12	31.12.12
Interest bearing loans at end of review period	**19,678**	26,492	22,678

Seasonal nature of CapMan's business

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

Personnel

By country	**30.6.13**	30.6.12	31.12.12
Finland	**67**	72	71
Sweden	**17**	14	16
Norway	**8**	8	8
Russia	**12**	14	13
Luxembourg	**1**	1	1
In total	**105**	109	109

Commitments

€ ('000)	**30.6.13**	30.6.12	31.12.12
Leasing agreements	**6,006**	7,808	6,885
Securities and other contingent liabilities	**65,199**	66,490	65,599
Remaining commitments to funds	**25,093**	21,651	22,456
Remaining commitments by investment area			
Buyout	**8,820**	8,438	10,786
Credit	**4,526**	4,552	4,540
Russia	**2,846**	1,282	1,023
Public Market	**1,029**	1,091	1,059
Real Estate	**3,046**	903	813
Other	**3,588**	3,472	2,975
Access	**1,238**	1,913	1,260
In total	**25,093**	21,651	22,456

Turnover and profit quarterly

2013 **MEUR**	**1-3/13**	**4-6/13**	**1-6/13**
Turnover	**6.8**	**9.7**	**16.5**
Management fees	**5.8**	**6.7**	**12.5**
Carried interest	**0.4**	**2.4**	**2.8**
Other income	**0.6**	**0.6**	**1.2**
Other operating income	**0.0**	**0.0**	**0.0**
Operating expenses	**-8.4**	**-8.0**	**-16.4**
Fair value gains of investments	**3.6**	**0.3**	**3.9**
Operating profit	**2.0**	**2.0**	**4.0**
Financial income and expenses	**0.2**	**-0.1**	**0.1**
Share of associated companies' result	**0.5**	**-0.3**	**0.2**
Profit before taxes	**2.7**	**1.6**	**4.3**
Profit for the period	**2.6**	**1.7**	**4.3**

2012 MEUR	1-3/12	4-6/12	1-6/12	7-9/12	10-12/12	1-12/12
Turnover	6.7	6.5	13.2	8.1	6.0	27.3
Management fees	6.2	6.2	12.4	5.9	5.6	23.9
Carried interest	0.0	0.0	0.0	1.8	0.0	1.8
Other income	0.5	0.3	0.8	0.3	0.4	1.5
Other operating income	0.0	0.2	0.2	0.0	0.0	0.2
Operating expenses	-7.5	-7.9	-15.4	-7.7	-7.2	-30.3
Fair value gains / losses of investments	3.5	0.3	3.8	-0.3	1.8	5.3
Operating profit / loss	2.7	-0.8	1.9	0.0	0.7	2.6
Financial income and expenses	0.2	-0.3	-0.1	0.4	-0.2	0.1
Share of associated companies' result	0.7	-0.1	0.6	-0.2	0.2	0.6
Profit / loss after financial items	3.6	-1.2	2.4	0.3	0.6	3.3
Profit / loss for the period	3.1	-1.1	2.0	0.3	0.4	2.7

APPENDIX 1: THE CAPMAN GROUP'S FUNDS UNDER MANAGEMENT AS OF 30 JUNE 2013, MEUR

The tables below show the status of the funds managed by CapMan as of 30 June 2013. 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 cumulate 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.

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 30.6.2013	CapMan's share of cash flow if fund generates carried interest
			At cost	At fair value		To investors	To mgmt company		
Funds generating carried interest									
Fenno Program[1], FM II B, FV V, FM IIIB, CME VII B [6]									
Total	314.5	308.8	25.4	16.0	4.3	504.1	22.1		10-20%
Funds in exit and value creation phase									
FM III A	101.4	100.6	18.4	16.2	2.4	128.2		2.7	20 %
CME VII A [6]	156.7	156.7	44.1	25.6	6.4	204.4		13.9	15 %
CME Sweden [6]	67.0	67.0	18.9	10.9	2.8	86.9		7.4	15 %
CMB VIII [2] [6]	440.0	395.6	252.4	314.0	0.4	169.6		393.1	12 %
CMLS IV	54.1	55.1	35.8	36.9	0.0	14.3		59.7	10 %
CMT 2007 [2]	99.6	74.6	40.9	60.9	2.1	10.3		92.4	10 %
CMPM	138.0	131.8	97.2	124.9	0.0	67.8		107.0	10 %
CMR	118.1	99.7	71.3	95.7	1.1	0.4		123.8	3.4 %
CMB IX	294.6	266.1	215.1	293.8	1.7	24.3		290.1	10 %
Total	1,469.5	1,347.2	794.1	978.9	16.9	706.2			
Funds in active investment phase									
CMM V	95.0	29.4	17.8	23.0	0.3	12.4			10 %
CMB X[2]	205.6	4.5	0.0	0.0	0.5	0.0			8 %
CMR II	97.2	1.5	0.0	0.0	0.2	0.0			8 %
Total	397.8	35.4	17.8	23.0	1.0	12.4			
Fund with no carried interest potential- for CapMan									
FV IV, FV VET, SWE LS [3], SWE Tech [2, 3], CME VII C[6], FM II A, C, D [2], FM III C, CMM IV [4]									
Total	581.6	556.8	146.5	117.8	6.4	423.9			
Total- private equity funds	**2,763.4**	**2,248.2**	**983.8**	**1,135.7**	**28.6**	**1,646.6**	**22.1**		

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 30.6.2013	CapMan's share of cash flow if fund generates carried interest
			At cost	At fair value		To in-vestors	To mgmt-company		
Funds in exit and value creation phase									
CMRE I [5]									
Equity and bonds	200.0	188.5	61.1	41.8		207.8	27.4	73.5	26%
Debt-financing	300.0	276.6	70.5	70.5					
Total	500.0	465.1	131.6	112.3	2.4	207.8	27.4		
CMRE II									
Equity and bonds	150.0	119.7	110.7	116.5		25.4		152.6	12%
Debt-financing	450.0	285.4	224.3	224.3					
Total	600.0	405.1	335.0	340.8	0.3	25.4			
CMRHE									
Equity and bonds	332.5	319.9	372.1	304.0		52.7		407.9	12%
Debt-financing	617.5	542.6	506.5	506.5					
Total	950.0	862.5	878.6	810.5	4.1	52.7			
PSH Fund									
Equity and bonds	5.0	3.5	3.5	6.6		1.2		3.0	10%
Debt-financing	8.0	8.0	7.8	7.8					
Total	13.0	11.5	11.3	14.4	0.1	1.2			
Total	**2,063.0**	**1,744.2**	**1,356.5**	**1,278.0**	**6.9**	**287.1**			
Funds in active investment phase									
CMNRE									
Equity and bonds	50.1	2.7	1.2	1.1		0.0			**0%**
Debt financing	74.9	0.0	0.0	0.0		0.0			
Total	125.0	2.7	1.2	1.1	0.6	0.0			
Total	**125.0**	**2.7**	**1.2**	**1.1**	**0.6**	**0.0**			
Real Estate funds total	**2,188.0**	**1,746.9**	**1,357.7**	**1,279.1**	**7.5**	**287.1**	**27.4**		

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
CMNRE	= CapMan Nordic Real Estate	SWE LS	= Swedestart Life Science
CMPM	= CapMan Public Market Fund	SWE Tech	= Swedestart Tech
CMR	= CapMan Russia Fund		

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:

The determination of the fair value of fund investments for funds investing in portfolio companies is done applying the International Private Equity and Venture Capital Valuation Guidelines ("IPEVG," www.privateequityvaluation.com), taking into account a range of factors, including the price at which an investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance, and financing transactions subsequent to the acquisition of the investment. These valuation methodologies involve a significant degree of management judgment.

Investments in real estate are valued at fair value based on appraisals made by independent external experts, who follow International Valuation Standards (IVS). The method most appropriate to the use of the property is always applied, or a combination of such methods.

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 June 2013.

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 that, in light of the market situation, 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 JUNE 2013

The operations of the private equity funds managed by CapMan during the first six months of 2013 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 three 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), mezzanine investments (CapMan Credit), and significant minority shareholdings in listed small and mid-cap companies (CapMan Public Market). The investment focus of CapMan's real estate funds is on properties in Finland and the other Nordic countries. 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 investments areas are reported under “Other” in Private Equity.

CapMan separated its mezzanine investments from CapMan Buyout during the review period and the investments are reported under “Credit.” Due to the change in classification, fund investment activities for the quarter are not comparable with previous quarters where the reclassification has not been made.

CAPMAN PRIVATE EQUITY

Investments in portfolio companies in January–June 2013

CapMan's funds made one new investments and a number of add-on investments in existing portfolio companies, totalling MEUR 46.0. The new investment was made by the CapMan Buyout IX fund in Acona Holding AS. Add-on investments were largely concentrated in portfolio companies held by CapMan's Buyout funds. Funds made add-on investments valued at a total of MEUR 55.0 during the corresponding period last year.

Exits from portfolio companies in January–June 2013

Funds exited IT2 Treasury Solutions, Locus Holding AS, MQ Retail AB, Tieturi Oy and Cardinal Foods AS completely and made a partial exit from Design-Talo. Exits had a combined acquisition cost of MEUR 55.6. During the corresponding period last year, funds made three complete and one partial exit from portfolio companies, with a combined acquisition cost of MEUR 46.1.

Events after the close of the review period

In July 2013, the CapMan Buyout VIII funds and the CapMan Mezzanine IV fund signed an agreement to exit Ontime Logistics AS. The fair value impact of the transaction was booked in the second quarter of 2013.

CAPMAN REAL ESTATE

Investments in and commitments to real estate acquisitions and projects in January–June 2013

CapMan's real estate funds did not make any new investments in the review period. Add-on investments were made in a number of existing developments, totalling MEUR 4.6. In addition, real estate funds were committed to provide financing for real estate acquisitions and projects totalling MEUR 12.0 as of 30 June 2013. In the corresponding period last year, funds made a number of add-on investments totalling MEUR 17.6, while commitments to finance new projects totalled MEUR 30.0 as of 30 June 2012.

Exits from real estate investments in January–March 2013

Real estate funds exited As. Oy Kalevankatu 36 in the review period. The property had an acquisition cost of MEUR 0.3. Real estate funds made one exit in the corresponding period last year with an acquisition cost of MEUR 60.8.

FUND INVESTMENT ACTIVITIES IN FIGURES

Investments and exits made by funds at acquisition cost, MEUR

	1-6/2013		1-6/2012		1-12/2012	
New and add-on investments						
Funds investing in portfolio companies	45.9		61.5		75.8	
Buyout		37.0		36.7		36.1
Credit		2.5		6.3		6.3
Russia		2.4		12.0		20.5
Public Market		0.0		0.2		0.2
Other		4.0		6.3		12.7
Real estate funds	4.6		17.6		29.8	
Total	**50.5**		**79.1**		**105.6**	

Exits*			
Funds investing in portfolio companies	55.6	46.1	104.1
Buyout	31.2	39.5	88.1
Credit	9.0	0.0	0.0
Russia	0.5	0.0	0.0
Public Market	3.2	0.0	1.4
Other	11.7	6.6	14.6
Real estate funds	0.3	60.8	60.8
Total	**55.9**	**106.9**	**164.9**

* including partial exits and repayments of mezzanine loans.

In addition, real estate funds had made commitments to finance real estate acquisitions and projects valued at MEUR 12.0 as of 30 June 2013.

Funds' combined portfolio* as of 30 June 2013, MEUR

	Portfolio at acquisition cost	**Portfolio at fair value**	**Share of portfolio (fair value) %**
Funds investing in portfolio companies	983.7	1,136.1	47.0
Real estate funds	1,357.8	1,279.1	53.0
Total	**2,341.5**	**2,451.2**	**100.0**
Funds investing in portfolio companies			
Buyout	653.6	760.4	67.0
Credit	17.8	23.0	2.0
Russia	71.3	95.7	8.4
Public Market	97.2	124.9	11.0
Other	143.8	132.1	11.6
Total	**983.7**	**1,136.1**	**100.0**

* Total of all investments of funds under management.

Remaining investment capacity

After deducting actual and estimated expenses, funds investing in portfolio companies had a remaining investment capacity amounting to some MEUR 757 for new and add-on investments as of 30 June 2013. Of their remaining capital, approx. MEUR 448 was earmarked for buyout investments (incl. mezzanine investments), approx. MEUR 68 for investments by the Credit team, approx. MEUR 66 for technology investments, approx. MEUR 8 for life science investments, approx. MEUR 133 for investments by the CapMan Russia team, and approx. MEUR 34 for investments by the CapMan Public Market team. Real estate funds had a remaining investment capacity of approx. MEUR 182, which has been reserved for new investments and for the development of funds' existing investments.

APPENDIX 3: DESCRIPTION OF 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[6], and the industry's long term prospects are favourable. 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: 1) a Management Company business and 2) a Fund Investment business.

1) **Management Company 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 Nordic real estate.

   The Management Company business has two main sources of income. Fund investors pay a management fee to CapMan (typically 0.5-2.0% 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.

2) **Fund Investment business**

   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.

[6] Bain & Company, Global Private Equity Report 2013