CapMan

CapMan Plc | Annual Report 2009

Contents

CapMan – Managing Quality Partnerships

CapMan is one of the leading alternative asset managers in the Nordic region and Russia, and manages around €3.5 billion of capital in its funds. CapMan has six investment areas organised on a partnership style (CapMan Buyout, CapMan Technology, CapMan Life Science, CapMan Russia, CapMan Public Market, and CapMan Real Estate), each with its own dedicated funds. CapMan employs 150 professionals in Helsinki, Stockholm, Copenhagen, Oslo, and Moscow. CapMan was founded in 1989 and its B shares have been listed on the Helsinki Stock Exchange since 2001.

CapMan Buyout

CapMan Technology

CapMan Life Science

CapMan Russia

CapMan Public Market

CapMan Real Estate

CapMan Platform

CEO's review

2009 was a good year for CapMan in many respects. We succeeded in securing the stable development of our portfolio companies, strengthening the Group's balance sheet, and developing our organisation. Although fundraising for new funds proved even more challenging than expected, we were also satisfied with the amount of capital we raised. But the Group's result, despite coming in at a small profit, was a disappointment.

Our operating environment showed some signs of recovery towards the end of the year. The difficult period in the private equity industry that began in the summer of 2007 appears to be slowly passing and the investments that CapMan has made in its own business portfolio and in its investment targets are beginning to bear fruit. Despite the difficult market conditions typical of recent years, we have invested both in building future growth and improving our future financial performance. I believe, as a result, that CapMan is well-placed for a successful future in the years to come.

The performance of our Management Company business reached a satisfactory level in the latter part of 2009, and management fees and income from real estate consulting covered our operating and interest expenses. However our aim is to improve the Management Company business' performance further by improving efficiency through managing more capital per investment professional and achieving greater benefits of scale in our service teams. The result of our Management Company business is shaped to a large extent by the carried interest income. The 'dry period' that we experienced in this area for some 18 months ended in January 2010, when we announced our funds' exit from Pretax. In terms of future carried interest income, it will be important to bring the CapMan Equity VII fund into carry. This fund has invested in a number of well-developed businesses, such as Lumene, Farmos, MQ Retail, and Cardinal Foods. Following the general rule of thumb used in the private equity industry, every €100 million of capital under management should generate around €20 million in carried interest over 10 years if investment activities' targets are met. CapMan currently has over €3.5 billion under management. Even after eliminating the carried interest due to investment teams and the debt financing used in real estate funds, this means that our carried interest potential is significant.

CapMan's investments in its own funds had a negative impact on our result in 2009, despite the upturn in the value of these investments seen towards the end of the year. Our target is to achieve a 15% p.a. return on fund investments. The fair value of CapMan's investments at the end of 2009 was around €60 million, which should generate some €10 million in annual revenue if we achieve our target level of return. After moving down by a total of nearly €20 million in 2008 and 2009, we believe that the fair value of our investments will improve during 2010.

The M&A market is expected to pick up in 2010, as Nordic banks are beginning to become interested in financing these kinds of transactions again. Private equity investors investing in Nordic countries have a lot of investment capacity, and the expectations of potential vendors and purchasers are moving closer to each other. A brisker market will offer CapMan a greater range of opportunities to make profitable exits.

During 2009, we defined the cornerstones of our strategy as being based on a common investment culture, global fundraising, efficient fund management, in-house investment capacity, a solid service infrastructure, and CapMan's corporate brand. Developing all of these areas will be important for our future success.

In terms of our investment approach, our aim is to make the most of our over 20 years of experience in analysing and creating value with hundreds of investments. Understanding the fundamentals of the sectors in which portfolio companies operate is very important to successful investment operations. Companies that operate in carefully selected areas have the potential to lead the field and achieve a strategically strong position. In the real estate area, developing a shopping centre into a strong local force, for example, calls for the type of expertise that we have as a major real estate investor and consultant in Finland. Our experience means that we are familiar with the types of scenarios in which a private equity investor represents an attractive choice for a business or for a property. These include situations where a large company wants to divest a non-core subsidiary and when a family-owned business wants to move to the next stage in its development. An experienced private equity investor secures the success of businesses like this by developing them through strengthening their values and corporate culture and laying the foundation for the businesses' long-term success.

2009 also saw us beginning to leverage the combined purchasing power potential that exists in our portfolio companies and properties. The businesses that CapMan funds own in total or in part generated some €6.3 billion in net sales last year and employed over 40,000 people. Over 280 companies lease space in properties of our real estate portfolio, over 35 million customers a year visit shopping centres we manage, and we are Finland's largest hotel owner. The potential for savings offered by combining the purchases of these businesses is quite significant, and we believe that our portfolio companies could make savings running into tens of percent in some areas through initiatives like this. Making the most of these opportunities also encourages businesses to share best practices and their experience.

In the fundraising area, we have extended our client base beyond the Nordic region to a global one. The challenges of the current fundraising environment have slowed our progress in achieving major benefits from this as yet. The CapMan brand and our products are well-known among fund investors, and our offering is well-suited to investors interested in small and mid-size companies in the Nordic countries and Russia and real estate development targets.

Following the establishment of the CapMan Russia and CapMan Public Market investment areas in summer 2008, we have focused on developing our existing product portfolio. Russia may not yet seem to be very important for us in terms of numbers, but we expect it to become significantly more important for CapMan in the future. This growth will not only be driven by our investment activities there, but also through encouraging our Nordic portfolio companies to follow up opportunities in Russia. The level of institutional private equity investment in Russia is still modest, and by growing this area of our business we have the potential to develop it into one of the cornerstones of the CapMan business portfolio in the future. The initial phase of the Public Market fund has proved successful, and following a careful analysis of listed Nordic companies we have identified a number of businesses suitable for the type of active ownership that a private equity investor can offer.

CapMan's largest shareholders have decided to propose to the Annual General Meeting that I take over as the Chairman of the Board of Directors. If the AGM agrees to back the proposal, I will be happy to take up this position as part of a generation shift at CapMan management and Board. My agenda on the Board will be to continue CapMan's focus on achieving its strategic goals and to give greater emphasis to securing the ongoing success of our investment activities.

My term as CEO, which has lasted some five years, has been positive from a personal perspective and I will take many unforgettable memories with me. I would like to thank our shareholders for the support and feedback they have given me, the management and personnel of our portfolio companies for their commitment to our common goals in an often turbulent market, the investors in our funds for the trust they have shown us when investing in our new funds, and CapMan's own personnel for their contribution to our success in sometimes very challenging conditions. I believe that developments in 2010 will continue to move in a positive direction and that we will all benefit from the long-term work that we have put in to date.

Heikki Westerlund
CEO, Senior Partner
CapMan Plc

OUR GOALS AS A LISTED COMPANY

- To grow the value and liquidity of CapMan's stock
- To develop CapMan as a listed company while retaining its partnership model in investment operations
- To increase the Group's profitability through successful investment activities, enhance the efficiency of our Management Company business, and develop new fund products for institutional investors
- To enhance the wellbeing of personnel and CapMan's reputation as an employer and ensure that the company has well-motivated, professional, and dedicated people in its teams.

OUR GOALS AS A MANAGEMENT COMPANY

- To offer a comprehensive range of products and first-class customer service
- To provide investors with superior financial returns
- To expand our investor base internationally and diversify its composition.

OUR GOALS AS AN INVESTOR AND VALUE CREATOR

- To ensure a good level of deal flow, including proprietary deal flow, through a strong local presence in all the countries where we operate
- To provide a good framework for value creation in the Nordic countries and Russia
- To maintain superior returns in all investment areas
- To achieve market leadership in selected investment areas.

PRIORITIES FOR 2010

- To deliver a clearly better result than that achieved in 2009
- To continue strengthening the balance sheet
- To develop and consolidate CapMan's investment culture
- To create a strong base for future fundraising
- To leverage market opportunities in CapMan's operations
- To further develop the CapMan organisation and make more efficient use of existing investments.

Exploiting growth opportunities in alternative asset class

CapMan is one of the leading alternative assets managers in the Nordic region and Russia, and manages capital raised from institutional investors in its funds. Investments are focused on six areas coordinated by partnership-style investment teams.

A refined strategy

The concept of Managing Quality Partnerships, crystallised as part of CapMan's strategy process in 2009, highlights the company's approach based on independent, competitive investment teams operating as partnerships and a management company platform offering high-quality services. CapMan's growth strategy is driven by its 20 years of experience in private equity and a local presence in the Nordic countries and Russia that fosters an active style of ownership. Other key CapMan strategic assets include global fundraising and efficient fund management, investments made from CapMan's balance sheet in its own funds, and a service infrastructure with an institutional approach. CapMan sets high return targets for its investments and similarly high standards for its new fund products and the services it provides.

Growth from existing investment areas

CapMan's growth has been largely driven by new products and extending the geographical reach of its operations in recent years. Over the next few years, CapMan's emphasis will be on continued growth through its existing investment areas. Buyout investments have been a part of CapMan's investment activities since 1989, mezzanine and technology investments since 1995, life science investments since 2002, and real estate investments since 2005.

CapMan believes that Nordic mid-market buyouts continue to represent one of Europe's most exciting private equity investment opportunities and that this market has significant revenue potential through organic growth, acquisitions, and international expansion. CapMan's technology investments are focused on technology companies that are either in their expansion or later stage, and leverage the technology clusters that exist in the Nordic area. The Nordic life science market has been particularly challenging in recent years, and CapMan announced during 2009 that it does not intend setting up any new independent life science funds. Healthcare and medical technology will nevertheless remain part of CapMan's investment focus. Real estate investment operations, which are concentrated in Finland, draw on the extensive property development expertise of the company's Real Estate team.

CapMan's newest investment areas – CapMan Russia and CapMan Public Market – were established in 2008. Both areas offer significant growth potential for capital under management and the opportunity to leverage CapMan's investment and management company know-how. There are still relatively few Western-type private equity investors active in Russia and competition remains limited. CapMan is committed to using its local presence in Russia to leverage this advantage and support the portfolio companies of other investment areas operating in Russia. The operations of both new investment areas got off to a promising start in 2009.

A strategy based on a common investment culture

CapMan's goal in all of its investment areas is to ensure positive value creation and that the return targets of its funds are achieved. A common approach to value creation among its investment teams underpins CapMan's competitiveness. CapMan's long experience in private equity, its extensive knowledge of the countries and businesses that it operates in, its Nordic network of partners, fine-tuned investment processes, and use of shared best practices across its investment areas play a central role in the value creation that CapMan offers. CapMan has extensive experience in handling of M&A, consolidation in various industries, family successions, and other changes that companies and sectors are undergoing. Cooperation between CapMan's investment teams also covers leveraging the purchase power of their portfolio companies in the form of joint purchase programme.

CapMan's focus of investment operations is always on clearly defined value creation goals and the long-term development of portfolio companies and properties. Active ownership is based on enhancing the value of investments through a combination of growth, improved profitability, and stronger strategic positioning. Value creation in respect of real estate funds is based on building a well-balanced portfolio and developing individual properties through effective property management, construction projects, developing service concepts, and an active leasing programme.

CapMan's local presence and networks ensure that its teams are aware of virtually all the investment opportunities that exist in the company's operating areas, and that the value creation potential of investment prospects can be thoroughly compared to others on a wide geographical level before any investment decisions are made.

CapMan's extensive networks also provide resources for operational management and boardwork for portfolio companies. CapMan's investment professionals are closely involved in the strategy work, M&A activities, and international expansion of portfolio companies. They work alongside management and other shareholders, while respecting the roles and responsibilities of operational management.

High-quality fundraising and fund management

Growing capital under management and enhancing the efficiency of management activities without undermining quality standards are central to the company's growth strategy. Successful fundraising for the Group's funds depends on a successful investment track record. CapMan has consistently focused on developing its fundraising capabilities, extending the international range of its investors, and improving its fund management services over its 20-year history. CapMan offers institutional investors the benefits of common fund structures and agreements, quality reporting services, and well-managed investment processes.

Shared interests with fund investors

Investments from CapMan's own balance sheet in funds managed by the Group represent the third cornerstone of CapMan's growth strategy. CapMan's fund investments offer significant return potential for CapMan and help further align CapMan's interests with the investors in its funds. CapMan is a significant investor in the funds that it manages, and its goal is to invest 1–5% of the original capital in its funds, depending on demand for funds among investors and CapMan's own investment capacity. Around half of CapMan's own fund investments are typically financed with debt. CapMan will continue to make its own fund investments via CapMan Fund Investments SICAV SIF, which acts as a feeder fund for CapMan's funds. The incorporation of direct fund investments into a separate company in 2009 clarifies the distinction between the Management Company business and the Fund Investments business.

Organisational structure underpins strategy

A proportion of the returns from investment activities are normally distributed to investment teams in the private equity industry. CapMan Plc's share of investment revenue is based on the services CapMan provides. The CapMan Platform – Investor Services, Group Finances and Accounting, IT, and HR and Office Services – has been designed to compliment the partnership model of the company's investment teams. CapMan's organisational model has also made it possible to add new products to the product portfolio.

Key strategic assets – CapMan long-term value

Investment culture – Active ownership

Fundraising and fund management

Own fund investments in CapMan funds

Service infrastructure

CapMan Brand

Vision
Our vision is to be the preferred private equity and alternative assets partner for institutional investors globally and entrepreneurs locally.

Mission
Our mission is to generate superior financial returns. We act as a high-quality service provider by investing capital in companies, properties, and other targets within private equity and the alternative asset class. The lasting value of these investments is created by growth, change, and active ownership.

CapMan's operating model

CapMan Plc's Board of Directors

CEO Heikki Westerlund
Deputy CEO Jerome Bouix

CapMan Buyout
Tuomo Raasio
(Kai Jordahl)

CapMan Technology
Petri Niemi
(Vesa Walldén)

CapMan Life Science
Johan Bennarsten

CapMan Russia
Petri Saavalainen
(Hans Christian Dall Nygård*⁾)

CapMan Public Market
Jukka Ruuska

CapMan Real Estate
Markku Hietala
(Jorma Lehtonen)

CapMan Platform
Investor Services, Jerome Bouix
Group Finances and Accounting, IT**
HR and Office Services, Hilkka-Maija Katajisto

Partnership-based investment teams
– Deal flow generation
– Investment proposals and M&A activities
– Value creation through active ownership
– Exits and realising value generated
– Best practices and a strong value creation culture

CapMan Platform
– Fundraising
– Fund management and monitoring
– Investments from the Group's balance sheet in CapMan funds
– Legal Affairs and Compliance (CapMan and CapMan funds)
– Communications
– Group Finances and Accounting, IT
– HR and Office Services

CapMan Brand

Customers and other stakeholders

** Head of CapMan Russia Investment Operations.*
*** Until 31 January 2010 Kaisa Arovaara. 1 February – 31 March 2010 Acting CFO Olli Liitola. From 1 May 2010 Niko Haavisto.*

A business based on long-term trust

CapMan's turnover in 2009 remained largely unchanged from 2008. Good profitability in the Management Company business and a stronger financial position made a positive contribution, while the lack of carried interest income and a decline in the value of fund investments had a negative impact on the Group's result.

CapMan's business

CapMan is a leading alternative asset manager, which also makes significant investments in its own funds. The guiding principle for the investment activities of the funds managed by the Group is to work actively and directly towards increasing the value of investments. At the beginning of 2009, CapMan had two operational segments – the Management Company business and the Fund Investment business. Their components of income and performance during 2009 are reviewed in the following spread.

Financial performance and result for 2009

The weak exit market and the continuing economic recession were both reflected in CapMan's turnover and profit in 2009. The Group's turnover, €36.3 million, remained largely unchanged from 2008 (€36.8 million). Operating profit totalled €0.1 million (€ -6.3 million). Although the fair value of fund investments recovered in the second half of 2009, changes in fair value for the year as a whole were negative, at € -3.3 million or -5.4%. Operating expenses were higher, especially as a result of expenses associated with the Group's two new investment areas, CapMan Russia and CapMan Public Market, and totalled €33.0 million (€29.8 million). The Group's profit for the year was €0.1 million (€ -8.1 million), and profit attributable to the owners of the parent company was € -0.2 million (€ -8.2 million).

The Group's financial position improved substantially during 2009. The size of the hybrid bond issued in 2008 rose to €29 million and CapMan had a bank financing package of €56.9 million agreed with two Nordic banks as of 31 December 2009. CapMan's financing needs will be lower over the next few years following its €25 million sale of fund investments and commitments. The equity ratio stood at 55.1% (50.3%) at the end of the year, and net gearing was 34.8% (30.3%).

Long-term business

CapMan Plc's profit performance can vary significantly from year to year as a result of changes in the level of carried interest received and in the fair value of its investments. Varying levels of carried interest are generated depending on the timing of exits and whether the exiting fund is in carry. Changes in the fair value of fund investments can also vary significantly from year to year and from quarter to quarter. As a result, when analysing CapMan's financial performance and revenue potential it is important to look beyond the next quarter. Funds typically have a 10-year life cycle and most investments are kept in the portfolio for four to six years. By spreading its income sources and maintaining funds with varying lifetimes, CapMan can reduce year-on-year fluctuations.

READ MORE ONLINE AT

www.capman.com/En/InvestorRelations
→ CapMan as an investment
→ Financial development analysis
→ Valuation principles

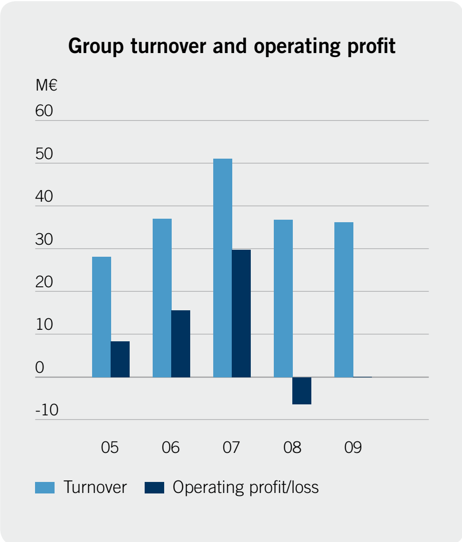
Read more in the Annual Report
→ Report of the Board of Directors Pages 40–43
→ Fund indicators Pages 16–20

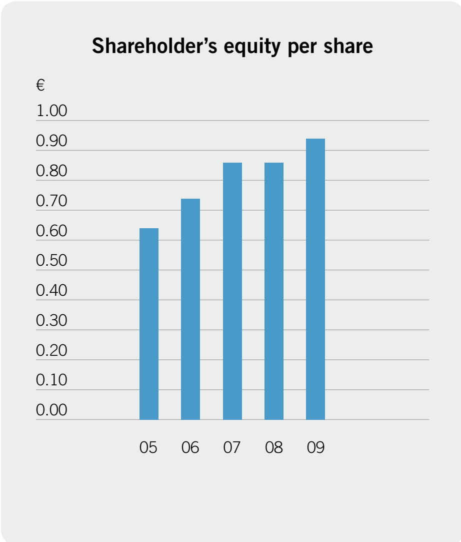
Operating segments and main sources of income

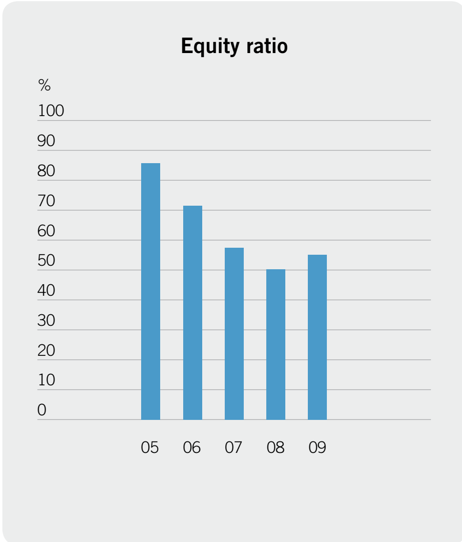
Management Company business			Fund Investment business
Management fees	Carried interest income	Income from real estate consulting	Return on direct fund investments

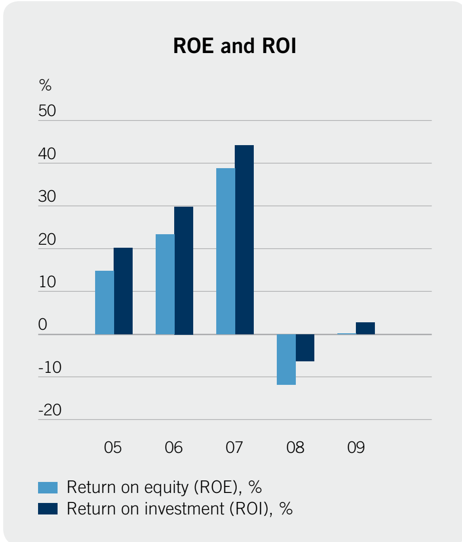
Financial objectives and performance in 2009

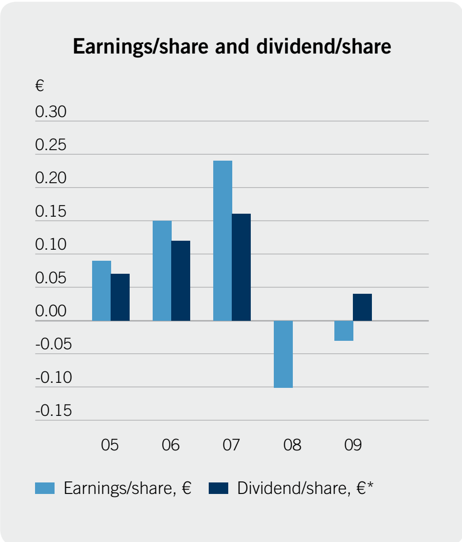
	Target	Performance in 2009
Growth	• Increase the capital of funds under management by an average of at least 15% a year	• Capital increased by 2.8%. Average growth during the previous five years was 30.4%.
Profitability	• Return on equity of over 25% a year • Equity fund performance of over 15% net IRR a year	• Return on equity was 0.2% • Historic returns to investors from active and terminated equity funds are presented on Page 20. Net return to investors has been 16.5%
Capital structure	• Finance approx. half of CapMan Plc's investments in its own funds with debt financing • Equity ratio of at least 50%	• Equity ratio was 34.8% • Net gearing was 55.1%
Dividend policy	• Payout ratio of at least 50% of net profit	• The Board will propose a dividend of €0.04 per share to the AGM

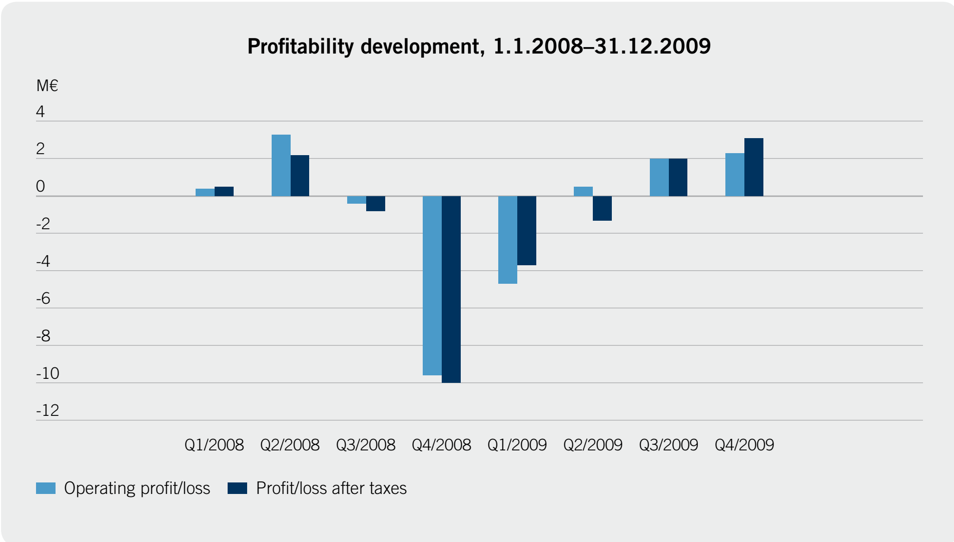












* *Board of Directors' proposal to the Annual General Meeting for 2010*

Management Company business

Main components of income

The Management Company business covers the management of private equity funds investing in portfolio companies (CapMan Private Equity) and the management of private equity funds investing in real estate and real estate consulting (CapMan Real Estate). Income comprises management fees paid by funds, carried interest received from funds, and real estate consulting.

Management fees are relatively easy to predict, as funds have a long life span and management fee percentages are agreed for their entire lifetime. The timing of carried interest income is less predictable, and when analysing this type of income attention should be paid to the phase that each fund is at. Funds are described in more detail on Pages 16–20. Further information on analysing the components affecting CapMan's performance can be found online in the Investors section at www.capman.com.

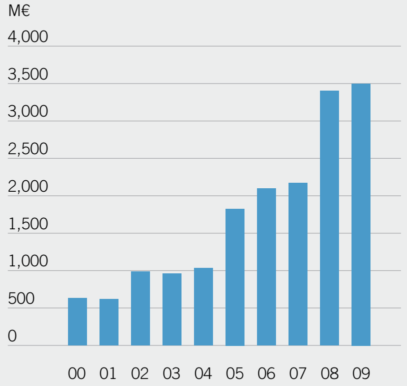
Performance in 2009

The Management Company business recorded a profit of €3.7 million in 2009. This was a good result on a market where there were few exits and no carried interest was generated. A goodwill write-down of €0.7 million had a negative impact, while management feeds were 12.5% higher than in 2008. The CapMan Buyout IX fund, in particular, generated more management fee revenue than in 2008 as it began to pay fees at the end of June following the completion of its first investment. Additional capital raised in the CapMan Russia, CapMan Public Market and CapMan Hotels RE funds also increased the management fee base. Income from real estate consulting remained at 2008 levels, despite a quieter market.

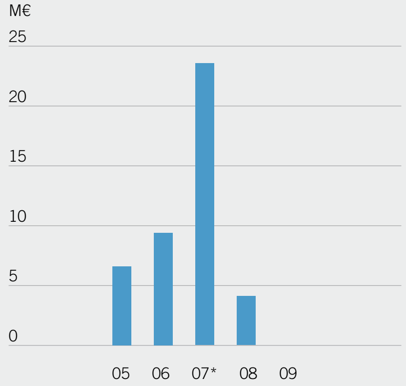
Result of Management Company business

M€	**2009**	2008
Turnover	**36.3**	36.8
Management fees	**33.3**	29.6
Real estate consulting	**2.4**	2.4
Carried interest	**0.0**	4.1
Other income	**0.6**	0.7
Operating profit/loss	**3.7**	7.3
Profit/loss	**3.7**	6.5

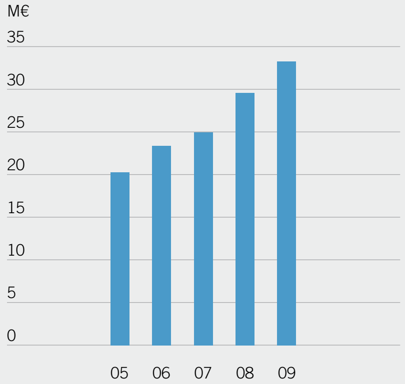
Capital under management



Carried interest income

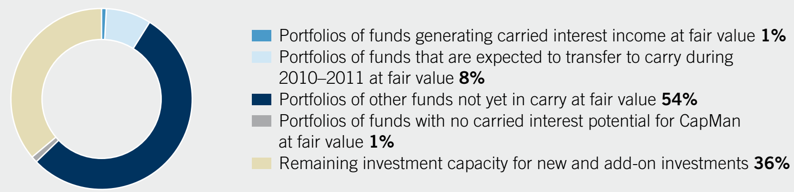


Management fees



Funds' carried interest potential as of 31 December 2009

Aggregate fund portfolio at fair value (€2,167.9 million) by fund life cycle phase and remaining investment capacity (€1,209.5 million).



* *Minority interest for 2007 was €7.6 million.*

Fund Investment business

Main components of income

The Fund Investment business covers CapMan's direct investments in the funds that it manages and in Maneq funds, and revenue is generated through changes in the fair value of investments and realised returns. CapMan's goal is to invest 1–5% in its funds, depending on the size of new funds, investor demand for them, and CapMan's investment capacity. CapMan incorporated its Fund Investment business into a separate company in 2009.

When analysing CapMan's direct fund investments, it is important to follow the fair value development of portfolio companies. The larger CapMan Plc's investment in a fund is, the larger the impact that an individual investment will have on CapMan, either through changes in the fair value of the investment or through the realised income that it generates. The factors affecting the fair value of investments and the valuation principles CapMan uses are described in greater detail online in the Funds section at www.capman.com. Changes in fair value do not have an impact on the Group's cash flow.

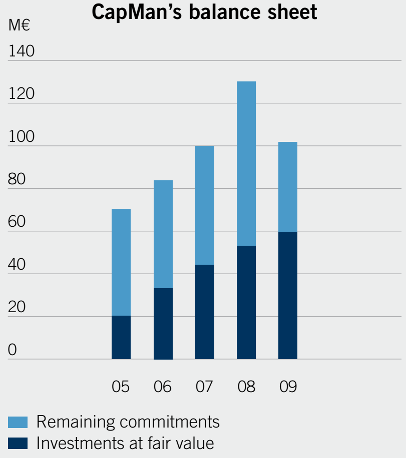
Performance in 2009

The fair value of CapMan's direct fund investments at the end of the year was €59.4 million, and its fund commitments totalled €42.6 million. The majority of investments and commitments covered buyout funds. CapMan made new investments totalling €13.0 million during the year and sold €3.4 million of investments. CapMan's commitments fell following the sale of €21.6 million of commitments, primarily to Belgian private equity investor Gimv. The change in the fair value of investments was negative and totalled € -3.3 million or -5.4%. The weaker performance of portfolio companies in 2009 contributed to this decline, although fund portfolios also included companies that developed strongly.

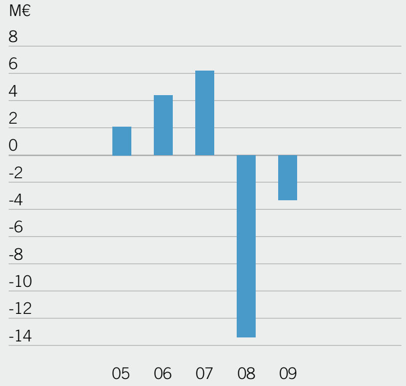
Result of Fund Investment business

M€	**2009**	2008
Fair value changes of investments	**-3.3**	-13.4
Operating profit/loss	**-3.6**	-13.6
Profit/loss	**-3.6**	-14.5

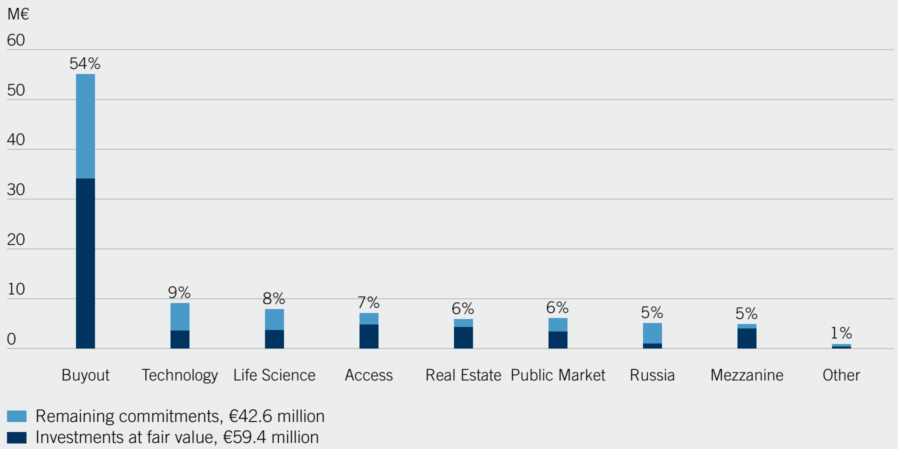
Fund investments and commitments from CapMan's balance sheet



Profit impact of own fund investments



Fund investments and commitments



One of the few listed fund management companies

CapMan Plc's B share has been listed on the Helsinki Stock Exchange since 2001.
CapMan had 4,774 shareholders at the end of 2009.

CapMan shares

CapMan has two series of shares, A and B. The company's A shares, which total 6,000,000 in number, account for 43.4% of votes; while B shares, which total 78,281,766, account for 56.6% of votes. Both series of shares carry an equal entitlement to a dividend. The number of listed B shares increased by 2,823,342 in 2009 following the issue of 2,216,541 new B shares in connection with the Norum acquisition and the subscription of 606,801 B shares under 2003B stock options. CapMan's shares are included in the book-entry securities register and have no nominal value. CapMan Plc's share capital as of 31 December 2009 was €771,568.98.

Option programmes

CapMan had one option programme in force at the end of 2009. Details on the 2008 programme and the 2003B programme, which ended during the course of the year, can be found in the Notes to the Group Financial Statements on Page 60.

CapMan's shareholders

CapMan had 4,774 shareholders at the end of 2009. The largest change in the company's ownership in 2009 took place in August, when the Belgian private equity house, Gimv, became CapMan's second-largest shareholder in terms of number of shares. The largest number of votes in CapMan Plc continues to be held by CapMan Partners B.V., owned by CapMan's Senior Partners. CapMan Plc owned 26,229 of the company's B shares as of 31 December 2009.

Nominee registered shareholders

CapMan shares are registered to book-entry accounts that can be either owner registered or nominee registrated. Finnish private persons and communities must deposit their book-entries on owner registrated book-entry accounts and as a consequence their shareholdings are public information. Foreign private persons and communities can register their shares on owner registered or nominee accounts. If their holdings are registered on the nominee registered account, a custodian is registered in the list of owners instead of and owner. There are rights that normally belong to the owner of securities that cannot be used in the case where securities are registrated on the nominee accounts. For example, to use the voting rights in the company's General Meetings the shareholder must be (temporarily) registered on the owner registrated account.

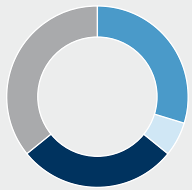
Foreign and nominee-registered owners held a total of 24.8% of CapMan's shares at the end of 2009. Information received from shareholders indicates that in addition to Gimv nominee-registered shareholders included funds managed by the following international investors: Dunedin Enterprise Investment Trust PLC, INVESCO PowerShares Capital Management LLC, Royce & Associates LLC and The Seventh Pension Fund. In addition, Barwon Investment Partners managed CapMan shares on behalf of discretionary clients as of the end of the year. The aggregate holding of these entities totalled approximately 21% of CapMan shares and approximately 78% of all nominee-registered CapMan shares according to information received by the company.

A breakdown by sector and size of holding can be found on Page 56 of the Notes to the Group Financial Statements.

CapMan B share	
Market	Helsinki
Listing date	2 April 2001
ISIN	FI0009009377
Trading code	CPMBV
Reuters code	CPMBV.HE
Bloomberg code	CPMBV
Market category	Mid Cap
Sector	Finance
Number of shares	78,281,766
Votes/share	1 vote/share

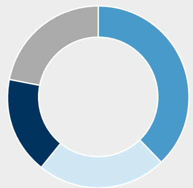
CapMan A shares (unlisted)	
Number of shares	6,000,000
Votes/share	10 votes/share

Holdings by shareholder class



- Management and CapMan employees* **30%**
- CapMan Partners B.V. (Senior Partners) **6%**
- Nominee-registered shareholders and other foreign ownership (non-Finnish owners) **28%**
- Finnish institutions and householders **36%**

Voting rights by shareholder class



- Management and CapMan employees* **38%**
- CapMan Partners B.V. (Senior Partners) **23%**
- Nominee-registered shareholders and other foreign ownership (non-Finnish owners) **17%**
- Finnish institutions and householders **22%**

* *Includes holdings owned by the company's 100 largest shareholders.*

Share price development and trading in 2009

The market situation in 2009 was also reflected in the price of CapMan's B shares during the year. The number of shares traded was slightly higher than in 2008, but in monetary terms the volume traded was significantly lower. The company's market capitalisation at the end of the year, including A shares, was €112.9 million.

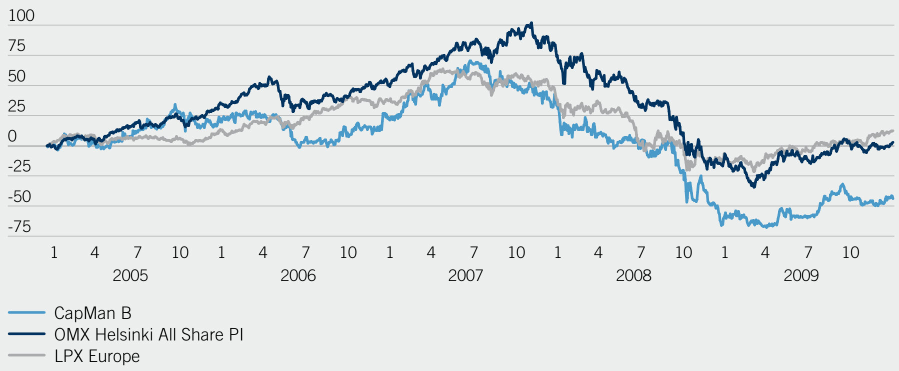
IR contacts

CapMan's IR contacts are the joint responsibility of the CEO, the Deputy CEO, the CFO, and the Communications Director. The company observes a two-week silent period prior to publication of its interim reports and financial statements, during which it does not comment on the company's financial performance or future prospects and does not meet investors, analysts, or financial journalists.

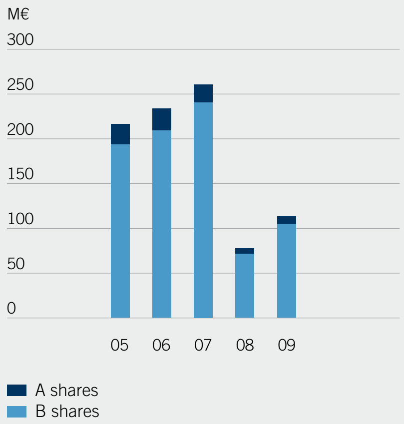
Share price development and trading of B shares

	2009	2008
Share price, €		
Highest	**1.63**	3.40
Lowest	**0.77**	0.79
Volume-weighted average	**1.10**	2.09
Closing price, 31.12	**1.34**	0.95
Trading turnover		
Million shares	**16.9**	14.8
Million euros	**19.2**	29.6

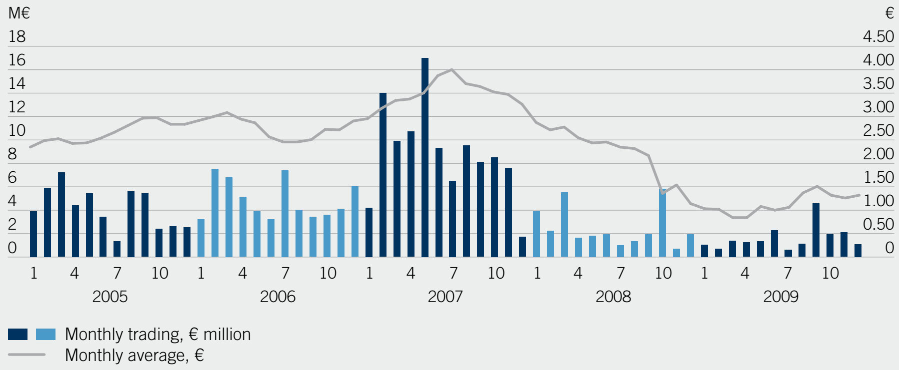
Relative development of CapMan B share the OMX All Share Index, and the LPX Europe index 2005–2009



Market capitalisation development



CapMan B share trading and share price, 1.1.2005–31.12.2009



READ MORE ONLINE AT

www.capman.com/En/InvestorRelations
→ Disclosure policy
→ IR contact information

Read more in the Annual Report
→ Shares and shareholdings Pages 42 and 56–57
→ Dividend policy Page 41
→ Share-based incentive schemes Page 42
→ Board authorisations Page 42

A leading European manager and advisor of funds of funds

CapMan Plc's associated company, Access Capital Partners, is one of Europe's leading managers and advisors of private equity funds of funds. Assets managed or advised by Access as of the end of 2009 totalled €2.7 billion.

A significant associated company for CapMan

CapMan was one of the co-founders of Access Capital Partners together with Dominique Peninon and Agnès Nahum in December 1998. The company's third Managing Partner Philippe Poggioli joined Access in September 1999. Access was the first point of entry into the European private equity market for CapMan and many Finnish institutional investors at the time, and the company continues to be a significant associated company for CapMan Plc, which owns 35% of the share capital of Access Capital Partners Group S.A., with the remaining 65% held by the company's Managing Partners. Since 2003, CapMan has a 25% entitlement to possible carried interest income from the funds and private equity mandates managed or advised by Access.

Investments spread across European growth businesses

The funds managed by Access primarily invest in Western European funds specialising in small and mid-size buyouts, special situation funds, and buyout technology funds. Access also actively makes secondary investments in these markets. The investors in the funds managed by Access are largely pension funds, insurance companies, and other institutional investors, together with family offices and private individuals.

Access currently manages five generation of funds of funds, of which the first, Access Capital Fund I (ACF I) was established in May 1999. The company's second-generation funds, ACF II Mid-market Buy-out and ACF II Technology, were closed in July 2002, its third-generation funds, ACF III Mid-market Buy-out Europe and ACF III Technology Europe, in December 2006, and its fourth-generation funds, ACF IV Growth Buy-out, in July 2008. The first closing of ACF V Growth Buy-out Europe occurred in December 2009.

The capital under management through Access at the end of 2009 totalled some €1.45 billion, and the Private Equity mandates managed or advised by Access totalled approximately €1.25 billion.

A highly selective investment portfolio

Access Capital Partners constitutes carefully balanced portfolios comprising high-performance European private equity funds of various different managers.

Funds target companies at diverse stages of the value creation stream. When making investments, Access looks for investment teams that have been working together successfully for several years and have a proven track record for superior returns. They must also demonstrate a strong pricing discipline together with a high level of value added to investee companies.

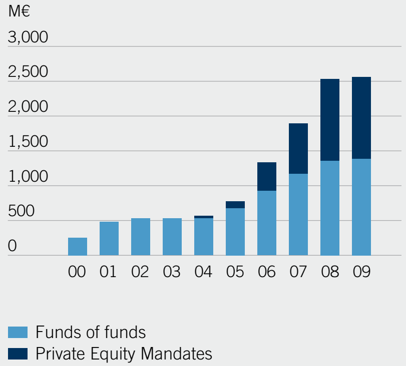
Access' offices in Paris, Brussels, and Munich employ a multinational team of 31 dedicated professionals headed up by three Managing Partners – Dominique Peninon, Agnès Nahum, and Philippe Poggioli – who have extensive experience of European Private Equity investment through both funds and direct investments.

READ MORE ONLINE AT

www.access-capital-partners.com

www.capman.com/En/InvestorRelations/Result
→ CapMan's Interim Reports and Financial Statements Bulletins

Assets under management, 2000–2009



CapMan funds

Returns to investors

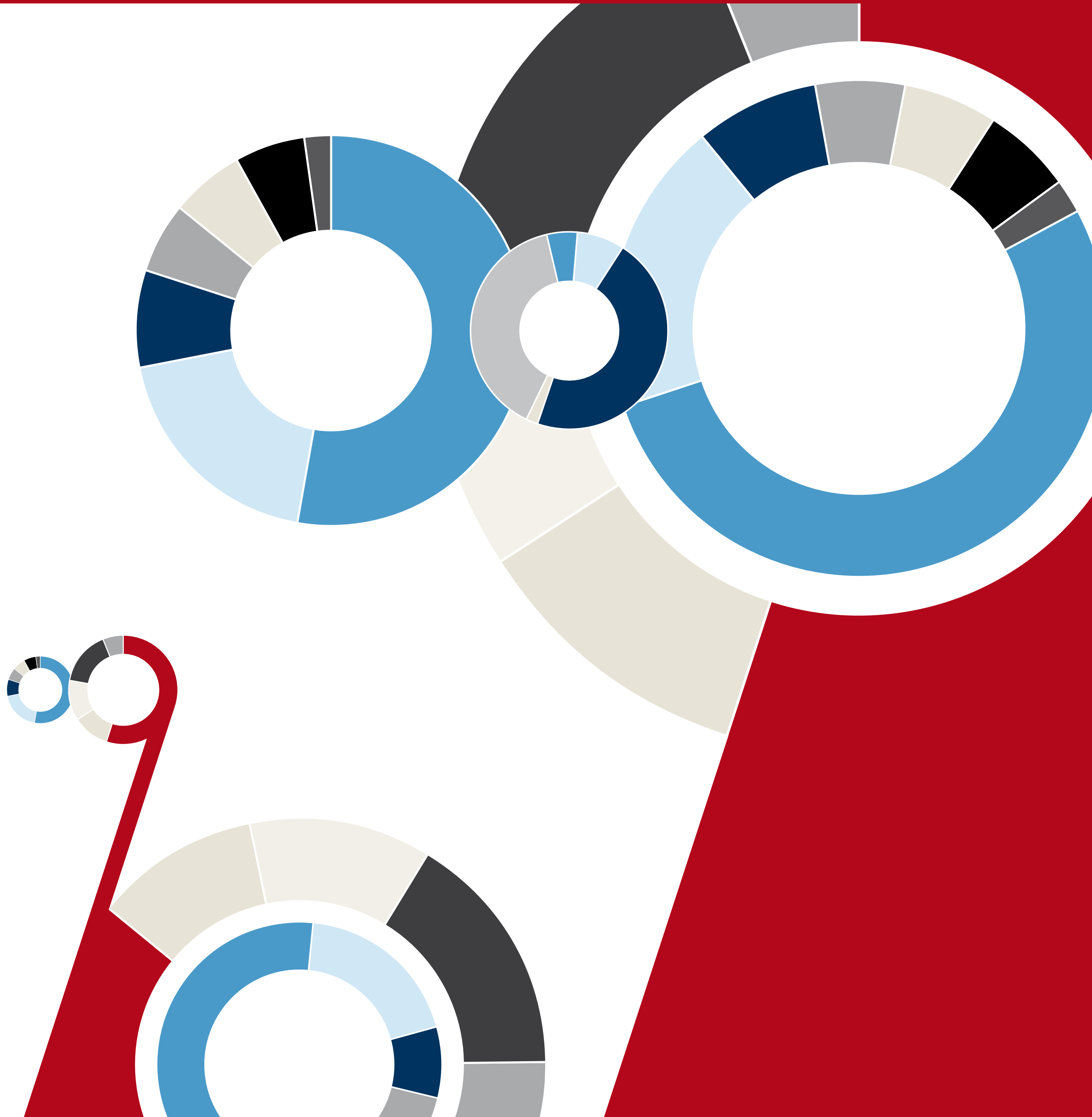
The capital invested in funds managed by CapMan has generated a historical 16.5% net return for fund investors.

High level of repeat investors

Over 120 institutional investors have invested in CapMan funds, and over half of these have invested in six or more funds.

Major remaining investment capacity

The funds managed by CapMan have extensive capital at their disposal for making new and add-on investments. Funds' had over €1.1 billion remaining investment capacity at the end of 2009.



High-quality services for investors and investment teams

CapMan's service teams provide the foundation for the CapMan Platform, which offers fundraising, fund management, and other services for investors.

Jerome Bouix
Deputy CEO,
Senior Partner

Platform allows specialisation in all teams

The CapMan Platform comprises the Group's three service teams: Investor Services, Group Finances and Accounting, IT and HR and Office Services. The role of these service teams is to offer an efficient and unified base for managing the Group's funds and to provide high-quality services for fund investors and CapMan's investment teams. The aim is to enable investment teams to concentrate on their core investment activities, including value creation of portfolio companies and realizing the value leveraged when funds exit their investments.

Fundraising represents one of the most important services provided to investors and investment teams by the CapMan Platform. The four-person fundraising team is responsible for preparing fundraising material, handling investor relations, and raising capital for new funds together with investment teams. CapMan had four fundraising processes under way in 2009. CapMan completed fundraising for the CapMan Hotels RE, CapMan Russia, and CapMan Public Market funds, and continued raising funds for CapMan Buyot IX. Fundraising preparations for a fifth mezzanine fund and for a a residential real estate fund were launched at the end of the year.

Fund management represents another central service provided to fund investors and investment teams. This includes drawing up fund structures and agreements, monitoring the terms and conditions of fund agreements as part of the investment process, handling fund-related payment transactions and reporting, determining the valuation of investments, and monitoring the development of funds at portfolio level. Developing service processes was one of CapMan's focus areas in 2009, and resulted in improvements to the efficiency of fund management through the merger of payment transactions, reporting, and monitoring activities into one Back Office and Monitoring team. The team's operations were centralised in Helsinki.

The CapMan Platform also covers the Group's Business Development, Legal and Compliance, Communications, CapMan Plc's IR, Group Finances and Accounting, IT, and HR and Office Services. Around one third of CapMan's personnel work in the Group's service teams.

Better efficiency and quality

CapMan is the only mid-sized private equity investor in its operating area that has a service organisation typical of large international private equity houses. The CapMan Platform serves the Group's six investment teams, which often compete with smaller partnerships that lack this type of service infrastructure. With the growth in the amount of capital under management today, private equity investors are often beginning to make larger investments. Thanks to its commitment to growth based on extending its product portfolio, CapMan has been able to maintain the focus of its investments relatively unchanged and continue its operations in investment areas that it considers most interesting while making mid-sized investments.

The scalability of CapMan's service infrastructure means that the company is capable of rapid growth as and when needed, as the establishment of the CapMan Russia and CapMan Public Market investment areas in 2008 showed. These new product areas were integrated into the Platform in 2009. Thanks to its structure, CapMan is also well-placed to adapt its operations to meet new requirements such as the European AIFM directive currently being drafted.

A customer-driven business model

CapMan's business development focuses on seeking new growth and revenue opportunities by establishing new funds and investment areas, developing existing operational models, and other initiatives. Careful attention is always given to ensuring that new funds and other development projects meet the needs of fund investors and match CapMan's corporate culture and emphasis on an active, long-term approach to ownership.

Strengthening the balance sheet in 2009

The CapMan Platform is responsible for the Group's financial development and operational efficiency. CapMan separated its Management Company and Fund Investment businesses into separate segments in its financial reporting in 2009, and CapMan's direct fund investments were incorporated into a separate company. CapMan also strengthened its balance sheet by agreeing a bank financing package, issuing a hybrid loan, introducing an expenses monitoring programme, and reducing its portfolio of direct investment commitments and fund investments by €25 million. The majority of these commitments were sold to the Belgian private equity house, Gimv. As a result of these measures, CapMan is well-placed, in terms of both its services and financial position, to meet the opportunities and challenges of 2010.

Fundraising and clients

Changes in the fundraising environment in 2009

CapMan's clients comprise institutions investing in the Group's funds. The number of investors has grown steadily in recent years, and the investor base has become more international in nature.

A challenging fundraising year

2009 was one of the most difficult years for fundraising in the history of the private equity industry. The economic recession, together with a sharp decline in the values of other asset classes, brought new commitments to alternative assets on the part of many institutions to a temporary halt. Preliminary data indicates that the capital raised for new private equity funds in 2009 were less than half of that raised in 2008. This challenging fundraising environment is expected to reduce the number of private equity houses worldwide. Securing investors for new funds in particular has proved difficult.

CapMan's strengths – in the shape of its long history, proven track record, and high level of repeat investors – proved valuable in this challenging market environment. Recently established CapMan funds covering new investment areas also attracted a number of new institutions, in addition to existing clients.

High level of repeat investors

The largest investors in CapMan funds are typically pension institutions and life and non-life insurance companies. CapMan Plc is also a major investor in the funds that it manages. Most investors invest in more than one fund. Individual investors typically account for a maximum of 20% of a fund's commitments.

Nordic institutions represent the core of CapMan's investor base. Maintaining good relationships with existing investors was particularly important in 2009. CapMan's fundraising team worked intensively to generate new international investor relationships and met potential new contacts in a number of countries such as Japan.

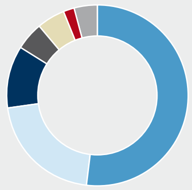
Good long-term growth prospects

Institutional investors allocate as much as 10–15% of their investments to alternative assets in developed markets such as the US. The Nordic countries, together with the Netherlands, have been European pioneers in terms of their alternative asset class allocations.

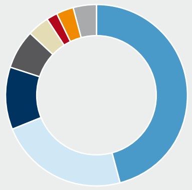
According to global statistics almost a half of investors did not make new investment commitments to private equity funds in 2009. The majority of investors did however make further investments in funds managed by fund managers which they had invested in previously. This trend was also reflected in CapMan's fundraising activities during 2009. Many institutions in the Nordic region and Continental Europe, particularly smaller ones, are only just beginning to make private equity investments. The German, French, and British markets offer clear growth potential for the industry.

The fundraising environment is expected to remain challenging in 2010, although demand for alternative asset classes over the long term remains good. This is because institutions are keen to seek out opportunities that offer a better level of return than traditional stock and bond investments. Interest among institutional investors in recent years has focused primarily on buyout funds. Developing markets such as Russia can also expect to be the subject of increased interest. There are still only a few Western private equity investors active in Russia and competition there is modest. Investors' interest in real estate opportunities is also expected to continue growing, and higher allocations are likely to be seen in funds investing in real estate in particular. Investors' interest in start-up and initial-phase venture funds has been limited.

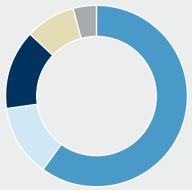
Committed capital by investor



Committed capital by region



Committed capital by investment exposure



READ MORE ONLINE AT

www.capman.com/En/AboutCapMan
→ Business environment

www.capman.com/En/Funds
→ Key figures for funds under management

€3.5 billion in CapMan funds

CapMan manages capital raised from institutional investors in its private equity funds. Slightly over half of the total sum is in funds making direct investments in portfolio companies, while the remainder is invested in real estate funds.

Capital under management

At the end of 2009, a total of €1,845.3 million (31 December 2008: €1,767.0 million) of the capital managed by CapMan was in private equity funds that invest in portfolio companies, and €1,659.0 million (€1,640.5 million) in real estate funds. The capital in funds making portfolio investments is split between equity funds and mezzanine funds. Capital in equity funds at the end of 2009 totalled €1,562.6 million and that in mezzanine funds totalled €282.7 million.

Capital under management refers to the remaining investment capacity of funds and capital already invested at acquisition cost. The figure does not include invested capital from which a fund has already exited. Capital under management increases through fundraising and decreases through exits.

Four fund categories by carry phase

CapMan managed 20 private equity funds at the end of 2009. Some of these are already in carry or approaching the carry phase, and others are in the active investment or fundraising phase. Funds in carry represented less than two percent of capital under management by CapMan funds as of 31 December 2009. Exits from these funds will generate carried interest income for CapMan. Finnventure II, III, and V, the Fenno Programme and Finnmezzanine II B were in carry as of 31 December 2009. During its existence, CapMan has received a total of €89.2 million in carried interest income from funds in carry and funds that have already been terminated, including minority interest. CapMan's share of cash flow from funds in carry amounts typically to 20–25% in respect of funds established prior to 2004 and 10–15% in respect of funds established subsequently.

Less than 10 percent of the capital under management as of the end of 2009 was in funds that are expected to transfer to carry during 2010–2011. This group of funds comprised CapMan Equity VII A, B, and Sweden, and Finnmezzanine III A and B at the end of the year. CapMan's estimation of when funds will transfer to carry is based on the estimated cash flows of the portfolio companies and real estate properties concerned. This category includes funds that are still making add-on investments in existing portfolio companies. Over the medium term, these funds offer significant revenue potential for CapMan.

Funds that have primarily raised capital over the past five years and are still in the active investment phase account for the majority of capital under management. Other funds, which represent a few percent of capital under management, have no carried interest potential for CapMan, because of the small size of the portfolios concerned, because funds are not expected to transfer to carry, or because CapMan's carried interest percentage is low.

Significant capital for new investments

A total of €840 million, or around half of the capital under management in funds investing in portfolio companies, was available for new investments and add-on investments in existing portfolio companies at the end of 2009. Real estate funds had invested virtually all their capital and had €300 million in investment capacity remaining, primarily for developing their existing portfolios.

Debt financing included in real estate funds' investment capacity

CapMan's real estate funds largely operate along the same principles as those that invest in portfolio companies. However, their investment capacity includes a proportion of debt, which is used to finance new real estate investments. Debt leveraging is used at fund level in the cases of real estate funds and the CapMan Mezzanine IV fund, part of which is securitised, while other funds use debt at the portfolio company level. The proportion of debt in real estate funds is agreed with investors in advance and ranges between 60% and 75%. The proportion of debt financing used in portfolio company investments is lower and can vary significantly between investments. Management fees in real estate funds are paid against invested debt capital, whereas fees are based on equity commitments in respect of funds investing in portfolio companies. Carried interest is calculated on the basis of equity for all funds.

Funds' investment operations

Funds investing in portfolio companies made eight new investments and various add-on investments totalling €172.0 million in 2009 (2008: €232.6 million). Add-on investments accounted for around 45% of the figure. A total of 65 companies were included in fund portfolios as of 31 December 2009. Real estate funds acquired three new investment targets and used investment commitments given earlier for developing properties. The aggregate value of real estate investments was €104.9 million at acquisition cost. Funds have made commitments totalling €44.0 million to finance real estate acquisitions and projects over the next few years. Funds had a total of 59 properties in their portfolios as of the end of the year.

Exits remained at a low level for the second year in succession. In practice, the exit market was at a standstill during the first half. CapMan funds exited completely from three portfolio companies and one property during the year and partly from one portfolio company. Exits at acquisition cost in 2009 amounted to €41.5 million.

Portfolio companies as of 31 December 2009

Funds in carry
- Fair value of €31.2 million

Funds that are expected to enter carry in 2010–2011
- Fair value of €284.0 million

Other funds that are not yet in carry
- Fair value of €605.8 million

Funds that do not offer CapMan carry potential
- Fair value of €38.8 million

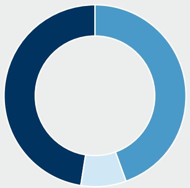
Real estate investments as of 31 December 2009
- Fair value of €1,208.1 million

READ MORE ONLINE AT

www.capman.com/En/Funds/Portfolios/
→ Funds' portfolios

www.capman.com/En/InvestorRelations/CapManasInvestment/ComponentsOfIncome/
→ Management fees
→ Carried interest income

Capital under management in equity, mezzanine, and real estate funds as of 31 December 2009, € million



- Equity funds **1,562.6**
- Mezzanine funds **282.7**
- Real estate funds **1,659.0**

➥ Equity, mezzanine, and real estate funds offer different levels of return potential.
➥ Funds differ in terms of management fees, carried interest percentages, and value creation potential.

Major remaining capital for new and add-on investments

Fund portfolios at acquisition cost by team, € million

- Investments at acquisition cost **65%**
- Remaining investment capacity* **35%**

- Buyout investments **716.7**
- Technology investments **122.8**
- Life Science investments **45.6**
- Russia investments **23.9**
- Public Market investments **59.7**
- Real Estate investments **1,326.2**

➥ Over a third of capital under management is available for new and add-on investments, which represents a good basis for investment operations.

➥ Fund investments are spread across six investment areas.
➥ This spread of investments reduces risks.
➥ The portfolio contains companies and real estate at different stages of development.

** Includes actual and projected costs in respect of funds in which a proportion of fund capital has been reserved to cover expenses.*

CapMan Plc's investment commitments to CapMan-managed funds from 2002 to 31 December 2009

Fund	Investment focus	Fund value*	CapMan's share of fund, %
CapMan Equity VII		254.1	5.3%
CapMan Buyout VIII		263.5	8.6%
CapMan Buyout IX[1)]		14.7	4.8%
CapMan Mezzanine IV		200.3	2.9%
CapMan Technology 2007		34.8	4.7%
CapMan Life Science IV		19.7	18.5%
CapMan Russia		22.2	4.7%
CapMan Public Market		94.9	3.7%
CapMan Real Estate I		158.7	1.0%
CapMan RE II		305.7	1.3%
CapMan Hotels RE		731.9	1.5%

Investment focus:
- Buyout
- Mezzanine
- Technology
- Life Science
- Russia
- Public Market
- Real Estate

** Fund value refers to portfolio at fair value and the fund's net cash assets at 31 December 2009.*

1) Fundraising is continuing.

Funds investing in portfolio companies as at 31 December 2009, M€

	Investment focus	Established/ generating carried interest since	Total commitment	Paid-in capital	Remaining commitment	Fund's current portfolio at cost	Fund's current portfolio at fair value	Net cash assets	Distributed cash flow to investors	Distributed cash flow to management company (carried interest)	Hurdle rate IRR %, p.a.	CapMan's share of cash flow, if the fund generates carried interest
Funds generating carried interest												
"Old funds", total [1]	Generalist, Mezzanine		117.6	116.4	1.2	11.2	7.0	0.2	303.5	52.9	-	10–35%
Finnventure Fund V	Buyout, Technology	1999/2007	169.9	165.1	4.8	41.9	24.2	1.1	237.9	5.3	-	20%
In total			**287.5**	**281.5**	**6.0**	**53.1**	**31.2**	**1.3**	**541.4**	**58.2**		
Funds expected to transfer to carry during 2010–2011												
CapMan Equity VII A	Buyout, Technology	2002	156.7	148.6	8.1	98.1	127.9	1.2	92.7		8%	20%
CapMan Equity VII B	Buyout	2002	56.5	56.5	0.0	39.3	62.0	1.1	41.9		8%	20%
CapMan Equity Sweden	Buyout, Technology	2002	67.0	62.9	4.1	42.0	54.9	0.1	40.0		8%	20%
Finnmezzanine Fund III A	Mezzanine	2000	101.4	100.0	1.4	33.1	27.8	3.1	103.1		7%	20%
Finnmezzanine Fund III B	Mezzanine	2000	20.2	19.9	0.3	8.7	11.4	0.8	18.6		7%	20%
In total			**401.8**	**387.9**	**13.9**	**221.2**	**284.0**	**6.3**	**296.3**			
Other funds not yet in carry												
CapMan Equity VII C	Technology	2002	23.1	18.6	4.5	11.4	6.7	0.2	7.2		8%	20%
CapMan Buyout VIII Fund [2]	Buyout	2005	440.0	341.2	98.8	287.9	252.2	11.3			8%	14%
CapMan Life Science IV Fund	Life Science	2006	54.1	31.7	22.4	21.4	19.0	0.7			8%	10%
CapMan Technology 2007 [2]	Technology	2007	142.3	48.5	93.8	31.3	33.5	1.3			8%	10%
CapMan Russia Fund [3]	Russia	2008	118.1	32.0	86.1	23.9	21.9	0.3			8%	3.4%
CapMan Public Market Fund [4]	Public Market	2008	138.0	65.7	72.3	59.7	91.6	3.3				10%
CapMan Buyout IX Fund	Buyout	2009	273.3	18.9	254.4	12.3	12.3	2.4			8%	10%
CapMan Mezzanine IV [5]	Mezzanine	2004	240.0	230.0	10.0	172.0	168.6	31.7	41.1		7%	15%
In total			**1,428.9**	**786.6**	**642.3**	**619.9**	**605.8**	**51.2**	**48.3**			
Funds with limited carried interest potential to CapMan [2, 6, 7]												
In total			**298.4**	**284.5**	**13.9**	**74.5**	**38.8**	**3.9**	**196.0**			
Funds investing in portfolio companies in total			**2,416.6**	**1,740.5**	**676.1**	**968.7**	**959.8**	**62.7**	**1,082.0**	**58.2**		

Definitions for column headings to the tables on Pages 18–19:

Investment focus:

- Generalist
- Buyout
- Mezzanine
- Technology
- Life Science
- Russia
- Public Market

Established/generating carried interest since:
Year when the fund was established or transferred to carry.

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

Paid-in capital:
Total capital paid into a fund by investors as at 31 December 2009. For real estate funds, paid-in capital also includes the share of debt financing used by the fund.

Remaining commitment:
Difference between the original size of the fund and the paid-in capital and the difference between available and used debt capacity. Remaining capital that the fund has available for new investments and expenses (incl. management fees).

Fund's current portfolio at fair value:
Fund investments in portfolio companies are valued at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVG, www.privateequityvaluation.com), and investments in real estate assets are valued in accordance with the appraisals of external experts. The valuation principles for determining fair value are described in more detail online at http://www.capman.com/En/Funds/Portfolios/ValuationPrinciples/.

Net cash assets:
When assessing an investor's share, the fund's net cash assets must be taken into account as well as the fair value of its portfolio. The net cash assets of real estate funds do not include senior debt, which is presented in a separate row in the table.

Distributed cash flow:
For investors, cash flow means repayments of the principal as well as profits distributed by funds. The aggregate cash flow received by the management company from the fund (carried interest) as at 31 December 2009.

CapMan's share of cash flow if a fund generates carried interest:
When a fund has produced the cumulative preferential return specified in the fund agreements for investors, 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 be returned to investors before the new distribution of profits can be paid.

Real estate funds as at 31 December 2009, M€

		Established/ generating carried interest since	Capital structure	Investment capacity	Paid-in capital	Remaining commitment	Fund's current portfolio at cost	Fund's current portfolio at fair value	Net cash assets	Distributed cash flow to investors	Distributed cash flow to management company (carried interest)	Hurdle rate IRR %, p.a.	CapMan's share of cash flow, if the fund generates carried interest
Funds that are not generating carried at the moment													
○	CapMan Real Estate I [1)]	2005/2007	equity and bonds	200.0	188.5	11.5	68.3	55.3		190.7	27.4		26%
			debt financing	300.0	284.6	15.4	104.6	104.6					
			total	500.0	473.1	26.9	172.9	159.9	-1.2	190.7	27.4		
○	CapMan RE II	2006	equity and bonds	150.0	81.9	68.1	94.3	80.8		0.5			12%
			debt financing	450.0	241.2	208.8	230.0	230.0					
			total	600.0	323.1	276.9	324.3	310.8	-5.1	0.5			
○	CapMan Hotels RE	2008	equity and bonds	332.5	295.3	37.2	320.7	229.1		10.8			12%
			debt financing	540.0	526.8	13.2	508.3	508.3					
			total	872.5	822.1	50.4	829.0	737.4	-5.5	10.8			
Real estate funds in total				**1,972.5**	**1,618.3**	**354.2**	**1,326.2**	**1,208.1**	**-11.8**	**202.0**	**27.4**		

Definitions for footnotes to the table on Page 18:

○ = *the fund was in the active investment phase on 31 December 2009.*

○ = *the fund was in the fundraising phase on 31 December 2009.*

1) *So-called "Old funds": Finnventure Fund II (established 1994, transferred to carry 1997), Finnventure Fund III (established 1996, transferred to carry 2000), Finnmezzanine Fund II B (established 1998, transferred to carry 2006). Fenno Fund (established 1997, transferred to carry 2005), Skandia I (established 1997, transferred to carry 2005) and Skandia II (established 1997, transferred to carry 2004) together form the Fenno Program, which is jointly managed with Fenno Management Oy.*
2) *The fund comprises two or more legal entities (parallel funds are presented separately only if their investment focuses or portfolios differ significantly).*
3) *CapMan Russia fund: The relatively lower carried interest share results from the fact that part of the fund had already been raised before its transfer to CapMan management.*
4) *CapMan Public Market fund: The fund's preferential return is linked to market return.*
5) *CapMan Mezzanine IV: The paid-in commitment includes a €192 million bond issued by Leverator Plc. Distributed cash flow includes payments to both bond subscribers and to the fund's partners.*
6) *Funds with no carried interest potential for CapMan: Finnventure Fund IV, Finnventure Fund V ET, Swedestart Life Science, Swedestart Tech , Finnmezzanine Fund II A, C and D and Finnmezzanine Fund III C.*
7) *Currency items are valued at the average exchange rate on 31 December 2009.*

Definitions for footnotes to the table on Page 19:

1) *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 €59.4 million in paid-in capital had not yet been returned to investors. This capital, together with the annual income entitlement payable on it, must be paid to investors before further carried interest can be distributed. CapMan's management considers it unlikely, in the light of the market situation, that further carried interest will be provided by the CapMan Real Estate I fund. As a result, the fund has been transferred from those funds in carry. A total of some €6 million 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.*

Aiming for superior returns

The majority of CapMan's funds have performed well compared to European private equity benchmarks.

Returns in line with peers

Institutional investors typically look for a better rate of return from alternative asset investments than stock market investments, around 10–20% annually depending on investor type. CapMan's financial objective is to provide a net return of over 15% a year for investors in the private equity funds that it manages. Historically, capital invested in CapMan funds has generated a weighted average net return of 16.5%, and investments have had a net multiple of 1.4. CapMan's buyout funds, in particular, have provided a good level of return compared to European private equity funds. Technology and life science funds have generated returns in line with comparable European funds.

Impact of the recession on funds

The extent of the recession in 2008 and 2009 has had a negative impact on the returns of CapMan funds established in the first decade of the new millennium, such as the CapMan Equity VII fund, as a result of sharply reduced fair value figures. The buyout investments made by these funds have been executed at reasonable levels, however, and the value of investments has largely developed as expected. Technology investments made at the very beginning of the 2000s were made when valuations were particularly high, which has been reflected in the potential returns of the funds concerned. Although investments by more recent technology funds have been made using more conservative valuations, the recession has had a negative impact on the fair value of the portfolio companies held by funds.

New funds excluded from analysis

Funds established after 2007 are not included in the table as they are not comparable with more mature funds due to their short history and early-stage expenses, which are still reflected in the returns of these new funds. Mezzanine funds are also excluded, as the nature of their investment activities mean that they are not directly comparable with those of equity funds.

READ MORE ONLINE AT

www.capman.com/En/Funds

→ Theoretical example of cash flows from equity funds
→ Valuation principles

Funds' returns

	Investment focus	Operations started	Operations ended	Fund size, M€	Net return to investors (IRR% p.a.)	Return multiple to investors (net)
Terminated funds						
Finnventure Fund I	Generalist	1990	2005	11.1	15.4%	3.0x
Fenno Program / Other	Generalist	2001	2004	6.0	73.7%	6.4x
Swedestart II	Technology	1997	2006	26.2	168.5%	6.5x
Alliance ScanEast Fund L.P.	Buyout	1994	2006	21.5	9.6%	1.9x
Operational funds						
Finnventure Fund II	Generalist	1994		11.9	55.7%	3.5x
Finnventure Fund III	Generalist	1996		29.7	63.0%	3.9x
Fenno Program / Fenno Fund	Generalist	1997		42.5	15.3%	2.1x
Fenno OProgram / Skandia I	Generalist	1997		8.4	17.9%	1.6x
Finnventure Fund IV	Buyout, Technology	1998		59.5	4.1%	1.3x
Finnventure Fund V	Buyout, Technology	1999		169.9	10.3%	1.6x
Finnventure Fund V ET	Technology	2000		34.0	-	0.4x
Swedestart Tech	Technology	2001		74.8	-	0.7x
Swedestart Life Science	Life Science	2001		44.9	-	0.3x
Fenno Ohjelma / Skandia II	Generalist	2001		8.1	44.4%	3.3x
CapMan Equity VII A	Buyout, Technology	2002		156.7	11.1%	1.5x
CapMan Equity VII B	Buyout	2002		56.5	14.4%	1.7x
CapMan Equity VII C	Technology	2002		23.1	-	0.8x
CapMan Equity Sweden	Buyout, Technology	2002		67.0	11.0%	1.5x
CapMan Buyout VIII	Buyout	2005		440.0	-	0.8x
CapMan Real Estate I	Real Estate	2005		200.0	22.8%	1.3x
CapMan Life Science IV Fund	Life Science	2006		54.1	-	0.6x
CapMan RE II	Real Estate	2006		150.0	-	0.7x
CapMan Technology 2007	Technology	2007		142.3	-	0.7x

Definitions for column headings and footnotes to the tables:

Investment focus:
■ Generalist ■ Buyout ■ Mezzanine ■ Technology
■ Life Science ■ Real Estate

Operations started/ended:
The year when operations started differs from the year the fund was established with respect to the following funds: Finnventure Fund V ET (established in 1999), Swedestart Tech and Swedestart Life Science (established in 2000), and Fenno Program/Skandia II and Others (established in 1997).

Fund size: Total capital committed to the fund by investors, i.e. the original size of the fund. As an exception to the other tables, the senior loan has not been taken into account in CapMan Real Estate I fund's size, which totals €500 million, including the loan. The senior loan has not been taken into account in CapMan RE II fund's size, which totals €600 million, including the loan.

Net return to investors: Internal rate of return IRR% p.a. to investors as at 31 December 2009 = Return to investors IRR p.a., cumulative cash flow between investors and fund + portfolio.

Return multiple to investors: Return multiple (net) to investors = (cash flow to investors + value of the current portfolio)/paid-in capital on 31 December 2009. Investors' share of the portfolios includes investments and any liquid assets. Portfolios are valued at fair value in compliance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVG).

The table is presented in more detail on CapMan's website at www.capman.com/En/Funds/Keyfiguresforfunds/.

Investment areas

Active ownership

We are an active owner and set clear targets for developing our portfolio companies and real estate investments.

Partnership

Our six investment teams operate as independent partnerships and are committed to increasing the value of CapMan's investments.

Investing in growth

Our local presence in the Nordic countries and Russia gives us access to an extensive, quality deal flow and enables us to be selective in our investments.

CapMan Buyout

Success calls for creativity

2009 was a challenging year for our portfolio and team because of the recession and credit crunch. Our active ownership bore fruit, however, and most companies are in good shape for 2010.

Tuomo Raasio
Head of CapMan Buyout,
Senior Partner

Investing in mid-sized Nordic companies

CapMan Buyout invests in mid-sized companies across a wide range of industries in the Nordic countries, and its portfolio currently includes 28 companies. Our local presence in four countries and over 20 years of experience in private equity represent key strengths in terms of our investment capability and value creation potential. We have particularly extensive experience in investing in manufacturing and engineering, industrial service companies, retailing, and healthcare. Successful investments call for creativity and the ability to forecast business development trends over an extended time frame.

Maintaining 'can-do' attitude essential

2009 was a busy year for our team. The main focus of our activities in 2009 was on supporting our portfolio companies through the difficult market situation. Our work concentrated on cash and cost issues, and saw cost-saving programmes and efficiency-enhancement initiatives introduced in many portfolio companies. The recession has resulted in permanent changes in some sectors after it has become clear that a return to previous volume levels or continuing with some product lines is likely to be impossible. Alongside strategy work, efforts aimed at maintaining a good 'can do' spirit have also been important in many companies faced with a difficult operating environment or poorer growth prospects over the short term.

The bulk of the total of €80.4 million that we invested in 2009 went on supporting our existing portfolio companies. These investments helped ensure that they have been able to retain their dynamism and ability to take advantage of market opportunities. Many of their business processes are now in better shape than they were during their peak growth years. Although average profit performance was down on 2008, some companies have reached an advanced stage in their business. The year – difficult as it was – opened up opportunities for active players to take a lead in sector consolidation. The Northern Alliance Group, for example, a leading Nordic television production company, further consolidated its market position by signing the acquisition of one of the leading Swedish television entertainment producer, Baluba.

Lower level of activity

Although we continued to analyse new potential investments during 2009, the M&A market was virtually at a standstill. Little bank finance was available for M&A activity, although cooperation with our Nordic banking partners was good. We only made one new investment in 2009, in Swedish-based Metals and Powders Thomas Klier AB, one of the world's leading suppliers of metal powders used by welding industry. The decision to invest in the company was based on its strong market position in a highly specialised business.

The market began showing some signs of recovery towards the end of the year. We announced our exits from Swedish-based Inflight Service in December 2009 and from Finnish-based Pretax in January 2010. Both companies met our return expectations and proved good investments for CapMan funds. The companies in the CapMan Equity VII fund have been in our portfolio the longest, and the majority of the value creation work associated with them, in the form of M&A opportunities for example, has already been done. Many of the portfolio companies held by the fund are in good shape and will be ready to enter the exit phase in 2010. Value creation work is at earlier stage in many of the companies held by the CapMan Buyout VIII fund in contrast. The latter still has extensive investment capacity left, which will allow us to benefit from favourable market developments and growth opportunities in existing portfolio companies in the future.

Substantial new capital

We succeeded in increasing the capital of our ninth buyout fund to €273.3 million by the end of 2009, which represents an excellent achievement in a difficult fundraising market. Towards the end of the year, we began fundraising preparations for our fifth mezzanine fund. Bank financing is unlikely to return to the peak levels seen in earlier years, and this will increase the need for equity and mezzanine financing in M&A activity and open up some interesting opportunities for our funds.

We expect the market to recover

Forecasting the future prospects of some sectors in the Nordic region and identifying where companies are preparing for growth is already becoming easier. We believe that the potential for making new investments and exiting existing ones will improve in 2010. There are also signs that the Nordic IPO market could recover after a long period of inactivity. We also expect industrial buyers to return to the market. The structure of M&A deals will probably become more complex and completing transactions will probably take longer as a result, however. When looking at the historical returns of private equity, one can see that funds raised during downturns have performed particularly well. All in all, private equity investors can be cautiously optimistic about the future.

WHAT DO WE INVEST IN?

- Almost all sectors across the Nordic region
- Mid-size companies with a positive cash flow
- Businesses with typical net sales of €50–500 million and a market capitalisation of €50–250 million
- Equity investments are typically €20–70 million and mezzanine investments typically €30 million
- A controlling position

WHAT DO WE LOOK FOR?

- Competitive and sustainable market position
- Unique businesses with standout products and services
- Clear growth potential, both organic and acquisitions-driven
- Sectors experiencing consolidation or other major change
- Experienced, entrepreneurially minded management teams

READ MORE ONLINE AT

www.capman.com/En/InvestmentOperations/
→ CapMan Buyout team members
→ Case examples
→ Current and previous portfolio companies

CURRENT PORTFOLIO COMPANIES

2009
Metals and Powders Thomas Klier AB
Metal powders and crushed metal

2008
Cargo Partner Group
Logistics services

2008
Cederroth International AB
Consumer products

2008
Espira Gruppen AS (formerly Barnebygg Gruppen)
Day care services

2008
Northern Alliance Oy (formerly The New Black Oy)
Television production

2007
Avelon Group Oy
Vehicle logistics services

2007
Curato AS
Medical imaging services

2007
Komas Group Oy
Engineering system solutions

2007
Proxima AB
Healthcare

2007
Walki Group Oy
Industrial wrapping and composites

2006
Maintpartner Oy
Industrial maintenance and operating services

2006
MQ Retail AB
Specialist retailing

2006
OneMed Group
Healthcare and laboratory products

2005
Cardinal Foods AS
Chicken and turkey products

2005
Inflight Service AB*
Travel retail

2005
InfoCare AS
Electronic installation and maintenance

2005
Moventas Oy
Mechanical power transmission systems

2004
Anhydro Holding A/S
Evaporation and drying equipment

2004
Tokmanni Oy
Discount retailing

2003
Farmos Holding
Institutional and industrial chemicals

2003
Lumene Cosmetics
Cosmetics

2003
Metallfabriken Ljunghäll AB
Aluminium die-casting

2002
Tieturi Oy
IT training

2001
SMEF Group A/S
Furniture manufacturing systems and production line design

2000
Pretax Oy*
Financial management consultancy

2000
Å&R Carton AB
Board-based consumer packaging

1999
Finlayson & Co Oy
Bedding, consumer textiles, and mattresses

1997
Turo Tailor Oy Ab*
Men's clothing

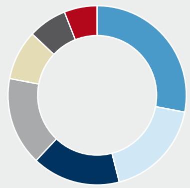
Portfolio as of 31.12.2009

Number of portfolio companies	**28**
Number of new investments in 2009	**1**
Portfolio at cost, € million	**716.7**
Portfolio at fair value, € million	**735.4**

Portfolio company performance in 2009**

New and add-on investments at cost, € million	**80.4**
Exits at cost, € million	**16.8**
Net sales of portfolio companies, € million	**approx. 3,650**
Growth, %	**-4.3**
Personnel employed by portfolio companies	**approx. 21,700**
Growth, %	**-1.3**
Number of acquisitions and divestments	**11**

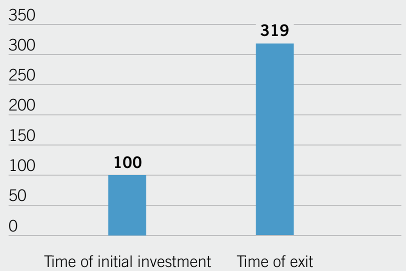
Investments by sector at cost as of 31.12.2009



- Consumer related **28%**
- Industrial products and services **18%**
- Manufacturing (other) **16%**
- Medical/health related **16%**
- Transportation **9%**
- Other services **7%**
- Other **6%**

Increase in value of previous investments***

Number of exits (equity funds)	**40**
IRR%, p.a.	**39.8**
Average holding period	**5.4**



* Exit from Inflight Service finalized in January 2010. Exit from Pretax announced in January 2010. Exit from Turo Tailor announced in February 2010.

** Portfolio companies' turnover and number of personnel are based on 2009 estimates. Growth figures are based on 2008 figures and 2009 estimates. Companies that have been in the portfolio between 1 January – 31 December 2009 are included.

*** Indexed (time of investment = 100). Exits comprise partial exits, dividends, interest earnings and sales revenues. Currency items are valued at the average exchange rate as at 31 December 2009.

CapMan Technology

Investments in growth

Our investment focus was able to weather even the major challenges the market presented us with in 2009 relatively well, reinforcing our belief in the importance of an active approach to ownership and board work.

Petri Niemi
Head of CapMan Technology,
Senior Partner

Investing in later stage technology businesses

CapMan Technology invests in expansion and later stage technology companies in the Nordic countries, and we currently have a total of 22 companies in our portfolio. The focus of our investments in recent years has increasingly shifted to later stage businesses, and this trend continued in 2009.

We expect potential portfolio companies to have an established technology or product, a solid customer base, a well-functioning revenue model, and be driven by a strong ambition to grow their business. We are interested in a broad range of business-to-business technology products, solutions, and technology-based services, and we expect these products and services to be in demand both on a company's domestic market and internationally.

Portfolio companies in good shape for 2010

As a result of the ongoing recession, we took a more active role in developing our portfolio companies and securing their growth over the long term during 2009. We promoted measures designed to cut costs and enhance efficiency in many of these companies. The pace of growth of some companies proved slower than anticipated a year ago, and we made a number of add-on investments in companies such as Flander Oy, Ascade Holdings AB, InfoCare AS, and ScanJour A/S to encourage growth in a challenging market.

Some portfolio companies developed better than we expected, despite the economic slowdown. The Danish asset management IT systems company, IT2 Treasury Solutions, the Finnish healthcare software company, Mawell, and the Finnish telecommunications measurement systems specialist, Accanto Systems, all developed well during 2009. The Finnish software development and testing company, Flander, merged with the Chinese Symbio Group in autumn 2009. Following the merger, Flander was renamed Symbio and emerged as a Finnish-led IT service business capable of challenging its competitors on the software market worldwide, with a significantly larger customer base, both geographically and sector-wise.

All in all, our portfolio companies are largely in good shape at the moment, and we believe that their businesses will develop positively in 2010. The transformation under way in the telecommunications business, together with environmental issues, are both clear long-term trends that we expect to be reflected in our portfolio companies as we go forward. The changes affecting the telecommunications sector are already being reflected in developments such as shifts in the customer base. The growing importance of environmental questions affects virtually all of our portfolio companies, and they are beginning to focus increasing attention on this area.

One new investment and three exits

2009 began in an expectant mood, with a lot of uncertainty about how developments would go and quickly made itself felt in a complete halt in M&A activities. Some signs of recovery emerged after the summer, and our team reviewed a number of investment prospects during the course of the autumn. In December, we made an investment in Profit Software Oy, the leading supplier of product-based insurance and financial IT systems in Northern Europe, aimed at helping the company expand its activities elsewhere in Europe. The CapMan Technology 2007 Fund is well-placed to make up to eight new investments in addition to add-on investments in existing portfolio businesses.

We exited XLENT AB, selling our holding to the company's management, and KMW Energi AB, selling our holding to an industrial buyer. In the spring, we sold the shares in Birdstep Technology ASA we acquired as part of our exit from SecGo Software in 2007. The exit market also began to show some clear signs of recovery during the autumn, and we hope that this positive development will continue into 2010.

The keys to future success

We have strengthened our team in Stockholm by recruiting an experienced entrepreneur in the technology field, Peo Nilsson, as a Partner. Based on current trends, we believe that technology investments will offer a number of good opportunities over the next few years. We expect the M&A market to improve in all the Nordic countries during 2010, and believe that our portfolio companies and our team will be well-placed to succeed in the coming year.

WHAT DO WE INVEST IN?

- Expansion and later stage technology companies in the Nordic countries
- A broad range of technologies, driven by the Nordic region's technology clusters
- Companies with a focus on infrastructure, applications, or services with either OEM or B-to-B customers
- Companies with net sales of over €5 million
- We typically make equity investments of €5–15 million

WHAT DO WE LOOK FOR?

- Clear growth potential, either locally or internationally, and organic growth or growth driven by complementary acquisitions
- Existing and approved products and services
- Strong local customer base, significant market share
- Professional, entrepreneurial management teams

READ MORE ONLINE AT

www.capman.com/En/InvestmentOperations
→ CapMan Technology team members
→ Case examples
→ Current and previous portfolio companies

CURRENT PORTFOLIO COMPANIES

2009
Profit Software Oy
Insurance and financial IT systems

2008
Accanto Systems Oy
Telecommunication customer service assurance and troubleshooting solutions

2008
Crayon AS
IT consulting

2007
Global Intelligence Alliance Group Oy
Services and software for strategic marketing and competitor monitoring

2007
IT2 Holding ApS
Asset management IT systems for companies and financial institutions

2007
Mawell Oy
Healthcare software and services

2007
Mirasys Ltd
Video surveillance software

2007
Movial Applications Oy
IP software

2006
PacketFront Sweden AB (42Networks AB)
Product and system solutions

2005
ScanJour A/S
Integrated document and file management systems

2005
Symbio Oy (formerly Flander Oy)
Outsourced software engineering and R&D co-creation services

2004
Gammadata Holding AB
Nuclear, atomic, and surface physics research, development, and applications developer

2004
Locus AS
Management systems for emergency services and logistics fleets

2004
Tritech Technology AB
Advanced hardware and software solutions

2002
Ascade Holding AB
Software solutions and consultancy services for telecom operators

2002
Tieturi Oy
IT training

2001
EM4, Inc.
Optoelectronic systems

2001
Exidio Oy
Treasury management systems

2001
Fastrax Oy
GPS-based hardware and software

2001
Siennax International BV
Leased applications

2001
Silex Microsystems AB
MEMS technology components

2000
Foreca Oy
Weather services

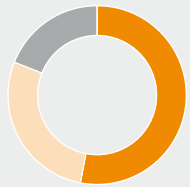
Portfolio as of 31.12.2009

Number of portfolio companies	**22**
Number of new investments in 2009	**1**
Portfolio at cost, € million	**122.8**
Portfolio at fair value, € million	**80.5**

Portfolio company performance in 2009*

New and add-on investments at cost, € million	**13.5**
Exits at cost, € million	**8.6**
Net sales of portfolio companies, € million	**approx. 500**
Growth, %	**7.2**
Personnel employed by portfolio companies	**approx. 4,800**
Growth, %	**1.0**

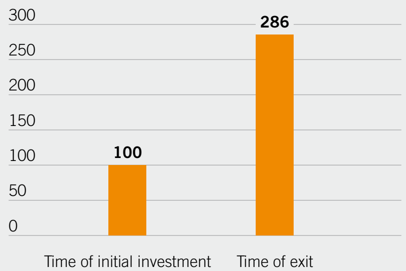
Investments by sector at cost as of 31.12.2009



Applications **53%**
Services **28%**
Infrastructure **19%**

Increase in value of previous investments**

Number of exits	**43**
IRR%, p.a.	**129**
Average holding period	**4.0**



* *Portfolio companies' turnover and number of personnel are based on 2009 estimates. Growth figures are based on 2008 figures and 2009 estimates. Companies that have been in the portfolio between 1 January – 31 December 2009 are included.*
** *Indexed (time of investment = 100). Exits comprise dividends, interest earnings and sales revenues. Currency items are valued at the average exchange rate as at 31 December 2009.*

CapMan Life Science

Selective investments in the most promising companies

In 2009, we made one new investment and a number of add-on investments to strengthen our portfolio companies and help them finance acquisitions. We expect the market to pick up gradually in 2010.

Johan Bennarsten
Head of CapMan Life Science, Partner

Investing in healthcare in the Nordic region

CapMan Life Science's investment focus covers companies providing healthcare services and companies providing products and solutions for the healthcare and life science sectors. We carry out small-scale M&A activity in addition to funding growth businesses. We expect companies that we invest in to have a proven and profitable business model and an experienced and entrepreneurially minded management team capable of driving growth based on both organic growth and acquisitions. The amount and quality of deal flow matching our broad life science investment focus was on a good level in 2009.

Lower level of transactions

The number of mergers and acquisitions fell significantly in the Nordic market as a result of the recession. Although a number of potential opportunities presented themselves, there was a clear gap between vendor and investor expectations. Poor visibility, particularly during the first part of the year, kept activity at a low level. The first half was also characterised by an overall cautiousness and an emphasis on managing risk exposure. The downturn reduced investments in virtually all sectors and was particularly reflected in lower demand for often capital expenditure-intensive medtech products. This slowdown in demand was also felt by some of our portfolio companies, such as Neoventa. The market for medtech products and systems has become increasingly complex in both Europe and the US, and regulatory requirements covering clinical studies, for example, have continued to grow. We are continuing to monitor the medtech market actively.

The exit market came to a virtual standstill in 2009. The healthcare M&A market showed some slight signs of recovery during the last quarter of the year, and we believe that this trend will continue as we move into 2010. It is difficult to predict, however, what level of transactions will transpire.

CapMan acquired SRK Konsultation

The selective approach we employ when deciding on investments was highlighted in the fact that we analysed some 300 healthcare companies before investing in SRK Konsultation, a Swedish provider of care and educational services. The decision was based on the company's growth potential and strong track record, profitability, high-quality services, and our assessment of management's ability to take forward. SRK is a respected provider and has been a pioneer thanks to its unique care concept. Our investment is intended to enable the company to continue its organic growth and make selective acquisitions.

In 2009, we made one exit when CapMan funds sold their holding in Millicore AB.

Focusing on long-term growth

Although the impact of the recession has been felt in the healthcare marketplace, it has not been hit as hard as many other sectors. The year proved most challenging for those portfolio companies offering products that require customers to make major investments. In some cases, the market for these companies more or less disappeared. This has called for cuts in company expenditure. Our board work has, as a result, focused on securing long-term business continuity for portfolio companies, identifying creative solutions for restoring customer and market dynamism, and ensuring that companies are well positioned for 2010. In the case of service companies such as Curato and Proxima, we have focused on acquisitions in particular.

The need to improve cash flow management and finance operating capital needs, and secure external sources of finance, were issues facing all of our portfolio companies in 2009.

Life science remains a highly interesting sector

Our team experienced a generation shift in 2009 when I assumed overall responsibility for CapMan's Life Science investment operations and Partner Björn Nordenvall became an advisor for our funds. We will continue to implement our current investment strategy in 2010 and will aim to launch exit processes in a number of portfolio companies. The timing of our exits will depend, however, on how the overall market situation develops. The CapMan Life Science IV fund has sufficient capital at its disposal to make both add-on investments in current portfolio companies to promote their growth and invest in new businesses. Our board work in 2010 will focus on realising the benefits of mergers, acquisitions, and divestments that have already been made and guiding portfolio companies to the next stage in their development. Although a decision was taken in 2009 not to establish any new independent life science funds, Nordic healthcare continues to offer a number of interesting investment opportunities and will remain one of CapMan's focus areas.

WHAT DO WE INVEST IN?

- Healthcare companies (services, products, and medical technology)
- Primarily Nordic companies
- Companies with net sales in the range of €2–20 million
- Life Science fund investments are typically in the order of €2–7 million

WHAT DO WE LOOK FOR?

- Successful business concepts and approved products and/or services
- Products or services that are in demand today and will continue to be over the long term, and typically provide better treatment results at a lower cost
- Substantial growth potential through organic growth or local and/or international mergers and acquisitions
- Experienced, entrepreneurially minded management teams

READ MORE ONLINE AT

www.capman.com/En/InvestmentOperations
→ Life Science team members
→ Case examples
→ Current and previous portfolio companies

CURRENT PORTFOLIO COMPANIES

2009
SRK Konsultation AB
Care and educational services for young people and adults

2007
Curato AS
Medical imaging services

2007
Proxima AB
Healthcare services

2007
Mawell Oy
Healthcare software and services

2006
Neoventa Medical AB
Monitoring and management systems for prenatal care

2006
Quickcool AB
Treatment methods for proactive protection against brain damage

2005
Aerocrine AB
Equipment for diagnosing and monitoring of asthma

2005
SciBase AB
Electronic biopsy method for diagnosing skin cancer

2004
Index Pharmaceuticals AB
Developing drugs and diagnostic tools for treating inflammatory infections and cancer

2003
Jolife AB
Products and care solutions for treating sudden cardiac arrest victims

2002
Inion Oy
Biomaterial-based implants for treating fractures

2001
Silex Microsystems AB
MEMS-technology components

Portfolio as of 31.12.2009

Number of portfolio companies	**12**
Number of new investments in 2009	**1**
Portfolio at cost, € million	**45.6**
Portfolio at fair value, € million	**30.4**

Portfolio company performance in 2009*

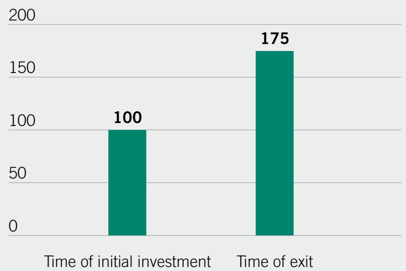
New and add-on investments at cost, € million	**8.1**
Exits at cost, € million	**3.9**
Net sales of portfolio companies, € million	**approx. 130**
Growth, %	**8.2**
Personnel employed by portfolio companies	**approx. 840**
Growth, %	**38.8**

Investments by sector at cost as of 31.12.2009

Medical technology **72%**
Healthcare services **28%**

Increase in value of previous investments**

Number of exits	**10**
IRR%, p.a.	**129.5**
Average holding period, years	**4.1**



* Portfolio companies' turnover and number of personnel are based on 2009 estimates. Growth figures are based on 2008 figures and 2009 estimates. Companies that have been in the portfolio between 1 January – 31 December 2009 are included. Index Pharmaceuticals' figures are excluded.

** Indexed (time of investment = 100). Exits comprise dividends, interest earnings and sales revenues. Currency items are valued at the average exchange rate as at 31 December 2009.

CapMan Russia

Major potential in Russia

The CapMan Russia Fund completed fundraising in March and now has a solid basis for making new investments. The economic recession has been reflected in a growing number of good investment opportunities in Russia.

Petri Saavalainen
Head of
CapMan Russia,
Senior Partner

Hans Christian Dall Nygård
Head of CapMan Russia's
Investment Operations,
Senior Partner

Investing in medium-sized businesses in Russia

The focus of CapMan Russia is on medium-sized companies operating in Russia. Our scope of interest is a wide one, both in business and geographical terms, and we look for significant growth potential, either locally or internationally, together with skilled management, in all the businesses we select for our portfolio.

One new investment in a pizza chain

The recession led to a significant increase in the number of potential investment opportunities in 2009, with companies increasingly interested in looking at new ownership alternatives. Thanks to the proactive nature of our approach and excellent networking, our team has a good understanding of what the Russian market has to offer.

In September, we invested in the Russian operations of pizza chain Papa John's to help the business expand its operations in Moscow and other major cities in Russia. Following our investment, Papa John's has opened three new restaurants in the Moscow region.

Portfolio companies developing well

We believe that we can increase the value of our portfolio companies in Russia by encouraging their organic growth and helping them improve the efficiency of their operations and strengthen their market position. The members of our team do this primarily through their active participation in the work of the boards of directors of these companies and concentrating on developing corporate strategy and consulting on M&A questions, recruiting senior executives, and business expansion matters. Our team has extensive experience of a range of different businesses and wide-ranging contacts across Russia.

The work of our board members in 2009 focused on supporting the growth of portfolio companies. The domestic carrier, Region Avia Airlines, and pig farmer, Russia Baltic Pork Investment (RBPI), both developed favourably in 2009. Region Avia operates a total of eight routes with a fleet of four Embraer aircraft. Demand for pork is expected to grow at a 10% annual rate until 2012. Our team is also responsible for five remaining investments in Norum's earlier funds.

Ongoing integration process

We brought our team's functions under one roof in a new office in Moscow in autumn 2009. The integration of the Norum team, which began in 2008, has progressed well. With the launch of a new fund and merged operations, we have introduced new procedures and CapMan's value creation tools. We recruited a new analyst to strengthen our team's capabilities and take advantage of the larger volume of deal flow.

Economic situation in Russia

The international economic crisis had a strong impact on Russia as elsewhere in 2009, although some positive signs began to emerge during the year. Share prices moved up and the public-sector economy improved during the second half on the back of higher oil prices. Inflation slowed and the decline in GDP levelled out. Unemployment across Russia was under 9%, although there were large fluctuations from region to region. Russia still faces some major challenges because of the major differences in fundamentals in different parts of the country resulting from the nature of Russia's commodity-driven economy and the structural changes affecting the economy. Despite the extensive state support provided to the banking sector over the past couple of years, the potential of banks to finance small and mid-size companies has declined.

Aiming for several new investments in 2010

The proportion of acquisitions and investments made by private equity investors is still relatively small in Russia. CapMan believes that the market is a promising one, however, and there are already a couple of private equity funds present on the market making active investments. Our team is well-placed to make new investments in 2010, as the CapMan Russia Fund has over €80 million of capital left for investment. Our target is to make 8–12 investments and potentially some add-on investments as well, to finance acquisitions by our portfolio companies, for example.

The M&A market has been slow as a result of conflicting expectations among vendors and investors and the turbulent situation. Some signs of recovery began to be seen towards the end of the year, and we believe that investment activity will continue to grow during 2010, when we also plan to make a number of new investments from our fund.

WHAT DO WE INVEST IN?

- Mid-sized companies operating in Russia
- Portfolio companies typically operate in the following sectors: consumer products and services, industry, telecommunications, transport and logistics, financial services, and the media
- Companies with an enterprise value of approx. €5–50 million
- Companies with a typical turnover of approx. €5–100 million
- Individual investments are normally in the order of €5–15 million

WHAT DO WE LOOK FOR?

- Clear growth potential, either locally or internationally, through acquisitions or organic growth
- Investment opportunities in rural areas in particular
- Professional, entrepreneurially minded management teams committed to Western-style management practices

READ MORE ONLINE AT

www.capman.com/En/InvestmentOperations
→ CapMan Russia team members
→ Case examples
→ Current and previous portfolio companies

CURRENT PORTFOLIO COMPANIES

2009
Papa John's (Russian operations)
Pizza restaurant chain

2008
Region Avia Airlines
Regional airline

2008
Russia Baltic Pork Invest ASA
Pork production

Portfolio as of 31.12.2009

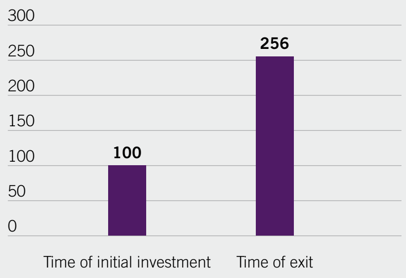
Number of portfolio companies	**3**
Number of new investments in 2009	**1**
Portfolio at cost, € million	**23.9**
Portfolio at fair value, € million	**21.9**

Performance of portfolio companies in 2009*

New and add-on investments at cost, € million	**7.1**
Exits at cost, € million	-
Net sales of portfolio companies, € million	**approx. 10.4**
Growth, %	**14.3**
Personnel employed by portfolio companies	**approx. 280**
Growth, %	**37.5**

Increase in value of previous investments**

Number of exits (Norum I, Norum II and ASEF funds)	**27**
IRR%, p.a.	**18.2**
Average holding period, years	**5.0**



* Portfolio companies' turnover and number of personnel are based on 2009 estimates. Growth figures are based on 2008 figures and 2009 estimates. Companies that have been in the portfolio between 1 January – 31 December 2009 are included.

** Indexed (time of investment = 100). Exits comprise partial exits, dividends, interest earnings and sales revenues. Currency items are valued at the average exchange rate as at 31 December 2009.

CapMan Public Market

Equity and ownership steering for listed companies

Our investment operations were launched in 2009 with the announcement of three investments during the year. In contrast to the M&A market, trading was active on the Nordic stock exchanges during 2009, despite the ongoing downturn.

Jukka Ruuska
Head of CapMan Public Market,
Senior Partner

Investing in listed Nordic companies

Founded in summer 2008, the CapMan Public Market Fund is one of the few new-generation private equity funds investing in listed companies in the Nordic region. Despite a difficult year in terms of fundraising, we succeeded in attracting a number of new investors and raising substantial new capital. When fundraising ended in July, the fund's capital totalled €138 million. We offer institutional investors an opportunity to participate in the value creation of Nordic listed companies, and listed companies a new way of acquiring a committed owner to help develop their business and strengthen their financial position.

We invest in companies listed on the Nordic stock exchanges with a market capitalisation of between €50 million and €400 million. We typically aim to acquire a stake of over 10% in the companies we invest in and to have a seat on the board of directors. The fund takes a long-term view towards its investments compared to traditional investments in stocks and shares, typically extending to as long as four or five years. Active ownership is the most important cornerstone of our investment approach, and we always define a long-term, growth-driven value creation strategy for our portfolio companies.

A rollercoaster year

The impact of the recession was felt in a sharp drop in share prices on the Nordic stock exchanges in the early part of the year. It was particularly difficult to predict how future prospects would develop, and the market waited to see how major the downturn would prove to be. It is still unclear how permanent the upturn seen in autumn 2009 will be and whether the underlying economic fundamentals will follow the positive mood affecting the stock market. We continue to believe in our philosophy of using private equity style ownership on the listed market and its ability to deliver results in a variety of market scenarios. Central to this is the long-term added value offered by an active approach to ownership. When assessing the historical returns offered by private equity, it is clear that exceptionally sharp rises or drops in market conditions are not a prerequisite for success. The timing of investments and the focal areas of value creation work will always vary as the underlying economic situation changes.

Good market coverage, three new investments

The range and quality of deal flow were both good during 2009. Being present on the ground in Stockholm and Helsinki represents a clear benefit for the fund, and has helped us achieve a good level of market coverage rapidly. Swedish and Finnish listed companies accounted for the majority of the some 40 potential investments that we analysed during the year.

The need for sufficient market liquidity and realistic market expectations has been highlighted during the relatively short time the fund has been active. It is surprising that we did not subscribe to any share issues during our first year of operations, despite our initial expectations. We believe, however, that a growing number of issues in the future and the need felt by listed companies for committed owners and new capital will generate interesting new opportunities. The past year has also shown that quality information on Nordic listed companies is available through public sources.

We announced three investments during the year, in Nobia AB in March, in Intrum Justitia AB in October, and in Proffice AB in December. All three companies are listed in Stockholm. The investments in Nobia and Intrum Justitia were based on their strong existing market position in Europe and major future potential. Proffice operates in an attractive Nordic industry and is well positioned to take advantage of the changes on the market. In January 2010, we announced our investment in IT service company Affecto, which is listed in Helsinki.

We have been satisfied with the response to our investments in all three portfolio companies. Establishing a common value creation agenda together with other major shareholders is central to our approach. It has proved possible to create a sufficient basis for this type of value creation strategy in the cases of Nobia and Intrum Justitia through a smaller holding than our typical target level of ownership.

Sufficient investment capacity for 2010

We will continue actively with our investment focus in 2010, and the fund has sufficient capital at its disposal to make further new investments. We aim to invest the majority of the fund's capital by the end of 2010. The timing of our investments will depend on the overall market situation, however. We added new recruits to our team to strengthen its capabilities in 2009, and the fund is now managed by six investment professionals. In addition to leveraging new investment opportunities, supporting our existing portfolio companies and developing value creation tools will be central features of our activities in 2010.

WHAT DO WE INVEST IN?

- Listed Nordic companies
- Mid-cap companies with a market capitalisation of €50–400 million
- Minority holdings giving tangible influence, such as a seat on the Board, typically over 10% of a company's share capital
- Investments with a typical lifetime of 3–6 years

WHAT DO WE LOOK FOR?

- Clear potential for long-term value creation, based on leveraging changes in the business environment, management opportunities, or improving financial structure
- Opportunities to develop a clear value creation agenda together with other shareholders
- Sufficiently large holding to give us the chance to shape developments

READ MORE ONLINE AT

www.capman.com/En/InvestmentsOperations
→ Public Market team members

CURRENT PORTFOLIO COMPANIES

2010
Affecto Plc*
IT services in the Nordic Region, Baltic countries and Poland

2009
Intrum Justitia AB
Credit management solutions in Europe

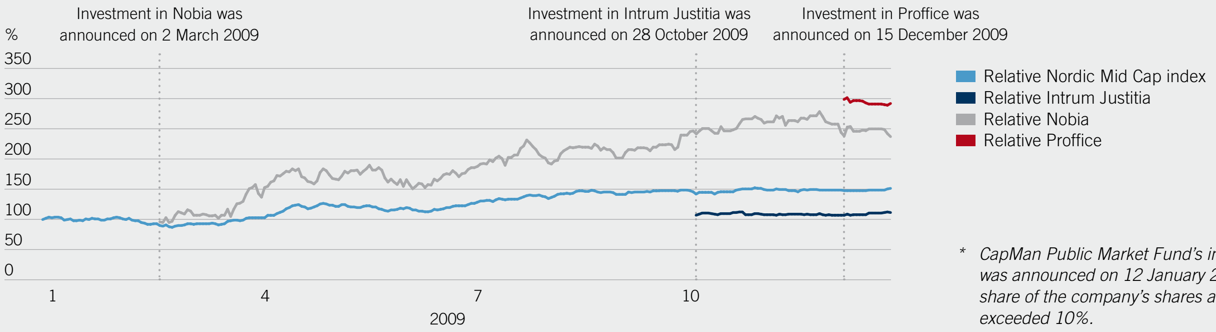
2009
Nobia AB
Complete kitchen supplier active in the Nordic countries, Continental Europe, and the UK

2009
Proffice AB
Staffing solutions and recruitment services in the Nordic region

Portfolio as of 31.12.2009

Number of portfolio companies	**3**
Number of new investments in 2009	**3**
Investments at cost, € million	**59.7**
Investments at fair value, € million	**91.6**

Relative share price development of portfolio companies' share and OMX Nordic Mid Cap Index 1.1.–31.12.2009



* *CapMan Public Market Fund's investment in Affecto Plc was announced on 12 January 2010 when the fund's share of the company's shares and voting rights exceeded 10%.*

CapMan Real Estate

Innovative real estate operations

Economic uncertainty in 2009 was also reflected in our real estate operations in Finland during the year. We concentrated our resources on property development projects and leasing activities.

Markku Hietala
Head of CapMan Real Estate,
Senior Partner

Investing in real estate in Finland

The focus of our current funds covers office properties in Greater Helsinki and property development projects and hotels across Finland. The funds' capital under management totalled some €1.3 billion at the end of the year. The CapMan Real Estate I and CapMan RE II funds each have 10 Finnish properties in their portfolios. Fundraising for the CapMan Hotels RE fund ended in July when the fund held its final closing at €872.5 million. The fund's portfolio includes 39 hotel properties, of which 38 are in Finland and one in Sweden. All three funds have invested virtually all their capital and are now mainly concentrating on developing their current portfolio.

Actively developing properties

The single largest investment in our portfolio, the Skanssi shopping centre in Turku, was completed in 2009. Home to nearly 100 shops, the centre has approximately 37,700 m^2 of leasable space, virtually all of which had been let by the time it was opened.

A second major project was completed in November, in the shape of the head office built for Northern Europe's leading healthcare and laboratory products supplier, OneMed, in Helsinki.

All our funds have made major commitments to developing the properties in their portfolios. A spa and bowling alley have been built at Hotel Cumulus in Jyväskylä, one of our hotel fund's investments, and a new conference centre is being built at Hotel Cumulus Airport in Vantaa.

Leasing represented a very important part of our real estate activities in 2009. Although the proportion of unoccupied space as a whole rose in Finland, our team succeeded in re-letting most of the space that became vacant in our properties to new tenants. The aggregate vacancy rate of our funds' properties was approx. 2% at the end of the year.

Three new investments and two development projects completed

We invested in three new properties during the year. We acquired a business property in Tuusula in May, an office building in the Munkkiniemi district of Helsinki in June, and a site in the centre of Hyvinkää for a shopping centre and apartments in October.

We exited one property in June when we sold an office building on Ludviginkatu in Helsinki. The revenue we earned from the property was in line with our original expectations.

In addition, we announced the hotel fund's investment in a property in the centre of Helsinki that is planned for conversion into a hotel.

Real estate consulting

Realprojekti Oy, CapMan Plc's 80%-owned subsidiary, acts as an advisor to CapMan's real estate funds, and also provides real estate consulting. Realprojekti specialises in real estate fund management, property development and marketing services as well as project management and construction contracting services. The company has strong expertise in demanding property development projects, shopping centre projects, and commercial leasing. Realprojekti's combination of an established market position, a professional team, and a comprehensive network gives CapMan's real estate operations a definitive competitive edge.

Realprojekti is Finland's largest shopping centre manager. In addition to our own properties Skanssi and Entresse, we manage three shopping centers for external clients.

Market environment

After coming to a virtual standstill in early 2009, the property market began to pick up in the second half, with banks increasingly interested in financing property deals. Finnish institutions also began making more direct property investments during 2009, and the use of equity for financing real estate transactions has increased significantly. The number of properties changing hands and the activity of foreign investors has reduced in particular. Weakening property demand and rising yield expectations have lowered property valuation levels.

Demand for prime real estate remains good. Occupancy rates and demand for office and retail premises are at a satisfactory level. The vacancy rates for office premises are expected to rise in Greater Helsinki area, however, which will result in a downward pressure on rent levels. The demand for real estate consulting has remained stable.

We believe that volumes on the real estate market will remain lower than in previous years, but that the number of transactions will pick up in 2010 from 2009 figures. We announced at the beginning of 2010 that we are investigating the possibility of establishing a fund dedicated to housing properties. Given our performance in 2009, we believe that our team is well-placed to continue its success as a property investor.

WHAT DO WE INVEST IN?

- Properties typically valued at €10–50 million
- A diversified portfolio featuring a range of property sizes, locations, and tenants

CAPMAN REAL ESTATE I

- Office properties in Greater Helsinki
- Medium risk/return profile, emphasis on value-added properties

CAPMAN RE II

- Property development projects across Finland
- Emphasis on commercial properties and logistics projects

CAPMAN HOTELS RE

- Investments in existing hotels and new hotel projects
- 3 and 4-star hotels
- Well-known, respected hotel operators
- Medium-sized and large properties in town centres and Nordic resort and spa hotels

READ MORE ONLINE AT

www.capman.com/En/InvestmentOperations
→ Real Estate team members
→ Case examples
→ Current and previous investments

CURRENT PORTFOLIO

Commercial properties*

2007 Turku
Skanssi shopping centre

2008 Turku
Real estate company Turun Yliopistokatu 22

2007 Espoo
Real estate company Espoon Entresse

2008 Turku
Real estate companyTurun Centrum

Office properties*

2009 Helsinki
Real estate company Munkkiniemen Puistotie 25

2007 Helsinki
Real estate company Helsingin Lönnrotinkatu 20

2007 Helsinki
Real estate company Helsingin Elimäenkatu 9

2007 Helsinki
Real estate company Helsingin Kalevankatu 20

Logistics and warehouse properties

2008 Mäntsälä
Real estate company Mäntsälän Logistiikkakeskus

2007 Vantaa
Real estate company Mastolan Keskusvarasto

2007 Helsinki
Real estate company Hankasuontie 3

2007 Hämeenlinna
Real estate company Parolantie 104, Hämeenlinna

Hotel properties*

2008 Helsinki
Crowne Plaza Helsinki

2008 Åre, Sweden
Holiday Club Åre

2008 Vantaa
Ramada Airport

2008 Nokia
Rantasipi Eden

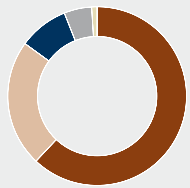
Portfolio as of 31.12.2009

Number of properties	**59**
Number of new investments in 2009	**3**
Portfolio at cost, € million	**1,326.2**
Portfolio at fair value, € million	**1,208.1**

Portfolio performance in 2009

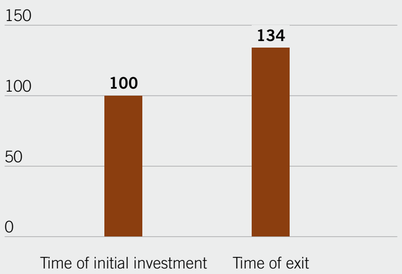
New and add-on investments at cost, € million	**104.9**
Growth in leasable space	**10,238**
Occupancy rate 31 Dec 2009, %	**2**

Investments and commitments by usage at cost as of 31.12.2009



Increase in value of previous investments 31.12.2009**

Number of exits	**23**
IRR% p.a.	**25.6**
Average holding period, years	**1.4**



* Four largest commercial properties, office premises, and hotel properties in terms of fair value.
** Figures have been calculated for the funds' equity share. Indexed (time of investment = 100).

New investments in 2009

CapMan Buyout

Metals and Powders Thomas Klier AB is one of the world's leading producers of metal powders used by the welding industry. The company also produces crushed metals used in metal manufacturing. The company had net sales of some €24.9 million in 2009. **www.metals-powders.com**

CapMan Technology

Profit Software Oy is one of northern Europe's leading suppliers of insurance and financial IT systems. The company had net sales of some €6.2 million in 2009 and employs around 120 people in Helsinki, Tallinn, and Warsaw. **www.profitsoftware.com**

CapMan Life Science

SRK Konsultation AB provides care, housing, and educational services to young people and adults in Uppsala and the surrounding area in Sweden. The company had net sales of some €6.4 million in 2009 and employs around 80 people. **www.srkkonsultation.se**

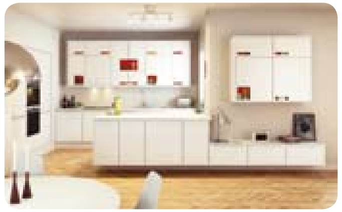
CapMan Russia

Papa John's is originally a US-based pizza chain with 10 restaurants and numerous franchise outlets in Russia at the end of 2009, and over 3,000 restaurants worldwide. The first Papa John's restaurant in Russia was opened in Moscow in 2003. **www.papajohns.ru**

CapMan Public Market

Intrum Justitia AB is Europe's leading provider of credit management services. The Group had consolidated net sales of some SEK 4.1 billion in 2009 and employs around 3,300 people in 23 countries. The company is listed on the Stockholm Stock Exchange. **www.intrum.com**

CapMan Public Market



Nobia AB is Europe's leading kitchen company, with over 20 major brands in its portfolio, including HTH, Magnet, and Poggenpohl. The company had consolidated net sales of some SEK 15 billion in 2009 and employs around 8,300 people. Nobia is listed on the Stockholm Stock Exchange. **www.nobia.com**

CapMan Public Market

Proffice AB provides staffing solutions, recruitment, as well as career and development services in the Nordics. The company employs over 5,700 people in some 100 offices and reported net sales of SEK 3.9 billion in 2009. Proffice is listed on the Stockholm Stock Exchange. **www.proffice.com**

CapMan Public Market

Affecto Oyj is one of the Nordic region's leading providers of Business Intelligence solutions. Net sales in 2009 totalled approx. €103 million. The company employs around 970 people in eight countries, and is listed on the Helsinki Stock Exchange. **www.affecto.com**

CapMan Real Estate

The Hyvinkää town centre shopping centre site is zoned for commercial and residential use, with planning permission for a shopping centre with up to approximately 14,500 m² of retail space and 80 apartments. Construction work is expected to begin in early 2011 at the latest.

CapMan Real Estate

Real estate company Munkkiniemen Puistotie 25 is a seven-storey office building in the Munkkiniemi district of Helsinki built in 1973. The building has some 6,700 m² of space, of which nearly all was occupied as of the end of 2009.

CapMan Real Estate

Real estate company Tuusulan Pysäkkikuja 1 is an commercial property in the centre of Tuusula just north of Helsinki, originally built in 1997 and extended in 2004. The property has some 8,300 m² of space, leased to eight companies as of the end of 2009.

CapMan Real Estate

Real estate company Vanhajämerä, with 5,185 m² of lettable space, is located in central Helsinki and the plan is to develop it into a hotel. The investment was closed in January 2010.

Personnel and responsibility

Over 40,000

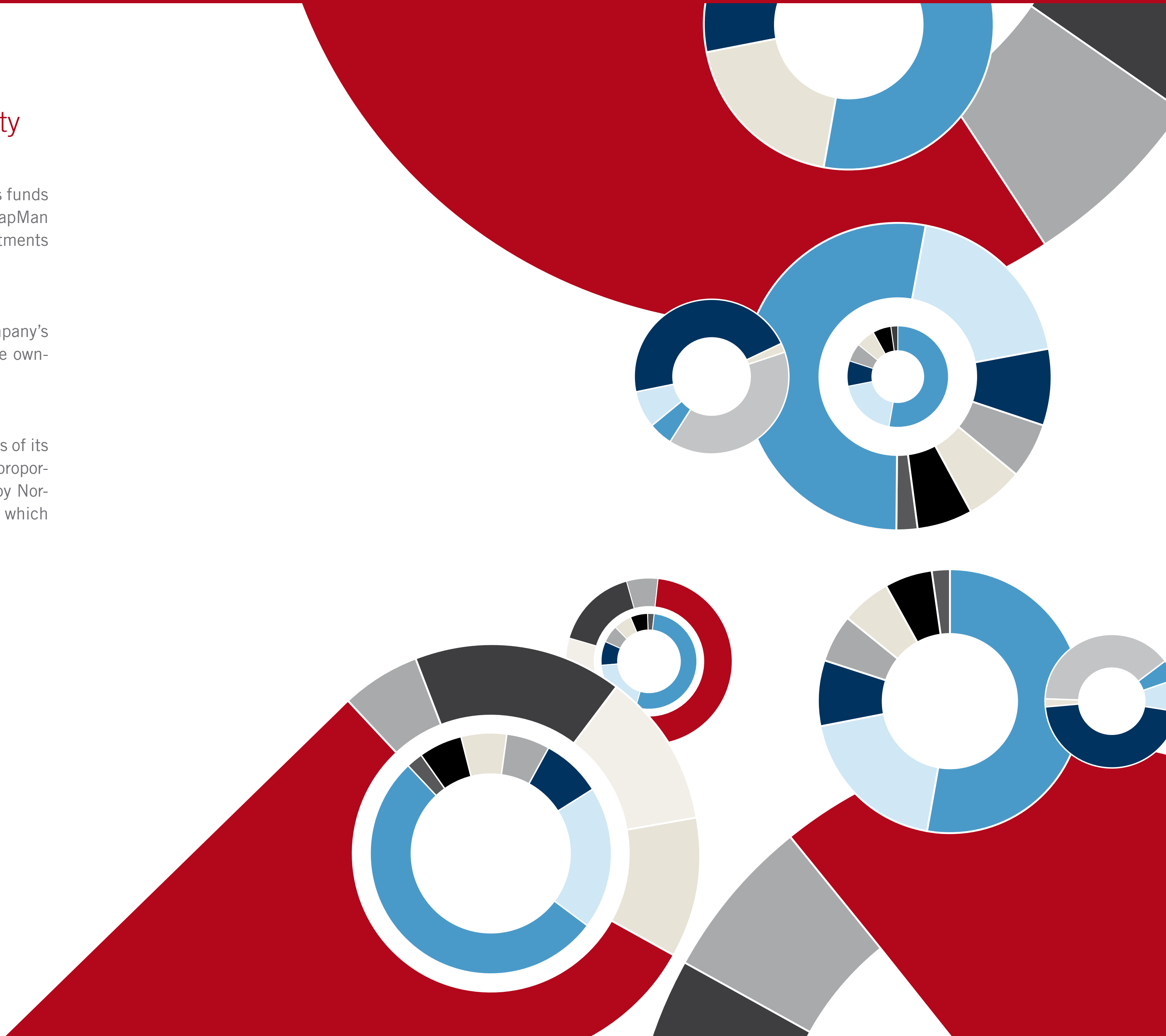
The portfolio companies owned by CapMan's funds employed over 40,000 people in 2009. CapMan itself employed 150 private equity investments and real estate development professionals.

Values

CapMan's operations are shaped by the company's values of high ethics, dedication, and active ownership.

Responsibility

CapMan is committed to managing the assets of its institutional investors responsibly. A large proportion of the assets in its funds are invested by Nordic pension insurance companies, most of which have investments in more than one fund.



Personnel is our most important resource

CapMan employs 150 people in Helsinki, Copenhagen, Stockholm, Oslo, and Moscow – and its success depends on its ability to recruit, develop, motivate, and retain the best private equity professionals in all its teams.

Turnover and structure

CapMan's personnel numbers increased by around 6% in 2009, which was less than in the previous couple of years. The Group prioritised improving efficiency, quality, and growth in its existing investment areas and service teams in 2009, while 2008 saw the establishment of two new investment teams, which was reflected in larger recruitment. Eight new positions were created at CapMan during 2009, the majority of these in the company's investment teams. In addition to recruitment to fill these new positions, new personnel were recruited to replace people who left the company. This saw 14 new people join the company in 2009. Employee turnover compared to average personnel numbers was 3% in respect of departures and 10% in respect of arrivals.

Changes in personnel in 2009 had a very small impact on the company's age and gender profile. CapMan continues to have a good profile in both areas. The average age of personnel at the end of the year was 40.5, and 52% of personnel were under the age of 40. Men and women account for roughly the same proportion of personnel.

The proportion of service personnel, employed by CapMan Platform, to investment personnel has continued to improve. There are currently 0.33 people employed in service teams, including fundraising staff, to every one investment or real estate professional, which can be considered a good figure for the private equity investment field.

CapMan as an employer – CapPeople employee survey

The annual CapPeople employee survey was conducted in autumn 2009. The response level was very high, with a record 92% of employees replying to the questionnaire. Personnel continue to be very committed to CapMan overall and are satisfied with CapMan as an employer. Despite this good overall result, people's responses were analysed in detail to identify areas that could benefit from development at team level. CapMan's Management Group and Board of Directors monitor the results of surveys and how the company responds to them. A development plan has been drawn up on the basis of the 2009 results and will be continued in 2010.

Particular attention during the year was given to integrating the CapMan Russia team. Two integration surveys were carried out, the first during the early part of the year and a follow-up survey at the end of the year. The results of these confirm that the integration process has gone well and that matters highlighted by personnel are typical of the challenges facing normal operations.

Incentive schemes

The personal performance of all CapMan employees is evaluated through regular reviews. In addition to discussing feedback, these reviews are used to agree new individual targets and define personal development and training needs. A total of €359,227 was spent on personnel development in 2009, or an average of €2,395 per employee. This figure includes money spent on development events held for all employees.

CapMan has a performance-based bonus system for all personnel designed to promote motivation and commitment. No bonuses were paid to personnel for 2009 as a result of the company's low level of profit for the year. Employees have the opportunity to invest in portfolio companies through funds managed by CapMan and Maneq funds. In accordance with common practice in the private equity investment industry, a share of the carried interest income generated by funds managed by CapMan is distributed to the company's investment professionals.

As of the end of 2009, CapMan had one option programme in place. A and B options in the 2008 option programme can be distributed to key personnel as decided by the Board of Directors. All the options in the 2008A programme were distributed after the review year in January 2010, while 2008B options can still be distributed to new recruits or other key personnel. Details on the option programmes for personnel and shares held by personnel can be found on Page 42.

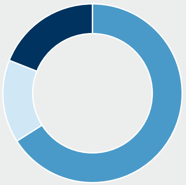
CapMan's values

HIGH ETHICS
We believe in integrity and transparency. We are a reliable partner and we respect our stakeholders. We want to be an example of high ethics.

DEDICATION
We are committed to achieving our objectives. We are innovative and aim to be the trendsetter for the industry. Our personnel are our most important resource.

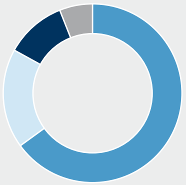
ACTIVE OWNERSHIP
We are an active industrial player with strong financial know-how. We create lasting value through growth, change, and professional governance.

Educational levels



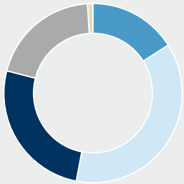
- Academic degree **66%**
- Higher education (non-academic) **15%**
- Intermediate education **19%**

Educational background



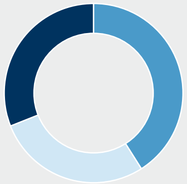
- Business **65%**
- Engineering and technology **18%**
- Other **11%**
- Law **6%**

Age profile of personnel



- 20–29 years **16%**
- 30–39 years **37%**
- 40–49 years **26%**
- 50–59 years **20%**
- over 60 years **1%**

Personnel by main group



- Private Equity **41%**
- Real Estate **28%**
- CapMan Platform **31%**

Photos from CapMan Days in 2009.

We believe in transparency

CapMan aims to be a responsible corporate citizen and act ethically in all aspects of its stakeholder relations.

Fund management

CapMan plays an important role in society as the manger of the capital invested in its funds by institutional investors and in developing the companies and properties in its portfolio. Acting responsibly in fund management and investment activities is central to CapMan's long-term business success. A significant proportion of the capital invested in CapMan's funds comes from Nordic pension funds, and investment commitments made to existing funds on the part of the latter account for some 52% of the total capital of CapMan's funds. Successful investments have a direct impact on the profits of fund investors and indirectly on their stakeholders, such as pensioners.

CapMan's goal is to provide first-class investor services and maintain an excellent level of trust and transparency. The funds managed by the Group select their investments carefully and in accordance with principles agreed with investors. CapMan reports to investors on the status of its funds in compliance with fund agreements, EVCA guidelines, applicable legislation, accounting regulations, and other statutory requirements. Investments in portfolio companies are valued in accordance with International Private Equity and Venture Capital Valuation Guidelines (IPEVG); while the valuation of real estate investments is based on assessments provided by external experts. Valuations of investments are reviewed quarterly as part of CapMan Plc's financial reporting process.

Listed status improves transparency

CapMan was one of the world's first private equity fund management companies to be listed, and this listed status means that extensive information on CapMan and its operations are available for public scrutiny. The private equity industry has focused on developing self-regulation in recent years and increasing the transparency and openness of private equity funds. EU regulations currently being drafted to cover management companies and funds operating in the alternative asset class, as and when introduced, will require companies to have an operating permit and will institute a number of other requirements in areas such as fund reporting and official reporting. Thanks to its organisation and operating model, CapMan is well-placed to comply with these. Organisations active in the sector, such as EVCA in Europe, DVCA in Denmark, and SVCA in Sweden, have issued their own recommendations covering reporting and transparency.

Responsible investments

When assessing potential investments, CapMan requires that portfolio companies comply with all aspects of prevailing legislation and guidelines, together with generally approved business and management principles that are socially and environmentally sustainable. Portfolio companies operating in Russia are expected to follow Western management standards and have management teams that are committed to transparent operating principles. Due diligence audits review these areas as part of the investment process. The same principles are also observed in the development of portfolio companies. Value creation is based on active, target-driven ownership, supported by the appropriate use of financial instruments. A 100-day programme is drawn up for all portfolio companies to ensure that good corporate governance principles are observed.

CapMan aims to inform a company's personnel and other stakeholders of any strategic changes in a company's operations as promptly as possible.

Portfolio companies, either partially or fully owned by CapMan funds, employed an estimated 40,000 people in 2009 and the companies concerned had combined estimated net sales of approx. €6.3 billion. CapMan has some €1.1 billion of investment capacity* to develop portfolio companies and real estate investments and to provide capital to promote growth, competitiveness, and innovation.

Real estate investments are primarily directed towards growth areas and properties that are likely to be in demand over an extended period, as a result of an expanding local population or a growing local economy, for example. A high proportion of investments are made in new buildings. A thorough review of the condition of existing properties, including a soil analysis, is carried out as part of the investment process. After an investment has been made, a long-term maintenance and repair programme is drawn up for properties, based on data from the condition assessment. Implementation of these programmes is monitored via maintenance logs kept for each property and updated together with the relevant service providers. Maintenance logs are also used to monitor energy consumption and maintenance costs.

The financing used in private equity investments is typically a combination of equity-funded and debt-funded capital. In recent years, CapMan has used a relatively conservative level of leveraged debt in developing the value of its portfolio companies.

Other social involvement

CapMan's extensive range of fund products allows it to invest in a variety of sectors and regions. Investments in companies providing healthcare technology solutions, private healthcare service providers, cleantech companies in the energy sector, and locally based companies, for example, help strengthen the economy of the Nordic countries. Private equity investments also promote innovation and facilitate the search for new solutions to the challenges posed by today's ageing population, the service society, globalisation, and climate change.

CapMan personnel take an active part in FVCA and EVCA activities to promote the development of the private equity industry and enhance international cooperation. CapMan is also a partner in the Family Business Association of Finland; and sponsors training and education in the investment field.

READ MORE ONLINE AT

www.capman.com/En/Funds
→ Fund Investors – Our Customers
→ Valuation principles

European Private Equity and
Venture Capital Association (EVCA)
www.evca.eu

* *Based on the remaining investment capacity of funds managed by CapMan as of 31 December 2009.*

CapMan Plc Group's Financial Statements for 1 January – 31 December 2009

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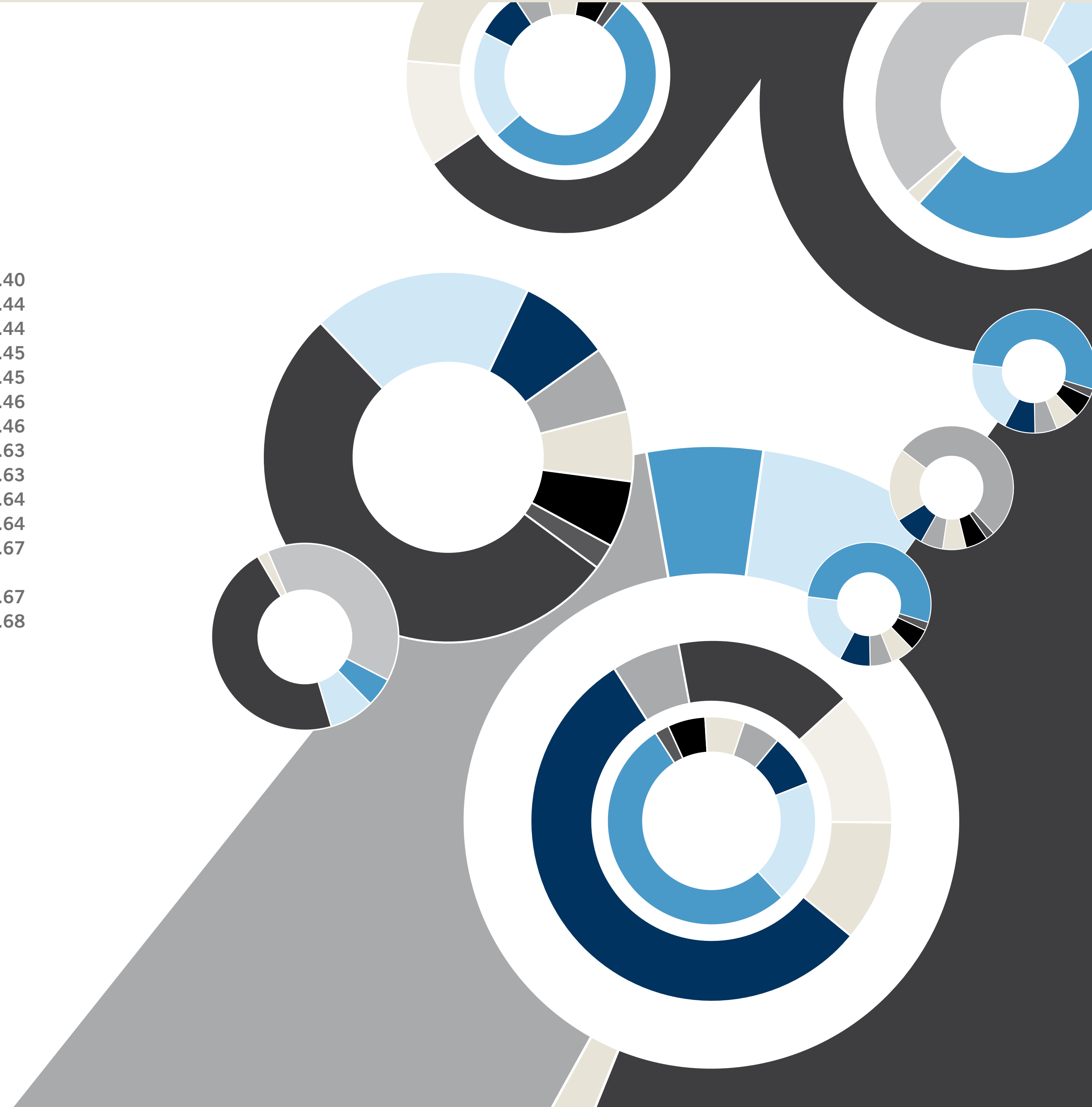


Report of the Board of Directors

Business operations

CapMan is an alternative asset manager, which also makes investments in its own funds. The guiding principle for the investment activities of the funds managed by the Group is to work actively and directly towards increasing the value of investments.

The Group has two operating segments: the Management Company business and Fund Investments. The Management Company business is subdivided into two business areas: CapMan Private Equity, which manages funds that invest in portfolio companies, and CapMan Real Estate, which manages funds that invest in real estate and provides real estate consulting. Income from the Management Company business is derived from management fees paid by funds, carried interest received from funds, and income generated by real estate consulting.

The Fund Investment business comprises fund investments made from CapMan's balance sheet and investments in Maneq funds. Income from the Fund Investment business is derived from realised returns on fund investments and changes in the fair value of investments.

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

Incorporation of the Fund Investment business and sale of CapMan investments and commitments

CapMan established a new company, CapMan Fund Investments SICAV SIF, during the review period, which operates as a feeder fund for funds managed by the Group. Part of CapMan's own investment commitments and fund investments were transferred to the feeder fund on 30 June 2009. The transfers had an impact of €-1.8 million on the parent company's distributable assets. CapMan's goal is to transfer its remaining investments and commitments to the feeder fund. These transfers will affect the parent company's distributable assets, and the size of this impact will depend on the fair value of the transferred investments on the date of transfer.

CapMan announced on 7 August 2009 that it would sell investment commitments totalling €13.6 million and fund investments totalling €3.4 million to Belgian-based private equity firm Gimv. The transactions were completed on 9 September 2009. The commitments and investments sold to Gimv related to the CapMan Technology 2007, CapMan Russia, and CapMan Public Market funds. The direct impact of the transaction on the Group's cash flow in 2009 was approx. €3.4 million. It will not have an impact on the Group's result for 2009, as the transactions were executed at fair value. As a result, Gimv has become the second investor in the feeder fund. Commitments and fund investments made by Gimv will not be consolidated with the figures of the CapMan Group. New investors may participate in the feeder fund in the future.

Incorporation of the Fund Investment business will clarify the distinction between the Group's Management Company business and its fund investments. The sale of investment commitments will reduce CapMan Plc's capital calls in the future and strengthen the Group's financial position.

Group turnover and result in 2009

The Group's turnover in 2009 remained at 2008 level and totalled €36.3 million (2008: €36.8 million). Fair value changes related to fund investments totalled €-3.3 million (€-13.4 million) and operating expenses amounted to €33.0 million (€29.8 million). Expenses increased, particularly as a result of CapMan's two new investment areas: CapMan Russia and CapMan Public Market.

The Group's operating profit/loss totalled €0.1 million (€-6.3 million). A goodwill write-down of €0.7 million related to the life science operations acquired in 2002 was made. Financial income and expenses amounted to €-0.2 million (€-2.0 million) and CapMan's share of the result of associated companies was €1.3 million (€-2.4 million). Profit/loss before taxes was €1.2 million (€-10.7 million) and profit/loss after taxes was €0.1 million (€-8.1 million).

Profit/loss attributable to the owners of the parent company was €-0.2 million (€-8.2 million). Earnings per share were 0.3 cents (-10.2 cents).

Turnover, operating profit/loss and profit/loss by segment are presented in the Notes to the Financial Statements in *Section 2. Segment information.*

Management Company business

Turnover generated by the Management Company business in 2009 totalled €36.3 million (€36.8 million). Management fees rose substantially compared to 2008 and amounted to €33.3 million (€29.6 million). This increase was largely attributable to the fees paid by the CapMan Buyout IX fund, which began to accrue in June 2009. The fee base also rose as a result of the new capital raised in the CapMan Hotels RE, CapMan Public Market, and CapMan Russia funds in 2009.

Income from real estate consulting remained at 2008 levels and totalled €2.4 million (€2.4 million). The aggregate total of management fees and income from real estate consulting was €35.7 million (€32.0 million).

No substantial exits were made from funds in carry during 2009 and no carried interest income was generated. Carried interest income totalling €4.1 million was generated as a result of the StaffPoint exit during 2008.

The Management Company business recorded an operating profit of €3.7 million (€7.3 million) and a profit for the year of €3.7 million (€6.5 million).

The status of funds managed by CapMan is presented in more detail in Annual Report on Pages 16–20.

Fund Investment business

Fair value changes related to fund investments were €-3.3 million (€-13.4 million), of which approximately €1.0 million was realised in connection with the sale of CapMan's own fund investments. The fair value changes of fund investments represented a 5.4% reduction in value during 2009. The change in the fair value of fund investments during the fourth quarter was €0.9 million, equivalent to a 1.5% increase in value. The negative development in fair value was mainly attributable to the weakening results of portfolio companies. Overall, the results of portfolio companies in 2009 were below those recorded in 2008, although fund portfolios also include companies that are developing strongly. The aggregate fair value of fund investments as of 31 December 2009 was €59.4 million (€53.1 million as of 31 December 2008).

Operating profit/loss for the Fund Investment business was €-3.6 million (€-13.6 million), and the profit/loss for the year was €-3.6 million (€-14.5 million).

CapMan made new investments in its own funds totalling €13.0 million (€26.3 million) during the year. Investments were made in funds including CapMan Buyout VIII, CapMan Buyout IX, CapMan Russia, and CapMan Public Market. CapMan did not give any new investment commitments to its funds during the year.

The amount of remaining commitments was significantly lower compared to 2008 as a result of the sale of commitments, and totalled €42.6 million as of 31 December 2009 (€77.2 million as of 31 December 2008). The aggregate fair value of existing investments and remaining commitments as of 31 December 2009 was €102.0 million (€130.3 million). CapMan's objective is to invest in its future funds 1–5% of their original capital, depending on the demand for funds 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. Fair value changes have no impact on the Group's cash flows.

Investments at fair value and remaining commitments by investment area are presented in the Notes to the Financial Statements in *Sections 17. Investments at fair value through profit and loss,* and *30. Commitments and contingent liabilities.*

Balance sheet and financial position as of 31 December 2009

CapMan's balance sheet total increased to €142.0 million (€138.0 million as of 31 December 2008). Non-current assets increased from 2008 and amounted to €112.1 million (€99.8 million). Goodwill was €10.2 million (€11.8 million). The carrying amount of goodwill was adjusted by €0.7 million following the reduction of the final purchase price for the Norum acquisition, and by €0.7 million as a result of the write-down on life science operations. Fund investments booked at fair value were €59.4 million (€53.1 million). Long-term receivables amounted to €25.3 million (€24.5 million), of which €23.5 million (€21.1 million) were loan receivables from Maneq funds. In addition to CapMan Plc, CapMan personnel are investors in Maneq funds. The expected returns from CapMan's Maneq investments are broadly in line with the return expectations for CapMan's other investments in its own funds. Maneq funds pay market rate interest on loans they receive from CapMan Plc.

Current assets amounted to €29.9 million (€38.2 million). Liquid assets (cash in hand and at banks, plus other financial assets at fair value through profit and loss) amounted to €19.7 million (€25.3 million). Liquid assets mainly include the unused part of the hybrid bond used to finance CapMan's investments in its own funds. The size of the hybrid bond rose to €29 million (€20 million as of 31 December 2008).

The hybrid bond is included in 'Other reserves' under equity in the balance sheet. The interest on the bond is payable semi-annually and has been deducted from equity. Following repayments, CapMan Plc had a bank financing package of €56.9 million (€60 million) available as of 31 December 2009, of which €46.9 million (€46.0 million) was utilised. There were no significant changes in the amount of interest-bearing liabilities during the year. Trade and other payables totalled €12.2 million (€15.8 million). The Group's interest-bearing net debts amounted to €27.3 million (€20.7 million).

The Group's cash flow before financing was €-16.9 million (€-26.8 million). Income from management fees received from funds is paid semi-annually, in January and July, which can be seen under working capital in the cash flow statement. Cash flow from investments is primarily related to fund investments.

Loans from related parties

CapMan Plc's receivables from Maneq funds are specified in more detail in the Notes to the Financial Statements in *Section 32. Related party disclosures*.

Key figures 31 December 2009

CapMan's equity ratio as of 31 December 2009 was 55.1% (50.3% as of 31 December 2008). Return on equity was 0.2% (-11.8%) and return on investment was 2.8% (-6.3%). The target level for the company's equity ratio is at least 50% and for return on equity at least 25%.

	31.12.09	31.12.08
Earnings per share, cents	**-3.0**	-10.2
Diluted, cents	**-3.0**	-10.2
Shareholders' equity per share, cents*	**94.2**	86.1
Share issue adjusted number of shares	**83,015,987**	80,432,600
Number of shares at end of period	**84,281,766**	81,458,424
Number of shares outstanding	**84,255,467**	81,322,921
Own shares held by the Company at end of period	**26,299**	135,503
Return on equity, %	**0.2**	-11.8
Return on investment, %	**2.8**	-6.3
Equity ratio, %	**55.1**	50.3
Net gearing, %	**34.8**	30.3

* *In line with IFRS standards, the hybrid bond, €29 million, has been included in equity, also when 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. The company's distributable assets amounted to €10.5 million on 31 December 2009 (€11.6 million on 31 December 2008). CapMan Plc's Board of Directors will propose to the Annual General Meeting to be held on 30 March 2010 that a dividend of €0.04 per share should be paid from distributable assets to shareholders, equivalent to a total of €3.4 million. No dividend was paid in respect of 2008 because of the loss recorded by the company and uncertain market prospects.

Fundraising and capital under management as of 31 December 2009

Capital under management refers to the remaining investment capacity of funds and capital already invested at acquisition cost. CapMan's target is to increase its capital under management by an average of 15% a year.

Fundraising for the CapMan Buyout IX, CapMan Hotels RE, CapMan Public Market, and CapMan Russia funds took place during the year. Preparations for starting fundraising for the CapMan Mezzanine V fund were started in the fourth quarter and work began on evaluating the potential for establishing a private equity real estate fund to invest in the Finnish housing market.

New capital totalling €70.3 million was raised for the CapMan Buyout IX fund, increasing the size of the fund to €273.3 million. Fundraising for the fund is continuing.

The CapMan Hotels RE and CapMan Public Market funds the held their final closings in July. The investment capacity of the CapMan Hotels RE fund totalled €872.5 million, of which €332.5 million comprises equity while the balance is senior debt. The CapMan Hotels RE fund invests in existing hotel properties and new hotel projects, primarily in Finland and Sweden. CapMan Hotels RE Oy, which is 80%-owned by CapMan Plc, acts as the fund's management company, and has committed €5 million to the fund. CapMan Plc's share of the fund's cash flows if the fund is in carry will be 12% and the investment team responsible for the fund will receive 8%.

The CapMan Public Market fund, which invests in listed Nordic companies, held its final close at €138.0 million. New capital totalling €40 million was raised during the final round of fundraising, of which €8 million was subscribed from the investment commitment previously made by CapMan. In addition, CapMan sold its €1.9 million commitment to the fund to Gimv, which saw CapMan's investment commitment in the fund fall from €15 million to €5.1 million during the year. CapMan Plc's share of the fund's cash flows if the fund is in carry will be 10% and the investment team responsible for the fund will receive 10%.

The final close of the CapMan Russia fund, which invests primarily in medium-sized companies in Russia, was held at €118.1 million in April. Following this, CapMan Plc's share of the possible carried interest to be generated by the fund was also determined. CapMan Plc will receive 3.4% of the fund's cash flows if the fund is in carry. The relatively lower carried interest share results from the fact that part of the fund had already been raised before its transfer to CapMan management.

Capital under management totalled €3,504.3 million as of 31 December 2009 (€3,407.5 million as of 31 December 2008). Of this, €1,845.3 million (€1,767.0 million) was in funds making investments in portfolio companies and €1,659.0 million (€1,640.5 million) in real estate funds.

The funds under management and their investment activities are presented in more detail in Annual Report in *the Sections Funds under management* and *Investment operations*.

Group structure

The companies included in the CapMan Plc Group are presented in the Notes to the Financial Statements in *Section 32. Related party disclosures.*

Board of Directors and management

CapMan Plc announced changes in the Company's management and Management Group on 3 September 2009. Senior Partner and Head of Investor Services, Jerome Bouix, was appointed Deputy CEO of CapMan Plc, principally responsible for CapMan's own fund investments, fundraising for funds managed by the Group, and business development. Partner Göran Barsby and Senior Partner Hans Christian Dall Nygård were appointed new members of the Management Group. All the above changes became effective as of 1 October 2009.

The Head of CapMan Life Science, Senior Partner Jan Lundahl resigned from the CapMan Plc Group on 3 April 2009 and left the Management Group. Partner Dr Johan Bennarsten, who had previously acted as Deputy Head of CapMan Life Science, was appointed Head of CapMan Life Science effective 6 April 2009.

CapMan Plc's Board of Directors at the end of 2009 comprised: Ari Tolppanen (Chairman), Teuvo Salminen (Vice Chairman), Sari Baldauf, Tapio Hintikka, Lennart Jacobsson, and Conny Karlsson. Heikki Westerlund was CapMan Plc's CEO in 2009. Olli Liitola was his deputy between 1 January and 30 September 2009 and Jerome Bouix between 1 October and 31 December 2009.

Personnel

CapMan employed a total of 150 people as of 31 December 2009 (141 as of 31 December 2008), of whom 107 (102) worked in Finland and the remainder in other Nordic countries or Russia. The number of personnel increased as a result of new recruits added to both investment and service teams. A breakdown of personnel by country and team is presented in the Notes to the Financial Statements in *Section 5. Personnel*.

Shares and share capital

There were no changes in CapMan Plc's share capital during the review period. Share capital as of 31 December 2009 totalled €771,586.98. The number of listed CapMan Plc B shares increased to 78,281,766 following the issue of 2,216,541 new CapMan B shares by CapMan Plc in connection with the directed issue related to the Norum acquisition and the subscription of 606,801 B shares in September and October under 2003B options. There were no changes in the number of unlisted CapMan Plc A shares, which totalled 6,000,000 shares as of 31 December 2009. The Company's B shares entitle holders to one vote per share and its A shares to 10 votes per share. A shares entitled holders to 43.4% and B shares to 56.6% of the voting rights in the company at year end. A shares are owned by CapMan Plc's current Senior Partners. A and B shares have equal dividend rights. CapMan Plc's shares are included in the book-entries securities system. The redemption obligation clauses related to the shares are described in more detail in the Notes to the Financial Statements in *Section 23. Share capital and shares*.

Shareholders and management's shareholding

CapMan Plc had 4,774 shareholders as of 31 December 2009 (4,514 as of 31 December 2008). CapMan issued a flagging notice on 24 September 2009 when the holding of Gimv N.V. exceeded one-twentieth (1/20) of the company's shares following a share transaction concluded on 23 September 2009.

As at 31 December 2009, the members of the Board of Directors, the CEO, and the Deputy CEO owned directly and through corporations under their control a total of 12,854,417 A and B shares, representing 15.3% of total shares and 18.9% of total votes. In addition, two members of the Board of Directors, the CEO and the Deputy CEO are shareholders in CapMan Partners B.V., which owns 3,000,000 CapMan Plc A shares and 2,000,000 B shares.

The ownership of CapMan Plc by sector classification and by size of shareholding, the company's largest shareholders, nominee-registered shares, and the redemption clauses applicable to the company's shares are described in the Notes to the Financial Statements in *Section 23. Share capital and shares*.

Company shares

A total of 109,204 of CapMan's own shares were used as part payment for the additional purchase price in the Norum acquisition. CapMan's own shares used as payment had been acquired in 2008 through public trading, and they represented 0.13% of the company's all shares and 0.08% of the company's voting rights at the time of the payment. As of 31 December 2009, CapMan Plc held a total of 26,299 CapMan Plc B shares. Shares held by CapMan represented 0.03% of the company's shares and 0.02% of the company's voting rights at the end of 2009. CapMan made no purchases of its own shares during the review period.

Stock option programmes

As of 31 December 2009, CapMan Plc had one stock option programme in place, Option Program 2008, as part of the incentive and commitment programme for key personnel. The maximum number of stock options issued within 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 subscription period for 2008A options will start on 1 May 2011 and for 2008B options on 1 May 2012. The share subscription price will be recorded in the invested non-restricted equity.

A total of 606,801 B shares were subscribed for using options under the Option Programme 2003B, for which the subscription period closed at the end of October 2009. These new shares were entered in the Trade Register in two tranches on 16 October 2009 and 3 December 2009.

Stock option programs and the impact of stock options issued on the number of shares and voting rights are described in more detail in the Notes to the Financial Statements in *Section 31. Share-based payments*.

Trading and market capitalisation

The market climate and global stock market situation characteristic of 2009 were reflected in the trading volumes and prices of CapMan Plc shares. The company's B shares closed at €1.34 on 31 December 2009 (€0.95 on 31 December 2008). The average price during the year was €1.10 (€2.09). The highest price was €1.63 (€3.40) and the lowest €0.77 (€0.79). A total of 16.9 million (14.8 million) CapMan Plc B shares were traded during the year, valued at €19.2 million (€29.6 million). The number of shares traded accounted for approximately 22% of all B shares. The average daily volume of trading was 67,157 shares, with a value of approx. €76,503.

The market capitalisation of CapMan Plc B shares as of 31 December 2009 was €104.9 million (€71.7 million). The market capitalisation of all shares, with A shares valued at the closing price of B shares for the review period, was €112.9 million (€77.4 million).

Board authorisations

Under a decision taken by the Annual General Meeting, CapMan Plc's Board of Directors is authorised to purchase the company's own shares and to accept them as pledges, to decide on a share issue, and to issue stock options and other entitlements to shares. The authorisation to purchase company shares and to accept them as pledges amounts to a maximun of 8,000,000 B shares in the company, provided however, that the treasury shares in the possession of, or held as pledges by, the company and its subsidiaries shall not exceed one tenth of all shares. At the end of 2009, 8,000,000 B shares would have entitled to 9.5% of all shares and 5.8% of the voting rights. The authorisations are in force until 30 June 2010, and the terms and conditions attached to them are specified in more detail in the Stock Exchange release on decisions taken by the AGM issued on 7 April 2009.

Norum acquisition

The purchase price of the Norum acquisition that was announced in May 2008 and in which CapMan acquired a 51% stake in Norum decreased to €7.3 million. The Board of Directors of CapMan Plc decided that the additional purchase price of €0.3 million would be paid to the sellers in cash and in CapMan Plc shares owned by the company. CapMan Plc acquired the remaining 49% Norum shares in April. The purchase price for the remaining shares was €3.6 million, of which CapMan Plc paid approx. €1.8 million in cash and approx. €1.8 million through a directed issue to the sellers.

The details of the Norum acquisition can be found in the Stock Exchange releases issued on 26 May 2008, 27 August 2008, 7 April 2009, and 20 April 2009, which can be consulted at CapMan's website at www.capman.com/En/Media/Releases/.

Events occurring after the review period

Exit from Pretax generates carried interest income totalling €1.5 million

CapMan's exit from the Finnish financial management and payroll processing company, Pretax Oy, was announced in early January. The funds managed by CapMan will sell their holding to a fund managed by Sponsor Capital. The transaction is expected to be completed by the end of the first quarter of 2010 and is anticipated to have an approximately €1.5 million impact on CapMan Plc's result for 2010 as a result of carried interest received from Finnventure Fund V. The closing will require the completion of customary closing conditions.

New CFO

CapMan Plc's CFO and a member of the Management Group, Kaisa Arovaara, M.Sc. (Econ), resigned from the company on 30 October 2009 and left her position on 29 January 2010. Niko Haavisto, M.Sc. (Business), was appointed on 28 January 2010 as CapMan Plc's new CFO and a member of the Management Group as of 1 May 2010. He will join the company from Oriola-KD Corporation and will report to CEO Heikki Westerlund and be responsible for Group Finances and Accounting and IT.

Senior Partner Olli Liitola, who served as CFO between 2000 and 2007, will be responsible for the duties of the CFO between 1 February and 30 April 2010.

Publication of the Financial Statements and Report of the Board of Directors, and the Annual General Meeting for 2010

CapMan Plc's Financial Statements and the Report of the Board of Directors for 2009 will be published in full, in the company's Annual Report, in week 11. CapMan Plc's 2010 Annual General Meeting will be held on Tuesday 30 March 2009 at 10.00 am in Helsinki. The documents required by the Finnish Companies Act will be available on the company's internet site on 9 March 2010 at the latest.

Corporate Governance Statement

CapMan Plc's Corporate Governance Statement will be published separately from the Report of the Board of Directors as part of the Company's Annual Report in week 11.

Significant risks and short-term uncertainties

CapMan's Management Company business is profitable on an annual level, but there is some significant uncertainty associated with predicting the company's result linked to the timing of possible carried interest and developments in the fair value of fund investments. Structural changes affecting export industries in the Nordic countries could have a negative impact on the operations and profitability of some of our portfolio companies. The growth in unemployment and decline in consumer purchasing power resulting from the economic recession could affect the operations and profitability of portfolio companies in the consumer sector and shopping centers in the portfolios of our real estate funds. CapMan believes that the fundraising market will continue to be challenging, which could affect the end-result of ongoing fundraising activities and management fees over the next few years.

The risks related to CapMan Plc's operations and the company's risk management are described in more detail in the Notes to the Financial Statements in *Section 33. Financial risk management and in the company's Corporate Governence Statement*.

Business environment

The prospects for growth in the demand for alternative assets continue to remain good over the long term. The financial crisis and its consequences are slowing the growth of these assets at the moment. Private equity has consolidated its position in financing M&A and growth, and continues to focus typically on consolidation in various sectors, family successions, the 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 have gained an established share of institutional investors' investment allocations.

The EU legislative initiative on regulation for alternative asset managers and funds – when passed – will stipulate an operating license for participants, as well as other significant requirements, including fund investor and authority reporting. The new regulations will place a burden on smaller players in particular and may also impact the number of players in the field. Thanks to its organisation and operating model, CapMan is in a good position to comply with the new regulations.

The CapMan funds investing in portfolio companies will continue to implement their investment strategies. The availability of bank financing for mergers and acquisitions and real estate investments is improving. The number of new potential portfolio companies has remained at a good level, especially for CapMan's Public Market and Russia funds. We believe that the exit market is likely to start up again during 2010.

The slowdown in the growth of the underlying economy has been reflected in our portfolio companies, in sectors linked to industrial manufacturing and the automotive industry for example. Although the turnover and profit performance of portfolio companies were both lower in 2009 than in 2008, the profit and growth estimates for 2010 are more positive. Fair value changes will also be influenced by how profit prospects develop among listed companies and the exchange rates of the Swedish crown and the Polish zloty against the euro in particular. We plan to keep sufficient reserves in our funds to support our companies' growth and financing. Long-term cooperation with Nordic banks is particularly important for us, and has worked well.

In the real estate sector, the debt market crisis has depressed the volume of real estate transactions. The number of foreign players in Finland, in particular, has fallen significantly. Weakening property demand and rising yield expectations have lowered property valuation levels. We anticipate transaction volumes to remain low, but expect the number of deals to increase in 2010. The use of equity for financing real estate transactions has increased. Demand for prime real estate remains good. Occupancy rates and demand for office and retail premises are at a satisfactory level. The vacancy rates for office premises are expected to rise in Greater Helsinki, however, which will result in a downward pressure on rent levels. The demand for real estate consulting has remained stable.

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. CapMan's funds investing in portfolio companies have some €840 million available for making new and follow-on investments, while real estate funds have approx. €300 million of investment capacity, mainly for developing the existing portfolio.

Future outlook

Management fees and income from real estate consulting will cover CapMan's fixed costs and interest expenses in 2010.

The exit from Pretax announced in January will have an impact of some €1.5 million on CapMan's carried interest when closed. Funds have a number of 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 2010–2011. Due to the market situation, we consider it unlikely that the CapMan Real Estate I fund, which transferred to carry in 2007, will generate new carried interest in the future.

A total of some €6 million of carried interest was not entered in CapMan's profit in 2007 but instead left in reserve in case some of carried interest might have to be returned to investors in future.

The fair value change of CapMan's fund investments during the fourth quarter of 2009 was slightly positive and we expect a neutral trend, at a minimum, to continue in this area in early 2010. The development of the fair value of investments during the rest of the year will depend on developments in portfolio companies and the general market situation.

The Group's overall result for 2010 will mainly depend on whether new exits are made by funds already generating carried interest, whether further funds will transfer to carry, and on how the value of investments will develop in those funds in which CapMan is a substantial investor.

CapMan Plc
Board of Directors

Group Statement of Comprehensive Income (IFRS)

€ ('000)	Note	1.1.–31.12.2009	1.1.–31.12.2008
Turnover	2	**36,257**	36,790
Other operating income	4	**137**	108
Employee benefit expenses	5	**-18,464**	-16,867
Depreciation	6	**-957**	-635
Impairment of goodwill	14	**-700**	0
Other operating expenses	7	**-12,845**	-12,321
Fair value gains/losses of investments	8	**-3,322**	-13,373
Operating profit/loss		**106**	-6,298
Finance income	9	**1,958**	2,451
Finance costs	9	**-2,143**	-4,445
Share of associated companies' result	10	**1,293**	-2,378
Profit/loss before taxes		**1,214**	-10,670
Income taxes	11	**-1,076**	2,612
Profit/loss for the financial year		**138**	-8,058
Other comprehensive income:			
Translation difference		**270**	-359
Total comprehensive income/loss		**408**	-8,417
Profit/loss attributable to:			
Equity holders of the Company		**-210**	-8,209
Minority interest		**348**	151
Total comprehensive income/loss attributable to:			
Equity holders of the Company		**60**	-8,568
Minority interest		**348**	151
Earnings per share for profit/loss attributable to the equity holders of the Company:			
Earnings per share (basic), cents	12	**-3.0**	-10.2
Earnings per share (diluted), cents	12	**-3.0**	-10.2

The Notes are an integral part of the Financial Statements.

Group Balance Sheet (IFRS)

€ ('000)	Note	31.12.2009	31.12.2008
ASSETS			
Non-current assets			
Tangible assets	13	**838**	1,064
Goodwill	14	**10,245**	11,762
Other intangible assets	15	**2,972**	3,229
Investments in associated companies	16	**6,547**	1,575
Investments at fair value through profit and loss	17		
Investments in funds		**59,421**	53,147
Other financial assets		**585**	828
Receivables	18	**25,304**	24,451
Deferred tax assets	19	**6,177**	3,707
		112,089	99,763
Current assets			
Trade and other receivables	20	**10,291**	12,965
Other financial assets at fair value	21	**1,673**	942
Cash and bank	22	**17,978**	24,330
		29,942	38,237
Total assets		**142,031**	138,000
EQUITY AND LIABILITIES			
Capital attributable to the Company's equity holders			
Share capital	23	**772**	772
Share premium account	23	**38,968**	38,968
Other reserves	23	**37,347**	25,829
Translation difference	23	**-392**	-226
Retained earnings		**1,097**	3,585
		77,792	68,928
Minority interest		**413**	221
Total equity		**78,205**	69,149
Non-current liabilities			
Deferred tax liabilities	19	**1,824**	284
Interest-bearing loans and borrowings	24	**40,625**	43,125
Other liabilities	25, 26	**2,291**	6,600
		44,740	50,009
Current liabilities			
Trade and other payables	27	**12,227**	15,751
Interest-bearing loans and borrowings	28	**6,250**	2,875
Current income tax liabilities		**609**	216
		19,086	18,842
Total liabilities		**63,826**	68,851
Total equity and liabilities		**142,031**	138,000

The Notes are an integral part of the Financial Statements.

Group Statement of Changes in Equity (IFRS)

€ ('000)	Note	Share capital	Share premium account	Other reserves	Translation difference	Retained earnings	Total	Minority interest	Total equity
		Attributable to the equity holders of the Company							
Equity on 31 December 2007		772	38,968	2,961	133	24,676	67,510	34	67,544
Options	23			112		-87	25		25
Share subscriptions with options	23			639			639		639
Dividends paid	23					-12,795	-12,795		-12,795
Share issues	23			2,392			2,392		2,392
Own shares purchased	23			-275			-275		-275
Hybrid bond	23			20,000			20,000		20,000
Other changes							0	36	36
Comprehensive profit/loss					-359	-8,209	-8,568	151	-8,417
Equity on 31 December 2008		772	38,968	25,829	-226	3,585	68,928	221	69,149
Options	23					-50	-50		-50
Share subscriptions with options	23			723			723		723
Dividends paid	23						0	-46	-46
Share issues	23			1,795			1,795		1,795
Hybrid bond	23			9,000			9,000		9,000
Hybrid bond, interest paid (net of tax)	23					-2,228	-2,228		-2,228
Other changes					-436		-436	-110	-546
Comprehensive profit/loss					270	-210	60	348	408
Equity on 31 December 2009		772	38,968	37,347	-392	1,097	77,792	413	78,205

The Notes are an integral part of the Financial Statements.

Group Cash Flow Statement (IFRS)

€ ('000)	Note	1.1.–31.12.2009	1.1.–31.12.2008
Cash flow from operations			
Profit/loss for the financial year		**138**	-8,058
Adjustments:			
Unpaid income and expenses		**5,352**	16,526
Change in working capital:			
Change in current non-interest-bearing receivables		**1,335**	-5,260
Change in current trade payables and other non-interest-bearing liabilities		**-4,798**	696
Interest paid		**-5,393**	-2,473
Interest received		**588**	928
Dividends received		**840**	446
Taxes paid		**140**	-9,228
Cash flow from operations		**-1,798**	-6,423
Cash flow from investing activities			
Investments in tangible assets		**-75**	-305
Investments in intangible assets		**-399**	-1,260
Investments at fair value through profit and loss		**-11,109**	-22,603
Long-term loan receivables granted		**-3,980**	-14,489
Receivables from long-term receivables		**284**	3,740
Other financial assets at fair value		**-731**	13,915
Proceeds from sale of tangible assets		**120**	0
Dividends received		**785**	239
Cash flow from investing activities		**-15,105**	-20,763
Cash flow from financing activities			
Share issue		**722**	639
Own shares purchased		**0**	-275
Issued hybrid bond		**9,000**	20,000
Proceeds from borrowings		**4,000**	61,000
Repayment of long-term loan		**-3,125**	-31,000
Dividends paid		**-46**	-18,589
Cash flow from financing activities		**10,551**	31,775
Change in cash and cash equivalents		**-6,352**	4,589
Cash and cash equivalents at start of year		**24,330**	19,741
Cash and cash equivalents at end of year	22	**17,978**	24,330

Change in loan receivables has been regrouped from financing activities to investing activities. The figures for 2008 have been corrected accordingly.

The Notes are an integral part of the Financial Statements.

Key Performance Indicators for CapMan Group

M€	2005	2006	2007	2008	2009
Turnover	28.2	37.1	51.1	36.8	**36.3**
Management fees	20.3	24.9	24.6	29.6	**33.3**
Carried interest	6.6	9.4	23.6	4.1	**0.0**
Income from real estate consulting	0.9	2.0	2.1	2.4	**2.4**
Other income	0.5	0.8	0.8	0.7	**0.6**
Other operating income	0.0	0.7	0.2	0.1	**0.1**
Operating expenses	-21.9	-26.6	-27.7	-29.8	**-33.0**
Fair value gains/losses of investments	2.1	4.4	6.2	-13.4	**-3.3**
Operating profit/loss	8.4	15.6	29.8	-6.3	**0.1**
Financial income and expenses	0.8	0.4	1.1	-2.0	**-0.2**
Share of associated companies' result	0.3	1.3	1.9	-2.4	**1.3**
Profit/loss before taxes	9.4	17.3	32.7	-10.7	**1.2**
Profit/loss for the financial year	7.0	12.4	24.2	-8.1	**0.1**
Dividend paid *	5.3	9.3	12.8	0.0	**3.4**
Return on equity (ROE), %	14.8	23.4	38.9	-11.8	**0.2**
Return on investment (ROI), %	20.2	29.9	44.2	-6.3	**2.8**
Equity ratio, %	85.8	71.6	57.6	50.3	**55.1**
Net gearing, %	-21.0	-12.1	-27.5	30.0	**34.8**
Personnel (at year-end)	87	98	110	141	**150**
Key ratios per share					
Earnings/share, €	0.09	0.15	0.24	-0.10	**-0.03**
Diluted	0.09	0.15	0.24	-0.10	**-0.03**
Shareholders' equity/share, €	0.64	0.74	0.86	0.86	**0.94**
Dividend/share, € *	0.07	0.12	0.16	0.00	**0.04**
Dividend/earnings, % *	78.0	80.0	67.0	0.00	**0.00**
Average share issue adjusted number of shares at year-end ('000)	75,042	76,213	78,143	80,433	**83,016**
Share issue adjusted number of shares at year-end ('000)	75,923	77,159	79,969	81,458	**84,282**
Number of shares outstanding ('000)	75,923	77,159	79,968	81,323	**84,255**
Own shares ('000)	0	0	0	136	**26**

* *Proposal of the Board of Directors to the Annual General Meeting for 2009.*
In line with IFRS standards, the €29 million bond is included in equity and in calculating shareholders' equity per share.

Notes to the Group's Financial Statements

Group information

CapMan's core business is private equity fund management and advisory services. The funds under management invest mainly in unlisted Nordic companies or real estate assets.

The parent company of the Group is CapMan Plc. The parent company's domicile is Helsinki and its registered office address is Korkeavuorenkatu 32, 00130 Helsinki, Finland.

The Consolidated Financial Statements may be viewed online at www.capman.com, or a hard copy is available from the office of the parent company.

The Consolidated Financial Statements for 2009 have been approved for issue by the Board of Directors of CapMan Plc on 4 January 2010. Pursuant to the Finnish Companies Act, shareholders may adopt or reject the Company's financial statements, and make decisions on amendments to the financial statements, at the Annual General Meeting.

1. Accounting policies

Basis of preparation

The Group's financial statements for 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) in conformity with the IAS and IFRS standards and SIC and IFRIC interpretations in force at 31 December 2009. The appendices to the Consolidated Financial Statements have been prepared in accordance with Finnish accounting standards and IFRS, as adopted by the European Union (EU).

The preparation of financial statements in conformity with IFRS requires the management of the Group, in applying the accounting principles, to make estimates and assumptions and these are presented in more detail under 'Use of estimates'.

The Consolidated Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities including Derivative instruments at fair value through profit or loss. The information in the Consolidated Financial Statements is presented in thousands of euros.

The Consolidated Financial Statements include the accounts of all Group companies and associated companies. Subsidiaries are enterprises in which the Group has the control (the Group acquires or has the power over more than one half of the voting rights or it has the power to govern the operating and financial policies of the other enterprise as a result of a statute). Subsidiaries are consolidated from the date on which control of the net assets and operations of the enterprise is effectively transferred to CapMan for acquired subsidiaries, and to the date when CapMan's control has expired for divested subsidiaries. Subsidiaries have been consolidated to the Group financial statements in accordance with the purchase method of accounting. For subsidiaries acquired on or subsequent to 1 January 2004, the excess acquisition cost over the Group's interest in the fair value of the net assets acquired at the acquisition date is recognised as goodwill. All intercompany transactions, intercompany receivables and liabilities as well as intra-Group dividends have been eliminated.

Minority interests are presented separately in the income statement and within equity in the consolidated balance sheet. A share of accumulated loss is separated only to the extent the deficit is covered by minority shareholdings.

Associated companies

The associated companies have been consolidated in accordance with the equity method. An associated company is an entity in which the Group has significant influence (more than 20% of the voting rights), but does not have the control. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of the company's net assets less any impairment in value. The Group's share (based on its holding) of the associated companies' net profit for the financial period has been reported under 'Financial assets'.

Translation difference

The result and financial position of each of the Group's business units are measured in the currency of the primary economic environment for that unit ("functional currency"). The Consolidated Financial Statements are presented in euros, which is the functional and presentation currency of the Group's parent company.

Transactions in foreign currencies have been recorded in the parent company's functional currency at the rates of exchange prevailing at the date of the transactions; in practice a reasonable approximation of the actual rate of exchange on the date of the transaction is often used. Foreign exchange differences for operating business items are recorded in the appropriate income statement account before operating profit and for financial items are recorded in financial income and expenses. The Group's foreign currency items have not been hedged.

In the consolidated financial statements, the income statements of subsidiaries whose functional currencies are not the euro are translated into euros using the average rates for the accounting period. Their balance sheets are translated using the closing rate on the balance sheet date. Translation differences caused by changes in exchange rates for the cumulative shareholders' equity of foreign subsidiaries have been recognised in shareholders' equity.

When a subsidiary is wholly or partially divested, the cumulative amount of the translation differences is recognised in the income statement under profit or loss.

As of 1 January 2004, the goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation have been treated as part of the assets and liabilities of the foreign operation and translated into euros at the year-end exchange rate. For acquisitions before 1 January 2004, the goodwill and fair value adjustments have been recorded in euros.

Tangible non-current assets
Tangible non-current assets have been reported in the balance sheet at their acquisition value less depreciation according to plan. Assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives are:

Machinery and equipment	4–5 years
Other long-term expenditure	5 years

The residual values and useful lives of assets are reviewed at each balance sheet date and adjusted to reflect changes in the expected economic benefits as necessary.

Goodwill
Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the acquired enterprise (subsidiary or associated company) over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill arising from acquisitions prior to 1 January 2004 is recognised as the carrying value at cost in accordance with accounting principles applicable at the date of acquisition. Goodwill is measured as the original acquisition cost less accumulated impairment. Impairment of goodwill is tested annually and write-offs are not made under goodwill. For this reason goodwill is directed to cash-generating units or, in the case of an associated company, goodwill is included in the company's acquisition cost.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are recognised in the balance sheet only if the cost of the asset can be measured reliably, and it is probable that the future economic benefits that are attributable to the asset will flow to the Group. Intangible assets acquired in business combinations that are classified as acquisitions are recognised in the balance sheet separate to goodwill, provided that they meet the definition of intangible assets and the cost of the assets can be measured reliably. Intangible assets are expensed in the income statement by the straight-line method over their useful lives (maximum ten years). The carrying amount is assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful lives are 5 to 10 years.

Impairment of assets
The Group reviews all assets for indications that the value of an asset may be impaired at each balance sheet date. If such indications exist, the recoverable amount of the asset in question is estimated. The recoverable amount for goodwill is measured annually independent of indications of impairment.

The need for impairment is assessed on the level of cash-generating units, in other words at the smallest identifiable group of assets that is largely independent of other units and cash inflows from other assets. The recoverable amount is the fair value of an asset less costs to sell or value in use. The value in use refers to the expected future net cash flow projections, which are discounted to the present value, received from the asset in question or the cash-generating unit. The discount rate used in measuring value in use is the rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment is recorded in the income statement as an expense. The recoverable amount for financial assets is either the fair value or the present value of expected future cash flows discounted by the initial effective interest rate.

An impairment loss is recognised whenever the recoverable amount of the asset is below the carrying amount, and it is recognised in the income statement immediately. An impairment loss of a cash-generating unit is first allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets of the unit pro rata. An impairment loss is reversed if there is an indication that an impairment loss may have decreased and the carrying amount of the asset has changed from the recognition date of the impairment loss.

The increased carrying amount due to reversal is not more than what the depreciated historical cost would have been if the impairment had not been recognised. Reversal of an impairment loss for goodwill is prohibited. The carrying amount of goodwill is reviewed for impairment annually or more frequently if there is an indication that goodwill may be impaired, due to events and circumstances that may increase the probability of impairment.

Financial instruments
The Group's financial instruments have been classified according to IAS 39 Financial Instruments: Recognition and Measurement into the following categories:
1) financial assets at fair value through profit and loss
2) loans and other receivables

Classification of financial assets is made on the basis of the purpose of the acquisition of financial instruments at the time of initial recognition. Transaction costs have been reported in the initial cost of financial assets, excluding items valued at fair value through profit and loss. All purchases and sales of financial instruments are recognised on the trade date. An asset is eligible for derecognition and removed from the balance sheet when the Group has transferred the contractual rights to receive the cash flows or when it has substantially transferred all of the risks and rewards of ownership of the asset outside of the Group.

The financial assets at fair value through profit and loss
The financial assets at fair value through profit and loss group has been divided into two subcategories:
Held for trading and upon initial recognition designated as at fair value through profit and loss.

Financial assets are classified as held for trading if they are acquired principally for the purpose of generating a profit from short-term fluctuations in price. Financial assets held for trading and financial assets with a maturity less than 12 months are included in current assets. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. Both unrealised and realised gains and losses caused by changes in fair value are reported in the income statement for the financial period in which they arise. Derivatives are also categorised as held for trading unless they are designated as hedges.

Available-for-sale financial assets are measured at fair value using market values at the balance sheet date. In case there is no market price available at the balance sheet date, the fair value is determined using recent arm's length transactions, reference to the current market value of another instrument that is substantially the same, or discounted cash flow analysis. An impairment loss of an equity investment that has been classified as an available-for-sale financial asset is not reversed through profit and loss.

Most of the available-for-sale financial assets are fund investments, for which fair value is calculated by using the guidelines of the International Private Equity and Venture Capital Valuation Guidelines (IPEVG) and, taking into account the valuation principles in IAS 39 for the fair value of investments that are not quoted in an active market, using multiples based on the current performance level of the portfolio companies. Investments for which fair value cannot be reliably estimated are valued at cost less any permanent impairment losses. IPEVG are generally used for fair value valuation in the private equity industry, and the guidelines have been prepared in consideration of IFRS requirements.

Loans and other receivables
Loans and other receivables include the Group's financial assets arising from the transfer of cash or services to a debtor. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are reported either in current financial assets or, if the maturity exceeds 12 months, in non-current financial assets. These investments are measured at amortised cost using the effective interest method. In accordance with IAS 39 the receivables carried at amortised cost accrue interest income at the discount rate used to measure impairment after impairment has been recognised.

Impairment is recognised if there is objective evidence that the value of the item in question has been impaired at the balance sheet date. Impairment testing of loan receivables from the funds takes into consideration the fund's fair value, life cycle phase and expected returns when all investments are realised. The credit risk is described in Section Financial risk management 33 c) Credit risk.

Trade and other receivables
Trade receivables are carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the Group will not be able to collect the debts under the original terms and conditions. The Placement Agent Fees relating to fundraising has been amortised over five years.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash in banks and in hand as well as liquid short-term deposits. Cash assets have a maximum maturity of three months. Short-term investments to third party funds have been categorised as financial assets at fair value through profit and loss, and are presented in that category.

Financial liabilities
Financial liabilities are initially recognised at fair value. Transaction costs are reported in the initial book value of the financial liability. After initial recognition all financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are reported in non-current and current liabilities.

Equity financial instruments
Equity bonds are reported in shareholders' equity due to the juridical structure of the bonds. The bond has no specified maturity date but the company may call the bond 18 December 2013. Equity issuance costs are entered directly as an expense. Equity bonds are valued at nominal value, as there is no maturity date.

Leases
All of the Group's leasing arrangements are classified as operating leases, as the risks and benefits of ownership remain with the lessor. Operating lease payments are recognised as an expense in the income statement on a straight-line basis. The CapMan Group does not act as a lessor.

Provisions
Provisions are recognised in case the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow will be required to settle the obligation and a reliable estimate of the outflow can be made.

Pensions
The Group has defined contribution pension plans in accordance with the local regulations and practices of its business domiciles. Payments to defined contribution pension plans are charged to the income statement in the financial period to which they relate. The pensions have been arranged through insurance policies of external pension institutions.

Share-based payments
The fair value of stock options is assessed at the grant date and expensed in even instalments in the income statement over the vesting period of the rights. The fair value is determined using the Black-Scholes pricing model. The terms of the 2003 and 2008 stock option programs are presented in *Section 31. Share-based payments*.

Employee benefits
The Group offers a sabbatical programme for key personnel based on the number of years of full-time work for the Company. The liability of the sabbatical has been estimated and recorded on the basis of probability.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:
1. Management fees paid by the funds are accounted for on a straight-line basis over the agreement terms on an ongoing basis.
2. Carried interest received from funds that are generating carry is accounted for when the funds have exited from a portfolio company (closing). An exit has been closed when the approval has been received from the Competition Authority and when all significant risks and benefits related to the portfolio company have been transferred to the buyer.
3. Potential repayment risk to the funds (clawback) will be considered when assessing if the revenue recognition criteria have been fulfilled.

The Clawback risk relates to a situation when in conjunction with the liquidation of the funds it is recognised that the General Partner has received more carried interest than agreed in the fund agreement. These situations can occur e.g. if the hurdle rate is again passed or if representations and warranties have been given by the vendor in the sale and purchase agreement when the fund is towards the end of its lifecycle.

4. Real estate consulting fees are recognised when the service has been rendered.

Income taxes

Tax expenses in the consolidated income statement comprise taxes on taxable income and changes in deferred taxes for the financial period. Taxes on taxable income for the financial period are calculated on the basis of the tax rate in force for the country in question. Taxes are adjusted on the basis of deferred income tax assets and liabilities from previous financial periods, if applicable. The Group's taxes have been recognised during the financial year using the average expected tax rate.

Deferred taxes are calculated on all temporary differences between the carrying amount and the tax base. Deferred taxes have only been recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The largest temporary differences arise from the valuation of investments at fair value. Deferred taxes are not recognised for non-tax deductible amortisation of goodwill. Deferred taxes have been measured at the statutory tax rates that have been enacted by the balance sheet date.

Application of new and amended IFRS standards

In preparing these interim financial statements, the group has followed the same accounting policies as in the annual financial statements for 2008 except for the effect of changes required by the adoption of the following standards, interpretations and amendments on 1 January 2009:

Standard/ interpretation	Topic	Key requirements	Impact on the consolidated financial statements
IAS 1 (Revised)	Presentation of financial statements	The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. The revised standard also requires an entity to present a statement of financial position as at the beginning of the earliest comparative period when the entity applies an accounting policy retrospectively or makes a retrospective restatement or when the entity reclassifies items in the financial statements.	The change in accounting policy only impacts presentation aspects. Comparative information has been re-presented so that it also is in conformity with the revised standard.
IFRS 8	Operating segments	IFRS 8 replaces IAS 14, 'Segment reporting', and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.	This has not changed the number of reportable segments presented.
IAS 23 (Revised)	Borrowing costs	Revised IAS 23 changes the accounting policy in respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. The borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset. Previously all borrowing costs could be recognised as an expense immediately.	The revised standard does not have an impact on the consolidated financial statements.
IFRIC 11	IFRS 2 – Group and treasury share transactions	The interpretation provides guidance on whether share-based transactions involving treasury shares or involving group entities should be accounted for as equity settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies.	The interpretation does not have any impact on the consolidated financial statements.
IFRIC 13	Customer Loyalty Programmes	IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration receivable from the customer is allocated between the components of the arrangement using fair values.	The interpretation is not relevant to the group's operations because none of the Group's companies operate any loyalty programmes.
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	The interpretation is applied to post-employment defined benefit plans and other long-term defined benefit plans under IAS 19, if the plan includes minimum funding requirements. The interpretation also clarifies the criteria for recognition of an asset on future refunds or reductions in future contributions.	The interpretation does not have any impact on the consolidated financial statements.
IFRS 2 (Amendment)	Share-based payment – vesting conditions and cancellations	The amendment clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are non-vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.	The amendment does not have a material impact on the consolidated financial statements.
IAS 1 and IAS 32 (Amendments)	Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation	The amendments classify the puttable financial instruments financial instruments as equity, provided they have particular features and meet specific conditions. Before the amendment these instruments were classified as liability.	The amendment does not have a material impact on the consolidated financial statements.
IFRS 1 and IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate in Adoption of IFRS	The amended standards allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.	The amendments do not have any impact on the consolidated financial statements as the Group is not a first time adopter of IFRSs.
IAS 39 (Amendment)	Financial instruments: Recognition and measurement – Eligible Hedged Items'	The amendment prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges.	The amendment does not have a material impact on the consolidated financial statements.
IFRS 7 (Amendment)	Enhancing Disclosures on Financial Instruments	The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by levels of a fair value measurement hierarchy.	The change in accounting policy only results in additional disclosures in the consolidated financial statements.

IASB published changes to 34 standards in May 2008 as part of the annual Improvements to IFRSs project. The following presentation includes the most relevant changes the Group adopted in 2009.

Standard/ interpretation	Topic	Key requirements	Impact on the consolidated financial statements
IAS 1 (Amendment)	Current assets and current liabilities	The amendment clarifies that some rather than all financial assets classified as held for trading in accordance with IAS 39 are current assets or liabilities. Before the amendment some entities classified all derivatives in held for trading category as current. The held for trading category in paragraph 9 of IAS 39 is for measurement purposes and includes financial assets and liabilities that may not be held primarily for trading purposes.	The amendment does not have any material impact on the consolidated financial statements.
IAS 16 and IAS 7 (Amendments)	Renting and subsequent selling of assets	Entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities.	The amendment does not have any material impact on the consolidated financial statements.
IAS 19 (Amendment)	Employee Benefits	The amendment clarifies among others things that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.	The amendment does not have any material impact on the consolidated financial statements.

IAS 20 (Amendment)	Accounting for government grants and disclosure of government assistance	After the amendment the benefit of a below market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39 and the proceeds received with the benefit accounted for in accordance with IAS 20.	The amendment does not have any material impact on the consolidated financial statements.
IAS 23 (Amendment)	Borrowing costs	The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in IAS 39.	The amendment does not have any material impact on the consolidated financial statements.
IAS 27 (Amendment)	Consolidated and separate financial statements	Where an investment in a subsidiary that is accounted for under IAS 39, 'Financial instruments: recognition and measurement', is classified as held for sale under IFRS 5, 'Non-current assets held-for-sale and discontinued operations', IAS 39 would continue to be applied.	The amendment does not have any material impact on the consolidated financial statements.
IAS 28 (Amendment)	Investments in associates	After the amendment, where an investment in associate is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32 and IFRS 7.	The amendment does not have any material impact on the consolidated financial statements.
IAS 28 (Amendment)	Investments in associates	The amendment states that an investment in an associate is treated as a single asset for the purposes of impairment testing. Any impairment loss is not allocated to specific assets included within the investment, for example, goodwill. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases.	The amendment does not have any material impact on the consolidated financial statements.
IAS 31 (Amendment)	Interests in joint ventures	The amendment states that where an investment in joint venture is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32 and IFRS 7.	The amendment does not have any material impact on the consolidated financial statements.
IAS 36 (Amendment)	Impairment of assets	The amendment clarifies that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made.	The amendment does not have any material impact on the consolidated financial statements.
IAS 38 (Amendment)	Intangible assets	The amendment clarifies that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. This means that an expense will be recognised for mail order catalogues when the group has access to the catalogues and not when the catalogues are distributed to customers.	The amendment does not have any material impact on the consolidated financial statements.
IAS 38 (Amendment)	Intangible Assets	The amendment deletes the wording that states that there is 'rarely, if ever' support for use of a method that results in a lower rate of amortisation than the straight-line method.	The amendment does not have any material impact on the consolidated financial statements.
IAS 40 and IAS 16 (Amendments)	Classification of property	Property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable.	The amendment does not have any material impact on the consolidated financial statements.
IAS 41 (Amendment)	Agriculture	The amended standard requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and removes the prohibition on taking into account biological transformation when calculating fair value.	The amendment does not have any material impact on the consolidated financial statements.

In addition to the new standards and interpretations presented in the annual financial statements for 2008, the following standards and interpretations and amendments to existing standards and interpretations issued during the year 2009 will be adopted by the Group in 2010:

Standard/ interpretation	Topic	Key requirements	Impact on the consolidated financial statements
IFRIC 18	Transfers of Assets from Customers	The interpretation clarifies the requirements of IFRS standards for agreements in which an entity receives from a customer an item of property, plant and equipment or cash to be invested in such an item that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.	The interpretation does not have an impact on the consolidated financial statements.
IFRIC 9 and IAS 39 (Amendment)*	Reassessment of embedded derivatives on reclassification	The amendments to IFRIC 9 and IAS 39 clarify that on reclassification of a financial asset out of the 'at fair value through profit or loss' category all embedded derivatives have to be assessed and, if necessary, separately accounted for in financial statements.	The interpretation does not have an impact on the consolidated financial statements.
IFRS 2 (Amendment)*	Share-based Payment – Group Cash-settled Share-based Payment Transactions	The amendment to IFRS 2 clarifies that an entity that receives goods or services from its suppliers must apply IFRS 2 even though the entity has no obligation to make the required share-based cash payments.	The interpretation does not have an impact on the consolidated financial statements.
IFRS 1 (Amendment)*	First-time adoption of Financial Instruments – Additional Exemptions for First-time Adopters	The amendment sets out additional exemptions for entities that apply IFRS for the first time.	The interpretation does not have an impact on the consolidated financial statements as the Group is not a first time adopter of IFRSs.

IASB published changes to 12 standards or interpretations in April 2009 as part of the annual Improvements to IFRS project, which will be adopted by the Group in 2010. The following presentation includes the most relevant changes to the Group.*

Standard/ interpretation	Topic	Key requirements	Impact on the consolidated financial statements
IFRS 2 (Amendment)	Scope of IFRS 2 – Share-based Payment	The amendment is to confirm that in addition to business combinations as defined by IFRS 3 (revised) 'Business combinations', contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2, 'Share-based payment'.	Management is assessing the impact of these changes on the financial statements of the Group.
IFRS 5 (Amendment)	Non-current Assets Held for Sale and Discontinued Operations	The amendment to clarify that IFRS 5, 'Non-current assets held for sale and discontinued operations', specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. Also clarifies that the general requirements of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.	Management is assessing the impact of these changes on the financial statements of the Group.
IFRS 8 (Amendment)	Operating Segments	Minor textual amendment to the standard, and amendment to the basis for conclusions, to clarify that an entity is required to disclose a measure of segment assets only if that measure is regularly reported to the chief operating decision-maker.	Management is assessing the impact of these changes on the financial statements of the Group.
IAS 1 (Amendment)	Presentation of Financial Statements	The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.	Management is assessing the impact of these changes on the financial statements of the Group.
IAS 7 (Amendment)	Statement of Cash Flows	The amendment to require that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities.	Management is assessing the impact of these changes on the financial statements of the Group.

IAS 17 (Amendment)	Leases	The amendment deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating using the general principles of IAS 17.	The amendment does not have a material impact on the consolidated financial statements.
IAS 18 (Amendment)	Revenue	Additional guidance added to the appendix to IAS 18 Revenue regarding the determination as to whether an entity is acting as a principal or an agent.	The amendment does not have a material impact on the consolidated financial statements.
IAS 36 (Amendment)	Impairment of Assets	The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined in IFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics permitted by IFRS 8).	Management is assessing the impact of these changes on the financial statements of the Group.
IAS 38 (Amendment)	Intangible Assets	The amendment clarifies the requirements under IFRS 3 (2008) regarding accounting for intangible assets acquired in a business combination.	Management is assessing the impact of these changes on the financial statements of the Group.
IAS 38 (Amendment)	Intangible Assets	The amendment clarify the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.	Management is assessing the impact of these changes on the financial statements of the Group.
IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	The amendment clarifies that pre-payment options, the exercise price of which compensates the lender for loss of interest by reducing the economic loss from reinvestment risk should be considered closely related to the host debt contract.	Management is assessing the impact of these changes on the financial statements of the Group.
IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	The amendment to the scope exemption in paragraph 2(g) of IAS 39 to clarify that: (a) it only applies to binding (forward) contracts between an acquirer and a vendor in a business combination to buy an acquiree at a future date; (b) the term of the forward contract should not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction; and (c) the exemption should not be applied to option contracts (whether or not currently exercisable) that on exercise will result in control of an entity, nor by analogy to investments in associates and similar transactions.	Management is assessing the impact of these changes on the financial statements of the Group.
IAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	The amendment to clarify when to recognise gains or losses on hedging instruments as a reclassification adjustment in a cash flow hedge of a forecast transaction that results subsequently in the recognition of a financial instrument. The amendment clarifies that gains or losses should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.	Management is assessing the impact of these changes on the financial statements of the Group.
IFRIC 9 (Amendment)	Reassessment of Embedded Derivatives	The amendment to the scope paragraph of IFRIC 9 clarifies that it does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or businesses under common control or the formation of a joint venture.	Management is assessing the impact of these changes on the financial statements of the Group.
IFRIC 16 (Amendment)	Hedges of a net investment in a foreign operation	The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied.	Management is assessing the impact of these changes on the financial statements of the Group.

The following standards, interpretations and amendments will be adopted in 2011 or later:

Standard/ interpretation	Topic	Key requirements	Impact on the consolidated financial statements
IAS 32 (Amendment)	Financial Instruments: Presentation – Classification of Rights Issues	The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.	The Group will adopt the amendment in its 2011 financial statements. Management is assessing the impact of this interpretation on the financial statements of the Group.
IAS 24 (Revised)*	Related Party Disclosures	The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard still requires disclosures that are important to users of financial statements but eliminates requirements to disclose information that is costly to gather and of less value to users. It achieves this balance by requiring disclosure about these transactions only if they are individually or collectively significant.	The Group will adopt the revised standard in its 2011 financial statements. Management is assessing the impact of this interpretation on the financial statements of the Group.
IFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	The interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor. IFRIC 19 requires a gain or loss to be recognised in profit or loss when a liability is settled through the issuance of the entity's own equity instruments. The amount of the gain or loss recognised in profit or loss will be the difference between the carrying value of the financial liability and the fair value of the equity instruments issued.	The Group will adopt the interpretation in its 2011 financial statements. Management is assessing the impact of this interpretation on the financial statements of the Group.
IFRIC 14 (Amendment)*	Prepayments of a Minimum Funding Requirement	The amendment is aimed at correcting an unintended consequence of IFRIC 14. As a result of the interpretation, entities are in some circumstances not permitted to recognise some prepayments for minimum funding contributions as an asset. The amendment remedies this unintended consequence by requiring prepayments in appropriate circumstances to be recognised as assets.	The Group will adopt the amendment in its 2011 financial statements. Management is assessing the impact of this interpretation on the financial statements of the Group.
IFRS 9*	Financial Assets – Classification and Measurement	The standard represents the first milestone in the IASB's planned replacement of IAS 39. It addresses classification and measurement of financial assets. The next steps involve reconsideration and re-exposure of the classification and measurement requirements for financial liabilities, impairment testing methods for financial assets, and development of enhanced guidance on hedge accounting.	The Group will adopt the standard in its 2013 financial statements. The standard will have major impacts on accounting for financial instruments, and the management is currently starting to assess them.

** The standard, interpretation or amendment to published standard or interpretation is still subject to endorsement by the European Union.*

Use of estimates

The preparation of the financial statements in conformity with IFRS standards requires the management of the Group to make estimates and assumptions in applying the accounting principles. These estimates and assumptions have an impact on the reported amounts of assets and liabilities and disclosure of contingent liabilities in the balance sheet of the financial statements and on the reported amounts of income and expenses during the reporting period. Estimates have substantial impact on the Group's operating result. Estimates and assumptions have been used in impairment of goodwill, fair value of fund investments, intangible and tangible assets, in determining the useful economic lives and in reporting of deferred taxes, among others.

Valuation of fund investments

The determination of fair value of fund investments using the International Private Equity and Venture Capital Valuation Guidelines takes into account a range of factors, including the price at which the 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 judgement. 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.

Valuation of goodwill

Impairment testing for goodwill is performed annually. The most significant management assumptions in the recoverable amount of the asset are related to the timing and size of new funds to be established and the accrual of potential carried interest income. The management fees received by the funds are based on agreements and, for a fund's operational period of approximately ten years, the yield can be predicted quite reliably. The estimates and assumptions include new funds to be established for the continuity of operations. A new fund is established at the end of the investment period, typically four years. Carried interest income is taken into account in estimates and assumptions when the realisation of carry seems likely.

2. Segment information

CapMan has two operating segments: the Management Company business and the Fund Investment business. The Management Company business is subdivided into two business areas: CapMan Private Equity, which manages funds that invest in portfolio companies, and CapMan Real Estate, which manages funds that invest in real estate and provides real estate consulting. Income from the Management Company business is derived from management fees paid by funds, carried interest received from funds, and income generated by real estate consulting. The Fund Investment business comprises fund investments made from CapMan Plc's balance sheet and investments in Maneq funds. Income from the Fund Investment business is derived from realised returns on fund investments and changes in the fair value of investments.

Operating segments

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

	Management Company business			Fund investment business	Total
2008	CapMan Private Equity	CapMan Real Estate	Total		
Turnover	29,273	7,517	36,790	0	36,790
Operating profit/loss	7,607	-284	7,323	-13,621	-6,298
Profit/loss for the financial year	6,766	-284	6,482	-14,540	-8,058
Assets	16,763	2,299	19,062	80,701	99,763
Total assets includes:					
Investments in associated companies	1,575	0	1,575	0	1,575

3. Acquisitions

CapMan Group acquired the private equity house Norum in 2008. In the first stage of the transaction, 51% of Norum Russia III fund's management company's and 100% of the fund's advisory company's share capital and voting rights were transferred to the ownership of CapMan Plc. The acquistion price decreased to €7.3 million during the 2009 financial year. CapMan Plc paid the additional purchase price of €0.3 to the sellers in cash and in CapMan Plc shares owned by the company. Furthermore CapMan Plc acquired the remaining 49% Norum shares in April 2009. The purchase price for the remaining shares was €3.6 million, of which CapMan Plc paid €1,8 million in cash and approx. €1.8 million through a directed issue to the sellers. Norum has been consolidated as a 100% subsidiary of CapMan since September 2008, due to a put-call option.

4. Other operating income

€ ('000)	2009	2008
Gains from sales of tangible assets	**91**	0
Other items	**46**	108
Total	**137**	108

5. Employee benefit expenses

€ ('000)	2009	2008
Salaries and wages	**15,138**	13,484
Pension expenses – defined contribution plans	**2,498**	2,430
Share-based compensation expenses	**37**	25
Other personnel expenses	**791**	928
Total	**18,464**	16,867

Employee benefit expenses include costs for sabbaticals. Remuneration for management is presented in Table 32. Related party disclosures. The share-based compensations recognized in the income statement are based on the fair value of the instrument which is measured using the Black & Scholes option pricing model. The counter-entry to the expenses entered in the income statement is retained earnings, and therefore the expense has no effect on total equity. The terms of the stock option programmes are presented in Table 31. Share-based payments.

Personnel at the end of period	2009	2008
By country		
Finland	**107**	102
Denmark	**3**	3
Sweden	**21**	19
Norway	**7**	6
Russia	**12**	11
In total	**150**	141
By team		
CapMan Private Equity	**61**	54
CapMan Real Estate	**42**	43
Investor Services	**23**	24
Internal Services	**24**	20
In total	**150**	141
Average number of people employed	**145**	126

6. Depreciation

€ ('000)	2009	2008
Depreciation by asset type		
Intangible assets		
Other intangible assets	**652**	356
Total	**652**	356
Tangible assets		
Machinery and equipment	**305**	279
Total	**305**	279
Total depreciation	**957**	635

7. Other operating expenses

€ ('000)	2009	2008
Included in other operating expenses:		
Other personnel expenses	**1,425**	1,729
Office expenses	**2,646**	2,283
Travelling and entertainment	**1,118**	1,184
External services	**4,086**	3,455
Other operating expenses	**3,570**	3,670
Total	**12,845**	12,321
Audit fees		
Audit fees	**249**	121
Taxadvices	**5**	4
Other fees and services	**83**	8
Total	**337**	133

8. Fair value gains/losses of investments

€ ('000)	2009	2008
Investments at fair value through profit and loss		
Gains/losses of investments, realized	**-758**	336
Fair value gains/losses of investments, unrealized	**-2,564**	-13,709
Total	**-3,322**	-13,373

9. Finance income and costs

€ ('000)	2009	2008
Finance income		
Interest income, loan receivables	**1,547**	1,312
Interest income, deposits	**369**	612
Interest and finance income, derivative instruments	**0**	345
Exchange gains	**41**	182
Total	**1,957**	2,451
Finance costs		
Interest expenses/loans	**-988**	-1,863
Interest and finance expenses, derivative instruments	**-899**	-2,580
Other interest and finance expenses	**-165**	0
Exchange losses	**-91**	-2
Total	**-2,143**	-4,445

10. Share of associated companies' result

€ ('000)	2009	2008
Share of associated companies' result	**1,293**	-2,378
Total	**1,293**	-2,378

11. Income taxes

€ ('000)	2009	2008
Current income tax	**926**	964
Taxes for previous years	**279**	-55
Deferred taxes	**-129**	-3,521
Total	**1,076**	-2,612
Income tax reconcilliation		
Profit/loss before taxes	**1,214**	-10,670
Tax calculated at the domestic corporation tax rate of 26%	**316**	-2,774
Effect of different tax rates outside Finland	**95**	199
Tax exempt income	**-218**	-165
Non-deductible expenses	**28**	32
Impairment of goodwill	**182**	0
Effect of consolidation	**394**	41
Taxes for previous years	**279**	55
Income taxes in the Group Income Statement	**1,076**	-2,612

12. Earnings per share

Basic earnings per share are calculated by dividing the distributable retained profit for the financial year by the average share issue adjusted number of shares, excluding shares that have been purchased by the Company and are presented as the Company's own shares. Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	2009	2008
Attributable to the equity holders of the Company, € ('000)	**-210**	-8,209
Interest expense on hybrid bond (net of tax)	**-2,306**	0
Profit/loss used determine diluted earnings per share	**-2,516**	-8,209
Weighted average number of shares ('000)	**83,042**	80,569
Own shares ('000)	**-26**	-136
Weighted average number of shares ('000)	**83,016**	80,433
Effect of options ('000)	**4,020**	2,698
Weighted average number of shares adjusted for the effect of dilution ('000)	**87,036**	83,131
Earnings per share (basic), cents	**-3.0**	-10.2
Earnings per share (diluted), cents	**-3.0**	-10.2

13. Tangible assets

€ ('000)	2009	2008
Machinery and equipment		
Acquisition cost at 1 January	**1,737**	2,364
Additions	**244**	1,081
Disposals	**-163**	-1,665
Translation difference	**0**	-43
Acquisition cost at 31 December	**1,818**	1,737
Accumulated depreciation at 1 January	**-793**	-1,665
Accumulated depreciation in changes	**60**	1,111
Depreciation for the financial year	**-365**	-279
Translation difference	**-2**	40
Accumulated depreciation at 31 December	**-1,100**	-793
Book value on 31 December	**718**	944
Other tangible assets		
Acquisition cost at 1 January	**120**	5
Additions	**0**	115
Book value on 31 December	**120**	120
Tangible assets total	**838**	1,064

14. Goodwill

€ ('000)	2009	2008
Acquisition cost at 1 January	**14,188**	7,271
Additions	**0**	6,917
Disposals	**-817**	0
Acquisition cost at 31 December	**13,371**	14,188
Accumulated impairment at 1 January	**-2,426**	-2,426
Impairment	**-700**	0
Accumulated impairment at 31 December	**-3,126**	-2,426
Book value on 31 December	**10,245**	11,762

Impairment testing of goodwill

The majority of goodwill consists of CapMan's acquisition on 27 August 2008 of private equity house Norum, whose goodwill was €5.7 million as at 31 December 2009, and CapMan's 2002 acquisition of Swedestart Management AB, whose remaining goodwill was €3.8 million as at 31 December 2009.

In the 2002 acquisition of Swedestart Management AB, CapMan acquired operations related to the management of certain funds as well as a skilled technology and life science investment team. The management of these Swedish funds and the advisory service provided by the technology and life science teams to the rest of the management companies form a cash-generating unit. Potential impairment has been tested by using estimated future discounted cash flows. Cash flow projections have been prepared for five years, and periods beyond management's review period have been extrapolated taking into consideration the average business cycle. The management fees of the current funds are based on long-term agreements and the income is discounted using an 8.58% (2008: 8.42%) discount rate. Potential carried interest income has not been taken into account. Based on the impairment test, a €0.7 million impairment loss was booked during the financial year because currently there are no plans to establish new life science funds.

The management of the Russian funds form a cash generating unit. Cash flow projections have been prepared for 10 years with no residual value consideration. The cash flow is based on a long term contract, whereby the cash flows for the current fund can be reliably estimated. The discount percentage used is 10.59%. There is no significant country risk attached to these cash flows, as they relate to management fees received from international investors. The future carried interest potential from the existing fund is limited and therefore has not been considered.

The carrying amount of goodwill is generally sensitive to the success of fundraising. Goodwill may be impaired in future in the event that new funds are not established, the funds' size is less than estimated or in case of delays in the fundraising process. Carried interest income is taken into consideration only when the funds has entered into carry or it can be reliably be estimated to generate carried interest.

15. Other intangible assets

€ ('000)	2009	2008
Acquisition cost at 1 January	**4,235**	2,503
Additions	**399**	3,045
Disposals	**0**	-1,313
Acquisition cost at 31 December	**4,634**	4,235
Accumulated depreciation at 1 January	**-1,006**	-1,502
Accumulated depreciation in changes	**0**	833
Depreciation for the financial year	**-652**	-356
Translation difference	**-4**	19
Accumulated depreciation at 31 December	**-1,662**	-1,006
Book value on 31 December	**2,972**	3,229

Other intangible assets include software of €1.3 million and the management fee agreement of €1.3 million regarding the purchase of Norum.

16. Shares in associated companies

€ ('000)	2009	2008
Acquisition cost at 1 January	**1,575**	3,407
Share of the result	**940**	772
Additions/disposals	**3,681**	546
Fair value gains/losses on investments	**351**	-3,150
Acquisition cost at 31 December	**6,547**	1,575

The Group's share of the results of its principal associates and its aggregated assets, liabilities, turmover and result are as follows.

2009

Associated companies, € ('000):	Assets	Liabilities	Turnover	Profit/loss	Ownership, %
Access Capital Partners Group S.A., Belgium	7,549	2,124	14,637	2,725	35.00%
BIF Management Ltd, Jersey	75	4	364	4	33.33%
Baltic SME Management B.V., The Netherlands	35	3	124	1	33.33%
Maneq 2002 AB, Sweden	497	299	0	1	35.00%
Maneq 2004 AB, Sweden	1,304	1	27	83	41.94%
Maneq 2005 AB, Sweden	5,502	4,341	0	-2	35.00%
Maneq 2006 AB, Sweden	8,486	7,403	4	-148	41.16%
Maneq 2007 AB, Sweden	9,475	7,088	0	-25	40.00%
Maneq 2008 AB, Sweden	13,197	11,509	0	143	39.50%
Maneq 2009 AB, Sweden	1,918	1,355	0	1	35.80%
Yewtree Holding AB, Sweden	622	467	0	-101	35.00%
Total	48,660	34,594	15,156	2,682	

2008

Associated companies, € ('000):	Assets	Liabilities	Turnover	Profit/loss	Ownership, %
Access Capital Partners Group S.A., Belgium	10,270	4,814	18,198	3,335	35.00%
BIF Management Ltd, Jersey	70	4	380	4	33.33%
Baltic SME Management B.V., The Netherlands	34	4	135	1	33.33%
Maneq 2002 AB, Sweden	386	310	114	62	35.00%
Maneq 2004 AB, Sweden	1,226	1	0	-55	41.90%
Maneq 2005 AB, Sweden	4,560	4,078	0	-149	35.00%
Maneq 2006 AB, Sweden	8,205	7,070	41	-10	40.00%
Maneq 2007 AB, Sweden	9,244	8,147	0	-170	40.00%
Maneq 2008 AB, Sweden	11,741	7,194	0	-177	40.00%
Yewtree Holding AB, Sweden	865	1,313	0	-563	35.00%
Total	46,601	32,935	18,868	2,278	

The team members of CapMan's investment teams and other personnel have the option to invest in portfolio companies alongside CapMan via Maneq funds. CapMan participates in these funds as one of the investors and as a finance provider with market-based conditions.

Access Capital Partners manages funds of funds and private equity investment mandates. The funds invest mainly in European-based funds.

17. Investments at fair value through profit and loss

€ ('000)	2009	2008
Investments in funds		
Investments in funds at 1 January	**53,147**	44,230
Additions	**13,038**	26,326
Disposals	**-4,202**	-3,700
Fair value gains/losses of investments	**-2,562**	-13,709
Investments in funds at 31 December	**59,421**	53,147

The cumulative fair value losses of investments in funds is € -7.3 million (2008: € -4.8 million).

Investments in funds at fair value through profit and loss at the end of period	2009	2008
Buyout	**34,233**	29,301
Technology	**3,616**	5,843
Life Science	**3,683**	2,053
Russia	**1,049**	1,919
Public Market	**3,422**	0
Mezzanine	**4,000**	2,570
Other	**364**	340
Real Estate	**4,296**	5,088
Access	**4,758**	6,033
Total	**59,421**	53,147
Other financial assets		
Other investments at 1 January	**828**	878
Additions/disposals	**-243**	-50
Other investments at 31 December	**585**	828

Investments at fair value through profit and loss mainly include CapMan's own investments in funds. The valuation principles are presented in Note 1. Accounting principles.

18. Receivables – Non-current

€ ('000)	2009	2008
Loan receivables from associated companies [1]	**22,598**	21,257
Other loan receivables [2]	**2,050**	1,909
Other receivables [3]	**656**	1,285
Total	**25,304**	24,451

Receivables mainly include fixed-interest loan receivables from funds. Loan receivables from associated companies are presented in Table 32. Related party disclosures. Other loan receivables include receivables from Maneq 2002 Ky of €0.8 million, Maneq 2004 Ky of €0.3 million and Leverator Plc of €0.6 million. Non-current receivables have a fair value equal to their book value.

[1] Loan receivables from associated companies	2009	2008
Senior loans	**11,235**	9,287
Mezzanine loans	**11,013**	10,945
Other loans receivables	**350**	1,025
	22,598	21,257

[2] Other loan receivables	2009	2008
Mezzanine loans	**1,210**	800
Subordinated loan	**600**	600
Other loans receivables	**240**	509
	2,050	1,909

Senior loans, mezzanine loans and other loan receivables are interest-bearing.
[3] Other long-term receivables are non-interest-bearing.

19. Deferred tax assets and liabilities

€ ('000)

Changes in deferred taxes during 2009:	31.12.2008	Charged to Income Statement	Charged in equity	31.12.2009
Deferred tax assets				
Accrued differences	3,707	-596	0	3,111
Fair value gains/losses of investments	0	2,197	0	2,197
Employee benefits	0	87	0	87
Interest expense on hybrid bond	0	0	782	782
Total	3,707	1,688	782	6,177
Deferred tax liabilities				
Accrued differences	1,897	-54	-19	1,824
Fair value gains/losses of investments	-1,375	1,375	0	0
Employee benefits	-238	238	0	0
Total	284	1,559	-19	1,824

Changes in deferred taxes during 2008:	31.12.2007	Charged to Income Statement	Charged in equity	31.12.2008
Deferred tax assets				
Accrued differences	3,547	160	0	3,707
Total	3,547	160	0	3,707
Deferred tax liabilities				
Accrued differences	1,689	208	0	1,897
Fair value gains/losses of investments	2,188	-3,563	0	-1,375
Employee benefits	-143	-95	0	-238
Total	3,734	-3,450	0	284

20. Trade and other receivables

€ ('000)	2009	2008
Trade receivables	**1,043**	1,891
Receivables from associated companies	**779**	2,196
Loan receivables	**1,901**	133
Accrued income	**2,469**	5,249
Other receivables	**4,099**	3,496
Total	**10,291**	12,965

The Group has had no bad debts. Accrued income mainly includes credit items and tax receivables. Other receivables mainly include receivables from funds.

Trade and other receivables by currency at end of year

Trade and other receivables	Amount in foreign currency	Amount in euros	Proportion
EUR		7,698	75%
NOK	216	26	0%
SEK	25,231	2,461	24%
DKK	789	106	1%

21. Other financial assets at fair value

€ ('000)	2009	2008
Other financial assets at fair value	**1,673**	942
Total	**1,673**	942

Other financial assets at fair value includes deposits of €1.3 million and shares in external investment fund companies of €0.4 million.

22. Cash and bank

€ ('000)	2009	2008
Bank accounts	**17,978**	24,330
Total	**17,978**	24,330

Cash and bank includes bank accounts.

23. Share capital and shares

€ ('000)	Number of A shares ('000)	Number of B shares ('000)	Total ('000)
At 31 December 2007	6,000	73,969	79,969
Share issue		983	983
Shares subscribed with options		507	507
Other change		-136	-136
At 31 December 2008	6,000	75,323	81,323
Share issue		2,216	2,216
Shares subscribed with options		607	607
Other change		109	109
At 31 December 2009	6,000	78,255	84,255

CapMan Plc has two series of shares, A (10 votes) and B (1 vote). Shares have no nominal value. The total authorised number of ordinary shares is 156,000,000 A shares and 156,000,000 B shares. All issued shares are fully paid.

€ ('000)	Share capital	Share premium account	Other reserves	Total
At 31 December 2007	772	38,968	2,961	42,701
Share issues			2,392	2,392
Share subscriptions with options			639	639
Options			112	112
Own shares purchased			-275	-275
Hybrid bond			20,000	20,000
At 31 December 2008	772	38,968	25,829	65,569
Share issues			1,795	1,795
Share subscriptions with options			723	723
Hybrid bond			9,000	9,000
At 31 December 2009	772	38,968	37,347	77,087

Other reserves

Other reserves include granted stock option subscription rights. The stock option programmes are presented in Table 31. Share-based payments. The hybrid bond is included in other reserves under equity in the balance sheet. The coupon rate for the bond is 11.25% p.a. The coupun rate for The bond has no maturity but the company may call the bond on 18 December 2013.

Translation difference

The foreign currency translation reserve includes translation differences arising from currency conversion in the closing of the books for foreign units.

Dividends paid and proposal for profit distribution

No dividend was paid fo the 2008 financial year. (2007: €0.16 per share, representing a total of €12.8 million). The Board of Directors will propose to the Annual General Meeting to be held on 30 March 2010 that a dividend of €0.04 per share, representing a total of €3.4 million, be paid for 2009.

Redemption obligation clause

A shareholder whose share of the entire share capital or the voting rights of the company reaches or exceeds 33.3% or 50% is, at the request of other shareholders, obliged to redeem his or her shares and related securities in accordance with the Articles of Association of CapMan Plc.

In addition, there is a redemption clause pertaining to the transfer of CapMan Plc A shares. If an A share is transferred to a new shareholder who does not already own A shares in the company, the other shareholders of A shares have the right to redeem the shares under transfer in accordance with the conditions outlined in the company's Articles of Association.

Ownership and voting rights agreements

As at 31 December 2008, CapMan Plc had no knowledge of agreements or arrangements related to the company's ownership and voting rights that were likely to have a substantial impact on the share value of CapMan Plc.

Distribution of A and B shareholdings by number of shares and sector as at 31 December 2009

Shareholding	Number of holdings	%	Number of shares	%	Number of votes	%
1–100	965	20.21%	43,981	0.05%	43,981	0.03%
101–1000	2,276	47.67%	1,196,072	1.42%	1,196,072	0.86%
1001–10000	1,313	27.50%	4,253,474	5.05%	4,253,474	3.08%
10001–100000	165	3.46%	4,489,247	5.33%	4,489,247	3.25%
100001–	55	1.15%	74,280,233	88.13%	128,280,233	92.77%
Total	4,774	100.00%	84,263,007	99.98%	138,263,007	99.99%
Nominee registered	9		22,687,499	26.92%	22,687,499	16.41%
In the book-entry register joint account			18,759	0.02%	18,759	0.01%
Total shares outstanding			84,281,766	100.00%	138,281,766	100.00%

Sector	Number of holdings	%	Number of shares	%	Number of votes	%
Corporations	257	5.38%	26,442,617	31.37%	53,442,617	38.65%
Financial and insurance corporations	18	0.38%	25,785,688	30.59%	25,785,688	18.65%
Public sector institutions	5	0.10%	4,905,748	5.82%	4,905,748	3.55%
Households	4,446	9.13%	12,880,929	15.28%	12,880,929	9.31%
Non-profit organisations	26	0.54%	3,522,374	4.18%	3,522,374	2.55%
European Union	21	0.44%	7,417,367	8.80%	34,417,367	24.89%
Other countries and international organisations	1	0.02%	3,308,284	3.93%	3,308,284	2.39%
Total	4,774	100.00%	84,263,007	99.98%	138,263,007	99.99%
Nominee registered	9		22,687,499	26.92%	22,687,499	16.41%
In the book-entry register joint account			18,759	0.02%	18,767	0.01%
Total shares outstanding			84,281,766	100.00%	138,281,766	100.00%

Source: Finnish Central Securities Depository Ltd, as at 31 December 2009. Figures are based on the total number of shares 84,281,766 and total number of shareholders 4,774. There are 6,000,000 A shares, which are owned by companies under the control or authority of CapMan Plc's Senior Partners. CapMan Plc had 26,229 B shares as at 31 December 2009.

CapMan's largest shareholders as at 31 December 2009

	Number of A shares	Number of B shares	Total number of shares	Proportion of shares, %	Number of votes	Proportion of votes, %
Aristo Invest Oy + Ari Tolppanen*	**1,220,200**	**7,418,720**	**8,638,920**	**10.25%**	**19,620,720**	**14.19%**
Aristo Invest Oy	1,220,200	7,218,192	8,438,392	10.01%	19,420,192	14.04%
Ari Tolppanen		200,528	200,528	0.24%	200,528	0.15%
CapMan Partners B.V.**	**3,000,000**	**2,000,000**	**5,000,000**	**5.93%**	**32,000,000**	**23.14%**
Winsome Oy + Tuomo Raasio*	**680,663**	**3,080,873**	**3,761,536**	**4.46%**	**9,887,503**	**7.15%**
Winsome Oy	680,663	2,867,129	3,547,792	4.21%	9,673,759	7.00%
Tuomo Raasio		213,744	213,744	0.25%	213,744	0.15%
Vesasco Oy		**3,375,158**	**3,375,158**	**4.00%**	**3,375,158**	**2.44%**
Norum Russia Carry Limited		**3,308,284**	**3,308,284**	**3.93%**	**3,308,284**	**2.39%**
(Hans Christian Dall Nygård*, Knut J. Borch***, Alberto Morandi***)**						
Heiwes Oy + Heikki Westerlund*	**258,020**	**2,718,260**	**2,976,280**	**3.53%**	**5,298,460**	**3.83%**
Heiwes Oy	258,020	2,440,584	2,698,604	3.20%	5,020,784	3.63%
Heikki Westerlund		277,676	277,676	0.33%	277,676	0.20%
Geldegal Oy + Olli Liitola*	**796,564**	**1,982,520**	**2,779,084**	**3.30%**	**9,948,160**	**7.19%**
Geldegal Oy	796,564	1,518,776	2,315,340	2.75%	9,484,416	6.86%
Mom Invest Oy		250,000	250,000	0.30%	250,000	0.18%
Olli Liitola		213,744	213,744	0.25%	213,744	0.15%
The State Pension Fund		**2,500,000**	**2,500,000**	**2.97%**	**2,500,000**	**1.81%**
Åbo Akademi University Foundation		**2,000,000**	**2,000,000**	**2.37%**	**2,000,000**	**1.45%**
Varma Mutual Pension Insurance Company		**1,712,924**	**1,712,924**	**2.03%**	**1,712,924**	**1.24%**
OP-Finland Small Firms Fund		**1,537,296**	**1,537,296**	**1.82%**	**1,537,296**	**1.11%**
Degato International SARL (Lennart Jacobsson*)**		**1,129,217**	**1,129,217**	**1.34%**	**1,129,217**	**0.82%**
Novestra Ab + Peter Buch Lund		**1,100,918**	**1,100,918**	**1.31%**	**1,100,918**	**0.80%**
Novestra Ab		1,000,918	1,000,918	1.19%	1,000,918	0.72%
Peter Buch Lund		100,000	100,000	0.12%	100,000	0.07%
Svenska litteratursällskapet i Finland r.f.		**1,050,000**	**1,050,000**	**1.25%**	**1,050,000**	**0.76%**
Guarneri Oy + Petri Saavalainen*	**44,553**	**882,663**	**927,216**	**1.10%**	**1,328,193**	**0.96%**
Guarneri Oy	44,553	567,775	612,328	0.73%	1,013,305	0.73%
Petri Saavalainen		314,888	314,888	0.37%	314,888	0.23%
Icecapital Pankkiiriliike Oy		**903,124**	**903,124**	**1.07%**	**903,124**	**0.65%**
Leif Jensen		**699,469**	**699,469**	**0.83%**	**699,469**	**0.51%**
Joensuun Kauppa ja Kone Oy		**590,000**	**590,000**	**0.70%**	**590,000**	**0.43%**
Nordea Life Assurance Finland Ltd		**550,638**	**550,638**	**0.65%**	**550,638**	**0.40%**
Ilmarinen Mutual Pension Insurance Company		**548,500**	**548,500**	**0.65%**	**548,500**	**0.40%**
Total	**6,000,000**	**39,088,564**	**45,088,564**	**53.49%**	**99,088,564**	**71.62%**
Nominee-registered		22,687,499	22,687,499			
Shareholdings of management and employees****	6,000,000	24,272,200	30,272,200	35.92%	84,272,200	60.94%

** Employed by CapMan.*
*** The shareholding of CapMan Partners B.V. is equally divided among corporations under the control by CapMan's Senior Partners.*
**** CapMan employee who exercises controlling power in the aforementioned company but who does not own CapMan shares directly.*
***** Shareholders among the company's 100 largest shareholders.*

24. Interest-bearing loans and borrowings – Non-current

€ ('000)	2009	2008
Bank loans	**40,625**	43,125
Total	**40,625**	43,125

The loan will mature twice a year. The last part, €25 million, will mature on 22 July 2013. Interest is paid monthly.

25. Other liabilities – Non-current

€ ('000)	2009	2008
Other liabilities	**2,291**	6,600
Total	**2,291**	6,600

Other non-current liabilities include a sabatical allocation of €1.1 million and €1.2 million related to the fair value of derivative contracts.

26. Derivative instruments at fair value

€ ('000)	2009	2009	2009
Fair values	Positive fair value (balance sheet value)	Negative fair value (balance sheet value)	Net value
Unhedged items	0	-1,154	-1,154
	2008	2008	2008
Fair values	Positive fair value (balance sheet value)	Negative fair value (balance sheet value)	Net value
Unhedged items	12	-1,251	-1,239

The interest rate level of the Group's interest-bearing debts is hedged by interest rate options. They are recognised in the balance sheet at fair value on the closing date. The Group does not use derivative instruments for hedging purposes. Currency receivables and payables, their net position or subsidiaries' equity are not hedged.

27. Trade and other payables – Current

€ ('000)	2009	2008
Trade payables	**612**	798
Advance payments received	**0**	616
Accrued expenses	**10,574**	11,402
Other liabilities	**1,650**	2,935
Total	**12,836**	15,751

The maturity of trade payables is normal terms of trade and they do not include any debts due. Accrued expenses include accrued salaries and the social benefit expenses, and a clawback reserve of €6.4 million for the carried interest. The clawback reserve relates to the exit in 2007 from Real Estate I fund, when the total carried interest potential for the fund was estimated. The adequacy of the clawback reserve is reviewed quarterly by management.

Trade and other liabilities by currency at end of year

Trade and other liabilities	Amount in foreign currency	Amount in euros	Proportion
EUR		11,613	90%
NOK	2,270	274	2%
SEK	7,776	759	6%
DKK	1,414	190	2%

28. Interest-bearing loans and borrowings – Current

€ ('000)	2009	2008
Bank loans		
Current portion of long term loans	**6,250**	2,875
Total	**6,250**	2,875

As at 31 December 2008, the Group had a €10 million committed revolving credit facility available. The facility was not utilised at year-end. The ending date for the facility is 30 September 2010.

29. Classification of financial assets and liabilities by valuation category in 2009

€ ('000)	Loans and other recivables	Fair value through P/L	Financial liabilities	Balance sheet value	Fair value
Valuation principles	**Amortised cost**	**Fair value**	**Amortised cost**		
Non-current assets					
Other investments					
Investments available-for-sale		59,421		59,421	59,421
Receivables					
Interest-bearing loan receivables from associated companies	22,598			22,598	22,598
Interest-bearing other loan receivables	2,050			2,050	2,050
Other receivables	656			656	656
Current assets					
Trade and other receivables	10,291			10,291	10,291
Other financial assets at fair value		1,673		1,673	1,673
Cash and bank	17,978			17,978	17,978
Total	53,573	61,094	0	114,667	114,667
Non-current interest-bearing loans					
Interest-bearing loans			40,625	40,625	40,625
Other liabilities			2,291	2,291	2,291
Current liabilities					
Trade and other liabilities			12,227	12,227	12,227
Interest-bearing loans and borrowings			6,250	6,250	6,250
Total	0	0	61,393	61,393	61,393

Classification of financial assets and liabilities by valuation category in 2008

€ ('000)	Loans and other recivables	Fair value through P/L	Financial liabilities	Balance sheet value	Fair value
Valuation principles	**Amortised cost**	**Fair value**	**Amortised cost**		
Non-current assets					
Other investments					
Investments available-for-sale		53,975		53,975	53,975
Receivables					
Interest-bearing loan receivables from associated companies	21,257			21,257	21,257
Interest-bearing other loan receivables	1,909			1,909	1,909
Trade and other receivables	1,285			1,285	1,285
Current assets					
Trade and other receivables	12,965			12,965	12,965
Other financial assets at fair value		942		942	942
Cash and bank	24,330			24,330	24,330
Total	61,746	54,917	0	116,663	116,663
Non-current interest-bearing loans					
Interest-bearing loans			43,125	43,125	43,125
Other liabilities			6,600	6,600	6,600
Current liabilities					
Trade and other liabilities			15,751	15,751	15,751
Interest-bearing loans and borrowings			2,875	2,875	2,875
Total	0	0	68,351	68,351	68,351

30. Commitments and contingent liabilities

€ ('000)	2009	2008
Leasing agreements – CapMan Group as lessee		
Operating lease commitments		
Within one year	**347**	238
After one but not more than five years	**415**	300
Total	**762**	538
Other hire purchase commitments		
Within one year	**2,070**	1,483
After one but not more than five years	**5,997**	3,854
Beyond five years	**2,098**	3,212
Total	**10,165**	8,549

The Group has leased its offices. The rental agreements are for 1 to 15 years. Index, renewal and other terms of the agreements differ from each other.

€ ('000)	2009	2008
Securities and other contingent liabilities		
Contingencies for own commitment		
Mortgage bonds	**60,000**	60,000
Pledged deposit for own commitment	**15**	12
Loan commitments to Maneq funds	**5,146**	8,292
Other contingent liabilities	**3,004**	1,300
Remaining commitments to funds		
Equity funds		
CapMan Equity VII	**896**	1,780
CapMan Buyout VIII	**8,435**	11,965
CapMan Life Science IV	**4,140**	5,655
CapMan Technology Fund 2007	**4,393**	10,760
CapMan Public Market Fund	**2,669**	15,000
CapMan Russia Fund	**4,067**	11,090
CapMan Buyout IX	**12,081**	13,000
Other	**1,178**	1,195
	37,859	70,445
Mezzanine funds		
CapMan Mezzanine IV L.P.	**754**	972
CapMan Mezzanine IV Classic Ky	**113**	1,477
Other	**43**	55
	910	2,504
Fund of funds		
Access Capital LP II	**1,825**	1,925
Other	**448**	481
	2,273	2,406
Real estate funds		
CapMan Real Estate I Ky	**115**	350
CapMan RE II Ky	**908**	1,092
CapMan RE Hotels Ky	**559**	437
	1,582	1,879
Remaining commitments to funds	**42,624**	77,234

CapMan, like other investors in its funds, gives commitments to funds when they are established. The main part of these commitments become due during the first five years of each fund's life time.

31. Share-based payments

CapMan Plc had one stock option programme at the end of 2009. The Company has a weighty financial reason for the issue of stock options, since the stock options are intended to form part of the Group's incentive and commitment programme for the Group key personnel. Stock options granted after 7 November 2002 and not vesting before 1 January 2005 are entered in the financial statements in accordance with IFRS 2 Share-based Payment. The fair value of stock options has been assessed at the grant date and expensed on a straight-line basis in the income statement over the vesting period. The fair value of options at the grant date is determined in accordance with the Black & Scholes model. Key information on the stock option programmes is presented in the table below.

	Stock option programme 2003	Stock option programme 2008	
	Stock option 2003B	Stock option 2008A	Stock option 2008B
Stock options, number	625,000	2,135,000	2,135,000
Entitlement to subscribe for B shares	625,000	2,135,000	2,135,000
Share subscription period begins	1.10.2007	1.5.2011	1.5.2012
Share subscription period ends	31.10.2009	31.12.2012	31.12.2013
Share subscription price	Trade volume weighted average price of the B share on the Helsinki Exchanges 1.6.–30.6.2004 €1.60 less dividends from 2004 onwards i.e. €1.19.	Trade volume weighted average price of the B share on the OMX Nordic Exchange Helsinki 1.5.–30.6.2008 with an addition of ten (10) per cent i.e. €2.69.	Trade volume weighted average price of the B share on the OMX Nordic Exchange Helsinki 1.5.–30.6.2009 with an addition of ten (10) per cent i.e. €1.12.
Number of shares subscribed with stock options as at 31 December 2009	606,801		

Information applied in the Black & Scholes model	Stock option programme 2003 Stock option 2003B	Stock option programme 2008 Stock option 2008A	Stock option 2008B
Expected volatility, %	20.00%	20.00%	20.00%
Risk-fee interest, %	2.75%	2.75%	2.75%

The stock option programme 2003B ended on 31 October 2009. The programme originally included 625,000 stock options with entitlement to subscribe to an equivalent number of CapMan Plc B shares. A total of 606,801 B shares were subscribed for with 2003 stock options in 2009. According to the AGM, subscription prices were recorded in the company's invested unrestricted shareholders' equity.

The lowest trading price of 2003B stock options was €0.01 and the highest was €0.4, with an average trade price of €0.27.

Shares and stock options

	Shares 31.12.2009				Stock options 31.12.2009			
					of shares %	of votes %	of shares %	of votes %
	Number	Distributed stock options 31.12.2009	of shares %	of votes %	if all distributed stock options will be exercised		if all stock options of option programs will be exercised	
A shares	6,000,000		7.1%	43.4%				
B shares	78,281,766		92.9%	56.6%				
2008A options	2,135,000	250,000			0.3%	0.2%	2.5%	1.5%
2008B options	2,135,000	250,000			0.3%	0.2%	2.5%	1.5%

32. Related party disclosures

Subsidiaries	Group ownership of shares, %	Parent company ownership of shares, %
CapMan Capital Management Oy, Finland	100%	100%
Finnmezzanine Oy, Finland	100%	
EastMan Advisors Oy, Finland	100%	
ScanEast Managing Partner Ltd., Guernsey	70%	
CapMan Invest A/S, Denmark	100%	100%
CapMan Sweden AB, Sweden	100%	100%
CapMan Holding AB, Sweden	100%	100%
CapMan AB, Sweden	100%	
CapMan Norway AS, Norway	100%	100%
CapMan (Guernsey) Limited, Guernsey	100%	100%
CapMan Mezzanine (Guernsey) Limited, Guernsey	100%	100%
CapMan (Guernsey) Buyout VIII GP Limited, Guernsey	100%	100%
CapMan (Sweden) Buyout VIII GP AB, Sweden	100%	100%
CapMan Classic GP Oy, Finland	100%	100%
CapMan Real Estate Oy, Finland	80%	80%
Dividum Oy, Finland	80%	80%
Realprojekti Oy, Finland	80%	80%
CapMan RE II GP Oy, Finland	80%	80%
CapMan (Guernsey) Life Science IV GP Limited, Guernsey	100%	100%
CapMan (Guernsey) Technology 2007 GP Limited, Guernsey	100%	100%
CapMan (Sweden) Technology Fund 2007 GP AB, Sweden	100%	100%
CapMan Hotels RE GP Oy, Finland	80%	80%
Public Market Manager S.A., Luxembourg	90%	90%
Norum Private Equity Advisors Ltd, Cyprus	100%	100%
CapMan (Guernsey) Russia GP Ltd, Guernsey	100%	100%
CapMan (Guernsey) Investment Limited, Guernsey	100%	100%
CapMan Germany GmbH, Germany	100%	100%
CapMan (Guernsey) Buyout IX GP Limited, Guernsey	100%	100%
CapMan Fund Investment SICAV-SIF, Luxembourg	58%	58%

Associated companies	Group ownership of shares, %	Parent company ownership of shares, %
Access Capital Partners Group S.A., Belgium	35.00%	35.00%
BIF Management Ltd, Jersey	33.33%	33.33%
Baltic SME Management B.V., The Netherlands	33.33%	33.33%
Maneq 2002 AB, Sweden	35.00%	35.00%
Maneq 2004 AB, Sweden	41.94%	41.94%
Maneq 2005 AB, Sweden	35.00%	35.00%
Maneq 2006 AB, Sweden	41.16%	41.16%
Maneq 2007 AB, Sweden	40.00%	40.00%
Maneq 2008 AB, Sweden	39.50%	39.50%
Maneq 2009 AB, Sweden	35.80%	35.80%
Yewtree Holding AB, Sweden	35.00%	35.00%

Services sold to related parties in 2009
The Group received a return of €0.5 million from the sale of services to Access Capital Partners Group S.A.

Loan receivables from related parties as at 31 December 2009, M€	Non-current loan receivable 2009	Non-current loan receivable 2008
Maneq 2002 AB	**0.3**	0.3
Maneq 2005 AB	**2.3**	2.2
Maneq 2006 AB	**5.2**	5.0
Maneq 2007 AB	**4.9**	5.2
Maneq 2008 AB	**8.2**	7.6
Maneq 2009 AB	**1.3**	0.0
Yewtree Holding AB	**0.3**	1.0

Management remuneration

€ ('000)	2009	2008
Salaries and other short-term employee benefits	**2 816**	3 020
Salaries and fees		
CEO	**324**	467
Deputy CEO	**188**	240
Members of the Board	**174**	168

The retirement age and retirement benefits for the CEO and Deputy CEO are specified according to the statute on employee pensions. The term of notice for the CEO, Deputy CEO and the Company is 12 months, during which time the normal monthly salary is paid.

Board members' holding of share-based payments
As at 31 December 2009, the members of the Board of Directors held no stock options (no stock options at 31 December 2008).

33. Financial risk management

The purpose of financial risk management is to ensure that the Group has adequate and effectively utilised financing as regards the nature and scope of the Group's business. The objective is to minimize the impact of negative market development on the Group with consideration for cost-efficiency. The financial risk management has been centralised and the Group's CFO is responsible for financial risk management and control.

The policy of the management is to constantly monitor cash flow forecasts and the Group's liquidity position on behalf of all Group companies. In addition, the Group's principles for liquidity management include rolling 12-month covenant assessments. The loan covenants are related to equity ratio and net debt / fund investments ratio. During the financial year all the covenants have been fullfilled.

The Group has a Monitoring team, which monitors the performance and the price risk of the investment portfolio (financial assets entered at fair value through profit and loss) independently and objectively of the investment teams. The Monitoring team is responsible for reviewing the monthly reporting and forecasts for portfolio companies. Valuation proposals made by the case investment professionals are examined by the Monitoring team and subsequently approved by the Valuation Committee, which comprises the Group CEO, CFO, Deputy CEO and Heads of investment teams.

a) Liquidity risk
The Group's cash flow is a mix of predictable cash flow from management fees received and highly volatile carried interest income. The third main component in liquidity management is the timing of the capital calls to the funds and the proceeds received from fund investments.

Management fees received from the funds are based on long-term agreements and are targeted to cover the operational expenses of the Group. Management fees are relatively predictable for the coming 12 months.

The timing and receipt of carried interest generated by the funds is uncertain and will contribute to the volatility of the results. Changes in investment and exit activity levels may have a significant impact on cash flows of the Group. A single investment or exit may change the cash flow situation completely and the exact timing of the cash flow is difficult to predict.

CapMan has made commitments to the funds it manages. Most of the existing commitments are typically called in to the funds within the next four years. Management aims to have at least 50% financing capacity available for commitments. As at 31 December 2009, the undrawn commitments to the funds amounted to €42.6 (€77.2 million) and the financing capacity available (cash and third party financing facilities) amounted to €29.6 million (€38.3 million).

The Group has the following financing arrangements:
€10 million short-term loan facility, drawdowns available until October 2010 and not utilised at 31 December 2009. The remaining senior loan in the balance sheet €47 million is fully drawn down, maturity in 2013. Hybrid bond has no maturity date, but it has a call option in 2013 (€29 million drawn at 31 December 2009).

Maturity analysis

31 December 2009, € ('000)	Due within 3 months	Due between 3 and 12 months	Due between 1 and 3 years	Due between 3 and 5 years
Non-current financial liabilities				
Interest-bearing loans and borrowings			40,625	
Current financial liabilities				
Accounts payable	612			
Interest-bearing loans and borrowings	3,125	3,125		
Accrued interests	41			

31 December 2008, € ('000)	Due within 3 months	Due between 3 and 12 months	Due between 1 and 3 years	Due between 3 and 5 years
Non-current financial liabilities				
Interest-bearing loans and borrowings			11,500	31,625
Other financial liabilities				4,439
Current financial liabilities				
Accounts payable	798			
Interest-bearing loans and borrowings		2,875		

b) Interest rate risk
The Group's exposure to interest rate risk arises principally from long-term liabilities. The Group manages cash flow-related interest rate risk by using partly floating interest and floating to fixed interest rate swaps. The objective is that approximately half of the interest rate risk is restored to fixed with regard to the loan maturity date.

The interest rate for the hybrid bond is fixed at 11.25%. Long-term loan receivables from Maneq funds are fixed to five-year interest rate periods.

Loans by interest rate

€ ('000)	2009	2008
Floating rate	27,875	27,000
Floor and ceiling contracts	4,000	4,000
Fixed rate	15,000	15,000
Total	46,875	46,000

€ ('000)	Impact on result after tax Change in interest rates +1%	Change in interest rates -1%	Change in interest rates +2%
Floating rate	197	-197	395
Floor and ceiling contracts	40	-40	80

Excluding the change in the fair value of derivative instruments.

c) Credit risk

The Group's exposure to credit risk is limited mainly to loan receivables from Maneq funds. Maneq funds make investments in portfolio companies alongside CapMan funds. CapMan typically has a 35–40% stake in these companies and it finances them with senior and mezzanine loans.

The analysis of possible credit provisions and impairment of loan receivables takes into account that fund solvency observes the J-curve pattern, which is common for private equity funds. The fair value of funds typically falls below acquisition cost in the early investment phase until the first realisations are made. For this reason a more reliable assessment of credit risk may be performed approximately four years after the initial investment date, as repayment solvency is endangered only if the average exit multiple within the investment portfolio equals less than one. CapMan has a historical exit multiple of approximately 3x. In addition, the assessment of credit risk incorporates the portfolio companies' expected realisation returns, which are often greater than fair value at that time.

2009

Loan receivables from associated companies and others

€ ('000)	CapMan´s receivables total	Receivables total (incl. write-downs)	Capital account at fair value (excl. external debts)
Funds where fair value < receivables	17,886	17,886	12,890
Funds where fair value > receivables	11,722	11,722	16,057
	29,608	29,608	28,947
Other loan receivables	841	841	n/a
Total	30,449	30,449	

2008

Loan receivables from associated companies and others

€ ('000)	CapMan´s receivables total	Receivables total (incl. write-downs)	Capital account at fair value (excl. external debts)
Funds where fair value < receivables	15,682	14,470	12,214
Funds where fair value > receivables	7,729	7,729	11,882
	23,411	22,199	24,096
Other loan receivables	2,252	2,252	n/a
Total	25,663	24,451	

Funds with a lower fair value than loan receivables are primarily new funds. Value creation related to portfolio companies in these funds is still at earlier stage and therefore no write-downs have been made to loan receivables.

d) Currency risk

CapMan has subsidiaries outside of the Eurozone, and their equity is exposed to movements in foreign currency exchange rates (Sweden, Denmark and Norway). However, the Group does not hedge currency as the impact of exposure to currency movements on equity is relatively small. The Group is not exposed to significant currency risks, because Group companies operate in their primary domestic markets.

e) Price risk of investments in funds

Investments in funds are valued using the International Private Equity and Venture Capital Valuation Guidelines. According to these guidelines, fair values are generally derived by multiplying key performance metrics of the investee company (e.g., EBITDA) by the relevant valuation multiple (e.g., price/equity ratio) observed for comparable publicly traded companies or transactions. Changes in valuation multiples can lead to significant changes in fair values depending on the leverage ratio of the investee company.

Sensitivity analysis of fund investments (excluding funds of funds)

	2009 Impact on result before taxes, € million		2008 Impact on result before taxes, € million	
	Change -10%	Change +10%	Change -10%	Change +10%
Average profitability of portfolio companies in the 2009 financial year	-0.63	1.21	-2.24	2.21
Average peer group multiples	-4.60	5.50	-4.51	4.56
EUR/SEK FX rate	0.25	-0.20	0.47	-0.38
EUR/NOK FX rate	-0.47	0.39	0.32	-0.26
EUR/DKK FX rate	0.07	-0.06	0.15	-0.12
Total	-5.39	6.84	-5.81	6.01

The Group's assets measured at fair value at 31 December 2009.

€ ('000)	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss				
Investments in funds		3,422	55,999	59,421

Fund investments in level 3 mainly include investments in unlisted companies, and have no quoted market values.

34. Events after the closing date

It was announced in early January that funds managed by CapMan would exit the Finnish financial management and payroll processing company, Pretax Oy, and sell their holding to a fund managed by Sponsor Capital. The transaction is expected to be completed by the end of the first quarter of 2010 and is anticipated to have an approximately €1.5 million impact on CapMan Plc's result for 2010 as a result of carried interest received from Finnventure Fund V. The closing will require the completion of customary closing conditions.

Parent Company Income Statement (FAS)

€	Note	1.1.–31.12.2009	1.1.–31.12.2008
Turnover	1	**1,572,171.82**	1,595,637.71
Other operating income	2	**20,739.42**	4,000.00
Employee benefit expenses	3	**-5,366,263.06**	-4,777,851.30
Depreciation	4	**-655,045.64**	-456,484.75
Other operating expenses	5	**-5,861,133.22**	-3,855,657.03
Operating profit/loss		**-10,289,530.68**	-7,490,355.37
Finance income and costs	6	**1,309,096.81**	1,865,231.08
Profit/loss before extraordinary items		**-8,980,433.87**	-5,625,124.29
Extraordinary items	7	**5,500,000.00**	8,500,000.00
Profit/loss before taxes		**-3,480,433.87**	2,874,875.71
Income taxes	8	**-126,533.79**	-285,178.65
Profit/loss for the financial year		**-3,606,967.66**	2,589,697.06

Parent Company Balance Sheet (FAS)

€	Note	31.12.2009	31.12.2008
ASSETS			
Non-current assets			
Intangible assets	9	**1,587,131.36**	1,652,650.30
Tangible assets	10	**574,032.52**	946,432.94
Investments	11		
Shares in subsidiaries		**24,514,554.30**	14,886,038.41
Investments in associated companies		**5,616,915.06**	336,775.68
Other investments		**49,159,492.06**	49,519,088.49
Investments total		**79,290,961.42**	64,741,902.58
Total non-current assets		**81,452,125.30**	67,340,985.82
Current assets			
Long-term receivables	12	**28,265,062.00**	27,390,088.46
Deferred tax receivables	13	**2,119,968.67**	1,963,729.67
Short-term receivables	14	**10,489,225.63**	24,616,826.46
Marketable securities		**40,707.99**	39,679.36
Cash and bank		**11,672,724.45**	19,526,915.19
Total current assets		**52,587,688.74**	73,537,239.14
Total assets		**134,039,814.04**	140,878,224.96
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	15		
Share capital		**771,586.98**	771,586.98
Share premium account		**38,968,186.24**	38,968,186.24
Invested unrestricted shareholders' equity		**6,999,744.89**	4,482,255.00
Retained earnings		**7,102,408.98**	4,512,711.92
Profit/loss for the financial year		**-3,606,967.66**	2,589,697.06
Total equity		**50,234,959.43**	51,324,437.20
Liabilities			
Non-current liabilities	16	**70,926,377.00**	64,507,803.66
Current liabilities	17	**12,878,477.61**	25,045,984.10
Total liabilities		**83,804,854.61**	89,553,787.76
Total shareholders' equity and liabilities		**134,039,814.04**	140,878,224.96

Parent Company Cash Flow Statement (FAS)

€	1.1.–31.12.2009	1.1.–31.12.2008
Cash flow from operations		
Profit/loss before extraordinary items	**-8,980,434**	-5,625,124
Finance income and costs	**-1,309,097**	-1,865,231
Adjustments to operating profit/loss	**655,046**	456,485
Change in net working capital [1]	**1,242,368**	4,905,195
Interest paid	**-5,496,333**	-2,396,309
Interest received	**1,417,617**	626,480
Dividends received	**3,336,665**	2,049,338
Taxes paid	**494,227**	-1,771,284
Cash flow from operations	**-8,639,941**	-3,620,450
Cash flow from investments		
Investments in tangible and intangible assets	**-418,272**	-2,618,794
Investments in other placements	**-10,651,519**	-17,173,789
Long-term loan receivables granted	**-3,949,052**	-14,870,466
Repayment of long-term loans	**0**	5,896,224
Cash flow from investments	**-15,018,843**	-28,766,825
Cash flow from financing activities		
Share issue	**772,093**	638,903
Own shares purchased	**0**	-274,748
Short-term loan receivables granted	**-26,644,000**	0
Repayment of short-term loans	**26,549,532**	0
Long-term loan receivables granted	**-767,000**	0
Repayment of long-term loans	**520,000**	0
Issued hybrid bond	**9,000,000**	20,000,000
Proceeds from borrowings	**4,000,000**	61,000,000
Repayment of loans from financial institutions	**-3,125,000**	-31,000,000
Dividends paid	**0**	-12,795,010
Other financial assets at fair value	**-1,029**	3,042,294
Group contributions received	**5,500,000**	8,500,000
Cash flow from financing activities	**15,804,596**	49,111,439
Change in cash and cash equivalents	**-7,854,188**	16,724,164
Cash and cash equivalents at start of year	**19,526,915**	2,802,751
Cash and cash equivalents at end of year	**11,672,727**	19,526,915
[1] Change in working capital:		
Change in current non-interest-bearing receivables	**16,456,207**	-9,577,822
Change in current trade payables and other non-interest-bearing liabilities	**-15,213,839**	14,483,017
	1,242,368	4,905,195

Change in loan receivables has been regrouped from financing activities to investing activities. Figures for 2008 have been corrected accordingly.

Notes to the Parent Company Financial Statements (FAS)

1. Turnover by area	**2009**	2008
€		
Finland	**828,582**	809,222
Foreign	**743,590**	786,416
Total	**1,572,172**	1,595,638

2. Other operating income	**2009**	2008
€		
Gains from sale of tangible assets	**20,740**	0
Other	**0**	4,000
Total	**20,740**	4,000

3. Personnel	**2009**	2008
€		
Salaries and wages	**4,417,153**	3,946,055
Pension expenses	**713,459**	712,643
Other personnel expenses	**235,651**	119,153
Total	**5,366,263**	4,777,851
Management remuneration		
Salaries and other remuneration of the CEO and Deputy CEO	**373,336**	706,271
Board members	**174,000**	168,000
Average number of employees	**42**	41

4. Depreciation	**2009**	2008
€		
Depreciation by asset type:		
Intangible rights	**128,742**	65,638
Other long-term expenditure	**314,786**	158,248
Machinery and equipment	**211,518**	232,599
Total	**655,046**	456,485

5. Other operating expenses	**2009**	2008
€		
Other personnel expenses	**368,861**	219,641
Office expenses	**491,651**	793,874
Traveling and entertainment	**229,752**	360,192
External services	**1,401,088**	1,293,434
Other operating expenses	**3,369,781**	1,188,516
Total	**5,861,133**	3,855,657
Audit fees		
Authorised Public Accountants PricewaterhouseCoopers Oy		
Audit fees	**122,198**	46,578
Tax advices	**5,420**	3,824
Other fees and services	**83,371**	7,563
Total	**210,989**	57,965

6. Finance income and costs	**2009**	2008
€		
Dividend income		
Group companies	**4,146,670**	3,333,515
Associated companies	**839,995**	445,822
Total	**4,986,665**	3,779,337
Other interest and finance income		
Group companies	**143,539**	289,554
Others	**2,073,923**	1,819,998
Total	**2,217,462**	2,109,552
Interest and other finance costs		
Group companies	**-35,034**	-141,786
Others	**-5,859,996**	-3,881,872
Total	**-5,895,030**	-4,023,658
Finance income and costs total	**1,309,097**	1,865,231

7. Extraordinary items	2009	2008
€		
Extraordinary income		
Group contributions received	**5,500,000**	8,500,000

8. Income taxes	2009	2008
€		
Income taxes	**-282,773**	-675,235
Deferred taxes	**156,239**	390,057
Total	**-126,534**	-285,178

9. Intangible assets	2009	2008
€		
Intangible rights		
Acquisition cost at 1 January	**507,824**	296,123
Additions	**115,364**	211,701
Acquisition cost at 31 December	**623,188**	507,824
Accumulated depreciation at 1 January	**-85,534**	-19,896
Depreciation for financial year	**-128,742**	-65,638
Accumulated depreciation at 31 December	**-214,276**	-85,534
Book value on 31 December	**408,912**	422,290
Other long-term expenditure		
Acquisition cost at 1 January	**1,700,837**	428,465
Additions	**262,645**	1,272,372
Acquisition cost at 31 December	**1,963,482**	1,700,837
Accumulated depreciation at 1 January	**-470,477**	-312,229
Depreciation for financial year	**-314,786**	-158,248
Accumulated depreciation at 31 December	**-785,263**	-470,477
Book value on 31 December	**1,178,219**	1,230,360
Intangible rights total	**1,587,131**	1,652,650

10. Tangible assets	2009	2008
€		
Machinery and equipment		
Acquisition cost at 1 January	**1,122,964**	102,996
Additions	**40,263**	1,019,968
Disposals	**-201,146**	0
Acquisition cost at 31 December	**962,081**	1,122,964
Accumulated depreciation at 1 January	**-296,208**	-63,609
Accumulated depreciation in changes	**0**	0
Depreciation for financial year	**-211,518**	-232,599
Accumulated depreciation at 31 December	**-507,726**	-296,208
Book value on 31 December	**454,355**	826,756
Other tangible assets		
Acquisition cost at 1 January	**119,677**	4,925
Additions	**0**	114,752
Book value on 31 December	**119,677**	119,677
Tangible assets total	**574,032**	946,433

11. Investments	2009	2008
€		
Shares in subsidiaries		
Acquisition cost at 1 January	**14,886,038**	11,102,456
Additions	**13,246,139**	3,809,282
Disposals	**-3,617,623**	-25,700
Acquisition cost at 31 December	**24,514,554**	14,886,038
Shares in associated companies		
Acquisition cost at 1 January	**336,775**	340,760
Additions	**5,382,893**	99,162
Disposals	**-102,753**	-103,147
Acquisition cost at 31 December	**5,616,915**	336,775
Shares, other		
Acquisition cost at 1 January	**49,519,090**	33,159,989
Additions	**9,840,312**	18,768,011
Disposals	**-10,199,910**	-2,408,910
Acquisition cost at 31 December	**49,159,492**	49,519,090
Investments total	**79,290,961**	64,741,903

The subsidiaries and the associated companies are presented in the Notes to the Consolidated Financial Statements, Table 32. Related party disclosures.

12. Long-term receivables	2009	2008
€		
Receivables from Group companies		
Loan receivables	**3,617,000**	3,250,000
Receivables from associated companies		
Loan receivables	**22,597,761**	22,219,052
Other loan receivables	**2,050,301**	1,909,107
Other receivables	**0**	11,930
Long-term receivables total	**28,265,062**	27,390,089

13. Deferred tax assets	2009	2008
€		
Accrued differences	**2,119,969**	1,963,730
Deferred tax assets total	**2,119,969**	1,963,730

14. Short-term receivables	2009	2008
€		
Accounts receivable	**9,353**	765,373
Receivables from Group companies		
Accounts receivable	**156,122**	257,306
Loan receivables	**1,020,507**	891,507
Other receivables	**4,778,498**	17,306,882
Total	**5,955,127**	18,455,695
Receivables from associated companies		
Accounts receivable	**2,305**	116,715
Loan receivables	**776,279**	465,732
Accrued income	**0**	1,613,196
Total	**778,584**	2,195,643
Loan receivables	**1,779,101**	133,390
Other receivables	**708,122**	1,145,669
Accrued income	**1,258,939**	1,921,056
Short-term receivables total	**10,489,226**	24,616,826

15. Shareholders' equity

€	2009	2008
Share capital at 1 January	**771,587**	771,587
Share capital at 31 December	**771,587**	771,587
Share premium account at 1 January	**38,968,186**	38,968,186
Share premium account at 31 December	**38,968,186**	38,968,186
Invested unrestricted shareholders' equity at 1 January	**4,482,255**	1,726,604
Share issue	**1,795,398**	2,391,500
Share subscriptions with options	**722,092**	638,903
Own shares purchased	**0**	-274,748
Other	**0**	-4
Invested unrestricted shareholders' equity at 31 December	**6,999,745**	4,482,255
Retained earnings at 1 January	**7,102,409**	17,307,722
Dividend payment	**0**	-12,795,010
Retained earnings at 31 December	**7,102,409**	4,512,712
Profit for the financial year	**-3,606,968**	2,589,697
Shareholders' equity, total	**50,234,959**	51,324,437
Calculation of distributable assets		
Retained earnings	**7,102,409**	4,512,712
Profit / loss for the financial year	**-3,606,968**	2,589,697
Invested unrestricted shareholders' equity	**6,999,745**	4,482,255
Total	**10,495,186**	11,584,664

CapMan Plc´s share capital is divided as follows:

Number of shares	**2009**	2008
Series A share (10 votes/share)	**6,000,000**	6,000,000
Series B share (1 vote/share)	**78,281,766**	75,458,424

16. Non-current liabilities

€	2009	2008
Liabilities to Group companies		
Other liabilities	**0**	131,656
Hybrid bond	**29,000,000**	20,000,000
Bank loans	**40,625,000**	43,125,000
Other liabilities	**1,301,377**	1,251,148
Non-current liabilities total	**70,926,377**	64,507,804

17. Current liabilities

€	2009	2008
Accounts payable	**333,092**	330,057
Liabilities to Group companies		
Accounts payable	**5,376**	4,498,544
Other liabilities	**4,555,000**	12,924,293
Accrued expenses	**0**	359,331
Total	**4,560,376**	17,782,168
Bank loans	**6,250,000**	2,875,000
Other liabilities	**94,685**	2,406,055
Accrued expenses	**1,640,325**	1,652,704
Current liabilities total	**12,878,478**	25,045,984

18. Contingent liabilities

€	2009	2008
Other leasing agreements – CapMan Group as lessee		
Operating lease commitments		
Within one year	**295,496**	229,594
After one but not more than five years	**366,457**	299,644
Total	**661,953**	529,238
Other hire purchase commitments		
Within one year	**1,243,564**	963,516
After one but not more than five years	**4,474,233**	3,854,064
Beyond five years	**1,151,787**	3,211,720
Total	**6,869,584**	8,029,300

Securities and other contingent liabilities

Contingencies for own commitment		
Mortgage bonds	**60,000,000**	60,000,000
Loan commitments to Maneq funds	**5,145,772**	8,291,935
Other contingent liabilities	**3,003,960**	1,300,000
Remaining commitments to funds		
Equity funds		
CapMan Equity VII	**835,053**	1,961,520
CapMan Buyout VIII	**7,447,867**	10,565,347
CapMan Life Science IV	**4,139,565**	5,654,565
CapMan Technology Fund 2007	**0**	10,759,991
Swedestart Tech KB	**617,332**	658,899
CapMan Public Market Fund	**0**	15,000,000
CapMan Russia Fund	**0**	11,090,709
CapMan Buyout IX	**0**	13,000,000
Other	**511,672**	159,321
	13,551,489	68,850,352
Mezzanine funds		
CapMan Mezzanine IV L.P.	**754,000**	971,500
CapMan Mezzanine IV Classic Ky	**113,185**	1,476,875
	867,185	2,448,375
Fund of funds		
Access Capital LP II	**1,825,000**	1,925,000
Other	**448,458**	481,177
	2,273,458	2,406,177
Remaining commitments to funds	**16,692,132**	73,704,904

CapMan, like other investors in the funds, gives commitments to funds when they are established. The main part of the commitments become due during the first five years of each fund's life time.

Signatures to the Report of the Board of Directors and Financial Statements

Helsinki 4 February 2010

Ari Tolppanen Chairman	Sari Baldauf
Tapio Hintikka	Lennart Jacobsson
Conny Karlsson	Teuvo Salminen
Heikki Westerlund CEO	

Calculation of Key Ratios

Return on equity (ROE), % = $\dfrac{\text{Profit before taxes – taxes}}{\text{Shareholders' equity + minority interest (average)}}$ x 100

Return on investment (ROI), % = $\dfrac{\text{Profit before taxes + interest expenses and other financial expenses}}{\text{Balance sheet total – non-interest bearing debts (average)}}$ x 100

Equity ratio, % = $\dfrac{\text{Shareholders' equity + minority interest}}{\text{Balance sheet total – advances received}}$ x 100

Net gearing, % = $\dfrac{\text{Net interest-bearing liabilities}}{\text{Shareholders' equity}}$ x 100

Earnings per share (EPS) = $\dfrac{\text{Profit/loss for the financial year – hybrid loan interest}}{\text{Share issue adjusted number of shares (average)}}$

Shareholders' equity per share = $\dfrac{\text{Shareholders' equity}}{\text{Share issue adjusted number of shares at the end of the financial year}}$

Dividend per share = $\dfrac{\text{Dividend paid in the financial year}}{\text{Share issue adjusted number of shares at the end of the financial year}}$

Dividend per earnings, % = $\dfrac{\text{Dividend/share}}{\text{Earnings/share}}$ x 100

Auditor's Report

To the Annual General Meeting of CapMan Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of CapMan Plc. for the financial period 1.1.–31.12.2009. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the CEO

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 22 February 2010

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jan Holmberg
Authorised Public Accountant

Corporate governance

Corporate Governance Statement

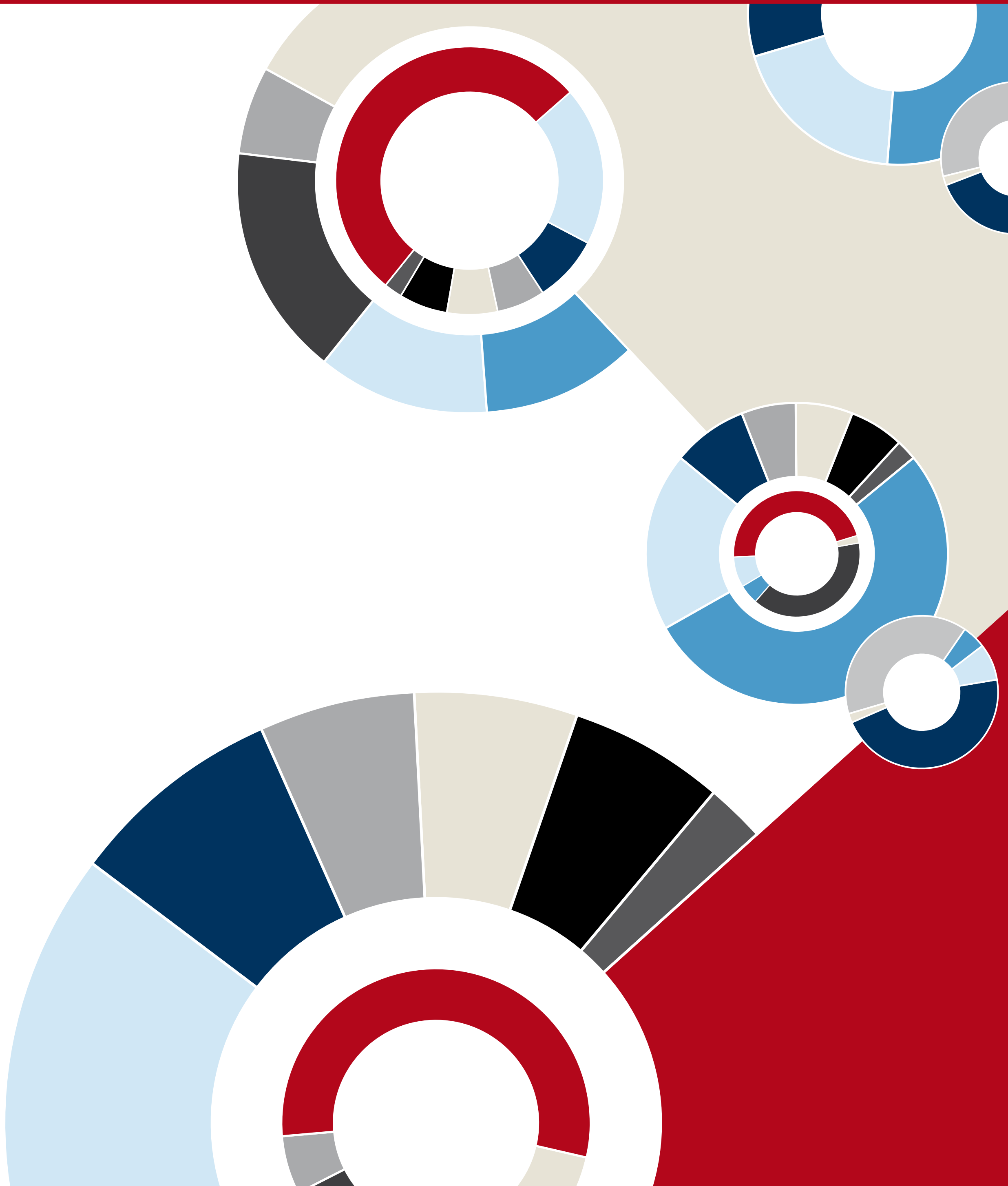
The following section contains CapMan Plc's Corporate Governance Statement for the 1 January – 31 December 2009 Financial Year and provides details of the company's Board of Directors and Management Group.

Pioneer

CapMan is one of the first fund management companies in private equity industry to be listed anywhere. The company's B share has been traded on Nasdaq OMX Helsinki since 2001.

Transparency

In line with the requirements associated with listed companies, extensive information on CapMan and its operations is available. CapMan strives to be open and transparent in all its stakeholder releations.



CapMan Plc Group's Corporate Governance Statement for the 2009 Financial Year

CapMan complies with the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association. Furthermore, CapMan Plc's corporate governance is in line with Finnish legislation, the rules of NASDAQ OMX Helsinki Ltd, and the Group's Articles of Association. This Corporate Governance Statement has been prepared in compliance with Recommendation 51 of the Finnish Corporate Governance Code. The Code can be consulted online at website of the Securities Market Association www.cgfinland.fi.

This statement is reviewed by CapMan Plc's Board of Directors and is issued separately from the Report of the Board of Directors. CapMan Plc's auditors PricewaterhouseCoopers Oy have checked that the statement has been issued and that the description of the main features of the internal control and risk management systems in relation to the financial reporting process is consistent with the Financial Statements.

For further information regarding CapMan's corporate governance, please visit the company's website at www.capman.com. Additional corporate governance information is also available in the Financial Statements and Corporate Governance sections of the Annual Report for 2009.

In view of the size of the company and its Board of Directors, CapMan Plc's Board has decided to deviate from the Code's Recommendations 18–33 for Board Committees in that it has decided not to establish any Board Committees. The company also deviates from Recommendation 41, which applies to the participation of non-executive directors in share-related remuneration schemes. Non-executive members of the Board of Directors can participate in a share-related remuneration scheme in accordance with the decision of the Annual General Meeting, in which case shareholders have the opportunity to evaluate whether such remuneration is in their interest.

Board of Directors

In addition to the tasks set forth by legislation, CapMan Plc's Board of Directors has confirmed a written charter for its work, which describes the main tasks and duties of the Board, the issues addressed by the Board, meeting practices, and an annual self-evaluation of the Board. In accordance with the CapMan Plc's Board's charter, the main duties of the Board are:

- to ensure that the company has duly endorsed the corporate values applied to its operations
- to approve the principles of corporate governance, internal control, and risk management, as well as other essential guidelines and practices
- to ensure that the business complies with relevant rules and regulations
- to appoint and dismiss the CEO and Deputy CEO
- to decide on the CEO's remuneration, as well as on the remuneration policy of other executives and CapMan's key employees
- to approve strategic goals
- to ensure that the company has a proper organisation
- to ensure the proper operation of the management system
- to supervise and approve annual financial statements and interim reports
- to ensure that the supervision of the accounting and financial management is properly organised
- to supervise Management.

In addition to the above mentioned duties, the Board carries out the following duties of the Audit Committee:

- monitoring the reporting process of financial statements
- supervising the financial reporting process
- monitoring the efficiency of the company's internal control, internal audit, and risk management systems
- reviewing the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the company's corporate governance statement
- monitoring the statutory audit of the financial statements and consolidated financial statements
- evaluating the independence of the statutory auditor or audit firm, particularly the provision of related services
- preparing the proposal for resolution on the election of the auditor.

The Chairman of the Board ensures and monitors that the Board fulfils the tasks allocated to it under legislation and by the company's Articles of Association. Additional information on the Board and its compensation can be found in the Annual Report 2009 and on the company's website www.capman.com.

Members of the Board in 2009

By decision of the 2009 AGM, the members of the Board are Ari Tolppanen (Chairman), Teuvo Salminen (Vice Chairman), Sari Baldauf, Tapio Hintikka, Lennart Jacobsson, and Conny Karlsson. There is no specific order for the appointment of directors in the Group's Articles of Association.

Work of the Board in 2009

During 2009, the Board of Directors met seven times. The table on Page 71 represents Board members' attendance at meetings during 2009.

Chief Executive Officer (CEO)

The CEO manages and supervises the company's business operations according to Finland's Limited Liability Companies Act and in compliance with the instructions and authorisations issued by the Board of Directors. Generally, the CEO is independently responsible for the operative running of the company and for day-to-day decisions on business activities and the implementation of these decisions. The CEO also appoints the Heads of teams. The Board of Directors approves the recruitment of the CEO's immediate subordinates.

In 2009, CapMan Plc's CEO was Heikki Westerlund. The company's Deputy CEO was 1 January – 30 September 2009 Olli Liitola and 1 October – 31 December 2009 Jerome Bouix.

CapMan Plc's Board of Directors in 2009

Name	Personal information	Attendance at the Board meetings in 2009
Ari Tolppanen	Chairman of the Board since 31 March 2005. Member of the Board since 1993. Born 1953, M. Sc. (Eng.) Main occupation: Senior Partner at CapMan Non-independent Board member.	7/7
Teuvo Salminen	Vice Chairman of the Board since 31 March 2005. Member of the Board since 2001. Born 1954, M. Sc. (Econ.), Authorised Public Accountant Main occupation: Senior Advisor to Pöyry Plc Independent of the company and significant shareholders.	7/7
Sari Baldauf	Member of the Board since 2007. Born 1955, M. Sc. (Business Administration), D. Sc. (Tech.) h.c. (Helsinki University of Technology), Doctor h.c. (Econ. And Bus. Admin.) (Turku School of Economics and Business Administration) Main occupation: Board professional Independent of the company and significant shareholders.	7/7
Tapio Hintikka	Member of the Board since 2004. Born 1942, M.Sc. (Eng.) Main occupation: Board professional Independent of the company and significant shareholders.	7/7
Lennart Jacobsson	Member of the Board since 2002. Born 1955, BBA Main occupation: Senior Partner at CapMan Non-independent Board member.	7/7
Conny Karlsson	Member of the Board since 2008. Born 1955, MBA Main occupation: Board professional Independent of the company and significant shareholders.	6/7

CapMan Plc's CEO in 2009

Name	Personal information
Heikki Westerlund	CEO of CapMan Plc, Senior Partner Born 1966, M.Sc. (Econ.)

Further information on the Board of Directors, the CEO and the Deputy CEO and their remuneration is available in the Annual Report 2009 and on the company's website www.capman.com.

Internal Control and Risk Management Pertaining to Financial Reporting

Internal control and risk management pertaining to the financial reporting process is a part of CapMan's internal control framework. The key roles and responsibilities for internal control have been defined in the Internal Control Policy, which is approved by the Board of Directors and updated by the Management.

CapMan's internal control and risk management related to financial reporting is designed to provide reasonable assurance concerning the reliability, completeness, and timeliness of financial reporting and the preparation of financial statements in accordance with applicable laws and regulations, generally accepted accounting principles, and other requirements for listed companies.

The aim of CapMan's internal control framework is to:

- focus on the point of view of most business relevant risks and issues from strategic alignment and operational effectiveness
- promote ethical values, good corporate governance, and risk management practices
- ensure compliance with laws, regulations, and CapMan's internal policies
- assure the production of reliable financial reporting, support internal decision-making and service the needs of shareholders

Financial Reporting Process Control at CapMan

CapMan's business model is based on a local presence in the Nordic countries and Russia, and the organisation operates team based over national borders. The subsidiaries in seven countries report their results on a monthly basis to the Parent Company. Accounting is outsourced except for Finland and Sweden.

Financial reporting information is assembled, captured, analysed, and distributed in accordance with CapMan's processes and procedures. The Group has a common reporting and consolidation system that facilitates compliance with common control requirements. Group Accounting maintains a common chart of accounts that is applied in all units. Subsidiaries submit their figures to the Group reporting system for consolidation. The reported figures are reviewed in subsidiaries as well as Group Accounting. Group Accounting also monitors the balance sheet and income statement items by analytically reviewing the figures. The consolidated accounts of CapMan Plc are prepared in compliance with International Financial Reporting Standards (IFRS) and the necessary IFRS adjustments are booked at Group level.

Risk Assessment and Control Activities

CapMan has defined financial reporting objectives in order to identify risks related to the financial reporting process. CapMan's risk assessment process is designed to identify financial reporting risks and to determine how risks should be managed.

Control activities are linked to the risk assessment and specific actions are taken to address risks and accomplish financial reporting objectives. Financial reporting risks are managed through control activities performed at all levels of organisation.

These activities include guidelines and instructions, approvals, authorisations, verifications, reconciliations, analytical reviews and segregation of duties.

During 2009, CapMan identified and analysed risks related to the achievement of financial reporting objectives as part of an internal control development programme. Risks, control objectives, and common controls were systematically identified and documented in unit closing and the Group consolidation processes.

Information and Communication Pertaining to Financial Reporting

As an essential part of CapMan's information and communication systems, the Group has defined the roles and responsibilities pertaining to financial reporting.

The company's Board of Directors is ultimately responsible for the proper organisation of internal control and risk management covering financial reporting by approving the Risk Management Policy covering other relevant documentation.

Management is responsible for the implementation of internal control and risk management processes and for ascertaining their operational effectiveness. Management is also responsible for ensuring that the accounting practices of the company comply with laws and regulations and that the company's financial matters are managed in a reliable and consistent manner.

The CEO initiates the risk management process by delegating the responsibility areas for implementing the principles. The CEO has also nominated the Group's CFO as Risk Manager in charge of coordinating the overall risk management process. The Risk Manager in charge reports regularly to the Board of Directors on matters concerning internal control and risk management. Management assigns responsibility for establishing more specific internal control policies and procedures to personnel in charge of different teams and functions. Management and employees possess appropriate levels of authority and responsibility to facilitate effective internal control over financial reporting.

In terms of internal control and financial reporting information, CapMan's external and internal information is obtained systematically, and Management is provided with relevant information on Group's activities. Timely, current, and accessible information, which is relevant for financial reporting purposes, is provided to the right people, such as the Board of Directors, the Management Group and the Monitoring team.

Monitoring

To ensure the effectiveness of internal control pertaining to financial reporting, monitoring activities are conducted at all levels of the organisation. Monitoring is accomplished through ongoing follow-up activities, separate evaluations, or a combination of the two. Separate internal audit assignments may be initiated by the Board or Management. The scope and frequency of separate evaluations depend primarily on the assessment of risks and the effectiveness of ongoing monitoring procedures. Internal control deficiencies are reported to Management, with serious matters reported to the Board.

The Board regularly reviews Group-level financial reports, including comparison of actual figures with prior periods and budgets, other forecasts, and monthly cash flow estimates. Group Accounting performs monthly consistency checks of income statement and balance sheet for legal entities and business areas. The Group Accounting team also conducts management fee and cost analysis, fair value change checks, impairment and cash flow checks, as well as control of IFRS changes.

The Monitoring team is responsible for collecting and reviewing the monthly reporting of portfolio companies, monitoring and forecasting fair value movements and preparing the models for and calculating carried interest income. Compliance audits are conducted on a regular basis to ensure that funds comply with funds' Procedure Manual.

READ MORE ONLINE AT

www.capman.com/En/InvestorRelations/CorporateGovernance/

→ CapMan Plc Group's Corporate Governance in its entirety
→ Insider holdings
→ Articles of Association

Board of Directors

Ari Tolppanen
(b. 1953)

M.Sc. (Eng.), Chairman of the Board since 31 March 2005 and a member since 1993. CEO of CapMan Plc between 1999 and 31 March 2005. CapMan's Senior Partner. Joined the company in 1989.

Key board memberships:
Access Capital Partners Group S.A. (Vice Chairman), OneMed Group (Chairman), Northern Alliance Group.

Primary working experience:
Ari Tolppanen served as CapMan's CEO between 1989 and March 2005. Prior to joining CapMan, he worked for Huurre Oy for seven years, during the last four of which he was the company's CEO. Prior to this, he was CEO of Oy Nordfilm Ab, a film importer and distributor, which he partly owned.

CapMan Plc shares and options:
1,220,200 A shares
7,418,720 B shares
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

Teuvo Salminen
(b. 1954)

M.Sc. (Econ.), Authorised Public Accountant, Vice Chairman of the Board since 31 March 2005 and a member since 2001.
Senior Advisor to Pöyry Plc.

Key board memberships:
Holiday Club Resorts Oy (Chairman).

Primary working experience:
Teuvo Salminen served as Deputy to the President and CEO of Pöyry Plc between 1999 and 2009. Prior to this, he served in a number of positions in the Pöyry Group, including as Controller and CFO. Salminen has also led Pöyry's Construction Services and Infrastructure and Environment business units.

CapMan Plc shares and options:
50,000 B shares

Sari Baldauf
(b. 1955)

M.Sc. (Bus. Adm.), D.Sc. (Tech.) h.c (Aalto University School of Science and Technology), D.Sc. (Econ and Bus. Adm.) h.c. (Turku School of Economics). Member of the Board since 2007.

Key board memberships:
F-Secure Corporation, Fortum Plc (Vice Chairman), Hewlett-Packard Company, Daimler AG (member of the Supervisory Board), Savonlinna Opera Festival Ltd (Chairman), Finnish Business and Policy Forum EVA, Finnish Children and Youth Foundation.

Primary working experience:
Sari Baldauf was responsible for Nokia Corporation's network business between 1998 and 2005 and was a member of Nokia's Group Executive Board between 1994 and 2005. Previously, she served as Executive Vice President of Nokia APAC and prior to that, as President of Nokia Telecommunications, Cellular Systems.

CapMan Plc shares and options:
60,000 B shares

Tapio Hintikka
(b. 1942)

M.Sc. (Eng.), Member of the Board since 2004.

Key board memberships:
Aina Group Plc (Chairman), Evli Bank Plc.

Primary working experience:
Tapio Hintikka served as the CEO of Hackman Plc between 1997 and 2002. Prior to this, he served in a number of senior management positions at Nokia Corporation (1990–1996) and Rauma-Repola Ltd (1982–1990), among others. During the 1970s, he held a variety of positions in Finnish forest industry companies.

CapMan Plc shares and options:
-

Lennart Jacobsson
(b. 1955)

BBA, Member of the Board since 2002. CapMan's Senior Partner. Joined the company in 1995.

Key board memberships:
Gammadata Holding AB (Chairman), Locus AS (Chairman), Ascade AB, EM 4 Inc., Tritech AB.

Primary working experience:
Lennart Jacobsson headed up CapMan Technology between 2002 and 2004. He was one of the founders of Swedestart Management AB, acquired by CapMan in 2002, and was involved in setting up Euroventures Management AB in the 1980s. He also served as an investment professional at Svetab and as senior investment manager at Glenwood Ventures.

CapMan Plc shares and options:
1,129,217 B shares
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

Conny Karlsson
(b. 1955)

MBA, Member of the Board since 2008.

Key board memberships:
Swedish Match AB (Chairman), TeliaSonera AB.

Primary working experience:
Conny Karlsson served as CEO of the Swedish multinational, Duni AB, between 1990 and 2000. Prior to this, he served in a number of positions, including head of Scandinavian operations at Procter & Gamble.

CapMan Plc shares and options:
-

The figures for share and stock option ownership are as of 31 January 2010. Ari Tolppanen and Lennart Jacobsson own the majority of their shares through companies they control.

Management Group

Heikki Westerlund
(b. 1966)

M.Sc. (Eng.), CEO of CapMan Plc and Senior Partner. Joined the company in 1994.

Key board memberships:
Lumene Oy, Finnish Venture Capital Association (FVCA) (Chairman).

Primary working experience:
Prior to joining CapMan, Heikki Westerlund worked as a Project Manager at the Finnish Innovation Fund, and was Secretary General of the FVCA. He also has many years of entrepreneurial experience. Westerlund headed up CapMan Technology 2000–2002 and CapMan Buyout 2002–2005.

CapMan Plc shares and options:
258,020 A shares
2,718,260 B shares
125,000 2008A options
90,000 2008B options
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

Kaisa Arovaara
(b. 1970)

M.Sc. (Econ.), CFO of CapMan Plc, Head of Group Finances and Accounting, IT. In CapMan's service during 2006–31.1.2010.

Key board memberships:
-

Primary working experience:
Prior to joining CapMan, Kaisa Arovaara worked for 10 years as an auditor and M&A advisor at Ernst & Young, and was responsible for due diligence audits related to M&A transactions.

CapMan Plc shares and options:
5,000 B shares

Jerome Bouix
(b. 1971)

M.Sc. (Econ.), Deputy CEO, Head of Investor Services, Senior Partner. Joined the company in 2000.

Key board memberships:
European Private Equity and Venture Capital Association.

Primary working experience:
Prior to joining CapMan, Jerome Bouix worked in the financing group at the Ministry of Trade and Industry and was responsible for finance policy, promoting inward investment in Finland, and international cooperation in the defence industry.

CapMan Plc shares and options:
90,000 2008A options
60,000 2008B options
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

Göran Barsby
(b. 1951)

M.Sc. (Econ.), Partner, CapMan Buyout. Joined the company in 2003.

Key board memberships:
MPT AB (Chairman), MQ Retail AB (Vice Chairman), Cederroth AB, Inflight Service AB.

Primary working experience:
Prior to joining CapMan, Göran Barsby worked for Ahrens Tilväxtkonsulter AB, a specialist business development adviser to growth companies. Barsby has over 20 years of experience in executive positions in international companies and served as the CEO of Tetra Pak, Tetra Laval, Bonniers, Procordia, and Toolex Alpha, among others.

CapMan Plc shares and options:
65,000 2008A options
45,000 2008B options

Markku Hietala
(b. 1957)

LL.M., Deputy Judge, Head of CapMan Real Estate, Managing Director of Realprojekti Oy, Senior Partner. Joined the company in 2005.

Key board memberships:
Finnish Council of Shopping Centers.

Primary working experience:
Markku Hietala has been Managing Director of Realprojekti Oy since the company was founded in 2000. Realprojekti has been a CapMan subsidiary since 2005. Prior to joining Realprojekti, Hietala worked at Aleksia Oy and Merita Kiinteistöt Oy.

CapMan Plc shares and options:
181,818 B shares
65,000 2008A options
45,000 2008B options
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

Kai Jordahl
(b. 1960)

M.Sc. (Econ.), Deputy Head of CapMan Buyout, Senior Partner. Joined the company in 2004.

Key board memberships:
Cardinal Foods AS (Chairman), Curato AS (Chairman), Espira Gruppen (Chairman), OneMed Group.

Primary working experience:
Before CapMan, Kai Jordahl worked at Industrifinans forvaltning ASA and Alfred Berg Industrifinans ASA, and was responsible for private equity investments in the Nordics. He previously held management positions at McKinsey & Company, Norsk Hydro ASA, and the Norwegian Ministry of Energy.

CapMan Plc shares and options:
50,000 B shares
65,000 2008A options
45,000 2008B options
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

Hilkka-Maija Katajisto
(b. 1967)

M.Sc. (Econ.), HR Director. Joined the company in 2007.

Key board memberships:
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Primary working experience:
Prior to joining CapMan, Hilkka-Maija Katajisto worked for 15 years in various human resource management positions, including as a management consultant at Personec, European Business HR Manager at Agilent Technologies, and at the Troponor Group.

CapMan Plc shares and options:
65,000 2008A options
45,000 2008B options

Olli Liitola
(b. 1957)

M.Sc. (Eng.), Senior Partner, CapMan Buyout. Joined the company in 1991.

Key board memberships:
Northern Alliance Group (Chairman), Pretax Oy.

Primary working experience:
Olli Liitola served as CapMan Plc's CFO between 2000 and 2007. Prior to joining CapMan, Liitola served as CEO of Haly Invest Oy, at Vihdin Säästöpankki, and Teollistamisrahasto Oy.

CapMan Plc shares and options:
796,564 A shares
1,982,520 B shares
65,000 2008A options
45,000 2008B options
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

Petri Niemi
(b. 1961)

M.Sc. (Eng.), Head of CapMan Technology, Senior Partner. Joined the company in 1999.

Key board memberships:
Mirasys Ltd., ScanJour A/S.

Primary working experience:
Prior to joining CapMan, Petri Niemi served in various positions at Oy L M Ericsson, 3Com Nordic Ab, Sun Microsystems Oy, and Hewlett-Packard.

CapMan Plc shares and options:
267,920 B shares
65,000 2008A options
45,000 2008B options
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

Hans Christian Dall Nygård
(b. 1968)

M.Sc. (Econ.), MBA, CEFA, CapMan Russia, Head of Investment Operations, Senior Partner. Joined the company in 2008.

Key board memberships:
Region Avia Kapital, Western Retail Investments Ltd. (Papa John's), Norwegian-Russian Chamber of Commerce.

Primary working experience:
Prior to joining CapMan, Hans Christian Dall Nygård worked for Norum for 12 years, serving as CEO during his last years there. CapMan acquired Norum in 2008.

CapMan Plc shares and options:
827,071 B shares
65,000 2008A options
45,000 2008B options

Tuomo Raasio
(b. 1958)

LL.M., Head of CapMan Buyout, Senior Partner. Joined the company in 1988.

Key board memberships:
Finnish Broadcasting Company.

Primary working experience:
Tuomo Raasio has been involved in numerous M&A transactions and Finnish IPOs. Prior to joining CapMan, Raasio worked for Kansallis-Osake-Pankki in Helsinki and London, specialising in corporate finance on international equity markets.

CapMan Plc shares and options:
680,663 A shares
3,080,873 B shares
65,000 2008A options
45,000 2008B options
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

Jukka Ruuska
(b. 1961)

LL.M., MBA, Head of CapMan Public Market, Senior Partner. Joined the company in 2008.

Key board memberships:
The Finnish Foundation for Share Promotion.

Primary working experience:
Before CapMan, Jukka Ruuska served as CEO of the Nordic Stock Exchange and as the CEO of the Helsinki Stock Exchange between 2000 and 2003. Prior to this, Ruuska held management positions at Helsingin Puhelin Oy and Finnet Oy and at the investment bank, Prospectus Oy, and Kansallis-Osake-Pankki.

CapMan Plc shares and options:
22,500 B shares
125,000 2008A options
125,000 2008B options

Petri Saavalainen
(b. 1965)

M.Sc. (Eng.), Head of CapMan Russia, Senior Partner. Joined the company in 1995.

Key board memberships:
Foreca Oy (Chairman), Western Retail Investments Ltd. (Papa John's) (Chairman).

Primary working experience:
Petri Saavalainen has worked on the Development and Technology teams at CapMan. Prior to joining the company he served as a business controller at the Finnish Innovation Fund.

CapMan Plc shares and options:
44,553 A shares
882,663 B shares
65,000 2008A options
45,000 2008B options
Also owns approx. 7.1% of CapMan Partners B.V., which owns 3,000,000 A shares and 2,000,000 B shares.

The figures for share and stock option ownership are as of 31 January 2010. CapMan's Senior Partners own the majority of their shares through companies they control.

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