

CapMan Plc Stock Exchange Release 30 October 2008

CapMan Plc Group's Interim Report January–September 2008

Performance and main events during the review period:

- The Group's turnover totalled MEUR 27.2 (January–September 2007: MEUR 43.6). The comparable period in 2007 included carried interest income of MEUR 21.0 derived from the sale of CapMan Real Estate I fund's real estate portfolio.
- Operating profit was MEUR 3.3 (31.4).
- Operating profit excluding carried interest income and fair value changes of fund investments totalled MEUR 1.9 (MEUR 1.5).
- Profit before taxes totalled MEUR 2.7 (34.0) and after taxes MEUR 1.9 (25.5).
- Parent company equity holders' share of profit was MEUR 1.8 (19.8), and earnings per share based on it were 2.2 (25.4) cents.
- Capital under management grew in January–September by some 45% to MEUR 3,174.9 (MEUR 2,190.0 on 31 Dec 2007). The establishment of the CapMan Hotels RE and CapMan Public Market funds, and the transfer of the current CapMan Russia fund to CapMan's management, contributed to the growth in capital under management. Capital under management on 30 September 2007 amounted to MEUR 2,225.4.
- CapMan expanded its operations during the review period and established two new investment areas: CapMan Russia and CapMan Public Market. CapMan expanded its operations in Russia through the acquisition of Norum, which was announced on 26 May 2008 and closed on 27 August 2008. In July CapMan established a new equity fund, CapMan Public Market, which invests in Nordic public companies.

Main events after the review period:

- On 9 October 2008 CapMan Plc announced that the sale of Access Capital Partners (Access), first announced in July, was cancelled. CapMan had signed an agreement for the transfer of its 35% stake in its associated company Access to the Spanish N+1 Group. The transaction was cancelled after the purchaser announced that its lender bank had decided, due to a force majeure caused by the general financial crisis, to withdraw the pre-agreed financing from the transaction. With the cancellation of the transaction CapMan Plc's result in 2008 will fall clearly below the 2007 result.

CEO Heikki Westerlund comments on the events of the review period and result outlook:

"In recent weeks we have seen a crisis in the financial sector of an unprecedented scale. Its impact on the private equity sector has brought almost all new investments and exits to a halt while buyers and sellers wait for valuation levels to adjust to the prevailing market situation. We believe that bank financing for buyouts, mergers & acquisitions and real estate investments will gradually recover. As a result of the changed market sentiment, raising new funds has become more challenging during the early autumn.

Our investment operations are in a good position to exploit opportunities created by this market turbulence through new investments and add-on acquisitions by our existing portfolio companies. Correspondingly, the exit market is weak as a result of the general slowdown in economic growth and the financial crisis. Our current portfolio, however, contains several well-developed companies. Should there be any exits, at present they will most likely be through a sale to an industrial buyer. As a result of the cancellation of the sale of our minority stake in Access, our result in 2008 will fall clearly below the 2007 result. The result for the full year will depend largely on changes in the fair value of our fund investments."



Business operations

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

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

Turnover and profit for January–September 2008

CapMan's turnover for the review period was MEUR 27.2 (MEUR 43.6 for Jan–Sep 2007). The main factors affecting turnover and profit are described in more detail in their own sections of this Interim Report.

The Group's operating profit totalled MEUR 3.3 (31.4). Profit before taxes totalled MEUR 2.7 (34.0) and after taxes MEUR 1.9 (25.5).

The parent company equity holders' share of the profits was MEUR 1.8 (19.8), and earnings per share based on it were 2.2 (25.4) cents.

The quarterly breakdown of turnover and profit as well as turnover and profit by segment are presented in the tables section of this Interim Report.

Management fees, real estate consulting income and operating expenses

The amount of management fees grew against the comparable period and amounted to MEUR 20.9 (18.8). Establishment of the new MEUR 844.9 CapMan Hotels RE real estate fund in January 2008 contributed to the increase in management fees throughout the review period.

Income from real estate consulting totalled MEUR 1.7 (1.6). The aggregate total of management fees and income from real estate consulting was MEUR 22.6 (20.4), and it covered the operating expenses of MEUR 21.2 (expenses during the comparable period, taking into account the performance-based bonus, were MEUR 19.8).

Carried interest

CapMan receives carried interest income from funds that have already repaid paid-in capital to their investors and paid an annual preferential return on the capital. During the review period there was one exit from funds in carry. As a result of the exit from Staffpoint, carried interest totalled MEUR 4.1. Carried interest for the comparison period amounted to MEUR 22.4, which accrued primarily through the sale of CapMan Real Estate I fund's real estate portfolio.

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

Income from CapMan's own fund investments and investment commitments

On 30 September 2008, the fair value of fund investments made from CapMan's own balance sheet totalled MEUR 59.8 (MEUR 46.6 on 30 September 2007). Fair value changes related to fund investments were MEUR -2.7 (7.5), largely a result of the general market development in the review period and the funds' costs. The negative



development in the third quarter, altogether MEUR -1.4, was mainly attributable to the general market situation and its impact on market values of portfolio companies' listed peers used in company valuations. Funds' portfolios also saw positive value adjustments for individual companies, and portfolios are overall in sound condition.

The change in fair value during the comparable period was broadly attributable to a value adjustment in CapMan Equity VII funds' portfolio company Moventas, from which there was a partial exit during the comparison period.

Realised returns from fund investments amounted to MEUR 0.2 (0.4). Fund investments made from CapMan's own balance sheet had an overall impact of MEUR -2.5 (7.9) on profit for the period. CapMan Plc's financial target is a 15% annual return to fund investments.

CapMan made new investments in its funds during the review period amounting to MEUR 21.4 (14.1). Most of these investments were made in the CapMan Buyout VIII and CapMan Hotels RE funds. CapMan will invest in its future funds 2–10% of their original capital depending on the fund's demand and CapMan's own investment capacity. During the review period CapMan made a MEUR 5 investment commitment to the CapMan Hotels RE fund, a MEUR 13.5 investment commitment to the CapMan Russia fund and a MEUR 15 investment commitment to the CapMan Public Market fund. The amount of remaining investment commitments at the end of the review period was MEUR 69.0 (57.2). The aggregate fair value of existing investments and remaining investment commitments on 30 September 2008 was MEUR 128.8 (MEUR 103.8 on 30 September 2007).

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

Balance sheet and financial position on 30 September 2008

CapMan's balance sheet total increased during the review period to MEUR 129.4 (MEUR 119.3 on 30 September 2007). Non-current assets increased during the review period to MEUR 112.6 (75.4), mainly due to investments made in funds, to growth in receivables, and to an increase in goodwill of MEUR 6.5 recognised for the Norum acquisition. Long-term receivables amounted to MEUR 29.0 (17.9), of which MEUR 25.2 (13.4) was loan receivables from the Maneq funds. In addition to CapMan Plc, CapMan personnel are investors in the Maneq funds, the expected yields from which are broadly in line with the yield expectations for CapMan's own fund investments. Maneq funds pay market rate interest on loans they receive from CapMan Plc.

Current assets declined in the first half of the year to MEUR 16.8 (43.9) owing to dividends paid out and investments made in funds. Liquid assets (cash in hand and at banks, plus other financial assets at fair value through profit and loss) amounted to MEUR 7.7 (36.7). In the comparison period liquid assets were exceptionally high due to the carried interest income received from CapMan Real Estate I fund's sale of its real estate portfolio.

At 30 September 2008 CapMan Plc had a credit facility of MEUR 60 (16.0) available, of which MEUR 44 (16.0) had been used. Interest-bearing liabilities increased as CapMan pursued its strategy of using debt financing to finance some of its investments in funds. The amount of trade and other payables was MEUR 17.9 (20.3). The Group's interest-bearing net debts amounted to MEUR 36.3 (-20.7).

Key figures

CapMan's equity ratio on 30 September 2008 was 47.7% (64.8% on 30 September 2007). Return on equity was 3.1% (39.0%) and return on investment was 5.0% (43.6%). The target level for the equity ratio is at least 50% and for return on equity at least 25%.



	30.9.08	30.9.07	31.12.07
Earnings per share, cents	2.2	25.4	23.8
Diluted, cents	2.2	25.1	23.7
Shareholders' equity / share, cents	73.4	94.8	86.4
Share issue adjusted number of shares	80,081,859	77,796,919	78,142,867
Number of shares at end of period	80,990,171	78,540,222	79,968,819
Number of shares outstanding	80,890,268	78,540,222	79,968,819
Own shares held by the Company at end of period	99,903	0	0
Return on equity, %	3.1	39.0	38.9
Return on investment, %	5.0	43.6	44.2
Equity ratio, %	47.7	64.8	57.6
Net gearing, %	61.8	-28.1	-27.5

Norum acquisition and expansion of operations in Russia

On 26 May 2008 CapMan Plc signed an agreement to buy private equity house Norum from the company's senior management, DnB NOR Bank ASA and Sitra Management Ltd. The transaction was closed on 27 August 2008, on terms whereby 51% of the Norum Russia Fund III's (i.e. the current CapMan Russia Fund's) management company's and 100% of the advisory company's share capital and voting rights were transferred to CapMan Plc's ownership. The CapMan Russia fund, which is currently in the fundraising phase, was also transferred under CapMan's management. The fund's size is MEUR 88, including CapMan Plc's own commitment of MEUR 13.5.

The purchase price of the shares was approx. MEUR 3.4. Approximately MEUR 1 of the purchase price was paid in cash and the remaining MEUR 2.4 through a direct share issue to the sellers. The value of each B share in the transaction was EUR 2.43 corresponding to the volume weighted average trading price of CapMan B shares between 22 April 2008 and 21 May 2008. CapMan Plc issued a total of 982,539 new CapMan Plc B shares, which were entered in the Trade Register on 5 September 2008. There is a three-phase lock-up for the B shares issued, and the lock-up will end on 25 May 2011.

The purchase price of the shares will be adjusted on the basis of the final size of CapMan Russia Fund.

CapMan Plc has the right to buy the remaining 49% of Norum shares when the investment period for CapMan Russia Fund ends, that is at the latest in July 2012. The Sellers have the right to sell their remaining Norum shares to CapMan at any time. Depending on the final size of the CapMan Russia Fund, the transaction price for the remaining shares will be between MEUR 3.3 and MEUR 4.4. The payable transaction price per share will, however, be the same as the fundraising adjusted transaction price in the first phase of the transaction.

Expanding operations into Russia is an important strategic step for CapMan. Following the transaction 12 persons transferred to CapMan Group. Norum's, now CapMan Russia's, investment team has operated in the Russian private equity market since 1995 and is one of the most experienced investment teams in this market. CapMan Russia forms a separate investment area, which is headed by CapMan's senior partner Mr Petri Saavalainen. Mr Hans Christian Dall Nygård, the former Managing Director of Norum and now a partner in CapMan, is responsible for all the investment activities of CapMan Russia. CapMan Russia is included in the CapMan Private Equity business area in CapMan Plc's financial reporting. The acquired companies are consolidated in CapMan Group's figures, as subsidiaries, as is also the resultant goodwill.



CapMan Public Market fund

On 11 July 2008 CapMan Plc established a new equity fund, CapMan Public Market, which invests in Nordic public companies. Altogether MEUR 90 million in investment commitments had been raised by the fund's first closing, of which CapMan Plc's share is MEUR 15. The CapMan Public Market fund invests in Nordic public companies that have a market capitalisation of MEUR 100–1,000, and it utilises private equity style value creation methods in public markets. Additional MEUR 16 million has been raised to the fund after the review period, and the fund's fundraising continues.

The establishment of the fund was the start of CapMan's sixth investment area, CapMan Public Market, which is headed by CapMan's senior partner Mr Jukka Ruuska. CapMan Public Market is included in the CapMan Private Equity business area in CapMan Plc's financial reporting.

CapMan Hotels RE fund

On 18 January 2008 CapMan Plc established a new private equity fund focusing on hotel real estate, CapMan Hotels RE Ky. The size of the hotel fund at present is MEUR 844.9, and the fund is still in the fundraising phase. The fund acquired a MEUR 805 hotel portfolio of 39 properties from Northern European Properties Ltd (NEPR) in conjunction with its establishment. Seven professionals in the hotel business transferred to CapMan Group through the transaction. The management company of CapMan Hotels RE Ky is CapMan Hotels RE Oy, of which CapMan Plc owns 80%.

Fundraising

In addition to fundraising for the CapMan Hotels RE, CapMan Russia and CapMan Public Market funds, preparations were started during the review period for fundraising for the next buyout fund, CapMan Buyout IX.

Capital under management on 30 September 2008

Capital under management refers to funds' remaining investment capacity and capital already invested at acquisition cost. As a result of the establishment of the CapMan Hotels RE and CapMan Public Market funds, and of the CapMan Russia fund being transferred to CapMan's management, the capital under management grew by some 45% in January–September from MEUR 2,190.0 on 31 December 2007 to MEUR 3,174.9 on 30 September 2008 (MEUR 2,225.4 on 30 September 2007). At the end of September MEUR 1,534.4 (1,429.8) was in funds making investments in portfolio companies and MEUR 1,640.5 (795.7) in real estate funds. Capital was raised during the review period as follows:

Fund	Established	Capital 31 Dec 07 MEUR	Capital 30 Sep 08 MEUR	CapMan Group's commitment MEUR	CapMan Group's carried interest (net*)
CapMan Technology 2007	9 Feb 2007	140.3	142.3	15.0	10%
CapMan Hotels RE Ky	18 Jan 2008	0.0	844.9	5.0	12%
CapMan Public Market	11 Jul 2008	0.0	90.0	15.0	10%
CapMan Russia Fund**	27 Aug 2008	56.0	88.0	13.5	n/a



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

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

Exits made during the review period reduced the amount of capital under management by their acquisition cost, MEUR 28.9. The Nordic Private Equity Partners II fund was terminated owing to its exit during the review period from its last remaining investment.

Capital under management has increased subsequent to the review period by MEUR 16 to MEUR 3,190.9 as a result of fundraising by the CapMan Public Market fund.

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

Personnel

On 30 September 2008 CapMan employed altogether 142 people (105 people on 30 September 2007), of whom 104 (81) worked in Finland and the remainder worked in other Nordic countries or Russia. The establishment of the new hotel fund and the Norum acquisition both contributed to growth in the number of personnel. A breakdown of personnel by country and by team is presented in the tables section of this Interim Report.

Shares and share capital

There were no changes in CapMan Plc's share capital during the review period. Share capital on 30 September 2008 was EUR 771,586.98 (EUR 771,586.98 on 30 September 2007). The number of listed B shares increased during the review period by altogether 1,021,352 shares after a total of 38,813 B shares were subscribed for with 2003A options and 982,539 new B shares were issued in connection with the Norum acquisition. The number of B shares on 30 September 2008 was 74,990,171 and the number of unlisted A shares 6,000,000. The company's B shares have one vote per share and A shares 10 votes per share.

No shares were subscribed for by exercising 2003B options during the review period. After the review period, by 29 October 2008 altogether 68,680 B shares had been subscribed for with 2003A options, of which 8,000 have been entered in the Trade Register. A total of 468,079 B shares can still be subscribed for with 2003A options before the subscription period expires on 31 October 2008. A total of 625,000 B shares can still be subscribed for with 2003B options before the subscription period expires on 31 October 2009. The subscription prices of the shares will be entered in the invested unrestricted equity account.

Own shares

CapMan Plc's Board of Directors decided on 8 August 2008 to start purchases of CapMan Plc B shares based on the authorization granted by the Annual General Meeting on 27 March 2008. The purchases started on 18 August 2008, and by 30 September 2008 a total of 99,903 shares had been repurchased. The repurchase of shares continued after the review period, and on 29 October 2008 the Company held altogether 135,503 CapMan Plc B shares.

Shareholders

CapMan Plc had 4,475 shareholders on 30 September 2008 (4,521 on 30 September 2007). The biggest change in the Company's ownership during the review period was that following the Norum transaction Norum's management



became shareholders of CapMan Plc with a combined holding of 1.2% in the company. No flagging notices were issued during the review period and.

Market capitalisation and trading

CapMan Plc's B shares had a closing price of EUR 1.85 on 30 September 2008 (EUR 3.55 on 30 September 2007). The average price during the review period was EUR 2.59 (3.50). The highest price was EUR 3.40 (4.07) and the lowest EUR 1.75 (2.86). The trading of the company's shares, in terms of volume and value, declined appreciably with respect to the comparable period. Altogether 8.2 million (25.7 million) CapMan Plc B shares were traded during the review period for a total of MEUR 21.2 (89.2).

The market capitalisation of CapMan Plc B shares on 30 September 2008 was MEUR 138.7 (257.5). The market capitalisation of all shares, in which the A shares are valued at the closing price for the review period of B shares, was MEUR 149.8 (278.8).

Board authorisations

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

Events after the review period

Cancellation of Access Capital Partners transaction

On 9 October 2008 CapMan Plc announced that the sale of Access Capital Partners (Access), first announced on 25 July 2008, was cancelled. CapMan had signed an agreement for the transfer of its 35% stake in its associated company Access to the Spanish N+1 Group. The announced transaction price for Access shares at the time of the signing was at maximum MEUR 23.3, and the estimated impact of the transaction, when closed, on CapMan Plc's 2008 result was MEUR 18. The transaction was expected to be closed by the end of 2008.

The transaction was cancelled after the purchaser announced that its lender bank had decided, due to a force majeure caused by the general financial crisis, to withdraw the pre-agreed financing from the transaction.

CapMan Plc continues as a 35% minority shareholder in Access after the cancellation of the deal. The company's other shareholders are its managing partners. Access is a leading European private equity funds of funds manager with EUR 2.5 billion under management. The company has succeeded well in the past and is well poised to continue out-performing also in future due to its diversification and active portfolio management. Access also recently closed its fourth-generation buyout fund of funds and is well positioned to benefit from the attractive investment opportunities of the current market situation.

The original sizes of the funds and the mandates managed by Access Capital Partners on 30 September 2008 are presented in Appendix 3.

Business environment

The prospects for growth in the demand for alternative assets have remained good over the long term. The financial crisis and the steep decline in market valuations of other asset classes, however, are clearly slowing the growth of alternative asset class. Private equity has consolidated its position in financing M&A and growth, and continues to focus typically on consolidation in various sectors, family successions, privatisation of public services and functions,



and the commercialisation of R&D in the technology and life science sectors. Increased entrepreneurial activity has also boosted growth. Real estate funds, for their part, have gained an established share of institutional investors' investment allocations.

The funds investing in portfolio companies will continue to implement their investment strategies. The deep crisis in the debt market has been reflected, however, in CapMan's operating area also. At present the M&A market is waiting for the positive effects of banking sector support plans to materialise. We believe that bank financing for buyouts, mergers & acquisitions and real estate investments will gradually recover. The market looks promising for new investment targets both in the Nordic countries and Russia, and the number of new potential portfolio companies has remained at a good level. The exit market has at present come to a halt and the impact of the crisis is visible in lower price levels.

The slowdown in growth of the real economy has been seen in our investment targets, especially in those sectors that are linked, for instance, to consumer demand. Overall, our portfolio companies' development has been favourable, but visibility for 2009 has weakened. A steep decline in listed market valuations was reflected in the fair value of our investment targets. We plan to keep enough reserves in our funds to support our companies' growth and financing in this market situation.

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

All CapMan's investment teams are in a good position and have adequate resources to implement their investment strategies in the Nordic countries and Russia. The funds investing in portfolio companies have some MEUR 670 for making new and follow-on investments, while the real estate funds have roughly a MEUR 330 investment capacity for identifying new investment targets and developing the existing portfolio.

Future outlook

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

Management fees and income from real estate consulting will cover CapMan's fixed expenses in 2008. Income from carried interest will be appreciably lower than the 2007 figure. Despite the slowdown in the exit market, the funds still have exit processes in progress. As a result of the market situation, however, we expect a postponement of the transfer of funds into carry, and the CapMan Equity VII A, B and Sweden funds as well as the Finnmezzanine III A and B funds are expected to start generating carried interest during 2009–2010.

We expect our portfolio companies and real estate assets to remain stable during the last quarter of 2008. The unstable market situation and the sharp decline in listed peers' valuations may, however, be reflected as a decline in the fair value of CapMan Plc's fund investments in the last quarter.



The Group's full-year result for 2008 will depend on whether new exits are made by funds already generating carried interest, and on how the value of investments develops in those funds in which CapMan is a substantial investor. Earnings per share for 2008 will fall below the figure for 2007.

CapMan Plc's financial statements bulletin for the year 2008 will be published on Thursday 29 January 2009.

Helsinki, Finland, 30 October 2008

CAPMAN PLC
Board of Directors

Press conference:

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

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

Further information:

Heikki Westerlund, CEO, tel. +358 207 207 504 or +358 50 559 6580
Kaisa Arovaara, CFO, tel. +358 207 207 583 or +358 50 370 3715

Distribution:

Helsinki Stock Exchange
Principle media
www.capman.com

Appendices (after the tables section):

Appendix 1: CapMan Plc Group's funds under management at 30 September 2008, MEUR

Appendix 2: Operations of CapMan's funds under management, 1 Jan – 30 Sep 2008

Appendix 3: Capital and mandates under management of associated company Access Capital Partners on 30 September 2008



GROUP BALANCE SHEET (IFRS)

TEUR	30.9.08	30.9.07	31.12.07
ASSETS			
Non-current assets			
Tangible assets	1,114	852	819
Goodwill	11,897	4,845	4,845
Other intangible assets	3,063	694	1,001
Investments in associated companies	3,483	3,374	3,407
Other financial assets at fair value through profit and loss			
Investments in funds	59,781	46,561	44,230
Other financial assets	981	882	878
Receivables	28,984	17,946	16,191
Deferred income tax assets	3,261	262	3,547
	112,564	75,416	74,918
Current assets			
Trade and other receivables	9,158	7,146	7,837
Other financial assets at fair value through profit and loss	1,707	16,867	14,857
Cash in hand and at bank	5,971	19,877	19,741
	16,836	43,890	42,435
Total assets	129,400	119,306	117,353
EQUITY AND LIABILITIES			
Capital attributable to the Company's equity holders			
Share capital	772	772	772
Share premium account	38,968	38,968	38,968
Other reserves	5,224	2,118	2,961
Translation difference	-28	259	133
Retained earnings	13,673	25,829	24,676
	58,609	67,946	67,510
Minority interest	208	5,806	34
Total equity	58,817	73,752	67,544
Non-current liabilities			
Deferred income tax liabilities	2,959	4,132	3,734
Interest-bearing loans	30,000	16,000	16,000
Other liabilities	5,678	490	701
	38,637	20,622	20,435



Current liabilities			
Trade and other payables	17,946	20,326	21,356
Interest-bearing loans and borrowings	14,000	0	0
Current income tax liabilities	0	4,606	8,018
	31,946	24,932	29,374
Total liabilities	70,583	45,554	49,809
Total equity and liabilities	129,400	119,306	117,353

GROUP INCOME STATEMENT (IFRS)

TEUR	1-9/08	1-9/07	1-12/07
Turnover	27,229	43,561	51,572
Other operating income	5	108	236
Personnel expenses	-12,052	-10,588	-15,381
Depreciation and amortisation	-396	-444	-581
Other operating expenses	-8,792	-8,720	-11,783
Fair value gains / losses of investments	-2,723	7,460	5,696
Operating profit	3,271	31,377	29,759
Financial income and expenses	-612	693	1,070
Share of associated companies' result	46	1,889	1,915
Profit before taxes	2,705	33,959	32,744
Income taxes	-774	-8,472	-8,509
Profit for the financial period	1,931	25,487	24,235
Attributable to:			
Equity holders of the company	1,792	19,791	18,620
Minority interest	139	5,696	5,615
Earnings per share for profit attributable to the equity holders of the Company:			
Earnings per share, cents	2.2	25.4	23.8
Diluted, cents	2.2	25.1	23.7
Operating profit, %	12.0	72.0	57.7



GROUP STATEMENT OF CHANGES IN EQUITY

Attributable to the equity holders of the Company									
	Share capital	Share premium account	Other reserves	Trans-lation account	Re-tained earnings	Total	Minority interest	Total capital	
TEUR									
Equity on 31 Dec 2006									
Share subscriptions with options	772	38,968	1,218	316	15,074	56,348	599	56,947	
Translation difference			883		-57				
Options			17		223				
Profit for the financial period					19,791		5,696		
Dividends paid					-9,259		-428		
Other changes							-61		
Equity on 30 Sep 2007	772	38,968	2,118	259	25,829	67,946	5,806	73,752	
Equity on 31 Dec 2007	772	38,968	2,961	133	24,676	67,510	34	67,544	
Share subscriptions with options			59						
Translation difference				-161					
Share issue			2,392						
Repurchase of own shares			-188						
Profit for the financial period					1,792		139		
Dividends paid					-12,795				
Other changes							35		
Equity on 30 Sep 2008	772	38,968	5,224	-28	13,673	58,609	208	58,817	



GROUP'S CASH FLOW (IFRS)

TEUR	1-9/08	1-9/07	1-12/07
Cash flow from operations			
Profit for the financial period	1,931	19,791	24,235
Adjustments	4,629	4,514	239
Cash flow before change in working capital	6,560	24,305	24,474
Change in working capital	-199	11,030	5,662
Financing items and taxes	-9,600	-1,036	-1,111
Cash flow from operations	-3,239	34,299	29,025
Cash flow from investments			
	-19,652	-7,248	-6,823
Cash flow before financing			
Dividends paid (incl. minority share)	-22,891	27,051	22,202
Other net cash flow	-18,589	-9,687	-9,687
Financial cash flow	27,710	-11,624	-6,911
	9,121	-21,311	-16,598
Change in cash funds			
Cash funds at start of the period	19,741	14,137	14,137
Cash funds at end of the period	5,971	19,877	19,741

Accounting principles

The company's Interim Report has been prepared in accordance with the IAS 34 standard on interim financial reporting. The same accounting principles have been applied in the Interim Report as in the 2007 financial statements. The Interim Report has not been audited.

Segment information

TEUR	1-9/08	1-9/07	1-12/07
Turnover			
CapMan Private Equity	21,595	18,990	25,840
CapMan Real Estate	5,634	24,571	25,732
Total	27,229	43,561	51,572
Operating profit			
CapMan Private Equity	3,282	10,337	9,484
CapMan Real Estate	-11	21,040	20,275
Total	3,271	31,377	29,759



Income taxes

The Group's income taxes during the review period are calculated on the basis of the estimated average tax rate during the fiscal year. Deferred taxes are calculated on the basis of all temporary differences between book value and fiscal value.

Dividends

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

Non-current assets

TEUR	30.9.08	30.9.07	31.12.07
Investments in funds at fair value through profit and loss at Jan 1	44,230	33,122	33,122
Additions	21,376	14,147	15,384
Disposals	-3,102	-8,168	-9,972
Fair value gains/losses on investments	-2,723	7,460	5,696
Investments in funds at fair value through profit and loss at end of the period	59,781	46,561	44,230

Additions and investments in funds by area:

	1-9/08	1-9/07	1-12/07
Additions			
Funds investing in portfolio companies	16,052	13,289	14,500
Real estate funds	5,066	572	598
Access Capital Partners	258	286	286
Total	21,376	14,147	15,384

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

	30.9.08	30.9.07	31.12.07
Funds investing in portfolio companies	46,694	37,988	36,010
Real estate funds	5,610	251	526
Access Capital Partners	7,477	8,322	7,694
Total	59,781	46,561	44,230

Transactions with related parties (associated companies)

TEUR	30.9.08	30.9.07	31.12.07
Receivables – non-current at end of review period	25,551	14,281	12,497
Receivables – current at end of review period	1,743	125	879



Non-current liabilities

TEUR	30.9.08	30.9.07	31.12.07
Interest-bearing loans at end of review period	30,000	16,000	16,000

Seasonal nature of business

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

Personnel

By country	30.9.08	30.9.07	31.12.07
Finland	104	81	86
Denmark	3	4	4
Sweden	18	15	15
Norway	6	5	5
Russia	11	0	0
Total	142	105	110

By team

CapMan Private Equity	53	36	37
CapMan Real Estate	43	26	30
Investor Services	26	25	25
Internal Services	20	18	18
Total	142	105	110

Contingent liabilities

TEUR	30.9.08	30.9.07	31.12.07
Leasing contracts and other contingent liabilities	10,745	9,810	11,797
Commitments to funds	69,010	57,237	55,994

Commitments to funds by area

Funds investing in portfolio companies	64,916	52,793	51,577
Real estate funds	2,109	2,201	2,174
Access Capital Partners	1,985	2,243	2,243
Total	69,010	57,237	55,994

Of the remaining investment commitments, MEUR 15 is allocated to the CapMan Public Market fund, MEUR 13.5 to the CapMan Russia fund, MEUR 12 to the CapMan Buyout VIII fund, MEUR 11.4 to the CapMan Technology 2007



fund and the remainder mainly to the CapMan Life Science IV, CapMan Mezzanine IV, CapMan Equity VII and Access Capital Fund II funds.

Turnover and profit quarterly

2008 MEUR	1-3/08	4-6/08	7-9/08	1-9/08		
Turnover	7.2	12.3	7.7	27.2		
Management fees	6.4	7.2	7.3	20.9		
Carried interest	0.0	4.1	0.0	4.1		
Income of investments in funds	0.0	0.2	0.0	0.2		
Real estate consulting	0.7	0.6	0.4	1.7		
Other income	0.2	0.1	0.0	0.3		
Other operating income	0.0	0.0	0.0	0.0		
Operating expenses	-6.7	-7.9	-6.6	-21.2		
Fair value gains / losses of investments	-0.1	-1.2	-1.4	-2.7		
Operating profit	0.4	3.3	-0.4	3.3		
Financial income and expenses	0.3	-0.1	-0.8	-0.6		
Share of associated companies' result	0.1	-0.2	0.2	0.1		
Profit before taxes	0.7	3.0	-1.0	2.7		
Profit for the period	0.5	2.2	-0.8	1.9		
2007 MEUR	1-3/07	4-6/07	7-9/07	1-9/07	10-12/07	1-12/07
Turnover	28.1	7.5	8.0	43.6	8.0	51.6
Management fees	5.9	6.6	6.3	18.8	6.2	25.0
Carried interest	21.2	0.2	1.0	22.4	1.2	23.6
Income of investments in funds	0.3	0.0	0.1	0.4	0.1	0.5
Real estate consulting	0.6	0.5	0.5	1.6	0.5	2.1
Other income	0.1	0.2	0.1	0.4	0.0	0.4
Other operating income	0.0	0.1	0.0	0.1	0.1	0.2
Operating expenses	-6.8	-7.0	-6.0	-19.8	-7.9	-27.7
Fair value gains / losses of investments	4.1	0.5	2.9	7.5	-1.8	5.7
Operating profit	25.4	1.1	4.9	31.4	-1.6	29.8
Financial income and expenses	0.3	0.2	0.2	0.7	0.4	1.1
Share of associated companies' result	0.9	0.2	0.8	1.9	0.0	1.9
Profit before taxes	26.7	1.4	5.9	34.0	-1.3	32.7
Profit for the period	19.9	1.0	4.6	25.5	-1.3	24.2



APPENDIX 1: CAPMAN PLC GROUP'S FUNDS UNDER MANAGEMENT AT 30 SEPTEMBER 2008, MEUR

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

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

The definitions for column headings are presented below the tables.

FUNDS INVESTING DIRECTLY IN PORTFOLIO COMPANIES

	Size	Paid-in capital	Fund's current portfolio at cost	at fair value	Net cash assets	Distributed cash flow to investors	Distributed cash flow to management	CapMan's share of cash flow if fund generates carried interest
Funds generating carried interest								
FV II, FV III 1) and FM II B								
total	58.6	57.4	3.1	2.2	0.3	179.9	44.2	20-35%
FV V	169.9	163.5	47.8	29.9	1.4	237.7	5.3	20%
Fенно Program								
total 2)	59.0	59.0	10.8	10.1	0.3	123.1	8.7	10-12%
Total	287.5	279.9	61.7	42.2	2.0	540.7	58.2	
Funds that are expected to transfer to carry 2009-2010								
CME VII A	156.7	135.0	85.0	153.0	4.5	92.2		20%
CME VII B	56.5	53.9	34.0	73.9	2.5	41.9		20%
CME SWE	67.0	57.8	36.4	65.6	2.3	39.8		20%
FM III A	101.4	98.8	32.1	38.1	2.7	102.8		20%
FM III B	20.2	19.8	8.4	11.0	0.3	18.5		20%
Total	401.8	365.3	195.9	341.6	12.3	295.2		



Other funds not yet in carry							
CME VII C	23.1	16.1	10.0	8.0	0.2	7.0	20%
CMB VIII A	360.0	244.7	208.1	209.9	11.4		14%
CMB VIII B	80.0	55.0	46.2	46.6	3.5		14%
CM LS IV	54.1	22.5	13.3	13.3	1.2		10%
CMT 2007 1)	142.3	34.5	23.2	26.4	4.8		10%
CMR	88.0	15.3	13.4	13.4	0.0		n/a
CMPM	90.0	1.2	0.0	0.0	0.6		10%
FM III C	13.9	13.9	3.8	3.8	1.9	12.9	20%
CMM IV 3)	240.0	120.0	128.1	139.4	-28.7	24.9	15%
Total	1,091.4	523.2	446.1	460.8	-5.1	44.8	
Funds with limited carried interest potential to CapMan							
FV IV, FV V ET, SWE LS SWE Tech 1), 4) and FM II A, C, D 1)							
Total	290.1	271.6	87.0	73.1	3.9	176.6	
Funds that invest in companies, total							
	2,070.8	1,440.0	790.7	917.7	13.1	1,057.3	58.2

REAL ESTATE FUNDS

	Size	Paid-in capital	Fund's current portfolio		Net cash assets	Distributed cash flow		CapMan's share of cash flow if fund generates carried interest
			at cost	at fair value		to in- vest- ors	to man- agement company (carried interest)	
Funds generating carried interest								
CMRE I 5)								
equity and bonds	200.0	151.7	28.9	29.3		184.8	27.4	26%
debt financing	300.0	215.1	65.1	65.1				
Total	500.0	366.8	94.0	94.4	8.8	184.8	27.4	



Other funds not yet in carry							
CMRE II							
equity							
	150.0	60.8	58.2	58.3		12%	
debt financing							
	450.0	196.4	196.1	196.1			
Total	600.0	257.2	254.3	254.4	0.2		
CMHRE 6)							
equity							
	304.9	269.1	256.1	248.6		12%	
debt financing							
	540.0	526.0	550.4	550.4			
Total	844.9	795.1	806.5	799.0	31.6		
Real estate funds, total	1,944.9	1,419.1	1,154.8	1,147.8	40.6	184.8	27.4
All funds, total	4,015.7	2,859.1	1,945.5	2,065.5	53.7	1,242.1	85.6

Abbreviations used to refer to funds:

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

Size / investment capacity:

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

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

Paid-in capital:

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

Fair value of fund's current portfolio:

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

The fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Due to the nature of private equity investment activities, the funds' portfolios contain investment targets with a fair value that exceeds their acquisition cost as well as investment targets with a fair value less than the acquisition cost. In defining the fair value of portfolio companies, investment targets are valued at acquisition cost from the time of investment for a 12-month period, after which they are valued at fair value. According



to the IPEVG's policy of prudence, technology and life science targets are typically valued at acquisition cost or a lower figure up until exit.

Net cash assets:

When calculating the investors' share, the fund's net cash assets must be taken into account in addition to the portfolio at fair value. Net cash assets in the CapMan Mezzanine IV fund may be negative, due to the senior debt used in the fund. In real estate funds the net cash assets do not include senior debt because it is presented separately.

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

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

Footnotes to table

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

²⁾ The Fenni Rahasto, Skandia I and Skandia II funds together comprise the Fenni Program, which is managed jointly with Fenni Management Oy.

³⁾ CapMan Mezzanine IV: The paid-in commitment includes a MEUR 96 bond issued by Leverator Plc. The fund's net cash assets include a loan facility, with which investments are financed up to the next bond issue. Distributed cash flow includes payments to both bond subscribers and to the fund's partners.

⁴⁾ Currency items are valued at the average exchange rates quoted at 30 September 2008.

⁵⁾ CapMan Real Estate I: Distributed cash flow includes repayment of the bonds and cash flow to the fund's partners.

⁶⁾ CapMan Hotels RE: The portfolio has been financed with a MEUR 25.8 short-term loan in addition to a senior loan of MEUR 526.

APPENDIX 2: OPERATIONS OF CAPMAN'S FUNDS UNDER MANAGEMENT, 1 January – 30 September 2008

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

CAPMAN PRIVATE EQUITY

Investments in portfolio companies January–September 2008

The CapMan funds made seven new investments as well as several follow-on investments worth altogether MEUR 185.3 in January–September 2008. The new investment targets were Barnebygg Gruppen, The New Black Oy (Varesvuo Partners Oy), CargoPartner Group, Cederroth International AB, Crayon Group, Region Avia Airlines and



Russia Baltic Pork Invest A/S. In monetary terms almost one-third of all investments were follow-on investments, of which the largest were in Curato A/S and OneMed Group. In the comparable period of 2007 the funds made 11 new investments as well as follow-on investments amounting to MEUR 152.0.

Exits from portfolio companies January–September 2008

Final exits from Solid Information Technology Oy, Staffpoint Oy, Spintop Netsolution AB, Reima Holding and ProstaLund AB were implemented during the review period. The CapMan Equity VII fund's portfolio company LUMENE Group split into the LUMENE Group and Farmos Oy, which returned some of the original investment to investors in the fund. Final and partial exits at acquisition cost by the funds during the review period totalled MEUR 28.9. During the comparable period in 2007 the funds exited finally from six companies and partially from a number of other companies. The exits at acquisition cost during the comparable period, including repayments of mezzanine loans, amounted to MEUR 60.6.

Events after the review period

The funds exited from Animex AB in October when the company filed bankruptcy.

CAPMAN REAL ESTATE

Investments in and commitments to real estate acquisitions and projects January–September 2008

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

Investments amounting to MEUR 994.7 were made during the review period, in addition to which the funds had made commitments as at 30 September 2008 to finance real estate acquisitions and projects over the next few years amounting to MEUR 160.5. In the comparable period in 2007 a decision was made to invest in 14 new targets and the investments implemented totalled MEUR 132.4. Commitments to financing new projects totalled MEUR 255.5 on 30 September 2008.

Exits from real estate investments January–September 2008

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



FUND'S INVESTMENT ACTIVITIES IN FIGURES

Funds' investments and exits at acquisition cost, MEUR

	1-9/2008	1-9/2007	1-12/2007
New and follow-on investments			
Funds investing in portfolio companies	185.3	152.0	164.7
Buyout	158.5	116.0	126.7
Technology	9.3	28.1	28.6
Life Science	4.1	7.9	9.4
Russia	13.4	-	-
Public Market	-	-	-
Real estate funds	994.7	132.4	160.0
Total	1,180.0	284.4	324.7
Exits*			
Funds investing in portfolio companies	28.9	60.6	93.2
Buyout	16.5	42.6	74.1
Technology	8.4	18.0	19.1
Life Science	4.0	-	-
Russia	-	-	-
Public Market	-	-	-
Real estate funds	-	304.4	304.4
Total	28.9	365.0	397.6

* Including partial exits and repayments of mezzanine loans.

In addition, the real estate funds had on 30 September 2008 made commitments to finance real estate acquisitions and projects to the amount of MEUR 160.5.

Funds' aggregate combined portfolio* 30 September 2008, MEUR

	Portfolio at acquisition price	Portfolio at fair value	Share of portfolio (fair value) %
Funds investing in portfolio companies	790.7	917.7	44.4
Real estate funds	1,154.8	1,147.8	55.6
Total	1,945.5	2,065.5	100.0
Funds investing in portfolio companies			
Buyout	621.3	772.1	84.1
Technology	114.6	98.6	10.7
Life Science	41.4	33.6	3.7
Russia	13.4	13.4	1.5
Total	790.7	917.7	100.0

*Aggregated entity formed of all investment targets of funds under management.



Remaining investment capacity

After deduction of actual and estimated expenses, on 30 September 2008 the funds that invest in portfolio companies had some MEUR 670 remaining for new and follow-on investments. Of the remaining capital, some MEUR 305 was earmarked for buyout investments (incl. mezzanine investments), MEUR 165 for technology investments, MEUR 40 for life science investments, MEUR 70 for the CapMan Russia team's investments and MEUR 90 for the CapMan Public Market team's investments. The real estate funds have remaining investment capacity amounting to MEUR 330.

APPENDIX 3: CAPITAL UNDER MANAGEMENT OF ASSOCIATED COMPANY ACCESS CAPITAL PARTNERS ON 30 SEPTEMBER 2008

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

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

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

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

