

**Company announcement no 7 2011/12**

Copenhagen, 21 June 2011

**Interim Report for the period 1 February 2011 – 30 April 2011**

*Profit for Q1 2011/12 came to DKK 10.7m. Equity stood at DKK 893m, corresponding to a book value per share of DKK 18,932.*

The Board of Directors of Scandinavian Private Equity A/S (SPEAS) has today considered and approved the Company's Interim Report for the period 1 February 2011 – 30 April 2011. The Interim Report has not been audited and contains the following highlights:

- The Company recorded a net profit of DKK 10.7m for the period. Investments in private equity funds generated a return of DKK 12.0m. Following the placement of cash, net financials totalled DKK 0.7m.
- Investments in private equity funds amounted to DKK 766m, and SPEAS's uncalled investment commitments totalled approximately DKK 249m, which the funds may invest in new companies in the next few years.
- SPEAS has deposited DKK 123m with Danish banks and has furthermore satisfactory credit facilities to cover the uncalled investment commitments.
- In Q1 2011/12 SPEAS contributed DKK 66.8m to the private equity funds in accordance with the investment commitments made and received DKK 31.8m as proceeds from the companies sold and recapitalisation.
- Equity stood at DKK 893m at 30 April 2011, equal to a book value per share of DKK 18,932 against a share price of DKK 12,850 at 20 June 2011.
- In Q1 of the financial year, SPEAS bought back another 127 own shares totalling DKK 1.5m, as the share price was attractive compared with the Company's other investment alternatives.
- SPEAS maintains its forecast of a profit in the range of DKK 55m-65m for the financial year 2011/12 ending on 31 January 2012. The results for the year will depend on the development in financial markets.

**For further information, please contact:**

Ole Mikkelsen, CEO, tel +45 70 25 10 55, mobile +45 30 66 96 30

Yours sincerely

Scandinavian Private Equity A/S

Jens Erik Christensen  
Chairman

Ole Mikkelsen  
CEO

**About SPEAS**

SPEAS was the first listed company in Denmark to offer a wide group of investors access to private equity fund investments. SPEAS focuses on funds which primarily invest in Europe and where at least one of the Nordic countries is included in the geographic focus, with buy-out funds as the main target. This focus has been chosen given the networks, long experience and competency within this field of the managements of SPEAS and Scandinavian Private Equity Partners A/S (the associated management company) and the historically very attractive returns generated by Nordic buy-out funds.

# **Scandinavian Private Equity A/S**

## Interim Report

1 February 2011 – 30 April 2011

## Financial highlights

DKK (1,000)	20010/2011	Q1 2010/11	Q1 2011/12
	1/2 2010 – 31/1 2011	1/2 2010 – 30/4 2010	1/2 2011 – 30/4 2011
<b>Income statement</b>			
Income from investment activities	117,374	16,859	12,003
Operating profit (EBIT)	109,903	15,214	9,965
Net financials	7,672	4,322	714
<b>Profit before tax</b>	<b>117,575</b>	<b>19,536</b>	<b>10,679</b>
<b>Balance sheet</b>			
Investments in private equity funds	718,952	460,535	766,358
Listed shares in private equity companies	0	59,014	0
Receivables	6,055	4,972	5,939
Cash	161,690	274,374	123,466
<b>Total assets</b>	<b>886,697</b>	<b>798,895</b>	<b>895,763</b>
Equity	884,233	797,291	893,411
Current liabilities	2,464	1,604	2,352
<b>Total liabilities and equity</b>	<b>886,697</b>	<b>798,895</b>	<b>895,763</b>
<b>Financial ratios</b>			
Total number of shares	50,050	50,050	50,050
Number of treasury shares	2,732	1,738	2,859
Earnings per share (EPS) (DKK)	2,442	403	226
Book value per share (DKK)	18,687	16,503	18,932
Change in book value per share, %	16.3	2.7	1.3
Quoted price (latest trade) at 31 Jan (DKK)	11,100	11,300	13,000
Quoted price/book value	0.59	0.68	0.69
Rate of cost, %	0.9	0.2	0.3
<b>Investment commitments to private equity funds</b>			
Investments in private equity funds (DKKm)	719.0	460.5	766.4
- Investments as % of equity	81	58	86
- Return on private equity funds (%)	20.0	2.4	1.6
Uncalled investment commitments (DKKm)	294.3	424.1	248.7
Total exposure to private equity funds (DKKm)	1,013.3	884.6	1,015.1
- Total exposures as % of equity	115	111	114

## Management's Review

### Results for the period

SPEAS recorded a profit of DKK 10.7m and has thus recorded positive results for nine quarters in a row. The profit for Q1 2011/12 is considered satisfactory. In the period under review, SPEAS's investments in private equity funds generated a return of DKK 12.0m. Net financials came to DKK 0.7m.

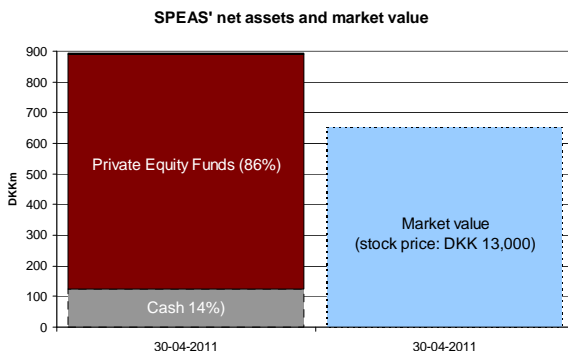
In Q1 of the financial year, SPEAS bought back additional own shares in the market, as the share price was attractive compared with the Company's other investment alternatives. In Q1 the Company bought back 127 own shares for DKK 1,501,000. At 30 April 2011, the Company had bought back a total of 2,859 own shares (5.7% of the share capital).

In the period, SPEAS paid DKK 1.4m, inclusive of VAT, in management fees and DKK 0.4m in performance fees to the management company Scandinavian Private Equity Partners A/S in accordance with the management agreement.

Equity stood at DKK 893m at 30 April 2011 corresponding to a book value per share of DKK 18,932.

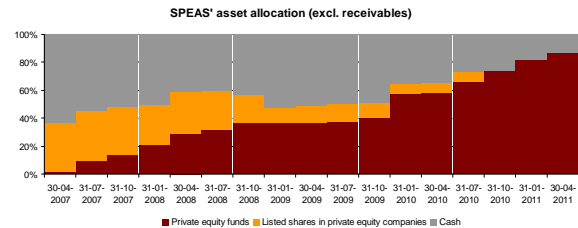
### Asset allocation at 30 April 2011

At 30 April 2011, the Company's assets had been allocated as follows:



SPEAS's main asset is the Company's investments in private equity funds totalling DKK 766m. At 30 April 2011, the cash balance was DKK 123m, and SPEAS's market cap amounted to 69% of the carrying amount of net assets.

At 30 April 2011, SPEAS had DKK 123m for future investments in private equity funds.



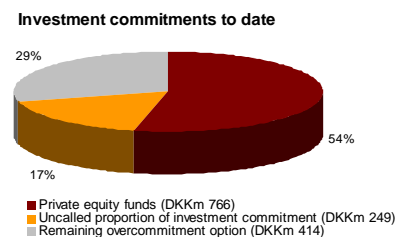
The chart above shows a breakdown of SPEAS's assets quarter by quarter and illustrates the rise in the share of investments in private equity funds throughout the period.

### Investment activities

#### Investment in private equity funds

At 30 April 2011, SPEAS had made investment commitments to six selected private equity funds which SPEAS considers to be among the top funds within their segments: EQT V, IK 2007, Litorina III and IV, Apax Europe VII and Herkules III. The commitments reflect the fact that SPEAS is recognised as a potential investor among well-established managers of private equity funds. For further information on the individual private equity funds, please see SPEAS's website [www.speas.dk](http://www.speas.dk).

SPEAS's investments, including the uncalled proportion of the investment commitments made, equal 114% of equity and 71% of SPEAS's total commitment capacity including the overcommitment option. The overcommitment option equals 60% of equity.



Accordingly, SPEAS may make further investment commitments of up to DKK 414m.

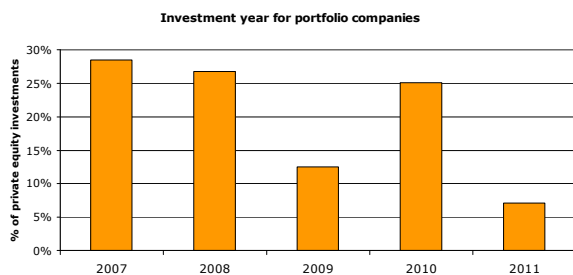
At 30 April 2011, the Company had made the following investment commitments:

Private equity fund	Original investment commitment		Remaining investment commitments		Paid to private equity funds (DKKm)	Value	
	Currency	(DKKm)	Currency	(DKKm)		Realised (DKKm)	Unrealised (DKKm)
<b>EQT V</b>	EUR	40m	EUR	4.5m	301.2	38.0	311.4
<b>IK 2007</b>	EUR	25m	EUR	6.8m	135.3	-	145.9
<b>Apax Europe VII</b>	EUR	30m	EUR	8.7m	159.5	21.0	163.6
<b>Litorina III</b>	SEK	100m	SEK	15.4m	66.9	-	96.5
<b>Litorina IV</b>	SEK	46.25m	SEK	45.5m	0.8	-	0.5
<b>Herkules III</b>	NOK	100m	NOK	50.4m	46.3	-	48.5
<b>Total</b>					710.0	59.0	766.4

Private equity is a long-term investment, and each private equity fund typically has an investment period of 3-5 years before all fund capital has been invested. During the investment horizon, the fund calls its investment commitments from its investors. Since its formation, SPEAS's investments in private equity funds have also been increasing, and 86% of the assets are now invested in private equity funds.

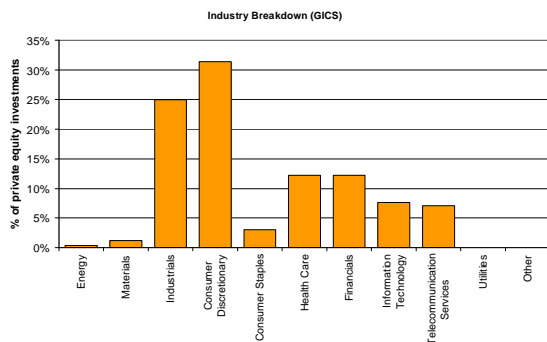
At 30 April 2011, the private equity funds had invested in 66 companies. SPEAS's investments in private equity funds amount to DKK 766m. At [www.speas.dk](http://www.speas.dk), SPEAS will regularly publish information on the funds' activities to the extent that the funds disclose such information.

The chart below breaks down the market value of SPEAS's private equity investments by investment year of the underlying portfolio companies:



The relatively low private equity activity which characterised 2009 is also reflected in SPEAS's portfolio. It also shows that the investment activity of private equity funds has been on a level with 2008.

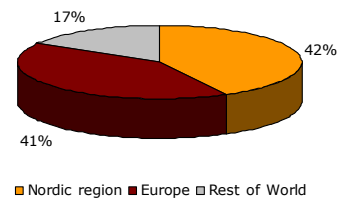
A breakdown of the market value of SPEAS's private equity investments by industry of the underlying portfolio companies is shown in the chart below.



The funds' investments are mainly within the Industrials and Consumer Discretionary industries that account for 25% and 31%, respectively, of SPEAS's total investments, but with a considerable diversification towards other industries in which buyout funds are typically active.

A geographical breakdown of the unrealised investments of the private equity funds (in terms of SPEAS's (indirect) share of the market value) is shown in the chart below:

**Geographic Breakdown**



42% of SPEAS's investments in private equity funds are exposed to the Nordic region. Investments in the rest of the world concern Apax Europe VII, which also invests outside Europe.

Below, we have listed the ten companies representing SPEAS's largest (indirect) ownership interests (alphabetical order):

Company	Fund	Sector
CBR	EQT	Textiles
Cengage Learning	Apax	Media
Dako	EQT	Healthcare
Dometic	EQT	Consumer discretionary
KMD	EQT	IT services
Schenk Process	IK	Processing industry
Securitas Direct	EQT	Alarm services
Springer	EQT	Publishing
Textilia	Litorina	Textiles
Vistra Group	IK	Company administration

SPEAS's ownership interest in these companies is measured at DKK 334m, corresponding to 37% of the Company's equity. None of the companies make up more than 8% of SPEAS's equity.

In Q1 SPEAS's investments in private equity funds generated a profit of DKK 12.0m, of which DKK 0.5m was attributable to a favourable exchange rate development. This equals 1.6% of average investments in private equity funds for the period. The profit includes management fees of DKK 2.1m to the private equity funds in which the Company invests.

In the financial period, SPEAS contributed DKK 66.8m to the private equity funds in accordance with the investment commitments made and received DKK 31.8m as proceeds from the companies sold and recapitalisation.

During the financial period, EQT V announced the sale of Kabel BW, and Litorina Kapital III announced the sale of Coromatic Group after expiry of the financial period. The exit proceeds cannot be determined yet but are expected to exceed the carrying amount at 30 April 2011. Part of the exit proceeds have, however, been received. Accordingly, SPEAS's gross return on realised investments totalled 13.3% pa (IRR) at 30 April 2011 which resulted in a performance fee of DKK 0.4m payable to the management company. The private equity funds are expected to sell several portfolio companies within the next year, which will increase SPEAS's scope for making new investment commitments.

The table below shows the performance of the underlying companies since investment (SPEAS's share):

Multiple	Share of cost	Share of market value
2.0x +	4%	11%
1.0x - <2.0x	77%	80%
0.5x - <1.0x	10%	6%
0.0x - <0.5x	9%	3%
<b>Total unrealised</b>	<b>DKK 615m</b>	<b>DKK 765m</b>

*The multiple is the current market value relative to the initial acquisition cost. The market value of total unrealised investments does not include working capital in private equity funds; consequently there is a (modest) difference from the value of SPEAS's private equity investments.*

The bulk of the underlying investments have been measured at acquisition cost or higher; investments have been written down for impairment, corresponding to 19% of acquisition cost (SPEAS's share); investments with multiple <1.0x.

In the long term, the Company's private equity investments are expected to generate a return that exceeds the return on listed shares. Short-term returns on private equity investments may, however, differ significantly from long-term returns. Firstly, short-term returns are chiefly based on estimated investment values, whereas long-term returns are mainly based on realised values. Secondly, investments are usually not value adjusted in the first year of investment. Approx 19% of SPEAS's total investments in private equity funds have not been value adjusted relative to acquisition cost.

#### **Liquidity**

SPEAS's cash came to DKK 123m and consists of bank deposits, which contributed a net profit of DKK 0.7m in the financial period.

In order to reduce the Company's liquidity risk, the uncalled proportion of its investment commitments in NOK and SEK is partly hedged through forward exchange contracts, which contributed a profit of DKK 0.0m in the financial period.

#### **Comments on market trends**

Investment activity has trended higher since mid-2009. In 2010 the value of the private equity funds' investments more than doubled compared with 2009. Funding opportunities have improved, allowing closing of major transactions lately. During the same period, acquisition price levels have risen – from a relatively low level – and attractive companies are now trading at the same multiples as before the crisis.

The funds in which SPEAS has invested have a proven track record of high-quality and sound business operations. Accordingly, the funds have been and continue to be able to make investments partly through loan capital, which has enabled them to maintain a stable investment rate in a difficult market.

Lately, divestment activity in the private equity market has been on the rise. During the financial period, EQT V announced the sale of the portfolio company Kabel BW, and Litorina Kapital III announced the sale of the portfolio company Coromatic Group after expiry of the financial period. SPEAS expects that the private equity portfolio will see more divestments in the coming year.

In general, private equity investors expect handsome returns on investment within the asset class. SPEAS shares this expectation.

#### **Outlook**

The Company's objective is to create an attractive return in the private equity market over an investment cycle.

Results for the year will depend on the general economic climate, including financial market trends – especially trends in the private equity market and, to a minor extent, the fixed income market.

The Company's outlook is based on assumptions of the development in the financial markets in which the Company has investing activities. Earnings expectations are therefore subject to considerable uncertainty.

Short-term return forecasts involve high uncertainty, and returns may fluctuate considerably from year to year.

SPEAS maintains its forecast of a profit in the range of DKK 55m-65m for the financial year 2011/12 ending on 31 January 2012. The results for the year will depend on the development in financial markets.

#### **Share price**

Since 1 February 2011, the price of the Company's shares has increased from DKK 11,100 to DKK 13,000 at 30 April 2011, or 17.1%. By comparison, the Dow Jones Stoxx Private Equity 20 Index, which contains the 20 largest listed shares in private equity companies in Western Europe, went up by 4.1% in the same period.

In the financial period, the book value increased by 1.3% to DKK 18,932 per share. In the period, 2,789 shares were traded at an average price of DKK 12,209 corresponding to a total market cap of DKK 34.1m. At 20 June 2011, the market price was DKK 12,850 per share.

***Company announcements and news in the period***

To date, SPEAS has issued the following Company announcements and news:

Date	Company announcements	Other news
3 March 2011	Company announcement no 1 2011/12 "SPEAS revises expectations upwards for the financial year 2010/11"	
9 March 2011		Herkules III invests in Norsk Jernbanedrift AS
22 March 2011		EQT V sells Kabel BW
26 April 2011	Company announcement no 2 2011/12 "Annual Report 2010/11"	
3 May 2011	Company announcement no 3 2011/12 "Notice of Annual General Meeting 2011"	
25 May 2011	Company announcement no 4 2011/12 "Notification of major shareholding pursuant to section 29 of the Danish Financial Business Act"	
26 May 2011	Company announcement no 5 2011/12 "Notification of major shareholding pursuant to section 29 of the Danish Financial Business Act"	
27 May 2011	Company announcement no 6 2011/12 "Minutes of Annual General Meeting 2011"	
30 May 2011		Litorina III divests Coromatic Group

If you wish to receive company announcements and other news from SPEAS, please subscribe to our news service at [www.speas.dk](http://www.speas.dk).

## **Statement by the Board of Directors and the Executive Board on the Interim Report**

The Board of Directors and the Executive Board have today considered and approved the Interim Report of Scandinavian Private Equity A/S for the period 1 February 2011 – 30 April 2011.

The Interim Report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The Interim Report has not been audited or reviewed by the Company's auditor.

We consider the accounting policies applied to be appropriate, and the Interim Report gives a fair presentation of the Company's assets, liabilities, equity and financial position at 30 April 2011 and of the results of the Company's activities and cash flows for the period 1 February 2011 – 30 April 2011.

In our opinion, the Management's Review also gives a fair review of the development in the activities and financial circumstances, the results for the period and the overall financial position of the Company as well as a description of the material risk and uncertainty factors faced by the Company.

Copenhagen, 21 June 2011

Board of Directors

Jens Erik Christensen Ole Steen Andersen Michael Brockenhuus-Schack Henning Kruse Petersen  
Chairman

Executive Board

Ole Mikkelsen  
CEO



DKK (1,000)	20010/2011	Q1 2010/11	Q1 2011/12
	1/2 2010 – 31/1 2011	1/2 2010 – 30/4 2010	1/2 2011 – 30/4 2011
<b>Income statement</b>			
Profit from investments in private equity funds	110,551	11,115	12,003
Profit from investments in listed private equity companies	6,823	5,744	0
<b>Income from investment activities</b>	<b>117,374</b>	<b>16,859</b>	<b>12,003</b>
Management costs	(5,652)	(1,251)	(1,607)
Staff and other external costs	(1,819)	(394)	(431)
<b>Operating profit (EBIT)</b>	<b>109,903</b>	<b>15,214</b>	<b>9,965</b>
Net financials	7,672	4,322	714
<b>Profit before tax</b>	<b>117,575</b>	<b>19,536</b>	<b>10,679</b>
Tax	(394)	0	0
<b>Profit after tax/comprehensive income</b>	<b>117,181</b>	<b>19,536</b>	<b>10,679</b>
<b>Balance sheet</b>			
Investments in private equity funds	718,952	460,535	766,358
Listed shares in private equity companies	0	59,014	0
Receivables	6,055	4,972	5,939
Cash	161,690	274,374	123,466
<b>Total assets</b>	<b>886,697</b>	<b>798,895</b>	<b>895,763</b>
Equity	884,233	797,291	893,411
Current liabilities	2,464	1,604	2,352
<b>Total liabilities and equity</b>	<b>886,697</b>	<b>798,895</b>	<b>895,763</b>
<b>Cash flows</b>			
Cash flows from operating activities	(8,454)	(4,520)	(2,545)
Additional cash flows from operating activities	7,587	4,439	786
Purchase of investments in private equity funds	(172,755)	(6,997)	(66,750)
Realisation of investments in private equity funds	12,073	6,700	31,786
Purchase of listed shares in private equity companies	0	0	0
Sale of listed shares in private equity companies	59,143	0	0
Cash flows from investing activities	(101,539)	(296)	(34,964)
Cash flows from financing activities	(13,350)	(2,647)	(1,501)
Cash, beginning of period	277,399	277,399	161,690
Foreign currency translation adjustment of cash	47	0	0
<b>Cash, end of period</b>	<b>161,690</b>	<b>274,374</b>	<b>123,466</b>

DKK (1,000)	20010/2011	Q1 2010/11	Q1 2011/12
	1/2 2010 – 31/1 2011	1/2 2010 – 30/4 2010	1/2 2011 – 30/4 2011
<b>Shares</b>			
Number of shares	50,050	50,050	50,050
Earnings per share (EPS) (DKK)	2,442	403	226
Book value per share (DKK)	18,687	16,503	18,932
Quoted price (latest trade) (DKK)	11,100	11,300	13,000
<b>Statement of changes in equity</b>			
Share capital	500,500	500,500	500,500
Premium and retained earnings, beginning of period	290,658	290,659	407,840
Portfolio of treasury shares	(24,106)	(13,404)	(25,608)
Profit for the period	117,181	19,536	10,679
<b>Total equity</b>	<b>884,233</b>	<b>797,291</b>	<b>893,411</b>

## Notes

### Note 1

#### **Accounting policies**

No changes have been made to the accounting policies since the last financial statements.

### Note 2

#### **Investment in private equity funds**

Investment in private equity funds (DKK 1,000)	2010/11	Q1 2011/12
Cost, beginning of period	455,990	615,999
Correction to opening balance	664	
Additions	190,055	36,624
Disposals	(30,710)	0
Cost, end of period	615,999	652,623
Value adjustments and other adjustments, beginning of period	(6,866)	102,952
Correction to opening balance	(664)	
Value adjustments and other adjustments	110,482	10,783
Value adjustments and other adjustments, end of period	102,952	113,734
<b>Carrying amount, end of period</b>	<b>718,952</b>	<b>766,358</b>

### Note 3

#### **Related party transactions in the period**

In the period, SPEAS paid DKK 1.4m, inclusive of VAT, in management fees and DKK 0.4m in performance fees to the management company Scandinavian Private Equity Partners A/S in accordance with the management agreement.

## Company information

<p><b>Name and registered office</b> Scandinavian Private Equity A/S Sankt Annæ Plads 13, 3. DK-1250 Copenhagen K</p> <p>Tel: +45 70 25 10 55 Fax: +45 70 25 10 75 E-mail: info@speas.dk Website: www.speas.dk</p> <p><b>Registration nos</b> ISIN: DK0060068682 CVR no: +45 29 82 40 88</p> <p><b>Board of Directors</b> Jens Erik Christensen, Chairman</p> <p>Ole Steen Andersen</p> <p>Michael Brockenhuus-Schack</p> <p>Henning Kruse Petersen</p> <p><b>Executive Board</b> Ole Mikkelsen</p>	<p><b>Management company</b> Scandinavian Private Equity Partners A/S Sankt Annæ Plads 13, 3. DK-1250 Copenhagen K</p> <p><b>Principal bankers</b> Nykredit Bank A/S</p> <p><b>Financial year</b> 1 February – 31 January</p> <p><b>Auditors</b> Deloitte Statsautoriseret Revisionsaktieselskab</p>
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### About SPEAS

SPEAS was the first listed company in Denmark to offer a wide group of investors access to private equity fund investments. SPEAS focuses on funds which primarily invest in Europe and where at least one of the Nordic countries is included in the geographic focus, with buy-out funds as the main target. This focus has been chosen given the networks, long experience and competency within this field of the managements of SPEAS and Scandinavian Private Equity Partners A/S (the associated management company) and the historically very attractive returns generated by Nordic buy-out funds.