

BAYPORT MANAGEMENT LIMITED
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the quarter and year ended 31 March 2013



BAYPORT MANAGEMENT LIMITED
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the quarter and year ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

| Figures in US Dollar | Note(s) | 31-Mar-13 | 31-Mar-12 |
|--|---------|--------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents | | 31 286 861 | 21 930 269 |
| Net advances | 8 | 340 291 175 | 231 304 051 |
| Other receivables and prepayments | | 29 355 405 | 14 474 223 |
| Inventories | | - | 20 365 |
| Other financial assets | 12 | 21 922 451 | 4 040 486 |
| Property, plant and equipment | 5 | 8 348 138 | 6 745 475 |
| Intangible assets | | 403 411 | 394 534 |
| Deferred tax assets | | 4 412 218 | 2 327 655 |
| Deferred expenses | | 5 101 705 | 3 082 076 |
| Goodwill | | 4 027 316 | 4 027 316 |
| Total assets | | 445 148 680 | 288 346 450 |
| Equity and liabilities | | | |
| Equity | | | |
| Stated capital | 9 | 10 590 509 | 5 337 447 |
| Total reserves | | (9 180 808) | (8 921 846) |
| Retained earnings | | 73 830 159 | 58 068 481 |
| Equity attributable to owners of the company | | 75 239 860 | 54 484 082 |
| Non-controlling interests | | 17 974 097 | 15 489 292 |
| Total equity | | 93 213 957 | 69 973 374 |
| Liabilities | | | |
| Bank overdrafts (secured) | | 11 906 101 | 12 896 811 |
| Trade and other payables | | 43 729 160 | 19 385 690 |
| Current tax payable | | 1 489 189 | 4 641 575 |
| Borrowings | 11 | 287 818 564 | 176 716 692 |
| Finance lease obligations | | 1 359 561 | 1 323 267 |
| Deferred income | | 5 632 148 | 3 409 041 |
| Total Liabilities | | 351 934 723 | 218 373 076 |
| Total Equity and Liabilities | | 445 148 680 | 288 346 450 |

BAYPORT MANAGEMENT LIMITED
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the quarter and year ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Figures in US Dollar | Note(s) | Three months ended | | Twelve months ended | |
|---|---------|---------------------|--------------------|---------------------|---------------------|
| | | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 |
| Continuing operations | | | | | |
| Interest income | | 35 598 870 | 30 213 190 | 134 477 630 | 112 249 303 |
| Interest expense | | (9 496 768) | (6 321 455) | (34 372 356) | (22 975 065) |
| Net interest income | | 26 102 102 | 23 891 735 | 100 105 274 | 89 274 238 |
| Other income | | 3 276 620 | 1 457 756 | 11 849 966 | 6 502 320 |
| Operating income | | 29 378 722 | 25 349 491 | 111 955 240 | 95 776 558 |
| Operating expenses | | (15 663 421) | (12 558 227) | (62 071 317) | (49 757 985) |
| Foreign exchange loss | | (1 404 120) | (532 841) | (288 405) | (1 948 216) |
| Charge for bad and doubtful advances | | (1 662 116) | (293 239) | (6 457 897) | (7 058 642) |
| Profit before tax | | 10 649 065 | 11 965 184 | 43 137 621 | 37 011 715 |
| Taxation | 3 | (4 343 781) | (4 600 487) | (16 923 351) | (14 776 799) |
| Profit for the period/ year from continuing operations | | 6 305 284 | 7 364 697 | 26 214 270 | 22 234 916 |
| Discontinued operations | | | | | |
| Loss for the period/year from discontinued operations | 6 | (220 617) | (622 745) | (1 924 190) | (1 256 794) |
| Profit for the period/ year | | 6 084 667 | 6 741 952 | 24 290 080 | 20 978 122 |
| Other comprehensive loss | | | | | |
| Exchange differences | | (8 646 113) | (2 515 332) | (12 133 750) | (11 022 150) |
| Effect of cash flow hedges | 12 | (1 482 348) | (359 790) | 7 422 681 | (217 083) |
| Other comprehensive loss for the period/year | | (10 128 461) | (2 875 122) | (4 711 069) | (11 239 233) |
| Total comprehensive(loss)/ income for the period/year | | (4 043 794) | 3 866 830 | 19 579 011 | 9 738 889 |
| Profit attributable to: | | | | | |
| Owners of the company | | 5 368 724 | 5 604 374 | 20 306 112 | 17 282 228 |
| Non-controlling interests | | 715 943 | 1 137 578 | 3 983 968 | 3 695 894 |
| | | 6 084 667 | 6 741 952 | 24 290 080 | 20 978 122 |
| Total comprehensive (loss)/ income attributable to: | | | | | |
| Owners of the company | | (3 779 798) | 3 184 875 | 16 486 511 | 7 575 029 |
| Non-controlling interests | | (263 996) | 681 955 | 3 092 500 | 2 163 860 |
| | | (4 043 794) | 3 866 830 | 19 579 011 | 9 738 889 |

BAYPORT MANAGEMENT LIMITED
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the quarter and year ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Figures in US Dollar | Share capital | Share premium | Total stated capital | Translation reserve | Cash flow hedging reserve | Equity Settled Reserve | Other reserves | Total reserves | Retained earnings | Attributable to owners of the company | Retained earnings attributable to non-controlling interests | Other reserves attributable to non-controlling interests | Total non-controlling interests | Total equity |
|---|---------------|---------------|----------------------|---------------------|---------------------------|------------------------|----------------|----------------|-------------------|---------------------------------------|---|--|---------------------------------|--------------|
| Balance at 01 April 2011 | 14 302 | 5 323 145 | 5 337 447 | (9 323 952) | 802 458 | - | 8 717 947 | 196 453 | 41 375 153 | 46 909 053 | 11 983 532 | 1 341 900 | 13 325 432 | 60 234 485 |
| Profit for the year | - | - | - | - | - | - | 588 900 | 588 900 | 16 693 328 | 17 282 228 | 3 553 885 | 142 009 | 3 695 894 | 20 978 122 |
| Other comprehensive (loss)/income | - | - | - | (9 490 116) | (217 083) | - | (9 707 199) | (9 707 199) | - | (9 707 199) | (1 532 034) | - | (1 532 034) | (11 239 233) |
| Total comprehensive (loss)/income | - | - | - | (9 490 116) | (217 083) | - | 588 900 | (9 118 299) | 16 693 328 | 7 575 029 | 2 021 851 | 142 009 | 2 163 860 | 9 738 889 |
| Balance at 31 March 2012 | 14 302 | 5 323 145 | 5 337 447 | (18 814 068) | 585 375 | - | 9 306 847 | (8 921 846) | 58 068 481 | 54 484 082 | 14 005 383 | 1 483 909 | 15 489 292 | 69 973 374 |
| Balance at 01 April 2012 | 14 302 | 5 323 145 | 5 337 447 | (18 814 068) | 585 375 | - | 9 306 847 | (8 921 846) | 58 068 481 | 54 484 082 | 14 005 383 | 1 483 909 | 15 489 292 | 69 973 374 |
| Profit for the year | - | - | - | - | - | - | 3 492 206 | 3 492 206 | 16 813 906 | 20 306 112 | 3 224 476 | 759 492 | 3 983 968 | 24 290 080 |
| Other comprehensive (loss)/income | - | - | - | (11 242 282) | 7 422 681 | - | (3 819 601) | (3 819 601) | - | (3 819 601) | (891 468) | - | (891 468) | (4 711 069) |
| Total comprehensive (loss)/income | - | - | - | (11 242 282) | 7 422 681 | - | 3 492 206 | (327 395) | 16 813 906 | 16 486 511 | 2 333 008 | 759 492 | 3 092 500 | 19 579 011 |
| Issue of shares | 1 980 | 5 251 082 | 5 253 062 | - | - | 20 036 | - | 20 036 | - | 5 253 062 | - | - | - | 5 253 062 |
| Recognition of share-based payments | - | - | - | - | - | - | - | - | - | 20 036 | - | - | - | 20 036 |
| Non-controlling interest on incorporation of new subsidiaries | - | - | - | - | - | - | - | - | - | - | 16 676 | - | 16 676 | 16 676 |
| Change in ownership interests | - | - | - | 48 397 | - | - | - | 48 397 | (1 052 228) | (1 003 831) | (624 371) | - | (624 371) | (1 628 202) |
| Balance at 31 March 2013 | 16 282 | 10 574 227 | 10 590 509 | (30 007 953) | 8 008 056 | 20 036 | 12 799 053 | (9 180 808) | 73 830 159 | 75 239 860 | 15 730 696 | 2 243 401 | 17 974 097 | 93 213 957 |

BAYPORT MANAGEMENT LIMITED
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the quarter and year ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| Figures in US Dollar | Note(s) | Twelve months ended | |
|---|---------|---------------------|---------------------|
| | | 31-Mar-13 | 31-Mar-12 |
| Operating activities | | | |
| Profit for the year | | 24 290 080 | 20 978 122 |
| Adjustments for: | | | |
| Income tax expense recognised in profit or loss | | 16 923 351 | 14 774 670 |
| Finance costs recognised in profit or loss | | 34 372 356 | 22 747 981 |
| Expense recognised in respect of share based payments | | 20 036 | - |
| Depreciation of property, plant and equipment and intangibles | | 2 638 342 | 1 910 702 |
| Profit on disposal of property, plant and equipment | | (97 768) | (16 326) |
| Loss on disposal of loan book | | 21 178 | - |
| Increase in provision for credit impairment | | 6 793 977 | 7 087 356 |
| Foreign currency losses | | 287 430 | 1 327 952 |
| Operating cash flows before movements in working capital | | 85 248 982 | 68 810 457 |
| Increase in gross advances | | (133 251 669) | (101 158 400) |
| Decrease in inventories | | 18 254 | 28 877 |
| Increase in other receivables and prepayments | | (2 949 846) | (917 624) |
| Increase in deferred expenses | | (2 234 682) | (1 623 243) |
| Increase in trade and other payables | | 7 482 015 | 2 857 194 |
| Increase in deferred income | | 2 522 659 | 1 426 105 |
| Cash used in operations | | (43 164 287) | (30 576 634) |
| Finance costs | | (27 112 763) | (22 107 065) |
| Income taxes paid | | (20 325 111) | (15 212 756) |
| Net cash used in from operating activities | | (90 602 161) | (67 896 455) |
| Investing activities | | | |
| Proceeds on disposal of property, plant and equipment | | 480 217 | 105 944 |
| Purchases of property, plant and equipment and intangibles | | (4 945 286) | (3 141 296) |
| Net (decrease)/increase in amounts due from/to related parties | | (1 101 232) | 288 642 |
| Proceeds from issue of shares to non-controlling interests | | 7 663 | - |
| Net cash flow on acquisition of subsidiary | 7 | (1 630 000) | - |
| Net cash used in investing activities | | (7 188 638) | (2 746 710) |
| Financing activities | | | |
| Proceeds from issue of bonds | | 98 870 057 | - |
| Proceeds from issue of promissory notes | | - | 12 196 134 |
| Proceeds from issue of warrant shares | | 3 673 760 | - |
| Proceeds from issue of shares under share incentive scheme | | 1 579 302 | - |
| Net increase in loan receivable under share incentive scheme | | (977 974) | - |
| Net increase in borrowings | | 5 241 877 | 29 976 793 |
| Repayment of shareholders loan | | - | (342 586) |
| Net cash generated from financing activities | | 108 387 022 | 41 830 341 |
| Net increase/(decrease) in cash and cash equivalents | | 10 596 223 | (28 812 824) |
| Cash and cash equivalents at the beginning of the year | | 9 033 458 | 37 194 790 |
| Effect of foreign exchange rate changes | | (248 921) | 651 492 |
| Cash and cash equivalents at the end of the year | | 19 380 760 | 9 033 458 |
| Bank balances and cash | | | |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Background

Bayport Management Limited (the "Company") was initially incorporated in the British Virgin Isles. As from 2 March 2005, the Company was migrated to Mauritius and is now incorporated as a Mauritian entity. On 28th July 2011, the Company converted from a private company to a public company. On 22 March 2013, the company was listed on the Stock Exchange of Mauritius. The Company is the holding company for the following entities whose operations are based in Africa, South America and the United Kingdom:

| Name of subsidiaries | Place of incorporation |
|---|-------------------------------|
| Bayport Financial Services Limited | Zambia |
| Bayport Financial Services Ghana Limited | Ghana |
| Bayport Financial Services Uganda Limited | Uganda |
| Bayport Financial Services (T) Limited | Tanzania |
| Consumer Finance Corporation Limited | Ghana |
| Money Quest Investments (Proprietary) Limited | Botswana |
| Bayport Financial Services Mozambique (MCB) S.A | Mozambique |
| Empresa de Microcredito S.A. Fimsa S.A. ("FIMSA") | Colombia |
| Libraval S.A.S* | Colombia |
| Cashfoundry Limited | United Kingdom |
| Actvest Limited | Mauritius |
| Invik (Mauritius) Ltd | Mauritius |
| Bayport Financial Services Rwanda SARL (dormant) | Rwanda |

The Company's registered office is at DTOS Ltd, 10th Floor, Raffles Tower, 19, Cybercity, Ebene, Mauritius and the Company's principal place of business is at 3rd Floor, Ebene Skies, Rue De L'Institut, Ebene, Mauritius.

The Company is a holding company to businesses involved in provision of retail financial services.

* Actvest Limited (a fully owned subsidiary of Bayport Management Limited) owns 82.91 % of the ordinary shares in Libraval S.A.S.

2. Basis of preparation

2.1 Statement of compliance

The condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRSs") and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

2.2 Significant accounting policies

The condensed consolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain non-current assets and financial instruments at fair value.

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 March 2012.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

2.3 Functional and presentation currency

For the purpose of presenting condensed consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States Dollars using exchange rates prevailing at reporting date. Income and expenditure are translated at average rates of exchange for the period.

3. Taxation

Final period income tax is accrued based on actual annual effective income tax rates for each entity within the Group.

4. Dividends

During the year ended 31 March 2013, no dividends were paid or declared.

5. Property, plant and equipment

During the year, the Group spent USD 4.9 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

6. Discontinued Operations

In December 2012, Cashfoundry Limited ceased providing unsecured short-term personal loans.

Analysis of loss for the period/ year from discontinued operations

| | Three months ended | | Twelve months ended | |
|---|--------------------|------------------|---------------------|--------------------|
| | 31-Mar-13 | 31-Mar-12 | 31-Mar-13 | 31-Mar-12 |
| Interest income | - | 54 596 | 230 450 | 54 596 |
| Interest expense | - | - | - | - |
| Net interest income | - | 54 596 | 230 450 | 54 596 |
| Other income | | 13 155 | 66 894 | 13 155 |
| Operating income | - | 67 751 | 297 344 | 67 751 |
| Operating expenses | (220 617) | (669 919) | (1 885 454) | (1 288 220) |
| Foreign exchange gain/(loss) | - | 8 137 | - | (9 740) |
| Charge for bad and doubtful advances | - | (28 714) | (336 080) | (28 714) |
| Loss before tax | (220 617) | (622 745) | (1 924 190) | (1 258 923) |
| Taxation | - | - | - | 2 129 |
| Loss for the period/ year from discontinued operations | (220 617) | (622 745) | (1 924 190) | (1 256 794) |
| | | | 31-Mar-13 | 31-Mar-12 |
| Cash flows from discontinued operations | | | | |
| Net cash (outflows)/inflows from operating activities | | | (1 956 852) | 956 060 |
| Net cash outflows from investing activities | | | (38 563) | (264 115) |
| Net cash (outflows) / inflows | | | (1 995 415) | 691 945 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

7. Incorporation/acquisition of subsidiaries

Bayport Financial Services Mocambique (MCB) S.A

In December 2012, the group incorporated Bayport Financial Services Mocambique (MCB) S.A, registered in the Republic of Mozambique. The Company is involved in the provision of retail financial services.

Impact of incorporation on the result of the Group

Included in the profit for the year is loss of USD 886,769 attributable to Bayport Financial Services Mozambique(MCB) S.A.

Invik (Mauritius) Ltd

On 28 March 2013, the group acquired 100% of the share capital of Invik (Mauritius) Ltd, a private company limited by shares registered in Mauritius. Invik (Mauritius) Ltd holds 7.65% of Empresa de Microcredito S.A Fimsa S.A., bringing the total shareholding of the group into Empresa de Microcredito S.A Fimsa S.A. to 92.1%.

| | |
|---|-----------|
| Consideration transferred | 1 630 000 |
| Assets and liabilities recognised at the date of acquisition | |
| Non current assets | 1 628 202 |
| Investment | |
| Current asset | |
| Other receivables and prepayments | 6 498 |
| Current liabilities | (4 700) |
| Trade and other payables | 1 630 000 |

8. Net advances

| | 31-Mar-13 | 31-Mar-12 |
|--|--------------------|--------------------|
| Gross advances | 348 925 699 | 238 653 490 |
| Impairment provision | (8 634 524) | (7 349 439) |
| Net advances | 340 291 175 | 231 304 051 |
| Impairment provision | | |
| Balance at the beginning of the year | 7 349 439 | 3 186 432 |
| Foreign exchange differences | (758 835) | (516 629) |
| Charge for bad and doubtful debt | 6 793 977 | 7 087 356 |
| Amounts written off against the impairment provision | (4 750 057) | (2 407 720) |
| Total impairment provision | 8 634 524 | 7 349 439 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

31-Mar-13

31-Mar-12

9. Stated capital

| | | |
|---------------|-------------------|------------------|
| Share capital | 16 282 | 14 302 |
| Share premium | 10 574 227 | 5 323 145 |
| | 10 590 509 | 5 337 447 |

| | Number of shares | Share Capital | Share premium | Total Stated capital |
|------------------------------------|---------------------|------------------|-------------------|-------------------------|
| Balance at 1 April 2012 | 14 302 000 | 14 302 | 5 323 145 | 5 337 447 |
| Warrants shares exercised | 1 833 000 | 1 833 | 3 671 927 | 3 673 760 |
| Issue under share incentive scheme | 147 323 | 147 | 1 579 155 | 1 579 302 |
| Balance at 31 March 2013 | 16 282 323 | 16 282 | 10 574 227 | 10 590 509 |

Warrant shares

The following Warrant shares were exercised in June 2012, resulting in an increase of stated capital of USD 3,673,760 during the year.

| | Number of shares | Exercise price | Total Exercise value |
|--------------------------------|---------------------|-------------------|-------------------------|
| Kinnevik New venture AB | | | |
| Series A Warrants | 767 | 2 737,94 | 2 100 000 |
| Series B Warrants | 392 | - | - |
| Series C Warrants | 266 | 2 600,62 | 691 757 |
| | 1 425 | | 2 791 757 |
| Mr Grant Kurland | | | |
| Series A Warrants | 268 | 2 737,94 | 733 768 |
| Series B Warrants | 83 | - | - |
| Series C Warrants | 57 | 2 600,62 | 148 235 |
| | 408 | | 882 003 |
| Total | 1 833 | | 3 673 760 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar 31-Mar-13 31-Mar-12

10. Equity settled reserve

| | | |
|---------------------------------|---------------|---|
| Balance at 1 April | - | - |
| Arising on share based payments | 20 036 | |
| Balance at 31 March | 20 036 | - |

In February 2013, the company established a share incentive scheme for senior executives. Under the scheme, the senior executives were entitled to:

- (a) purchase shares in the Company at a price of \$10.72 per share for cash.
- (b) purchase shares in the Company at a price of \$10.72 per share through a loan from the company. The loan bears interest at a rate of 13%.
- (c) an award of shares for no consideration in October 2016, October 2017 and October 2018 subject to the satisfaction of specified performance targets.

Details of purchased and funded shares as at 31 March 2013 are as follows:

| Number of shares | No of shares | Consideration/ loan provided \$ |
|------------------|--------------|---------------------------------------|
| Purchased | 57 344 | 614 728 |
| Funded | 89 979 | 964 575 |

Details of gifted shares

| | Vesting dates | | |
|---------------------------|---------------|--------------|--------------|
| | October 2016 | October 2017 | October 2018 |
| Number of ordinary shares | 23 776 | 23 776 | 23 778 |

11. Borrowings

| | 31-Mar-13 | 31-Mar-12 |
|-------------------|--------------------|--------------------|
| Corporate Bonds | 215 318 363 | 105 470 927 |
| Promissory notes | - | 11 903 148 |
| KFW | 13 233 590 | - |
| Other terms loans | 59 266 611 | 59 342 617 |
| | 287 818 564 | 176 716 692 |

KFW

In December 2012, the Company received a non-revolving convertible loan from KFW for a nominal amount of USD 13,233,590. The loan bears an interest rate of 8% per annum, and capital and interest are repayable in December 2017. During the term of the agreement, whenever the Company resolves to increase its share capital, KFW has an option to convert the loan amount into common shares of the Company.

The KFW loan is subordinated to existing senior funding.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS **(continued)**

12. Reporting of financial instruments

Corporate Bonds

In June 2012, the Company issued a second 5 year Corporate Bond with a nominal amount of SEK700,000,000. The Bonds bear an interest coupon of 13%, payable annually on the anniversary date and are due to be redeemed on 12 June 2017. The terms of the Bonds require that certain financial covenants are met. The Corporate Bonds are listed on Nasdaq OMX Stockholm AB.

Both Corporate Bonds are SEK denominated and capital and interest repayments were hedged by way of cross currency swaps as at 31 March 2013. In April 2013, the Company terminated the cross currency swap contracts (refer to note 14)

The cross currency swaps were derivative designated as, and effective as hedging instruments. The net market value of the derivatives as at 31 March 2013 was USD21,897,451. During the year, a gain on the swaps of USD17,881,964 has been offset against the loss on retranslation on the Bonds of USD 10,459,283 and a net gain of USD7,422,681 recognised in other comprehensive income.

As at 31 March 2013, interest receivable accrued on the swaps amounted to USD 16,406,063 and interest payable on the swaps amounted to USD 13,938,503 . These amounts are included in other receivables and prepayments, and in trade and other payables respectively.

Promissory notes

The Promissory notes were repaid in June 2012

13. Related party transactions

The shareholders loan of USD 279,964 due to Victoria Capital, shareholder of Empresa de Microcredito S.A. Fimsa S.A. ("FIMSA") was repaid in August 2012. Interest of USD 14,285 (18% per annum) was paid to Victoria Capital.

14. Events after the reporting period

Cross Currency Swaps

In April 2013, the Company unwound its cross currency swap contracts that were used to hedge the two Corporate Bonds. The Company received a total of USD 25.1 million as settlement for the unwinds. Under IAS 39, the gain of USD 25.1 million on the cross currency swaps will be netted off against the exchange loss on the Bond liabilities of USD 21.0 million. The remaining net gain of USD 4.1 million will be recognised according to IAS 39 guidelines.

Each of the Bond liabilities of SEK 700 million and their associated interest payments are now unhedged.

The cross currency swaps were unwound at an average rate of 6.3791. A 1% appreciation of Swedish Krona against US Dollar will lead to an unrealised foreign currency gain of approximately USD 2.2 million on the total capital amount of SEK 1,400 million for both bonds. A depreciation of 1% will lead to an unrealised foreign currency loss of the same amount.