

**LEVERATOR PLC INTERIM REPORT 1 JANUARY – 31 MARCH 2013****Business**

Leverator Plc's (Leverator) business consists of the issue of bonds and the grant of loans to CapMan Mezzanine IV L.P. mezzanine fund (CMM IV). Leverator's result is formed by the difference between interest received from CMM IV's loans and interest paid to bondholders. The issued bonds are listed on the Helsinki Exchanges (Nasdaq OMX Helsinki).

**Bonds**

Leverator has issued a serial loan with a fixed coupon interest of 8.162%. The bonds were issued in five tranches in accordance with the loan capital needed by CMM IV, and investors subscribed all five tranches according to their commitments. The final size of the bond totalled MEUR 192 on 18 June 2009. The final loan maturity is 21 June 2016. Leverator has a call option to repay the bonds or part thereof not earlier than 22 June 2009.

Leverator repaid 8.3% and 10.8% of the original loan capital, equivalent to EUR 16,000,128 and EUR 20,736,000, in accordance with the terms of loan on 21 June 2012 and 21 December 2012. The outstanding bond loan totalled EUR 112,442,112 on 31 March 2013.

**Issued tranches and Leverator's financial performance****Issued tranches** (trading code LEVJ816216)

Tranche	Issue date	Size of the tranche, MEUR	Date of listing	Subscription price, %
1st tranche	12 July 2004	8.0	13 July 2004	100.00
2nd tranche	5 June 2006	40.0	13 June 2006	99.137
3rd tranche	28 March 2007	48.0	13 April 2007	98.290
4th tranche	28 April 2009	36.0	5 May 2009	97.389
5th tranche	18 June 2009	60.0	25 June 2009	98.468

Leverator's turnover for the review period was EUR 0, because the Company's interest earnings and interest expenses are presented as financial items in the income statement. Leverator's operating loss was EUR 10,202 (EUR 20,365 for the review period 1 January – 31 March 2012) and financial income and expenses totalled EUR 70,276 (EUR 93,236). The result for the review period was EUR 45,356 (EUR 55,018).

**Leverator's solvency and risks**

The security for the bonds is Leverator's receivable from CMM IV. The security for this receivable to Leverator is CMM IV's mezzanine loan receivables from portfolio companies as well as associated options and portfolio company shares that are possibly subscribed on the basis of those options.

Leverator's solvency to pay the bonds' interest and principal is based on CMM IV's solvency to pay the loan receivable and interest to Leverator. CMM IV's solvency is dependent on its mezzanine loan receivables from portfolio companies and on the value of associated options or shares as well as on CMM IV's right to call the commitments and clawback of the Fund's Limited Partners. The most significant risks or uncertainty factors in Leverator's operations are that the portfolio companies would not be able to pay their debt to the fund, that the fund's Limited Partners would not be able to fulfil their obligations in accordance with fund agreement or that the fund's solvency would be put at risk due to some other cause.

An examination of CMM IV's solvency to manage the loan receivable to Leverator is first carried out in order to determine Leverator's solvency.

#### CMM IV's solvency 31 March 2013

	MEUR
Outstanding balance to Leverator	112.4
CMM IV's mezzanine loans and associated options and shares:	
- acquisition cost*	108.7
- value appreciation*	-11.4
Net cash assets	
- bank deposits	4.2
- outstanding interest receivables**	0.4
- accumulated interest receivables**	2.2
- Leverator/accumulated interest	-2.6
Commitments at call from Limited Partners	10.0
Clawback at call	10.9
Total	<u>122.4</u>

\* Figures by CMM IV's management company, as reported or with a discount.

\*\* Excludes interest receivables that are outstanding or have accumulated that are not booked in the Fund's accounts because of the uncertainty whether they can be collected.

As CMM IV's financial assets exceed the total loan receivables of Leverator, the latter's receivable due from CMM IV presented below can be booked in full.

The values given above are reported by CMM IV's management company. The management company's assessment of the value appreciation of mezzanine loans and associated options and shares is based on reporting principles common to the private equity industry. These principles aim at take into account risk factors caused by the general economic environment. The amount of commitments and clawback that the fund has a right to call from the Fund's Limited Partners is based on CMM IV's fund agreement.

#### Leverator's solvency 31 March 2013

	MEUR
Balance of bonds at nominal value	112.4
Leverator's receivable from CMM IV at nominal value	112.4
Net cash assets	0.8
Total	<u>113.3</u>

Leverator's solvency exceeds the balance of the bonds.

Leverator's more detailed financial position is presented in the income statement, balance sheet, statement of changes in equity and cash flow statement in Appendix 1. There are no exceptional liabilities of Leverator or CMM IV in the knowledge of Leverator's Board of Directors that should be considered in the above calculations.

### **Leverator's ownership**

The owners of Leverator Plc are CapMan Plc, Etera Mutual Pension Insurance Company, Foundation for Economic Education, Ilmarinen Mutual Pension Insurance Company, OP Life Assurance Company Ltd, Pharmacy Pension Fund, Mandatum Life Insurance Company Limited, Varma Mutual Pension Insurance Company and Yleisradio Pension Fund with equal holdings.

### **Leverator's Board of Directors**

On 3 May 2013 the shareholders of Leverator Plc elected the following members to the Company's Board of Directors: Mr Tatu Hemmo, Mrs Nina Härkönen, Mr Staffan Jåfs, Mr Harri Lemmetti, Mr Olli Liitola, Mr Tommi Mäkelä, Mrs Katja Salovaara, Mr Tomi Viia, and Mr Kyösti Ylikortes. The members elected Mr Tatu Hemmo as Chairman of the Board.

### **Future outlook**

Developments in the general market environment in the next few years may continue to cause difficulties in the ability of fund's portfolio companies to pay interest on their mezzanine loans and repay principal to the fund in accordance with original loan terms. Restrictions in the portfolio companies' senior loan agreements may in certain cases prevent the companies from meeting their interest payments in accordance with the original loan terms during 2013. The aforementioned issues might, in turn, weaken the fund's ability to meet its debt to Leverator Plc in full, which would affect Leverator Plc's solvency. It is possible that the fund's solvency weakens further during 2013.

It is highly probable that Leverator Plc's interest earnings will cover its interest payable and other expenses in 2013.

Leverator Plc will publish its Interim Report 1 January–30 June 2013 on 8 August 2013.

Helsinki 3 May 2013

LEVERATOR PLC

Board of Directors

### **For further information, please contact:**

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APPENDIX 1.                      Income statement, balance sheet, statement of changes in equity and cash flow statement

The Interim Report 1 January–31 March 2013 has been prepared in compliance with International Financial Reporting Standards (IFRS) and the accounting principles applied are the same as in the financial statements for 2012. The information presented is unaudited.

## APPENDIX 1. Income Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement

### LEVERATOR PLC

#### INCOME STATEMENT, IFRS

EUR	1.1.-31.3.2013	1.1.-31.3.2012	1.1.- 31.12.2012
<b>Turnover</b>	<b>0</b>	0	0
Personnel expenses	<b>0</b>	0	-23,200
Other operating expenses	<b>-10,202</b>	-20,365	-71,113
<b>Operating loss</b>	<b>-10,202</b>	-20,365	-94,313
Financial income and expenses	<b>70,276</b>	93,236	350,750
<b>Profit before taxes</b>	<b>60,074</b>	72,871	256,437
Income taxes	<b>-14,718</b>	-17,853	-62,827
<b>Profit for the financial year</b>	<b>45,356</b>	55,018	193,610
<b>Total comprehensive income, IFRS</b>			
The company does not have items included in comprehensive income.			
<b>Earnings per share:</b>			
Earnings per share, €	0.0441	0.0535	0.1882

**BALANCE SHEET, IFRS**

EUR	31.3.2013	31.3.2012	31.12.2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments			
Other investments	112,442,112	149,178,240	112,442,112
<b>Total non-current assets</b>	<b>112,442,112</b>	<b>149,178,240</b>	<b>112,442,112</b>
<b>Current assets</b>			
Current receivables	2,648,320	3,501,095	283,131
Cash and bank	723,530	513,867	748,982
<b>Total current assets</b>	<b>3,371,850</b>	<b>4,014,962</b>	<b>1,032,113</b>
<b>TOTAL ASSETS</b>	<b>115,813,962</b>	<b>153,193,202</b>	<b>113,474,225</b>
EUR	31.3.2013	31.3.2012	31.12.2012

**SHAREHOLDERS' EQUITY AND LIABILITIES****Shareholders' equity**

Share capital	102,857	102,857	102,857
Retained earnings	699,817	506,207	506,207
Profit for the financial year	45,356	55,018	193,610
<b>Total shareholders' equity</b>	<b>848,030</b>	<b>664,082</b>	<b>802,674</b>

**Liabilities**

Non-current liabilities	112,442,112	149,178,240	112,442,112
Current liabilities	2,523,820	3,350,880	229,438
Deferred tax liabilities	0	0	0
<b>Total liabilities</b>	<b>114,965,932</b>	<b>152,529,120</b>	<b>112,671,550</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>115,813,962</b>	<b>153,193,202</b>	<b>113,474,224</b>

**STATEMENT OF CHANGES IN EQUITY, IFRS**

	Share capital	Other reserves	Retained earnings	Total equity
<b>Equity on 31.12.2012</b>	102,857	0	699,817	802,674
Profit for the financial year			45,356	45,356
<b>Equity on 31.3.2013</b>	102,857	0	745,173	848,030

	Share capital	Other reserves	Retained earnings	Total equity
Equity on 31.12.2011	102,857	0	506,207	609,064
Profit for the financial year			193,610	193,610
Equity on 31.12.2012	102,857	0	699,817	802,674

**CASH FLOW STATEMENT, IFRS**

EUR	1-3/2013	1-3/2012	1-12/2012
<b>Cash flow from operations</b>			
Operating profit	45,356	55,018	193,610
Other adjustments to operating profit	-70,808	-116,751	-373,173
Interest paid	0	0	-11,522,963
Interest received	0	0	11,875,908
<b>Cash flow from operations</b>	<b>-25,452</b>	<b>-61,733</b>	<b>173,382</b>
<b>Cash flow from investments</b>			
Change in long-term loan receivables	0	0	36,736,128
<b>Cash flow from investments</b>	<b>0</b>	<b>0</b>	<b>36,736,128</b>
<b>Financial cash flow</b>			
Change in long-term liabilities	0	0	-36,736,128
<b>Financial cash flow</b>	<b>0</b>	<b>0</b>	<b>-36,736,128</b>
<b>Change in cash funds</b>	<b>-25,452</b>	<b>-61,733</b>	<b>173,382</b>
Cash funds at start of the period	748,982	575,600	575,600
<b>Cash funds at end of the period</b>	<b>723,530</b>	<b>513,867</b>	<b>748,982</b>