

LEVERATOR PLC INTERIM REPORT 1 JANUARY – 31 MARCH 2014**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 8.4%, equivalent of EUR 16,128,000, in accordance with the terms of the loan on 23 December 2013. The outstanding bond loan totalled EUR 96,314,112 on 31 March 2014.

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 accounting 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 17,306 (EUR 10,202 for the review period 1 January – 31 March 2013) and financial income and expenses totalled EUR 60,196 (EUR 70,276). The result for the accounting period was EUR 34,312 (EUR 45,356).

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 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 2014

	MEUR
Outstanding balance to Leverator	96.3
CMM IV's mezzanine loans and associated options and shares:	
- acquisition cost*	39.8
- value appreciation*	11.0
Net cash assets	
- bank deposits	33.3
- accumulated interest receivables**	0.5
- Leverator/accumulated interest	-2.2
Commitments at call from Limited Partners	10.0
Clawback at call	10.9
Total	<u>103.3</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.

CMM IV's financial assets exceed the total loan receivables of Leverator by €7.0 million on 31 March 2014 and therefore the latter's receivable due from CMM IV presented below can be booked in full. CMM IV's financial assets exceeded the total loan receivables of Leverator by €7.2 million on 31 December 2013 and by €10.0 million on 31 March 2013.

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 2014

	MEUR
Balance of bonds at nominal value	96.3
Leverator's receivable from CMM IV at nominal value	96.3
Net cash assets	1.0
Total	<u>97.3</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 8 May 2014 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 2014. 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 2014.

It is probable that Leverator Plc's interest earnings will cover its interest payable and other expenses in 2014.

Leverator Plc will publish its Interim Report 1 January–30 June 2014 on 7 August 2014.

Helsinki 8 May 2014

LEVERATOR PLC

Board of Directors

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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 2014 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 2013. 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.- 31.3.2014	1.1.-31.3.2013	1.1.-31.12.2013
Turnover	0	0	0
Personnel expenses	0	0	-24,000
Other operating expenses	-17,306	-10,202	-69,632
Operating loss	-17,306	-10,202	-93,632
Financial income and expenses	60,196	70,276	280,196
Profit before taxes	42,890	60,074	186,564
Income taxes	-8,578	-14,718	-45,708
Profit for the financial year	34,312	45,356	140,856

Total comprehensive income, IFRS

The company does not have items included in comprehensive income.

Earnings per share:

Earnings per share, €	0.0334	0.0441	0.1369
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BALANCE SHEET, IFRS

EUR	31.3.2014	31.3.2013	31.12.2013
ASSETS			
Non-current assets			
Investments			
Other investments	96,314,112	112,442,112	96,314,112
Total non-current assets	96,314,112	112,442,112	96,314,112
Current assets			
Current receivables	2,270,657	2,648,320	230,712
Cash and bank	869,004	723,530	911,301
Total current assets	3,139,661	3,371,850	1,142,012
TOTAL ASSETS	99,453,773	115,813,962	97,456,124
EUR	31.3.2014	31.3.2013	31.12.2013
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	102,857	102,857	102,857
Retained earnings	840,673	699,817	699,817
Profit for the financial year	34,312	45,356	140,856
Total shareholders' equity	977,843	848,030	943,530
Liabilities			
Non-current liabilities	96,314,112	112,442,112	96,314,112
Current liabilities	2,161 818	2,523,820	198,482
Total liabilities	98,475 930	114,965,932	96,512,594
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	99,453 773	115,813,962	97,456,124

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STATEMENT OF CHANGES IN EQUITY, IFRS

	Share capital	Other reserves	Retained earnings	Total equity
Equity on 31.12.2013	102,857	0	840,673	943,530
Profit for the financial year			34,312	34,312
Equity on 31.3.2014	102,857	0	874,986	977,843

	Share capital	Other reserves	Retained earnings	Total equity
Equity on 31.12.2012	102,857	0	699,817	802,674
Profit for the financial year			140,856	140,856
Equity on 31.12.2013	102,857	0	840,673	943,530

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CASH FLOW STATEMENT, IFRS

EUR	1-3/2014	1-3/2013	1-12/2013
Cash flow from operations			
Operating profit	34,312	45,356	140,856
Other adjustments to operating profit	-76,609	-70,808	-259,641
Interest paid	0	0	-9,177,525
Interest received	0	0	9,458,630
Cash flow from operations	-42,297	-25,452	162,319
Cash flow from investments			
Change in long-term loan receivables	0	0	16,128,000
Cash flow from investments	0	0	16,128,000
Financial cash flow			
Change in long-term liabilities	0	0	-16,128,000
Financial cash flow	0	0	-16,128,000
Change in cash funds	-42,297	-25,452	162,319
Cash funds at start of the period	911,301	748,982	748,982
Cash funds at end of the period	869,004	723,530	911,301