

CapMan Plc Stock Exchange Release 10 August 2007 at 9.30 a.m.

CapMan Plc Group Interim Report 1 January – 30 June 2007

A good first half as a whole, high investment stream

- The Group's turnover for the first half of 2007 increased to MEUR 35.6 (MEUR 18.4 in January–June 2006) and operating profit was up to MEUR 26.5 (MEUR 7.6).
- The growth in turnover and operating profit was mainly influenced by growth in carried interest income and the impact of the Company's own investments. Carried interest for the first half totalled MEUR 21.4 (MEUR 3.8) and was accrued mainly from CapMan Real Estate I fund, which began to generate carry as a result of its real estate portfolio sale finalised on 31 January 2007. Own fund investments had an impact of MEUR 4.9 (MEUR 2.4).
- Profit before taxes was MEUR 28.1 (MEUR 7.9) and profit after taxes was MEUR 20.9 (MEUR 5.9). The share belonging to the owners of the parent company was MEUR 15.3 (MEUR 5.8) and minority interests were MEUR 5.7 (MEUR 0.1).
- Earnings per share was up to EUR 0.20 (EUR 0.08).
- Capital under management increased in the first half by 18%, which is over the average annual growth target of 15%. At 30 June 2007 capital under management totalled MEUR 3,013.2 (MEUR 2,549.6 at 31 December 2006 and MEUR 2,322.7 at 30 June 2006).
- The funds made investments with MEUR 161.9 (MEUR 174.6). In addition the funds committed MEUR 310.8 to finance real estate acquisition and projects in the next few years, increasing the total value of investments announced to MEUR 472.7.
- The Group's profit before taxes for 2007 will clearly improve from that of 2006.

Business

CapMan is an alternative asset manager and its core business is private equity fund management and advisory services. The funds under management invest mainly in unlisted Nordic companies or real estate assets. CapMan Plc's income derives from management fees from the funds, carried interest from funds generating carried interest, returns on direct fund investments made from CapMan Plc's own balance sheet and returns on real estate consulting.

CapMan Plc's business areas

CapMan provides management and advisory services in two business areas: CapMan Private Equity (funds making investments in portfolio companies) and CapMan Real Estate (private equity real estate funds making investments in real estate assets as well as real estate consulting). Investments by CapMan funds investing in portfolio companies focus mainly on the Nordic countries in three investment areas, which are middle market buyouts (CapMan Buyout), technology investments (CapMan Technology) and life science investments (CapMan Life Science). The investment focus of CapMan's private equity real estate funds is on real estate targets in Finland.

Information on each business area is reported in its own segment in Interim Reports. Associated company Access Capital Partners has been included in the Group's figures under CapMan Private Equity. As for funds, Access Capital Partners' figures have been presented separately.

Turnover and profit development in January–June 2007

CapMan's turnover for the first half of 2007 increased to MEUR 35.6 (MEUR 18.4 in January–June 2006) mainly as a result of the rise in carried interest income.

The sum of management fees paid by the funds remained at the level of the comparative period and was MEUR 12.3 (MEUR 12.4). CapMan started to receive management fees from CapMan Technology 2007 and CapMan RE II funds in the period under review, but on the other hand the sum of management fees received from older funds decreased with exits that were executed after the comparative period, for example as a result of the sale of CapMan Real Estate I fund's portfolio.

Carried interest income received by CapMan totalled MEUR 21.4 (MEUR 3.8). The sale of CapMan Real Estate I fund's real estate portfolio accrued carried interest totalling MEUR 21.0, of which the share belonging to the owners of the parent company was MEUR 13.4. The remaining MEUR 0.4 was accrued from carried interest income received from other funds generating carry.

The impact of fund investments made from CapMan's own balance sheet totalled MEUR 4.9 (MEUR 2.4). Realised returns on fund investments were MEUR 0.3 (MEUR 0.7), and fair value gains/losses associated with fund investments were MEUR 4.6 (MEUR 1.7). The gains in fair value were positively influenced by value creation in Moventas Oy, from which CapMan Equity VII fund made a partial exit during the review period, by value creation in other portfolio companies of CapMan Equity VII fund and by value creation in the funds managed/advised by associated company Access Capital Partners. The main value creation drivers in CapMan's investment operations are increase in sales, increase in profitability and utilisation of market conditions. The gains in fair value were negatively influenced by the expenses of new funds that are investment targets. The aggregate fair value of all fund investments made from CapMan's own balance sheet was MEUR 40.8 at 30 June 2007.

Returns on real estate consulting operations totalled MEUR 1.1 (MEUR 1.1). Other operating income within turnover was MEUR 0.5 (MEUR 0.4). There was an increase in operating expenses to MEUR 13.8 (MEUR 13.1) as a result of a rise in staff numbers as well as the expenses incurred by new projects.

The Group's operating profit increased to MEUR 26.5 (MEUR 7.6). The share from the result of CapMan's associated companies was MEUR 1.1 (MEUR 0.0). Profit before taxes was MEUR 28.1 (MEUR 7.9) and profit after taxes MEUR 20.9 (MEUR 5.9). The share of profit belonging to the owners of the parent company was MEUR 15.3 (MEUR 5.8), on the basis of which earnings per share was EUR 0.20 (EUR 0.08).

The impact of especially carried interest income on profit development is demonstrated in the first two quarters of the year. As a result of fluctuations in accrued carried interest, CapMan's financial development should be followed over a longer period of time instead of quarterly.

Balance sheet and financial position at 30 June 2007

The sum of non-current assets in the balance sheet grew to MEUR 68.4 during the period under review (MEUR 49.1 at 30 June 2006). In line with CapMan's strategy, the sum of CapMan's own investments increased and their fair value totalled MEUR 40.8 (MEUR 28.8) at the end of the review period. Non-current receivables totalled MEUR 17.4 (MEUR 11.7). Of the receivables MEUR 14.5 (MEUR 8.3) was loan receivables from Maneq funds, which make portfolio company investments along with CapMan funds and whose investors are CapMan employees in accordance with certain principles. Goodwill was MEUR 4.8 (MEUR 4.8), and is directed mainly at the acquisition of Swedestart Management AB in 2002. CapMan's net cash assets, including current investments, were MEUR 25.5 (MEUR 7.0). The Company has interest-bearing liabilities of MEUR 10.0 (MEUR 4.4).

CapMan's equity ratio at the end of the review period was 67.1% (77.6%). Return on equity for the period was 33.3% (11.9 %) and return on investment 38.6% (15.3%). The Company has target levels of at least 50% for the equity ratio and over 25% for return on equity.

Key ratios

	30.6.07	30.6.2006	31.12.06
Earnings/share, EUR	0.20	0.08	0.15
Diluted, EUR	0.20	0.08	0.15
Shareholders' equity/share, EUR	0.89	0.66	0.74
Share issue adjusted number of shares	77 479 731	76 008 900	76 212 849
Number of shares at the end of the period	78 314 418	76 339 548	77 158 698
Number of shares outstanding	78 314 418	76 339 548	77 158 698
Return on equity, %	33.3	11.9	23.4
Return on investment, %	38.6	15.3	29.9
Equity ratio, %	67.1	77.6	71.6

Turnover and profit quarterly as well as turnover and operating profit per segment are presented in the tables section of the Interim Report.

Fundraising

Funds investing in portfolio companies

CapMan established a new technology fund CapMan Technology 2007 on 9 February 2007, and commitments totalling MEUR 134.7 had been raised to the fund as at the end of the first half of the year. Fundraising for the fund has progressed well, even though the interest of institutional investors is still directed first and foremost to different buyout products. The fund's investment focus on expansion and later stage technology companies in the Nordic countries has supported the fundraising. CapMan's own commitment into CapMan Technology 2007 is MEUR 15, and the allocation of possible carried interest that will be received from the fund is 50% for CapMan and 50% for the Technology team. Commitments to the fund have risen to MEUR 140 after the review period, and its fundraising still continues. The fund has a target size of MEUR 150.

CapMan Life Science IV fund held a final close in May at MEUR 54. The fund invests in medical technology companies mainly in the Nordic countries. CapMan's own commitment into the fund is MEUR 5, and the allocation of possible carried interest that will be received from the fund is 50% for CapMan and 50% for the Life Science team.

Real estate funds

The CapMan RE II fund reached its maximum investment capacity of MEUR 600 on 31 March 2007. The aim is that an average 75% of the fund's investments are financed with debt financing, in which case the fund's investment capacity of MEUR 600 comprises MEUR 150 of shareholders' equity and the remainder debt financing. The investment focus of CapMan RE II is on property development targets in Finland. The fund's management company CapMan RE II GP Oy has a commitment of MEUR 2 into the fund. CapMan Plc's share of possible carried interest that will be received from CapMan RE II is 60% and the aggregate share of the Real Estate investment team and the management company's other owner Corintium Oy is 40%.

Capital under management

As at 30 June 2007 CapMan managed a total of MEUR 3,013.2 in capital (MEUR 2,322.7 at 30 June 2006). Capital under management in funds making direct portfolio company investments totalled MEUR 1,913.2 (MEUR 1,822.7). There has been a growth in capital after the comparative period as a result of fundraising for CapMan Technology 2007 and CapMan Life Science IV funds and a fall in capital as a result of the termination of operations by Swedestart II and Finnmezzanine I funds as well as Alliance ScanEast Fund in 2006. Capital under management in real estate funds grew as a result of fundraising for CapMan RE II fund and totalled MEUR 1,100 (MEUR 500) at the end of the review period.

Capital under management by associated company Access Capital Partners

CapMan Plc's associated company Access Capital Partners managed/advised MEUR 1,662.1 in total assets as at 30 June 2007 (MEUR 1,262.9 as at 30 June 2006). Of this, MEUR 923.5 (MEUR 793.5 as at 30 June 2006) was in funds of funds and MEUR 738.6 (MEUR 469.4 as at 30 June 2006) in private equity investment mandates. After the review period Access has held the first closing of its European mid-market buyout fund of funds of fourth generation, ACF IV Growth Buy-out Europe. In addition, Access received a new mandate of MEUR 300 in early August, raising the total capital managed/advised by Access to over EUR 2 billion.

Investments and exits by the funds in the review period

Funds investing in portfolio companies

In the first half of 2007, the funds made seven new investments, four substantial add-on investments and smaller add-on investments, investing MEUR 120.7 in total. There were new investments in IT2 Treasury Solutions, Komax Oy, Mirasys Ltd, Movial Applications Oy, Novintel Oy, Skandia Autologistics Oy and Walki Group. The most substantial add-on investments were made in Aerocrine AB, Jolife AB, Millicore AB and Savcor Group. Additionally new investments in KMW Energi AB and Nacka Närsjukhus Proxima AB were announced during the review period.

The funds exited in total from Distocraft Oy, LindPlast A/S, Medianorth Oy and Synerco AB and made a partial exit from Moventas Oy during the period under review. Additionally the funds sold their shares in SysOpenDigia Plc. Exits at acquisition cost (including mezzanine loan instalments and partial exits) totalled MEUR 44.2 for the review period. In addition, the funds announced exits from Secgo Software Oy and Hantro Products Oy during the period under review.

Real estate funds

In the first half of 2007 the Real Estate funds announced ten new investments, of which seven were in finished properties, two in properties under construction and one in land. Of the assets Kiinteistö Oy Helsingin Kalevankatu 20, Kiinteistö Oy Malminkaari 9 and Kiinteistö Oy Lönnrotinkatu 20 are located in Helsinki, Kiinteistö Oy Kasarmikatu 4 and Kiinteistö Oy Parolantie 104 are in Hämeenlinna and Kiinteistö Oy Viinikankatu 49 is in Tampere. Mastola's logistics centre and the Kivistö land are located in Vantaa, the shopping centre Entresse is under construction in Espoo and Tokmanni's logistics centre is under construction in Mäntsälä. Immediately after the review period the funds made an investment decision in the shopping centre Skanssi that is under construction in Turku. Investments totalling MEUR 41.2 were made in the period under review, and including the Skanssi investment decision as at 3 July 2007 the funds had additionally committed a total of MEUR 310.8 to finance real estate acquisitions and projects in the next few years.

CapMan Real Estate I fund exited in total from 22 properties during the review period when the sale of its real estate portfolio to Samson Properties Ltd, The Royal Bank of Scotland (RBS) and Ajanta Oy was finalised on 31 January 2007. The acquisition cost of the real estate portfolio was MEUR 304.4 and its sale price was MEUR 377.5.

Investments and exits at acquisition cost, MEUR

	1-6/2007	1-6/2006	1-12/2006
New and follow-on investments			
Funds investing in portfolio companies	120.7	108.2	158.8
Buyout	101.7	90.1	127.8
Technology	17.0	7.6	16.8
Life Science	2.0	10.5	14.2
Real estate funds	41.2	66.4	78.7
Total	161.9	174.6	237.5
Exits*			
Funds investing in portfolio companies	44.1	68.0	173.8
Buyout	36.2	50.0	144.7
Technology	7.9	13.8	24.7
Life Science	-	4.2	4.4
Real estate funds	304.4	-	-
Total	348.5	68.0	173.8

* incl. partial exits and mezzanine loan instalments

The investment activities of the funds managed by CapMan are described in more detail in Appendix 2.

Status of CapMan funds as at 30 June 2007

Funds investing in portfolio companies

Investments in portfolio companies at acquisition cost totalled MEUR 647.0 at 30 June 2007. The fair value of investments was MEUR 780.4. The funds' portfolios are valued to fair value in accordance with the guidelines of EVCA as specified in Appendix 1.

Excluding realised and estimated future expenses, CapMan funds had an investment capacity of about MEUR 720 for new and follow-on investments in portfolio companies. Of this, approx. MEUR 490 is reserved for buyout investments (incl. mezzanine), approx. MEUR 180 for technology investments and approx. MEUR 50 for life science investments.

Real estate funds

At the end of the first half, the funds' investments in real estate assets at acquisition cost totalled MEUR 41.2 and the fair value of investments was MEUR 44.1. The portfolio is wholly comprised of assets acquired during the period under review, and is divided evenly between the real estate funds. Additionally as at 3 July 2007 the funds had committed a total of MEUR 310.8 to finance real estate acquisitions and projects in the next few years. The funds have an investment capacity of about MEUR 445 for new investments.

Funds' gross portfolio* as at 30 June 2007, MEUR

	Portfolio at acquisition cost MEUR	Portfolio at fair value MEUR	Share of portfolio (fair value) %
Funds investing in portfolio	647.0	780.4	94.7
Real estate funds	41.2	44.1	5.3
Total	688.2	824.5	100.0
Funds investing in portfolio			
Buyout	496.5	626.9	80.4
Technology	115.1	118.8	15.2
Life Science	35.4	34.7	4.4
Total	647.0	780.4	100.0

* Gross portfolio of all portfolio companies and real estate assets managed by CapMan funds.

As a result of the real estate portfolio sale that was finalised in January and the short holding period of the current real estate portfolio, the relative proportion of real estate assets in the gross portfolio of all funds managed by CapMan is at a low level.

Funds generating carried interest as at 30 June 2007

A private equity fund begins to generate carried interest after the investors have regained their investment in addition to a preferred annual return, usually 7–8%. CapMan Real Estate I and Finnventure V funds began to generate carried interest during the period under review, and of these funds CapMan Real Estate I is still in the active investment phase. At the close of the review period the following funds were in carry:

	CapMan's share of cash flows*	Portfolio at fair value 30.6.2007
Finnventure Fund II, Finnventure Fund III and Finnmezzanine Fund II B in total:	20–35 %	2.9
Finnventure Fund V:	20 %	56.9
Fenno Program (Fenno Fund, Skandia I and Skandia II) in total:	10–12 %	21.5
CapMan Real Estate I**:	25 %	24.5

*Net share of cash flows, taking into consideration Fenno Management Oy's share as far as Fenno Program is concerned, and of Corintium Oy's and the investment team's shares as far as CapMan Real Estate I is concerned.

** The fund still continues active investment operations. Of the portfolio at fair value MEUR 15.1 is financed with debt.

At 30 June 2007 the current portfolios of funds generating carried interest at fair value totalled MEUR 105.8, which represents 12.8% of the portfolios of all funds at fair value at 30 June 2007 (MEUR 824.5). Information on each fund's investment targets is presented on CapMan's website at www.capman.com/En/InvestorRelations/Funds.

CapMan's share of carried interest received from funds generating carry is typically 20–25% of a fund's cash flow in the case of CapMan funds that were established before 2004, and 10–15% for newer funds. The lower carried interest percentage for newer funds results from the distribution of a share of their carried interest to the members of the investment team responsible for the funds' investment activities during its life cycle (typically 10 years), in accordance with common practice in the private equity investment industry.

CapMan's own investments in the funds

Since 2002, CapMan Plc has been a substantial investor in the funds managed by the Group. The Company invests about 5–10% of the total capital in equity funds investing in portfolio companies from its own balance sheet. The objective of investments in own funds is to improve the Company's return on equity and to even out fluctuations in income with returns from these investments. The investments made have been valued at fair value in accordance

with EVCA guidelines as specified in Appendix 1. There may be quarterly changes in fair value gains and/or losses and, in addition to the value creation of portfolio companies, these are affected by executed realisations and the funds' expenses.

CapMan, like other investors in the funds, gives commitments to the funds when they are established. As at 30 June 2007 the total sum of current investments at fair value and remaining commitments was MEUR 100.9 (MEUR 82.5 at 30 June 2006), of which remaining commitments totalled MEUR 60.1 (MEUR 53.7). Of these commitments MEUR 25.1 is targeted for CapMan Buyout VIII, MEUR 13.2 for CapMan Technology 2007 and the remainder targeting mainly CapMan Life Science IV, CapMan Mezzanine IV, CapMan Equity VII and Access Capital Fund II funds. The commitments will be drawn down gradually within the next 3–5 years as new investments are made. Fund investments for the review period totalled MEUR 10.8 (MEUR 8.1). The majority of investments were made in CapMan Buyout VIII fund. The fair value of cumulative fund investments made from CapMan's own balance sheet was MEUR 40.8 as at 30 June 2007 (MEUR 28.8).

CapMan's investments and commitments in the funds as at 30 June 2007, MEUR

	Investments at fair value	Remaining commitments	In total
Funds investing in portfolio companies			
Equity funds	30.5	50.7	81.2
Mezzanine funds	2.9	4.5	7.4
Funds of funds*	7.2	2.3	9.5
	40.6	57.5	98.1
Real estate funds	0.2	2.6	2.8
Total	40.8	60.1	100.9

* Managed/advised by CapMan's associated company Access Capital Partners.

CapMan's own investments in the funds 1 January – 30 June 2007, MEUR

	1-6/2007	1-6/2006	1-12/2006
Funds investing in portfolio companies			
Equity funds	8.9	5.9	9.8
Mezzanine funds	1.5	0.7	0.7
Funds of funds*	0.3	1.5	2.6
	10.7	8.1	13.1
Real estate funds	0.1	0.0	0.1
Total	10.8	8.1	13.2

* Managed/advised by CapMan's associated company Access Capital Partners.

Personnel

As at 30 June 2007 the Group had 100 (95) employees, of whom 76 (68) were located in Finland and the remainder in other Nordic countries.

	30.6.2007	31.6.2006	31.12.2006
CapMan Private Equity	35	37	38
CapMan Real Estate	25	20	24
General functions	40	38	36
Total	100	95	98

In addition there were six Senior Advisors and one advisor acting as consultants for CapMan. Five of the Senior Advisors were located in Finland and one in Denmark. In addition to the Senior Advisors, CapMan's Nordic Advisor Network comprises 14 Industrial Advisors. Peter Augustsson and Jukka Härmälä were invited to become members of the Advisor Network in the period under review.

Changes in Group ownership

The owners of the Company's A-series shares sold a total of 3,000,000 CapMan Plc A shares and 2,000,000 CapMan Plc B shares to the newly established company CapMan Partners B.V. in the share transactions that were announced on 4 May 2007 and executed on 16 May 2007. CapMan Partners B.V. is owned by corporations under control of the present 13 Senior Partners of CapMan with equal shares. In the same connection, the Board of Directors of CapMan Plc approved an application for the conversion of a total of 2,000,000 unlisted CapMan Plc A shares entitling to voting rights into listed CapMan Plc B shares. As a result of the share transactions and share conversions, CapMan Partners B.V. became the second largest owner and the largest user of voting rights in CapMan Plc.

The following disclosures of change in ownership related to the share transactions and share conversions were issued in the period under review:

- The ownership of CapMan Partners B.V. in CapMan Plc surpassed one-twentieth (1/20) of CapMan Plc's share capital and one-fifth (1/5) of voting rights carried by CapMan Plc's shares
- The ownership of Aristo-Invest Oy and its controlling shareholder, Ari Tolppanen, in the voting rights carried by CapMan Plc's shares decreased from more than one-fifth (1/5) to under three-twentieths (3/20)
- The ownership of Winsome Oy and its controlling shareholder, Tuomo Raasio, in CapMan Plc decreased to under one-twentieth (1/20) of CapMan Plc's share capital and to under one-tenth (1/10) of voting rights carried by CapMan Plc's shares
- The ownership of Geldegel Oy and its controlling shareholder, Olli Liitola, in CapMan Plc decreased to under one-twentieth (1/20) of CapMan Plc's share capital and to under one-tenth (1/10) of voting rights carried by CapMan Plc's shares
- The ownership of Heiwes Oy and its controlling shareholder, Heikki Westerlund, in CapMan Plc decreased to under one-twentieth (1/20) of CapMan Plc's share capital and voting rights carried by CapMan Plc's shares
- The ownership of Vesasco Oy in the voting rights carried by CapMan Plc's shares decreased from more than one-tenth (1/10) to under one-twentieth (1/20)
- The ownership of Novestra Oy and its controlling shareholder, Peter Buch Lund, in the voting rights carried by CapMan Plc's shares decreased to under one-twentieth (1/20).

CapMan Plc had 4,695 (5,263) shareholders at the end of the review period. The number of shareholders has fallen from the comparative period, and at the same time the proportion of foreign and nominee-registered shareholders (excluding the 6.4% holding of CapMan Partners B.V.) has risen from 29.2% to 35.0%.

Decisions adopted by the AGM

The Annual General Meeting (AGM) of CapMan Plc was held in Helsinki on 29 March 2007. The AGM confirmed the 2006 financial statements and granted discharge from liability to the Board of Directors and the CEO for the 2006 financial year and decided that a dividend of EUR 0.12 per share be paid to shareholders for year 2006. The dividend payment date was 12 April 2007.

The AGM elected Sari Baldauf, Tapio Hintikka, Lennart Jacobsson, Urban Jansson, Teuvo Salminen and Ari Tolppanen as members of the Board. The AGM elected PricewaterhouseCoopers Oy, corporation of authorised public accountants, as the Company's auditors with Jan Holmberg, APA (Auditor approved by the Central Chamber of Commerce), as the Lead Auditor and Terja Artimo, APA, from the same accounting corporation, as Mr Holmberg's deputy.

In addition, in accordance with the proposals of the Board of Directors the AGM also decided to amend the Company's Articles of Association and authorised the Board of Directors to resolve to issue a maximum of 20,000,000 CapMan Plc B shares or to issue stock options and other entitlements, and to resolve to repurchase a maximum of 8,000,000 CapMan Plc B shares by using the Company's unrestricted shareholders' equity. The AGM also decided that the share subscription prices to be accrued from share subscriptions pertaining to the Company's

stock option plans shall be recorded in the Company's invested unrestricted shareholders' equity. The decisions adopted by the AGM and the amended Articles of Association in their entirety are presented on CapMan's Internet pages under www.capman.com/En/InvestorRelations/AnnualGeneralMeetings and www.capman.com/En/AboutCapMan/CorporateGovernance/ArticlesofAssociation/

Share capital, trading and price development

CapMan Plc's share capital totalled EUR 771,583.98 at 30 June 2007. The number of listed B shares was 72,314,418 and the number of unlisted A shares entitling to voting rights was 6,000,000.

The trading turnover and value of CapMan B shares increased approx. twofold compared to the comparative period of 2006. Share price development was strong and the B share reached an all-time high of EUR 4.07 on 28 June 2007. At the end of the review period the B shares had a closing price of EUR 4.03 and market value totalling MEUR 291.4 (MEUR 167.4). The Company's total market capitalisation, including CapMan A shares, was MEUR 315.6 (MEUR 187.0).

There was also clear growth in the trading turnover of 2000A/B stock options from the comparative period. The subscription period for B shares with 2000A/B options expires on 31 October 2007. Trading of 2003A options that were listed in October 2006 also continued at a livelier pace than previously. In the review period 1,155,720 CapMan B shares were subscribed with 2000A/B options. The subscription price of the B shares, totalling EUR 694,042.00, was entered in invested unrestricted shareholders' equity in accordance with the decision of the AGM. No shares were subscribed with 2003A stock options during the period under review.

Trading and price development of shares and options

	B shares		2000A/B options		2003A
	1–6/2007	1–6/2006	1–6/2007	1–6/2006	1–6/2007
Trading turnover,	19 311 250	10 222 243	1 794 596	952 300	429 639
Trading value, MEUR	65.2	29.7	4.9	2.0	0.8
Trading price, EUR					
Highest	4.07	3.15	3.40	2.27	2.55
Lowest	2.86	2.33	2.06	1.70	1.40
Volume weighted					
average price	3.39	2.90	2.75	2.15	1.83
Closing price 30.6	4.03	2.45	3.40	1.74	2.55

Events after the review period

In July Finnventure Fund V received the final payment from the transaction announced in March 2006, in which the fund's portfolio company Mehiläinen Oyj was sold to Swedish H-Careholding AB. CapMan received approx. MEUR 0.6 in carried interest income as a result of the purchase price payment.

Future outlook

CapMan Private Equity

Private equity investment in Europe is estimated to show growth in the mid and long term. The foundation for growth is the increasing inclusion of private equity investment as a part of investment allocations by institutional investors and other substantial investor groups, including high net worth individuals. The stock exchange listings of management companies like CapMan have emerged as a new phenomenon in the markets, of which the most prominent examples are the US-based Blackstone Group's IPO on the NYSE in June and KKR's listing preparations. The goal in going public is to create a new source of capital for funds under management. CapMan's strategy is to invest 5–10% of the total capital in its respective equity funds.

Private equity investment has also claimed some of the role that has traditionally been played by public markets in the financing of M&A and growth. The growth of traditional private equity investment in unlisted companies in the Nordic countries continues to be accelerated by consolidation in various sectors, family successions, privatisation of public services and functions, strong investment in research and development in technology and life science sectors, and increasing entrepreneurial activity.

The competition for middle market buyout companies is tense because of the number of players and the availability of loan financing. There has been some challenges in putting together syndicated debt packages as far as big buyout investments are concerned and this is expected to affect to certain extent the availability and pricing of financing across all industry segments. The competition is also visible in the market as increasing compensation levels of the investment professionals. CapMan's local presence in different Nordic countries, which enables the active search for investee companies throughout the Nordic region, and value creation e.g. through buy-and-build strategies and growth are important in the prevailing competitive situation. The competition in technology and life science sectors is less fierce and there are good opportunities for syndicated investments.

CapMan will continue to implement its portfolio company investment strategy on a Nordic level. The number of new potential investee companies remains at a good level. Our investment teams continue to have solid market coverage ensuring access to the majority of potential investment targets, and they have comprehensive resources for value creation in portfolio companies via active work on the companies' Boards of Directors.

CapMan is in a good position to continue as a proactive player in the private equity market, as its funds making investments in portfolio companies have approximately MEUR 720 in capital for new and follow-on investments. Fundraising for CapMan Technology 2007 fund still continues.

CapMan Real Estate

The liquidity of real estate markets has remained good throughout the beginning of 2007. The supply and demand of properties has still been at a high level, as a result of increased vendor activity and the growing number of foreign investors. Pricing of properties is quite aggressive and there is tough competition for completed good properties. The number of real estate funds in Finland is still growing and the funds have strong activities in the markets. Market activity has also expanded outside of the greater Helsinki region. The challenge for investors in the acquisition and management of targets requiring development work is to find the right and adequate resources.

There are no signs of a turn in Finland's positive economic growth, and therefore adequate resources and expertise will continue to be in a critical position for success in the markets. The resources of CapMan's Real Estate funds have been further strengthened as far as making real estate investments and developing and managing the real estate portfolio are concerned. At present our two funds have adequate personnel resources, a competitive structure and an aggregate investment capacity of approx. MEUR 445 for finding good investment targets and developing the current portfolio in Finland. These resources together with the team's reliability and flexible way to do business have brought the funds plenty of investment opportunities. We believe that also in future there will be good potential to find individual properties that fit the investment focus of our funds and which we can acquire for further development on competitive terms in the market.

CapMan Plc Group

CapMan's strategy is to exploit growth opportunities within the alternative asset class. In addition to CapMan's existing product areas (Private Equity, Real Estate) the alternative asset class includes, among others, infrastructure investment, forestry investment and active public market funds. CapMan is investigating the possibilities to expand into some of these areas and will define its geographical strategy, especially concerning Russia, during this year.

The Group's profit before taxes for 2007 will clearly improve from that of 2006. The final result for 2007 will depend on how many exits by funds already generating carried interest will occur by the end of 2007 and on how the value of investments develops in those funds in which CapMan is a substantial investor.

According to our understanding the exit markets will remain favourable and CapMan Equity VII A, B and Sweden funds as well as Finnventure Fund IV are expected to begin to generate carried interest at the latest during 2008. The funds investing in portfolio companies have several exit processes underway.

CapMan Plc will publish its Interim Report for the period 1 January – 30 September 2007 on 31 October 2007.

Helsinki 10 August 2007

CAPMAN PLC
Board of Directors

Press conference:

A press conference will be held in Finnish for the media and analysts today at 12.00 p.m. in CapMan's premises, address Korkeavuorenkatu 32, Helsinki. Heikki Westerlund, CEO, will present CapMan Plc's interim result and describe the current market environment. A light lunch will be served at the event.

Presentation material from the press conference will be published in Finnish and English on the Group's website when the press conference has commenced.

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DISTRIBUTION:

Helsinki Exchanges
Principal media
www.capman.com

GROUP BALANCE SHEET (IFRS)

€ ('000)

30.6.07

30.6.06

31.12.06

ASSETS**Non-current assets**

Tangible assets	893	851	672
Goodwill	4,845	4,845	4,845
Other intangible assets	759	702	710
Investments in associated companies	2,580	977	2,860
Investments at fair value through profit and loss			
Investments in funds	40,770	28,774	33,122
Other financial assets	868	1,031	848
Receivables	17,388	11,726	13,835
Deferred income tax assets	270	204	231
	68,373	49,110	57,123

Current assets

Trade and other receivables	8,931	13,789	5,521
Other financial assets at fair value through profit and loss	9,774	1,376	2,779
Cash and bank	15,760	5,639	14,137
	34,465	20,804	22,437

Total assets

102,838 69,914 79,560

EQUITY AND LIABILITIES**Capital attributable the Company's equity holders**

Share capital	772	763	772
Share premium account	38,968	38,452	38,968
Other reserves	1,929	1,037	1,218
Translation difference	258	-98	316
Retained earnings	21,237	9,661	15,074
	63,164	49,815	56,348

Minority interest

Total equity	5,768	181	599
	68,932	49,996	56,947

Non-current liabilities

Deferred income tax liabilities	3,377	807	2,234
Interest-bearing loans	10,000	0	10,000
Other liabilities	550	470	430
	13,927	1,277	12,664

Current liabilities

Trade and other payables	15,268	13,324	7,409
Interest-bearing loans and borrowings	0	4,440	1,944
Current income tax liabilities	4,711	877	596
	19,979	18,641	9,949

Total liabilities

33,906 19,918 22,613

Total equity and liabilities

102,838 69,914 79,560

GROUP INCOME STATEMENT (IFRS)

€ ('000)	1-6/07	1-6/06	1-12/06
Turnover	35,582	18,401	38,032
Other operating income	59	616	687
Personnel expenses	-7,231	-6,359	-13,958
Depreciation and amortisation	-285	-350	-726
Other operating expenses	-6,262	-6,422	-11,958
Fair value gains / losses of investments	4,595	1,695	3,549
Operating profit	26,458	7,581	15,626
Financial income and expenses	516	326	420
Share of associated companies' result	1,093	-28	1,279
Profit before taxes	28,067	7,879	17,325
Income taxes	-7,128	-1,968	-4,893
Profit for the financial year	20,939	5,911	12,432
Attributable to:			
Equity holders of the company	15,281	5,803	11,455
Minority interest	5,658	108	977
Earnings per share for profit attributable to the equity holders of the Company:			
Earnings per share, €	0.20	0.08	0.15
Diluted, €	0.20	0.08	0.15
Operating profit, %	74.4	41.2	41.1

GROUP STATEMENT OF CHANGES IN EQUITY**Attributable to the equity holders of the Company**

EUR ('000)	Share capital	Share premium account	Other reserves	Translation differences	Retained earnings	Total	Minority interest	Total equity
Equity on 31.12.2005	759	38,157	948	-148	9,156	48,872	220	49,092
Share subscriptions with options	4	295						
Translation difference				50			6	
Options			89		17			
Profit for the financial year					5,803		108	
Dividends paid					-5,315		-153	
Equity on 30.6.2006	763	38,452	1,037	-98	9,661	49,815	181	49,996
Equity on 31.12.2006	772	38,968	1,218	316	15,074	56,348	599	56,947
Share subscriptions with options			694					
Translation difference				-58				
Options			17		141			
Profit for the financial year					15,281		5,658	
Dividends paid					-9,259		-428	
Other changes							-61	
Equity on 30.6.2007	772	38,968	1,929	258	21,237	63,164	5,768	68,932

GROUP'S CASH FLOW STATEMENT (IFRS)

€ ('000)	1-6/07	1-6/06	1-12/06
Cash flow from operations			
Profit for the financial year	15,281	5,803	11,455
Adjustments to operating profit	6,811	420	352
Cash flow before change in working capital	22,092	6,223	11,807
Change in working capital	3,177	1,171	889
Financing items and taxes	-192	-1,527	-1,548
Cash flow from operations	25,077	5,867	11,148
Cash flow from investments	-3,575	-6,948	-9,466
Cash flow before financing	21,502	-1,081	1,682
Dividends paid	-9,687	-5,467	-5,923
Other financial cash flow	-10,192	5,341	11,532
Financial cash flow	-19,879	-126	5,609
Change in cash funds	1,623	-1,207	7,291
Cash funds at start of the period	14,137	6,846	6,846
Cash funds at end of the period	15,760	5,639	14,137

Accounting principles

The Group's Interim Report is in compliance with IAS 34, Interim Financial Reporting Standard. The same accounting principles as in the annual financial statements of 31 December 2006 have been applied. The information presented in the Interim Report is un-audited.

Appendices in accordance with IFRS 7, Financial Instruments: Disclosures (effective as of 1 January 2007) have been included in the Interim Report in so far as their significance to the Group's financial information is concerned.

Segment information

€ ('000)	1-6/07	1-6/06	1-12/06
Turnover			
CapMan Private Equity	12,053	15,947	33,116
CapMan Real Estate	23,529	2,454	4,916
Total	35,582	18,401	38,032
Operating profit			
CapMan Private Equity	5,374	7,332	15,405
CapMan Real Estate	21,084	249	222
Total	26,458	7,581	15,627

Income taxes

The Group's taxes 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 0.12 per share or total of MEUR 9.3 was paid for year 2006 (EUR 0.07 per share, MEUR 5.3 in total for the year 2005).

Non-current assets

€ ('000)	30.6.07	30.6.06	31.12.06
Investments in funds at fair value through profit and loss at Jan 1	33,122	20,288	20,288
Additions	10,746	8,105	13,233
Disposals	-7,693	-1,314	-4,117
Fair value gains/losses on investments	4,595	1,695	3,718
Investments in funds at fair value through profit and loss at end of the period	40,770	28,774	33,122

Transactions with related parties (associated companies)

€ ('000)	30.6.07	30.6.06	31.12.06
Receivables - non-current	13,511	6,498	7,940
Receivables - current	125	125	125

Non-current liabilities

€ ('000)	30.6.07	30.6.06	31.12.06
Interest bearing loans	10,000	0	10,000

The interest-bearing liability is related to a financial credit limit agreement, the sum of the facility is MEUR 16.

Seasonal nature of business

Carried interest income is accrued on an irregular schedule depending on the time of execution of realisations. One exit may have substantial impact on CapMan Plc's result for the financial year.

Personnel	30.6.07	30.6.06	31.12.06
Finland	76	68	72
Denmark	3	7	5
Sweden	16	14	16
Norway	5	6	5
In total	100	95	98

Contingent liabilities	30.6.07	30.6.06	31.12.06
€ ('000)			
Leasing contracts and other contingent liabilities	10,104	14,044	13,451
Commitments to funds	60,108	53,742	50,529

Turnover and profit quarterly**Year 2007**

MEUR	1-3/07	4-6/07
Turnover	28.1	7.5
Management fees	5.8	6.5
Carried interest	21.2	0.2
Income of investments in funds	0.3	0.0
Real Estate consulting	0.6	0.5
Other income	0.2	0.3
Fair value gains / losses of investments	4.1	0.5
Operating profit	25.4	1.1
Financial income and expenses	0.3	0.2
Share of associated companies' result	0.9	0.2
Profit before taxes	26.7	1.4
Profit for the period	19.9	1.0

Year 2006

MEUR	1-3/06	4-6/06	7-9/06	10-12/06	1-12/06
Turnover	8.9	9.5	10.6	9.0	38.0
Management fees	5.6	6.8	6.3	6.2	24.9
Carried interest	2.6	1.2	3.7	1.9	9.4
Income of investments in funds	0.0	0.7	0.0	0.2	0.9
Real Estate consulting	0.5	0.6	0.4	0.5	2.0
Other income	0.2	0.2	0.2	0.2	0.8
Fair value gains / losses of investments	2.2	-0.5	1.0	0.8	3.5
Operating profit	5.2	2.4	4.4	3.6	15.6
Financial income and expenses	0.1	0.2	0.2	-0.1	0.4
Share of associated companies' result	-0.2	0.2	0.1	1.2	1.3
Profit after financial items	5.1	2.8	4.7	4.7	17.3
Profit for the period	3.7	2.2	3.6	2.9	12.4

APPENDIX 1: CAPMAN PLC GROUP FUNDS 30 JUNE 2007, MEUR

	Size *	Paid-in capital **	Fund's current portfolio		Distributed cash flow		Net cash assets *****
			at cost	at fair value ***	to in- vestors	to man- agement company (carried interest) ****	
Funds generating carried interest							
FV II, FV III ¹⁾ and FM II B in total	58.6	57.4	3.1	2.9	179.6	44.1	0.5
FV V	169.9	159.8	62.4	56.9	213.5	0.1	4.0
Fenno Program ²⁾ (Fenno Fund, Skandia I and Skandia II) in total	59.0	59.0	15.8	21.5	114.7	7.5	0.1
CMRE I ⁵⁾	500.0	315.7	21.3	24.5	183.0	28.5	-15.1
In total	787.5	591.9	102.6	105.8	690.8	80.2	-10.5
Funds that are expected to start generating carried interest at the latest during 2008							
FV IV	59.5	59.5	12.0	15.2	64.0		0.5
CME VII A	156.7	125.4	85.6	144.3	72.9		3.6
CME VII B	56.5	49.9	33.9	65.3	33.3		1.9
CME SWE	67.0	53.3	36.6	61.7	31.3		0.9
In total	339.7	288.1	168.1	286.5	201.5		6.9
Other funds not yet in carry							
CME VII C	23.1	14.9	10.3	11.0	5.4		0.2
CMB VIII A	360.0	119.3	102.8	105.4			4.2
CMB VIII B	80.0	25.6	22.8	23.4			
CM LS IV	54.1	11.1	9.1	9.1			0.2
CMT 2007 ¹⁾	134.7	11.7	9.6	9.6			0.9
FM III ¹⁾	135.5	131.3	65.2	74.3	103.7		4.4
CMM IV ⁴⁾	240.0	108.0	88.9	96.1	12.8		7.9
CMRE II ⁶⁾	600.0	21.9	19.9	19.6			-12.2
In total	1,627.4	443.8	328.6	348.5	121.9		5.6
Funds with limited carried interest potential to CapMan							
NPEP II ³⁾	20.7	20.7	6.4	3.4	11.4		0.8
FV V ET	34.0	34.0	12.6	11.7	4.7		0.7
SWE LS ³⁾	49.7	41.1	26.3	25.6	0.2		0.2
SWE Tech ^{1), 3)}	82.9	63.4	34.8	32.8	24.0		1.1
FM II A,C,D ¹⁾	71.3	71.3	8.8	10.2	72.8		2.0
In total	258.6	230.5	88.9	83.7	113.1		4.8
Equity funds in total	3,013.2	1,554.3	688.2	824.5	1,127.3	80.2	6.8

CAPITAL MANAGED/ADVISED BY ASSOCIATED COMPANY ACCESS CAPITAL PARTNERS AS AT 30 JUNE 2007, MEUR

Fund	Size*
ACF 1)	250.3
ACF II A 1)	153.4
ACF II B 1)	123.5
ACF III A 1)	307.4
ACF III B 1)	88.9
Private Equity Mandates	738.6
Total capital	1,662.1

Fund abbreviations:

ACF	= Access Capital Fund
ACF II A	= Access Capital Fund II Mid-market Buyout
ACF II B	= Access Capital Fund II Technology
ACF III A	= Access Capital Fund III Mid-market Buyout
ACF III B	= Access Capital Fund III Technology
CMB	= CapMan Buyout Fund
CME	= CapMan Equity
CMLS	= CapMan Life Science Fund
CMM	= CapMan Mezzanine
CMRE	= CapMan Real Estate
CMT 2007	= CapMan Technology 2007
FM	= Finnmezzanine Fund
FV	= Finnventure Fund
SWE LS	= Swedestart Life Science
SWE Tech	= Swedestart Tech

*Total capital committed by investors. In CapMan's statistics the terms 'capital under management' and 'fund size' refer to the gross capital commitment in the fund. Funds managed by associated company Baltcap Management Oy are excluded (CapMan's share of Baltcap Management Oy is 20%; the total size of the funds is approx. MEUR 31.2). Capital under management by Access Capital Partners is presented separately.

** Total capital paid into the fund by investors.

*** The funds' investments in portfolio companies are valued to fair value in accordance with the guidelines of the European Private Equity & Venture Capital Association (EVCA) 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 fair value greater than acquisition cost as well as investment targets with fair value less than acquisition cost. Portfolio companies 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 EVCA's conservative policies, technology and life science targets are typically valued at acquisition cost or less up to exit.

**** CapMan Plc Group's share of carried interest income.

When the return of a fund has exceeded a required cumulative return target, the management company is entitled to a share of the cash flow from the funds (carried interest).

Cash flow includes both the distribution of profits and distribution of capital. Carried interest % of the remaining cash flows are (for the funds which were generating carried interest as at 30 June 2007): Finnventure Fund II: 35%, Finnventure Fund III: 25%, Fenno Program/Fenno Fund: 20%, Fenno Program/Skandia I: 20%, Fenno Program/Skandia II: 20%, Finnmezzanine Fund II B: 20%, CapMan Real Estate I: 40%.

CapMan Plc Group's share of the carried interest is less than 100% for the following funds: CapMan Buyout VIII A and B: 70%, CapMan Mezzanine IV: 75%, CapMan Real Estate I: 64%, CapMan Real Estate II: 60%, Fenno Fund and Fenno Program (Skandia I and II): 50–60%, CapMan Technology 2007: 50%, CapMan Life Science IV: 50%,

Swedestart Tech: 12%, Swedestart Life Science: 10%, Access Capital Fund: 47.5%, Access Capital Fund II: 45%, Access Capital Fund III: 25%, Access/Private Equity Mandates: 25%.

***** When calculating the investors' share, the fund's net cash assets have to be taken into account in addition to the portfolio at fair value.

- 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 Fenno, Skandia I and Skandia II funds together comprise the Fenno Program, which is managed jointly with Fenno Management Oy.
- 3) Currency items are valued at the average exchange rates quoted at 30 June 2007.
- 4) CapMan Mezzanine IV: The paid-in commitment includes a MEUR 96 bond issued by Leverator Plc. The fund's liquid 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 equity investors.
- 5) CapMan Real Estate I: The paid-in commitment includes a MEUR 100 bond issued by Real Estate Leverator Plc and a MEUR 188.6 senior loan. Distributed cash flow includes repayment of the bonds and cash flow to the fund's equity investors. The combined investors' and management company's share of the fund's assets is calculated by deducting net cash assets from the fair value.
- 6) CapMan Real Estate II: 25% or MEUR 150 of the fund's size is shareholders' equity and the 75% remainder is debt. The investors' share of the fund's assets is calculated by deducting net cash assets from the fair value.

APPENDIX 2: INVESTMENTS AND EXITS BY CAPMAN FUNDS 1 JANUARY – 30 JUNE 2007

The investment activities of private equity funds managed by CapMan comprise investments in portfolio companies mainly in the Nordic countries as well as real estate investments in Finland. The investment activities of funds investing in portfolio companies and of funds investing in real estate assets are presented separately in this Appendix.

In addition CapMan has a 35% stake in the funds of funds and private equity investment mandate manager and adviser Access Capital Partners, which is based in Paris, Munich and Guernsey. Access Capital Partners manages/advises three funds that invest in European mid-market buyout and venture capital funds. Further information on Access Capital Partners can be found at www.access-capital-partners.com.

INVESTMENT ACTIVITIES BY THE FUNDS INVESTING IN PORTFOLIO COMPANIES

The investment activities of funds making direct investments in portfolio companies include buyouts, technology investments and investments in the life science sector. Buyouts are made in the middle market class in manufacturing, service and retail industries. Technology investments focus on expansion and later stage technology companies. Life science investments focus on companies specialising in medical technology.

Investments in portfolio companies in the review period

The CapMan funds investing directly in portfolio companies made seven new investments, four substantial add-on investments and smaller add-on investments in the first half of 2007 (six new investments, two substantial add-on investments and smaller add-on investments in the comparative period of 2006). All in all, MEUR 120.7 (MEUR 108.2) was invested during the period under review.

Q2 Investments in portfolio companies

The acquisition of Walki Group (formerly Walki Wisa) by CapMan Buyout VIII and CapMan Mezzanine IV funds from UPM-Kymmene Corporation was finalised in May. Walki Group produces wrappings for the paper, metal and wood industries and composite materials for the packaging industry and industrial applications. Walki Wisa's net sales totalled MEUR 287 in 2006 and the Group employs some 950 persons in different countries.

The investment in Finnish technology company Novintel Oy that was announced by CapMan Equity VII funds in March was finalised in April. Novintel provides customised Market Intelligence services and solutions for a wide variety of industries. The investment will support the growth of the company's international operations in particular.

CapMan Technology 2007 made its first investment in May, when the fund invested in Finnish technology company Movial Applications Oy. Movial develops IP (Internet Protocol) communication software for network equipment manufacturers, device manufacturers and operators. The investment will finance expansion of the company's software product sales and international customer support operations throughout Europe, Asia and the Americas.

The acquisition of Danish IT2 Treasury Solutions by CapMan Technology 2007 fund from SimCorp A/S listed on the Copenhagen Stock Exchange was finalised in June. IT2 is a software solutions and services provider of treasury management systems mainly to medium and large size enterprises and financial institutions. The company has over 40 employees in Denmark, the UK, USA and Hong Kong.

Q1 Investments in portfolio companies

In the first quarter of 2007 the funds made new investments in Finnish buyout targets Komax Oy and Skandia Autologistics Oy (formerly John Nurminen's Vehicle Logistics Unit) and Finnish technology company Mirasys Ltd. In addition the funds made add-on investment decisions in Swedish life science companies Aerocrine AB, Jolife AB and Millicore AB and in Finnish buyout target Savcor Group.

Exits from portfolio companies in the review period

The funds managed by CapMan made four final exits and several partial exits in the first half of 2007. Exits at acquisition cost (including mezzanine loan instalments and partial exits) totalled MEUR 44.2. There were six final exits and several partial exits in the comparative period of 2006, for which exits at acquisition cost (including mezzanine loan instalments) totalled MEUR 60.8.

Q2 Exits from portfolio companies

The exit by CapMan Equity VII funds from Synerco AB, the Swedish provider of integrated facility, security and office services, was finalised in May. The funds sold their stake to Services Management company Addici Holding AB. The funds invested in Synerco in 2003. The investment has been good for investors in the funds managed by CapMan. The exit does not have impact on CapMan Plc's result for 2007, because the fund is not in carry.

In April, Nordic Private Equity Partners II fund exited from LindPlast A/S. LindPlast manufactures plastic polyethylene packing materials. The exit does not have impact on CapMan Plc's result for 2007, because the fund is not in carry.

Finnventure IV, Finnventure V and Finnventure V ET funds sold their holding in Medianorth Oy to Avaus Consulting Oy at the end of June. Medianorth owns city magazines Nöjesguiden in Sweden and Natt & Dag in Norway as well as the Loyalty North unit in Finland focusing on development of customer loyalty programs. The initial investment in Medianorth was made in 1999, and it has been poor for investors in the funds managed by CapMan. The exit has no substantial impact on CapMan Plc's result for 2007.

Q1 Exits from portfolio companies

In the first quarter of the year the funds made a final exit from Finnish technology company Distocraft Oy and sold their remaining listed shares in Finnish SysOpenDigia Plc. Additionally the funds made a partial exit from Finnish buyout target Moventas Oy.

Other events in the review period

At the end of April Finnventure IV, Finnventure V and Finnventure V ET funds announced the sale of their holding in the Finnish information security and mobility management software provider Secgo Software Oy to the Norwegian listed company Birdstep ASA. The funds received shares in Birdstep Technology ASA listed on the Oslo Stock Exchange in the transaction, which was closed in May. Because the transaction was executed as an exchange of shares, the exit does not have a direct impact on CapMan Plc's result for 2007. The funds will exit from the company in total when they sell the shares received in Birdstep. The funds invested in Secgo in 2004, and their holding in the company was 18% prior to the sale.

Finnventure V and Finnventure V ET funds sold their stake in Hantro Products Oy, a provider of mobile multimedia solutions, to the American listed company On2 Technologies, Inc in May. The transaction is subject to approval by On2's Annual General Meeting, and it is expected to be finalised by the end of August 2007. Because the transaction will be executed as an exchange of shares, the funds' exit from Hantro does not have a direct impact on CapMan Plc's result for 2007. The funds will exit from the company in total when they sell the shares received in On2. The funds initially invested in Hantro in 2002 and they held approx. 30% ownership in the company prior to the sale.

Swedestart Life Science fund's portfolio company Aerocrine AB went public on the Stockholm Stock Exchange in mid-June. Aerocrine is a medical technology company that has developed NIOX and NIOX MINO monitoring devices for the diagnosis and control of airway inflammation such as asthma. The fund did not sell its Aerocrine shares in connection with the IPO and the shares are subject to a 12-month lock-up period. The fund invested in Aerocrine in 2005, and the company's business has developed well during the investment period.

At the end of June CapMan Buyout VIII and CapMan Life Science IV funds announced the acquisition of Swedish Nacka Närsjukhus Proxima AB together with the company's management. Nacka Närsjukhus Proxima is a private healthcare provider offering specialised healthcare and emergency unit services in the greater Stockholm area. The company had net sales of approx. MEUR 19.3 in 2006. The transaction is subject to approval by competition authorities, and it is expected to be finalised by the end of August. The investment in Nacka Närsjukhus Proxima is a joint investment target of CapMan's Buyout and Life Science funds.

Events after the review period

The acquisition of a majority holding in KMW Energi AB by CapMan Technology 2007 fund, SEB Venture Capital and the energy and environment fund specialist Aloe Private Equity that was announced in June was finalised in July. KMW Energi is a leading supplier of bio fuel combustion plants in Sweden. The company's turnover in 2006 was MEUR 21.6 and it has 40 employees.

In early July CapMan Buyout VIII and CapMan Life Science IV funds invested in the Norwegian Telemark Group, which is comprised of Telemark Røntgensenter AS, Haugesund Røntgeninstitut AS, Nordland Medisinske Senter Røntgeninstitut AS and Tromsø MR-Senter AS. The companies are providers of high quality medical imaging services such as x-ray, MR (magnetic resonance), CT (computer tomography), mammography and ultrasound diagnostics in Norway. In 2006 Telemark Group employed 50 persons and had net sales of approx. MEUR 15. The execution of the investment is subject to approval by competition authorities, and it is expected to be closed in August 2007.

CapMan Equity VII, Finnventure V ET and Swedestart Tech funds exited from the Swedish repeater manufacturer Avitec AB after the review period in July. Avitec was acquired by ECI, a UK-based private equity investor. Avitec's net sales totalled MEUR 22.1 in 2006, and the company has 64 employees. The CapMan funds made the initial investment in Avitec in 2002, and they owned 43.1% of the company's shares prior to the exit. The investment in Avitec has been moderate for the investors in the CapMan funds. The exit has no substantial impact on CapMan Plc's result for 2007.

After the review period in July Finnventure Fund V received the final payment from the transaction announced in March 2006, in which the fund's portfolio company Mehiläinen Oyj was sold to Swedish H-Careholding AB. CapMan received approx. MEUR 0.6 in carried interest income as a result of the purchase price payment.

INVESTMENT ACTIVITIES BY THE REAL ESTATE FUNDS

Investment decisions made in the review period

In the first half of 2007 the real estate funds announced ten new investments, of which seven were in finished properties, two in properties under construction and one in land. Immediately after the review period the funds made an investment decision in the shopping centre Skanssi that is under construction in Turku. Investments totalling MEUR 41.2 were made in the period under review, and including the Skanssi investment decision as at 3 July 2007 the funds had additionally committed a total of MEUR 310.8 to finance real estate acquisitions and projects in the next few years.

Q2 Investment decisions

The acquisition by CapMan RE II fund of the property located at Viinikankatu 49 in the Nekala district of Tampere was closed in early April. The property is comprised of commercial premises and warehouse space and it was built in 1968. The lettable area of the property totals 10,000 m², and it is almost fully leased at the time of investment.

CapMan Real Estate I fund acquired the commercial property located at Malminkaari 9 in the suburb of Malmi in Helsinki from Fennia Life Insurance Company Ltd at the end of May. The property was built in 1987. The lettable area of the property totals ca. 5,000 m², and it is fully leased at the time of investment.

At the end of May, CapMan RE II fund made an investment in land located in the Kivistö area of Vantaa. Under the existing plans the land and surrounding properties will be zoned as a commercial services district. The acquired land

has an area of ca. 11.5 hectares and it is located in the Kivistö/Petas or Marja-Vantaa area, a strongly developing section of the City of Vantaa. The Kivistö area is one of few unbuilt commercial districts specified in provincial land use plans. The City of Vantaa has an option to exercise its right of pre-emption and buy the land until 31 August 2007.

CapMan Real Estate I fund acquired the property located at Lönnrotinkatu 20 in the Kamppi district of Helsinki from Polaris Pension Foundation at the end of June. The property was built in 1972, and it has a leasable area of ca. 4,650 m². In addition the fund acquired the garage from the neighbouring property As Oy Kalevankatu 36 for use by tenants of Lönnrotinkatu 20.

The acquisition by CapMan Real Estate I fund of the real estate and plot of land of Mastola's central warehouse located in Hakkila, Vantaa from SOK Corporation was announced at the end of June. The INEX Group's logistics centre operates at the property, which has a leasable area of ca. 41,600 m². The transaction was finalised after the review period in July.

Additionally, at the end of June CapMan Real Estate I fund announced an agreement for the acquisition of the Entresse Shopping Centre that is under construction in Espoo from YIT Construction Ltd. Entresse is located next to the central market square and railway station in Espoo centre. Construction work commenced in June and the shopping centre is scheduled for completion by the Christmas season of 2008. The shopping centre will comprise lettable retail space of ca. 9,500 m². The investment commitment made for the acquisition of the shopping centre will be drawn down during 2008.

Q1 Investment decisions

In the first quarter of the year CapMan Real Estate I fund acquired the property and lot located at Kalevankatu 20 in Helsinki, and CapMan RE II fund acquired the commercial property located at Kasarmikatu 4 in Hämeenlinna as well as the office, industrial and warehouse complex located at Parolantie 104 also in Hämeenlinna. In addition CapMan RE II fund signed an agreement with Tokmanni Oy on the acquisition of a logistics centre to be constructed close to the Helsinki-Lahti motorway in Mäntsälä. The project will be completed in autumn 2008. The investment commitment made for the logistics centre project will be drawn down during 2008.

Sale of CapMan Real Estate I fund's portfolio in January

The sale of CapMan Real Estate I fund's real estate portfolio comprising 22 commercial properties to Samson Properties Ltd, The Royal Bank of Scotland (RBS) and Ajanta Oy was closed at the end of January. The acquisition cost of the portfolio was MEUR 304.4 and its sale price was MEUR 377.5. CapMan Real Estate I continues its active investment operations after the transaction.

Events after the review period

In early July CapMan RE II fund signed an agreement to acquire ownership of Skanssin Kauppakeskus Oy, a shopping centre, from the Hartela Group. Skanssi is situated four kilometres east of Turku city centre. The shopping centre will comprise a leasable area of ca. 37,000 m² on two floors, and once it is completed in April 2009 it will attract some 4.5 million visitors annually. Hartela will continue as the property's constructor and will participate in its development. The investment commitment made for the shopping centre project will be drawn down in stages during years 2007–2009.