

CapMan Plc Stock Exchange Release 3 May 2007

CapMan Plc Group Interim Report 1 January – 31 March 2007

Excellent start of the year, good future outlook

- The Group's turnover for the first quarter of 2007 increased to MEUR 28.1 (MEUR 8.9 in January–March 2006) and operating profit was up to MEUR 25.4 (MEUR 5.1).
- 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 quarter totalled MEUR 21.2 (MEUR 2.6) 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 4.4 (MEUR 2.2).
- Profit before taxes was MEUR 26.7 (MEUR 5.1) and profit after taxes was MEUR 19.9 (MEUR 3.7). The share belonging to the owners of the parent company was MEUR 14.3 (MEUR 3.6) and minority interests were MEUR 5.6 (MEUR 0.1).
- Earnings per share was EUR 0.19 (EUR 0.05).
- Capital under management increased in the first quarter by 17.5%, which is over the average annual growth target of 15%. At 31 March 2007 capital under management totalled MEUR 2,996.1 (MEUR 2,549.6 at 31 December 2006 and MEUR 2,245.3 at 31 March 2006).
- 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–March 2007

CapMan's turnover for the first quarter of 2007 increased to MEUR 28.1 (MEUR 8.9 in January–March 2006) mainly as a result of the rise in carried interest income.

The sum of management fees paid by the funds increased slightly and was MEUR 5.8 (MEUR 5.6). 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 21.2 (MEUR 2.6). 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 0.2 of carried interest income was accrued from the transfer of Finnventure Fund V to carry.

The impact of fund investments made from CapMan's own balance sheet totalled MEUR 4.4 (MEUR 2.2). Realised returns on fund investments were MEUR 0.3 (MEUR 0.0). Fair value gains/losses associated with fund investments

totalled MEUR 4.1 (MEUR 2.2). Of the gains in fair value MEUR 1.5 was related to value creation in Moventas Oy, from which CapMan Equity VII fund made a partial exit during the period, MEUR 1.5 was mostly related to value creation in other portfolio companies of CapMan Equity VII fund and MEUR 1.1 to value creation in funds managed/advised by Access Capital Partners. Value creation is based on portfolio company valuations, which are made in accordance with EVCA guidelines and with the realised development in 2006 and the outlook for 2007 taken into consideration. The aggregate fair value of all fund investments made from CapMan's own balance sheet was MEUR 38.4 at 31 March 2007.

Returns on real estate consulting operations totalled MEUR 0.6 (MEUR 0.5) and other operating income within turnover was MEUR 0.2 (MEUR 0.2). Operating expenses were MEUR 6.8 (MEUR 6.0).

The Group's operating profit for the review period increased to MEUR 25.4 (MEUR 5.2). The share from the result of CapMan's associated companies was MEUR 0.9 (MEUR -0.2). Profit before taxes was MEUR 26.7 (MEUR 5.1) and profit after taxes MEUR 19.9 (MEUR 3.7). The share of profit belonging to the owners of the parent company was MEUR 14.3 (MEUR 3.6), on the basis of which earnings per share was EUR 0.19 (EUR 0.05).

Balance sheet and financial position at 31 March 2007

The sum of non-current assets in the balance sheet grew to MEUR 60.6 (MEUR 41.6) during the period under review. In line with CapMan's strategy, the sum of CapMan's own investments increased and their fair value totalled MEUR 38.4 (MEUR 22.9) at the end of the review period. Non-current receivables totalled MEUR 12.1 (MEUR 10.2). Of the receivables MEUR 9.0 (MEUR 8.1) 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, increased to MEUR 43.7 (MEUR 8.0) as a result of carried interest received from CapMan Real Estate I fund. The Company has interest-bearing liabilities of MEUR 10.0 (MEUR 0.0).

CapMan's equity ratio at the end of the review period was 61.9% (87.4%). Return on equity for the period was 32% (7.6%) and return on investment 36.7% (10.6%). The Company has target levels of at least 50% for the equity ratio and over 25% for return on equity.

Key ratios

	31.3.07	31.3.06	31.12.06
Earnings/share, EUR	0.19	0.05	0.15
Diluted, EUR	0.18	0.05	0.15
Shareholders' equity/share, EUR	0.80	0.62	0.74
Share issue adjusted number of shares	77 158 698	75 923 348	76 212 849
Number of shares at the end of the period	77 158 698	75 923 348	77 158 698
Number of shares outstanding	77 158 698	75 923 348	77 158 698
Return on equity, %	32.0	7.6	23.4
Return on investment, %	36.7	10.6	29.9
Equity ratio, %	61.9	87.4	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 127 had been raised to the fund as at the end of the first quarter. 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 defined 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. The fund has a target size of MEUR 150 and its fundraising continues.

During the first quarter it was decided that fundraising for CapMan Life Science IV fund, which was established in March 2006, will continue until May 2007. The fund invests in medical technology companies mainly in the Nordic countries. The lack of venture allocations by institutional investors has reflected on CapMan Life Science IV's fundraising, but additional investments to the fund are still expected. 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 established in September 2006 reached its maximum investment capacity of MEUR 600 during the review period. 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, and the fund made its first investments in the period under review. 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 31 March 2007 CapMan managed a total of MEUR 2,996.1 in capital (MEUR 2,245.3 at 31 March 2006). Capital under management in funds making direct portfolio company investments totalled MEUR 1,896.1 (MEUR 1,745.3). There was a growth in capital during the year as a result of fundraising for CapMan Buyout VIII and CapMan Technology 2007 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 (MEUR 1,139.1) in total assets as at 31 March 2007. Of this, MEUR 923.5 (MEUR 720.0) was in funds of funds and MEUR 738.6 (MEUR 419.1) in private equity investment mandates.

Investments and exits by the funds in January–March

Funds investing in portfolio companies

In the first quarter of 2007, the funds made three new investments, four substantial add-on investments and smaller add-on investments, investing MEUR 58.1 in total. There were new investments in Komax Oy, John Nurminen Vehicle Logistics Unit and Mirasys Ltd. Add-on investment decisions were made in Savcor Group, Aerocrine AB, Jolife AB and Millicore AB. Additionally new investments in Walki Wisa Group and Novintel Oy were announced during the review period.

The funds exited in total from Distocraft Oy and made a partial exit from Moventas Oy during the first quarter. Additionally the funds sold their shares in SysOpenDigia Plc. Exits at acquisition cost (including mezzanine loan instalments and partial exits) totalled MEUR 25.5 for the review period.

Real estate funds

The Real Estate funds made three new investments in the review period. The new assets are Kiinteistö Oy Helsingin Kalevankatu 20 in Helsinki as well as Kiinteistö Oy Kasarmikatu 4 and Kiinteistö Oy Parolantie 104 in Hämeenlinna. In addition new investments were announced in Kiinteistö Oy Viinikankatu 49 in Tampere and in Tokmanni's logistics centre project in Mäntsälä, which is scheduled mainly for 2008. The sum of gross investments for the period under review was MEUR 19.4.

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

	1-3/2007	1-3/2006	1-12/2006
New and follow-on investments			
Funds investing in portfolio companies	58.1	21.7	158.8
Buyout	54.2	15.3	127.8
Technology	2.3	5.6	16.8
Life Science	1.6	0.8	14.2
Real estate funds	19.4	21.3	78.7
Total	77.5	43.0	237.5
Exits*			
Funds investing in portfolio companies	25.5	23.4	173.8
Buyout	22.5	23.4	144.7
Technology	3.0	-	24.7
Life Science	-	-	4.4
Real estate funds	304.4	-	-
Total	329.9	23.4	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 31 March 2007**Funds investing in portfolio companies**

Investments in portfolio companies at acquisition cost totalled MEUR 602.4 at 31 March 2007. The fair value of investments was MEUR 723.7. 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 770 for new and follow-on investments in portfolio companies. Of this, approx. MEUR 540 is reserved for buyout investments (incl. mezzanine), approx. MEUR 190 for technology investments and approx. MEUR 40 for life science investments.

Real estate funds

At the end of the first quarter, the funds' investments in real estate assets at acquisition cost totalled MEUR 19.4 and the fair value of investments was MEUR 19.0. The current portfolio is wholly comprised of assets acquired during the period under review. The majority of these assets are investment targets of CapMan RE II fund, which has investment focus on property development. The funds have an investment capacity of about MEUR 710 for new investments.

Funds' gross portfolio* as at 31 March 2007, MEUR

	Portfolio at acquisition cost MEUR	Portfolio at fair value MEUR	Share of portfolio (fair value) %
Funds investing in portfolio companies	602.4	723.7	97.4
Real estate funds	19.4	19.0	2.6
Total	621.8	742.7	100.0
Funds investing in portfolio companies			
Buyout	462.8	587.9	81.2
Technology	104.9	104.1	14.4
Life Science	34.7	31.7	4.4
Total	602.4	723.7	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 an exceptionally low level.

Funds generating carried interest as at 31 March 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 31.3.2007
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 %	21.3
CapMan Real Estate I**:	25 %	7.2

* 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.

At 31 March 2007 the current portfolios of funds generating carried interest at fair value totalled MEUR 88.3, which represents 11.9% of fair value of portfolios of all funds at 31 March 2007 (MEUR 742.7). 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's objective is to invest about 5–10% of the total capital in future funds from its own balance sheet. The investment strategy, which applies to investments by equity funds investing in portfolio companies, aims to improve the Company's return on equity and to even out fluctuations in income with coming years 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.

CapMan, like other investors in the funds, gives commitments to the funds when they are established. As at 31 March 2007 the total sum of current investments at fair value and remaining commitments was MEUR 96.4, of which remaining commitments totalled MEUR 58.0. Of these commitments MEUR 25.4 is targeted for CapMan Buyout VIII and MEUR 15 for CapMan Technology 2007, with 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 7.4 (MEUR 1.5). 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 38.4 as at 31 March 2007.

CapMan's investments and commitments in the funds as at 31 March 2007, MEUR

	Investments at fair value	Remaining commitments	In total
Funds investing in portfolio companies			
Equity funds	27.6	48.6	76.2
Mezzanine funds	3.0	4.5	7.5
Funds of funds*	7.7	2.2	9.9
	38.3	55.3	93.6
Real estate funds	0.1	2.7	2.8
Total	38.4	58.0	96.4

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

CapMan's own investments in the funds 1 January – 31 March 2007, MEUR

	1-3/2007	1-3/2006	1-12/2006
Funds investing in portfolio companies			
Equity funds	5.6	0.5	9.8
Mezzanine funds	1.5	0.1	0.7
Funds of funds*	0.3	0.9	2.6
	7.4	1.5	13.1
Real estate funds	0.0	0.0	0.1
Total	7.4	1.5	13.2

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

Personnel

As at 31 March 2007 the Group had 101 (95) employees, of whom 74 (67) were located in Finland and the remainder in other Nordic countries. In addition there were five Senior Advisors and two other advisors acting as consultants for CapMan. Four of the Senior Advisors were located in Finland and one in Denmark.

	31.3.2007	31.3.2006	31.12.2006
CapMan Private Equity	37	39	38
CapMan Real Estate	26	19	24
General functions	38	37	36
Total	101	95	98

During the period under review CapMan was placed in the top third of the Best Workplaces in Finland 2007 study conducted by Great Place to Work® Institute Finland. CapMan's personnel in Finland responded to the study, which was implemented through a confidential employee survey in November 2006.

Shares and shareholders

There were no changes in the share capital of CapMan Plc in the first quarter, and the Company's share capital totalled EUR 771,586.98 at 31 March 2007. The number of listed B shares was 69,158,698 and the number of A shares was 8,000,000.

There was a clear increase in trading turnover and value of B shares traded compared to the comparative period of 2006. Share price development was strong and the B share reached an all-time high of EUR 3.64 in March. At the end of the review period the B shares had a closing price of EUR 3.48 and market value totalling MEUR 242.1 (MEUR 200.4). The Company's total market capitalisation, including CapMan A shares, was MEUR 269.9 (MEUR 224.0).

There was also clear growth in 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. No shares were subscribed with stock options of either program during the period under review.

Trading and price development of shares and options

	B shares		2000A/B stock options		2003A stock options
	1–3/2007	1–3/2006	1–3/2007	1–3/2006	1–3/2007
Trading turnover,	8 819 149	5 902 203	878 690	709 600	250 866
Trading value, MEUR	28.2	17.5	2.2	1.5	0.4
Trading price, EUR					
Highest	3.64	3.15	2.88	2.27	2.07
Lowest	2.86	2.81	2.06	1.96	1.40
Volume weighted					
average price	3.20	2.97	2.45	2.16	1.64
Closing price 31.3	3.48	2.95	2.87	2.22	2.06

CapMan Plc had 4,813 (5,424) 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 has risen from 28.5% to 32.5%. There was one disclosure of changes in shareholding during the review period, when the ownership of Vesasco Oy decreased to less than 5% of the share capital and to 10% of the voting rights.

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 decided that the Board of Directors consists of six members. Tapio Hintikka, Lennart Jacobsson, Urban Jansson, Teuvo Salminen and Ari Tolppanen shall continue as Board members. Sari Baldauf was elected as a new member to the Board. The organisation meeting of the Board of Directors that was held immediately after the AGM elected Ari Tolppanen as Chairman of the Board and Teuvo Salminen as Vice Chairman of the Board. Board members Sari Baldauf, Tapio Hintikka, Urban Jansson and Teuvo Salminen are independent of the Company. In addition, the AGM decided that monthly compensation of EUR 3,500 shall be paid to the Chairman and Vice Chairman and EUR 3,000 to members. Compensation shall not be paid for those Board members that are employed by CapMan Group. Reasonable travel expenses shall be compensated for all Board members.

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. Terja Artimo, APA, from the same accounting corporation, shall act as Mr Holmberg's deputy.

In accordance with the proposals of the Board of Directors, the AGM also decided

- to amend the Company's Articles of Association
- to authorise the Board of Directors to resolve to issue a maximum of 20,000,000 B shares, or to issue stock options and other entitlements referred to in the Finnish Companies Act section 10, paragraph 1, and to determine the terms and conditions related to these issues
- to authorise the Board of Directors to repurchase a maximum of 8,000,000 of the Company's own B shares by using the Company's unrestricted shareholders' equity. The share repurchases shall be carried out through public trading on the Helsinki Stock Exchange in another proportion than according to the holdings of the shareholders. The repurchase price shall be based on the market price of the Company's shares in public trading
- 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/.

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 listing intentions of management companies like CapMan have emerged as a new phenomenon in the markets. A prominent example of that are the listing preparations by US-based Blackstone Group, one of the world's leading private equity investors. 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 investee companies in buyout markets is fierce because of the number of players and the plentiful availability of loan financing. However the largest and most publicly visible investment volume is still focused in the bigger buyout segment, where deals are larger, whereas CapMan's focus is on middle market buyouts. Competition is also visible in the markets as a rise in investment professionals' compensation levels. CapMan's local presence in different Nordic countries, which enables the active search for investee companies throughout the Nordic region, is 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 770 in capital for new and follow-on investments. Fundraising for CapMan Technology 2007 and CapMan Life Science IV funds 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 710 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 are made by funds already generating carried interest, on the possible transfer of new funds to carry, 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 during 2007–2008. The funds investing in portfolio companies have several exit processes underway.

CapMan Plc will publish its Interim Report for the period 1 January – 30 June 2007 on 10 August 2007.

Helsinki 3 May 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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GROUP BALANCE SHEET

EUR	IFRS 31.3.07	IFRS 31.3.06	IFRS 31.12.06
ASSETS			
Non-current assets			
Tangible assets	641,802	879,065	672,155
Goodwill	4,845,174	4,845,174	4,845,174
Other intangible assets	682,864	722,410	709,754
Investments in associated companies	2,866,089	851,386	2,860,458
Investments at fair value through profit and loss			
Investments in funds	38,377,578	22,909,476	33,121,817
Other financial assets	845,735	1,037,293	848,290
Receivables	12,062,020	10,171,022	13,834,881
Deferred income tax assets	230,562	229,619	230,562
	60,551,824	41,645,445	57,123,091
Current assets			
Trade and other receivables	9,988,018	9,480,184	5,521,345
Other financial assets at fair value through profit and loss	19,653,655	1,986,979	2,779,410
Cash and bank	24,053,072	5,991,821	14,136,732
	53,694,745	17,458,984	22,437,487
Total assets	114,246,569	59,104,429	79,560,578
EQUITY AND LIABILITIES			
Capital attributable the Company's equity holders			
Share capital	771,587	759,303	771,587
Share premium account	38,968,183	38,161,514	38,968,186
Other reserves	1,234,715	1,036,890	1,218,624
Translation difference	216,796	-161,410	316,780
Retained earnings	20,155,179	7,412,596	15,073,517
	61,346,460	47,208,893	56,348,694
Minority interest	6,035,989	128,881	598,720
Total equity	67,382,449	47,337,774	56,947,414
Non-current liabilities			
Deferred income tax liabilities	3,258,046	943,558	2,233,718
Interest-bearing loans	10,000,000	0	10,000,000
Other liabilities	490,000	457,845	430,000
	13,748,046	1,401,403	12,663,718
Current liabilities			
Trade and other payables	28,096,982	9,523,454	7,409,436
Interest-bearing loans and borrowings	0	0	1,943,697
Current income tax liabilities	5,019,092	841,798	596,313
	33,116,074	10,365,252	9,949,446
Total liabilities	46,864,120	11,766,655	22,613,164
Total equity and liabilities	114,246,569	59,104,429	79,560,578

GROUP INCOME STATEMENT

EUR	IFRS 1-3/07	IFRS 1-3/06	IFRS 1-12/06
Turnover	28,090,550	8,916,867	38,032,121
Other operating income	18,108	150	687,133
Personnel expenses	-3,427,394	-2,523,232	-13,957,949
Depreciation and amortisation	-142,676	-173,958	-725,993
Other operating expenses	-3,205,799	-3,289,437	-11,958,181
Fair value gains / losses of investments	4,082,718	2,220,716	3,549,490
Operating profit	25,415,507	5,151,106	15,626,621
Financial income and expenses	328,665	170,230	420,027
Share of associated companies' result	914,873	-247,442	1,279,086
Profit before taxes	26,659,045	5,073,894	17,325,734
Income taxes	-6,754,775	-1,407,138	-4,892,972
Profit for the financial year	19,904,270	3,666,756	12,432,762
Attributable to:			
Equity holders of the company	14,278,672	3,606,698	11,455,302
Minority interest	5,625,598	60,058	977,460
Earnings per share for profit attributable to the equity holders of the Company:			
Earnings per share, €	0.19	0.05	0.15
Diluted, €	0.18	0.05	0.15

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 31.12.2006	772	38,968	1,218	316	15,074	56,348	599	56,947
Share subscriptions with options								
Translation difference				-100			9	
Options			17		61			
Profit for the financial year					14,279		5,625	
Dividends paid					-9,259		-188	
Equity on 31.3.2007	772	38,968	1,235	216	20,155	61,346	6,036	67,382

GROUP'S CASH FLOW

EUR	IFRS 1-3/07	IFRS 1-3/06	IFRS 1-12/06
Cash flow from operations			
Profit for the financial year	14,278,672	3,606,698	11,455,302
Depreciation and other adjustments	7,707,089	-502,349	352,225
Change in working capital	7,914,361	926,737	889,351
Financing items and taxes	135,483	-669,798	-1,549,100
Cash flow from operations	30,035,605	3,361,288	11,147,778
Cash flow from investments	-4,601,879	-429,157	-9,466,501
Financial cash flow	-15,517,386	-3,786,797	5,608,968
Change in cash funds	9,916,340	-854,666	7,290,245
Cash funds at start of the period	14,136,732	6,846,487	6,846,487
Cash funds at end of the period	24,053,072	5,991,821	14,136,732

ACCOUNTING PRINCIPLES

The same accounting principles have been applied in the Interim Report as in the 2006 financial statements.

AUDIT OF THE ACCOUNTS

The information presented in the Interim Report is un-audited.

SEGMENT INFORMATION

EUR	IFRS 1-3/07	IFRS 1-3/06	IFRS 1-12/06
Turnover			
CapMan Private Equity	5,654,540	7,685,836	33,115,589
CapMan Real Estate	22,436,010	1,231,031	4,916,532
Total	28,090,550	8,916,867	38,032,121
Operating profit			
CapMan Private Equity	4,579,334	4,945,062	15,404,707
CapMan Real Estate	20,836,173	206,044	221,914
Total	25,415,507	5,151,106	15,626,621

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.

TURNOVER AND PROFIT QUARTERLY**YEAR 2007**

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

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
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

PERSONNEL

	31.3.07	31.3.06	31.12.06
Finland	74	67	72
Denmark	5	8	5
Sweden	16	15	16
Norway	6	5	5
In total	101	95	98

CONTINGENT LIABILITIES

EUR	31.3.07	31.3.06	31.12.06
Leasing contracts and other contingent liabilities	10,420,886	11,789,355	13,451,476
Commitments to funds	58,092,795	56,552,801	50,528,624

APPENDIX 1: CAPMAN PLC GROUP FUNDS 31 DECEMBER 2006, MEUR

	Size *	Paid-in capital **	Fund's current portfolio		Distributed cash flow to in- vestors	Distributed cash flow to man- agement company (carried interest) ****	Liquid assets
			at cost	at fair value ***			
Funds generating carried interest							
FV II, FV III 1) and FM II B in total	58.6	57.4	3.2	2.9	179.6	44.1	0.4
FV V	169.9	159.8	63.8	56.9	213.5	0.1	4.2
Fenno Program 2) (Fenno Fund, Skandia I and Skandia II) in total	59.0	59.0	16.2	21.3	113.2	7.3	0.2
CMRE I 5)	500.0	301.1	7.3	7.2	183.0	28.5	-5.2
In total	787.5	577.3	90.5	88.3	689.3	80.0	
Funds that are expected to start generating carried interest in 2007–2008							
FV IV	59.5	59.5	14.1	16.0	62.2		0.7
CME VII A	156.7	123.0	85.9	144.9	66.4		5.5
CME VII B	56.5	49.9	35.2	66.8	29.7		3.0
CME SWE	67.0	52.4	36.7	61.9	28.5		2.8
In total	339.7	284.8	171.9	289.6	186.8		
Other funds not yet in carry							
CME VII C	23.1	14.0	9.4	10.2	5.4		0.2
CMB VIII A	360.0	116.4	76.5	76.5			28.6
CMB VIII B	80.0	25.5	17.0	17.0			6.3
CM LS IV	46.1	10.9	8.7	8.7			0.4
CMT 20071)	127.0						
FM III 1)	135.5	131.3	68.5	77.0	99.8		2.7
CMM IV 4)	240.0	108.0	77.2	83.4	10.9		20.6
CMRE II 6)	600.0	3.0	12.1	11.8			-9.3
In total	1,611.7	409.1	269.4	284.6	116.1		
Funds with limited carried interest-potential to CapMan							
NPEP II ³⁾	20.6	20.6	7.1	3.2	11.4		0.5
FV V ET	34.0	34.0	14.2	11.8	4.7		1.0
SWE LS ³⁾	49.2	40.7	26.0	23.0	0.2		0.4
SWE Tech ^{1), 3)}	82.1	61.9	33.8	32.0	23.7		1.1
FM II A,C,D ¹⁾	71.3	71.3	8.9	10.2	72.8		2.0
In total	257.2	228.5	90.0	80.2	112.8		
Equity funds in total	2,996.1	1,499.7	621.8	742.7	1,105.0	80.0	

CAPITAL MANAGED/ADVISED BY ASSOCIATED COMPANY ACCESS CAPITAL PARTNERS AS AT 31 MARCH 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' portfolios are valued to fair value in accordance with the guidelines of the European Private Equity & Venture Capital Association (EVCA). 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 companies with fair value greater than acquisition cost as well as companies with fair value less than acquisition cost.

**** 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 31 December 2006): 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%, Alliance ScanEast Fund: 42%, Access Capital Fund: 47.5%, Access Capital Fund II: 45%, Access Capital Fund III: 25%, Access/Private Equity Mandates: 25%.

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 31 March 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 178.5 senior loan. Distributed cash flow includes repayment of the bonds and cashflow to the fund's equity investors.
6. CapMan Real Estate II: 25% or MEUR 150 of the fund's size is shareholders' equity and the 75% remainder is credit.

APPENDIX 2: INVESTMENTS AND EXITS BY CAPMAN FUNDS 1 JANUARY – 31 MARCH 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 technology 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.

Q1 Investments in portfolio companies

CapMan funds investing directly in portfolio companies made three new investments, four substantial add-on investments and smaller add-on investments in the first quarter of 2007 (one new investment, one substantial add-on investment and smaller add-on investments in the comparative period of 2006). All in all, MEUR 58.1 (MEUR 21.7) was invested during the period under review.

CapMan Buyout VIII and CapMan Mezzanine IV funds' investment in Finnish Komax Oy was finalised in January. Komax supplies complete products, subassemblies and individual components within the metal, manufacturing, vehicle and defence industries. The company's customers mainly operate in Northern and Western Europe.

On 1 February 2007 CapMan Buyout VIII and CapMan Mezzanine IV funds and John Nurminen Oy announced an agreement for the transfer of John Nurminen's Vehicle Logistics Unit to the majority ownership of the funds. Vehicle Logistics Unit provides logistics services to vehicle manufacturers, importers and dealers, and it is the market leader in the Baltic Sea Region.

CapMan Equity VII funds invested in the Finnish video surveillance system specialist Mirasys Ltd. in March. Mirasys develops and markets innovative solutions for recording, analysing, storing and managing video and other surveillance-related data for the security industry. The investment will finance Mirasys' growth and internationalisation.

During the review period, add-on investment decisions were made by Swedestart Life Science fund in its Swedish portfolio companies Aerocine AB, Jolife AB and Millicore AB as well as by Finnmezzanine Fund III in Savcor Group.

Q1 Exits from portfolio companies

The funds managed by CapMan made eight final exits and one partial exit in the first quarter of 2007. Exits at acquisition cost (including mezzanine loan instalments and partial exits) totalled MEUR 25.5. There was one exit in

the comparative period of 2006, for which exits at acquisition cost (including mezzanine loan instalments) totalled MEUR 23.6.

CapMan Equity VII fund sold the majority of its shareholding in Moventas Oy to Industri Kapital 2004 fund in January. At the same time, Finnmezzanine III and CapMan Mezzanine IV funds exited from the company. The transaction was closed at the end of March. Moventas Oy is a global leading manufacturer of industrial and wind turbine gears as well as provider of gear maintenance and service. CapMan Equity VII fund retained 16% ownership in the company. The funds invested in Moventas in April 2005, and their investment in the company has been very good for investors in the funds.

The exit by CapMan Equity VII and Swedestart Tech funds from the Finnish provider of software products and solutions for telecom operators Distocraft Oy, which was announced in August 2006, was finalised during the period under review. The funds sold their stake in the company to Ericsson. The funds invested in Distocraft in 2003, and the investment was good for the funds' investors.

At the end of February Finnventure IV, V and V ET funds sold their remaining shares in SysOpenDigia Plc. The funds had received the shares when their portfolio company Sentera Plc was merged with SysOpenDigia Plc in 2006. The funds had initially invested in the company in years 2000 and 2003.

Other events in Q1

In February CapMan Buyout VIII and CapMan Mezzanine IV funds and UPM-Kymmene Corporation signed an agreement for the transfer of Walki Wisa Group owned by UPM into the ownership of the funds managed by CapMan. It is expected that the transaction will be finalised in the second quarter of 2007. Walki Wisa 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 it employs some 950 persons in different countries.

CapMan Equity VII funds announced an investment in Finnish technology company Novintel Oy at the end of March. 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. The investment was finalised in April after the close of the period under review.

Events after the review period

CapMan Equity VII funds announced an exit from the Swedish provider of integrated facility, security and office services Synerco AB in April. The funds will sell their stake to Service Management company Addici Holding AB, and the transaction is expected to be finalised by the end of May 2007. The funds invested in the company in 2003. The investment in Synerco has been good for investors in the funds managed by CapMan.

Nordic Private Equity Partners II exited from LindPlast A/S in April. LindPlast is a manufacturer of plastic polyethylene packaging materials. The funds invested in the company in 1996. The exit does not have an 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 the Finnish information security and mobility management software provider Secgo Software Oy to the Norwegian listed company Birdstep Technology ASA at the end of April. In the transaction, the funds will receive shares in Birdstep Technology ASA listed on the Oslo Stock Exchange. The funds will exit from the company in total when they sell the shares received in Birdstep. The transaction is expected to be closed by the end of the second quarter in 2007. Because the transaction will be executed as an exchange of shares, it does not have a direct impact on CapMan Plc's result for 2007. The funds invested in Secgo in 2004 and their holding in Secgo was 18% prior to the sale.

INVESTMENT ACTIVITIES BY THE REAL ESTATE FUNDS

Q1 Investments

The Real Estate funds made three new investments in the first quarter of 2007. Gross investments for the review period totalled MEUR 19.4.

CapMan Real Estate I acquired the property and lot located at Kalevankatu 20 from the Local Government Pensions Institution in early January. Kalevankatu 20 is located in the Kamppi district of central Helsinki, and it is the fund's first investee property following the sale of the real estate portfolio that was announced in December. The property was constructed in 1968 and it comprises approx. 3,500 m² of lettable space.

In February CapMan RE II fund made its first investments and acquired two properties located in Hämeenlinna from Aina Group. Kasarmikatu 4 is located in the centre of Hämeenlinna, and it has a lettable space of approx. 3,500 m². The property was built in 1965 and its extensions were completed in 1990. Parolantie 104 is an office, industrial and warehouse complex that was built in 1979. The lettable space of the buildings totals approx. 11,000 m². CapMan RE II fund and Aina Group entered into a long-term lease from the property in connection with the transaction.

Q1 Exits: Sale of CapMan Real Estate I fund's portfolio

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.

Other events in Q1

In February 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. Tokmanni's logistics centre will have a lettable space of approx. 74,400 m², and the project will be completed in autumn 2008. A long-term lease for the centre has been signed with Tokmanni.

In March, CapMan RE II fund announced an investment in the property located at Viinikankatu 49 in the Nekala district of Tampere. The property comprises 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.