



CapMan

Annual Report 2001

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*Our mission is to
be the leading
Nordic private
equity investor*

Information for shareholders

Annual General Meeting

The Annual General Meeting of CapMan Plc will be held on Wednesday, 3 April 2002 at 10.00 a.m. Finnish time in the Adams Hall at address Erottajankatu 15–17, 00130 Helsinki, Finland.

Attendance at the Annual General Meeting is open to shareholders who have been entered as shareholders in the company's shareholder register, which is kept by the Finnish Central Securities Depository Ltd, not later than 22 March 2002.

The deadline for registration to attend the Meeting is Tuesday, 2 April 2002 at 12.00 a.m. Finnish time. Shareholders can register either by telephone +358 9 6155 8329 or +358 9 6155 8322, by fax +358 9 6155 8350 or by notice addressed to CapMan Plc, Korkeavuorenkatu 32, 00130 Helsinki, Finland. Any proxy by whom the shareholder wishes to exercise his or her voting right at the Meeting should be submitted at the time of registration.

Dividend

The Board of Directors of CapMan Plc proposes to the Annual General Meeting that a dividend of EUR 0.26 per share be paid for the year 1 January – 31 December 2001. Total dividends amount to EUR 18.5 million. The dividend will be paid to shareholders who are entered in the company's shareholder register, which is kept by the Finnish Central Securities Depository Ltd, on the dividend record date 8 April 2002. The Board of Directors proposes to the Annual General Meeting that the dividend be paid on 15 April 2002.

Shareholder register

Shareholders are requested to make notification of changes in their personal particulars or address to the book-entry register in which they have a book-entry account.

Financial reports in 2002

CapMan Plc publishes its Annual Report and interim reports in Finnish and English. In 2002, the company's interim reports will be published as follows:

- Interim Report for 1 January – 31 March 2002
on Tuesday, 7 May
- Interim Report for 1 January – 30 June 2002
on Tuesday, 6 August
- Interim Report for 1 January – 30 September 2002
on Tuesday, 5 November

Copies of the Annual Report and interim reports can be ordered from CapMan Communications or via the Internet at www.capman.fi.

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CapMan's Annual Report, interim reports, stock exchange releases and press releases are available in Finnish and English on the company's website.

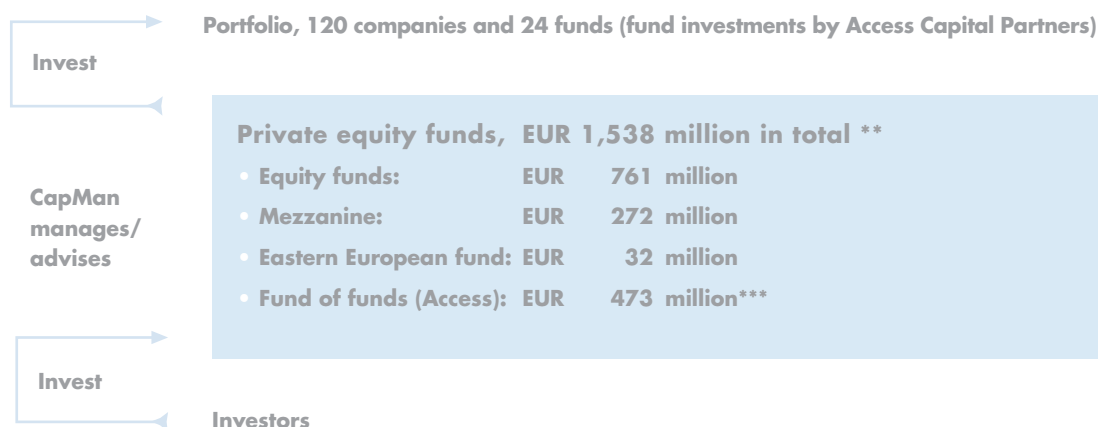
CapMan is one of the leading private equity investors in the Nordic countries. The company was founded in 1989 and specialises in mid-sized buy-outs in various industry sectors and technology investments in the IT, telecommunications and media sectors. From 2002, CapMan's portfolio will also include investments in life sciences.

CapMan has a strong Nordic growth strategy. In 2001, CapMan expanded its operations to Denmark with the acquisition of the Danish private equity investor Nordic Private Equity Group, now CapMan Invest A/S. At the beginning of 2002, CapMan signed an agreement to acquire the Swedish venture capital company Swedestart

Management AB. Today the CapMan team comprises 70 investment professionals and support staff in Helsinki, Stockholm and Copenhagen. Following the acquisition of Swedestart, CapMan manages / advises funds with EUR 1,538 million in total capital, of which EUR 473 million is managed by the affiliated company Access Capital Partners, which invests in European private equity funds. The funds managed by CapMan have invested in 120 companies in the Nordic countries and exited from 43 companies.

CapMan Plc's B share was listed on the Main List of the Helsinki Stock Exchange in April 2001.

CapMan's operational chart



- Investors in CapMan's funds include Finnish and international institutional investors such as insurance companies, pension insurance companies, banks and foundations.

** Includes capital managed by CapMan's Danish subsidiary CapMan Invest A/S and Swedish Swedestart Management AB.

*** CapMan holds 47.5% of the shares of the management company Access Capital Partners S.A.

How CapMan's income is constituted

● Carried interest

20–25% of the funds' cash flow after the investors have regained their investment in addition to a preferred annual return, usually 6–8%.

● Management fees

1–2.5% of the size of the fund

● Share of the profit of CapMan's affiliated companies

● Return on other financial assets

CapMan's financial objectives

● Funds under management

- average capital growth at least 15% per annum
- return to investors in the first quartile of all European private equity investors

● Increase CapMan's own direct capital investments to between 5 and 10% of the capital of funds

● Return on equity over 25%

● Dividend payments at least 50% of CapMan's net profit

Key ratios for CapMan 1997–2001 (Group)

MEUR	1997 (15 months)	1998	1999	2000	2001
Turnover	8.7	6.8	7.0	33.4	13.1
Management fees	3.8	4.1	5.1	7.4	8.6
Carried interest*	4.8	2.7	2.3	28.8	4.0
Share of the profit of affiliated companies	0.0	0.0	0.0	0.4	0.5
Other operating income	0.0	0.0	0.0	0.0	18.0
Operating profit	5.1	3.1	2.3	24.3	22.1
Financial income and expenses	0.1	0.4	0.6	0.6	8.5
Profit for the financial year	3.8	2.1	2.0	20.1	21.7
Return on equity, % ***	87.8	68.5	70.6	93.1	50.1
Return on investment, % ***	119.8	93.1	89.9	114.4	70.7
Equity ratio, %	70.5	78.3	74.2	70.2	97.6
Dividend paid	3.7	1.9	2.0	15.2	**18.5
Personnel (at the end of financial year)	23	31	34	41	52

* Carried interest figures differ from the figures presented in the financial statements, as they include imputation credit (EUR 3.6 million in 2000, EUR 0.1 million in 2001)

** Proposal of the Board of Directors to the Annual General Meeting

*** Key ratios for 1997–2000 are based on the balance sheet at 31 December

Shares and shareholders

Shares and share capital

CapMan Plc has two series of shares, A and B. Companies owned by CapMan's Senior Partners own all 8,000,000 A shares. At the end of the fiscal year the total number of listed B shares was 63,194,630. CapMan's symbol on the Helsinki Stock Exchange is CPM and the trading code of the B shares is CPMBV. The shares have a trading lot of 500 shares.

The quoting of CapMan B shares on the Main List of the Helsinki Stock Exchange commenced on 2 April 2001, when the merger with Vestcap Oyj was entered in the Trade Register. Each A share entitles its holder to ten (10) votes and each B share entitles its holder to one (1) vote at General Meetings of Shareholders. Holders of A shares have 56 per cent of all votes and holders of B shares have 44 per cent of all votes.

CapMan Plc has a minimum share capital of EUR 390,000.00 and a maximum share capital of EUR 1,560,000.00, within which limits the share capital can be increased or decreased without amending the company's Articles of Association. The nominal share value is EUR 0.01. The paid-in share capital entered in the Trade Register was EUR 711,946.30 as of 31 December 2001. The company's shares belong to the book-entry system.

Trading volume and share price

The closing price on the first trading day 2 April 2001 was EUR 2.20 and on the last trading day of the year it was EUR 2.27. The share's lowest trading price for the year was EUR 1.64 and the highest was EUR 2.55. The average price of trades was EUR 2.12. A total of 6,465,207 shares with an approximate value of EUR 13.7 million were traded on the Helsinki Stock Exchange during the financial year. At the end of 2001, the market value of the

CapMan B shares was EUR 143.5 million and the company's total market capitalisation, including A shares, was EUR 161.6 million.

Dividend policy

CapMan's objective is to distribute at least 50 per cent of the net profit in dividends. Both series of shares have equal rights to dividends.

Authorisations of the Board of Directors

On 31 May 2001, the Extraordinary General Meeting of CapMan Plc granted the Board of Directors authorisation to issue a maximum of 7,000,000 new CapMan B shares. By the end of 2001, in total 1,130,000 new shares had been issued and the authorisation remains valid until 31 May 2002.

The Extraordinary General Meeting of CapMan Plc authorised the Board of Directors to repurchase up to 3,503,649 CapMan B shares. The authorisation had not been used at the end of the financial year and it is valid until 31 May 2002.

Warrant scheme

CapMan has a warrant scheme as part of the Group's incentive and commitment programme for employees, excluding current shareholders. A maximum of 5,270,000 warrants can be issued and they will entitle to subscribe for a total of 5,270,000 CapMan B shares. The share subscription price will be EUR 1.26, from which the amount of dividends for the year 2001 and onwards will be deducted. The share subscription periods will begin in stages on 1 October 2003 and 1 October 2005 and will end for all warrants on 31 October 2007. The amount of shares allocated for warrants represents about 7 per cent of the share capital of CapMan Plc.

Key ratios per share

	1997	1998	1999	2000	2001
Earnings/share, EUR	0.06	0.04	0.04	0.42	0.34
Diluted				0.38	0.32
Shareholders' equity/share, EUR	0.08	0.06	0.06	0.45	0.92
Dividend/share, EUR	0.06	0.04	0.04	0.32	* 0.26
Dividend/earnings, %	97.3	85.2	104.2	76.2	85.2
Average share issue adjusted number of shares	11 344	11 558	126 632	40 918 032	64 797 244
Share issue adjusted number of shares at year-end	11 558	11 558	468 100	48 000 000	71 194 630

* Proposal of the Board of Directors to the Annual General Meeting

The largest shareholders at 31 December 2001

Name	Percentage of shares	Percentage of votes
Oy Aristo-Invest Ab** + Ari Tolppanen*	18.76%	24.71%
Geldegel Oy** + Olli Liitola*	9.90%	13.04%
Vesasco Oy** + Vesa Vanha-Honko*	9.90%	13.04%
Winsome Oy** + Tuomo Raasio*	9.90%	13.04%
Fennogens Investments SA	7.53%	3.75%
Other CapMan employees	6.13%	3.05%
Heiwes Oy** + Heikki Westerlund*	5.69%	7.49%
Novestra Oy** + Peter Buch Lund*	5.69%	7.49%
Nordea Life Assurance Finland Ltd	4.16%	2.07%
Guarneri Oy** + Petri Saavalainen*	2.05%	2.25%
Procurator Oy	2.04%	1.02%
Mutual Insurance Company Pension Fennia	2.00%	0.99%
Varma Sampo Mutual Pension Insurance Company	1.16%	0.58%
Kari Stadigh	1.00%	0.50%
Leif Jensen*	0.98%	0.49%
Svenska Litteratursällskapet i Finland	0.70%	0.35%
Nokia Plc	0.61%	0.30%
Lindell Oy Ab	0.49%	0.24%
Tapiola Mutual Pension Insurance Company	0.46%	0.23%
Nordea Bank Plc	0.46%	0.23%
Sampo Insurance Company	0.29%	0.14%
In nominee register	0.03%	0.02%
Other shareholders	10.07%	4.98%
Total	100.0%	100.0%

* Employed by CapMan.

** Companies owned by CapMan's Senior Partners own all 8,000,000 A shares, each of which has 10 votes for every 1 B share vote. There were 63,194,630 B shares in total at the end of 2001.

Distribution of shareholdings at 31 December 2001

Numbers of shares	Number of shareholders	Proportion of shareholders, %	Number of shares	Holding, %
1-100	1,286	25.37	56,133	0.08
101-1,000	2,706	53.38	1,244,143	1.75
1,001-10,000	959	18.92	2,676,165	3.76
10,001-100,000	76	1.50	2,297,726	3.23
100,001-1,000,000	31	0.61	13,720,088	19.27
1,000,001-	11	0.22	51,180,960	71.89
On the book-entry register joint account			19,415	0.03
Total	5,069	100.0	71,194,630	100.0

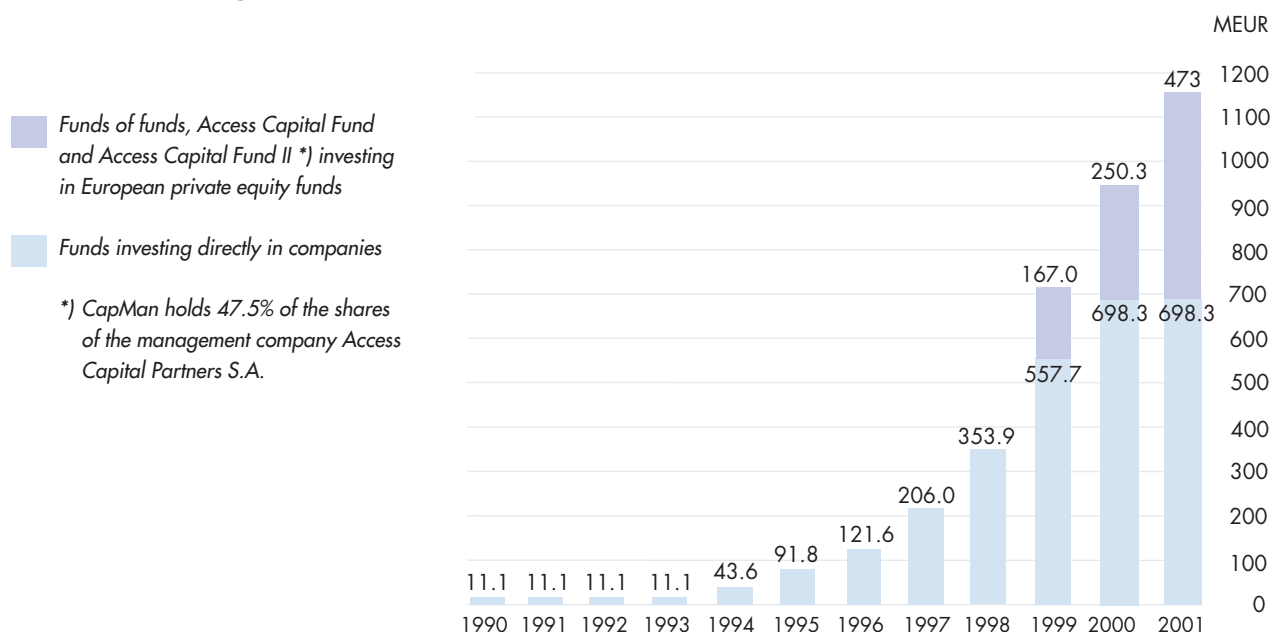
Shareholders by group at 31 December 2001

Group	Owners	Number of shares	Holding, %
Privately held companies	345	43,556,274	61.18
Financial and insurance institutions	5	3,306,161	4.64
Publicly held companies	8	2,853,582	4.01
Non-profit entities	22	743,945	1.04
Households	4,664	13,539,087	19.02
International owners + in nominee register	25	7,176,166	10.08
On the book-entry register joint account		19,415	0.03
Total	5,069	71,194,630	100.0

Funds under management

The tables on this page do not include the funds managed by CapMan Invest A/S or Swedestart Management AB.

Funds under management 1990–2001



Investments and exits

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Cumulative capital commitments from investors, MEUR ¹⁾	11.1	11.1	11.1	11.1	43.6	91.8	121.6	206.0	353.9	557.7	698.3	698.3
Cumulative investments in portfolio companies at acquisition cost, MEUR ¹⁾	1.9	3.7	4.7	6.1	10.6	23.9	29.6	71.8	123.6	200.5	344.4	433.8
Cumulative investments in new portfolio companies, number *)	2	5	7	8	14	20	24	39	47	58	76	83
Cumulative exits from portfolio companies at acquisition cost, MEUR ^{1), 2)}				0.5	1.2	3.0	6.6	11.1	17.7	38.3	59.2	73.6
Cumulative exits (total exits), number				1	2	4	5	8	12	18	22	26
Personnel	5	5	6	7	9	15	16	23	31	34	41	47

1) In USD-denominated items, a fixed rate of 1 EUR = 1.081042 USD has been applied cumulatively.

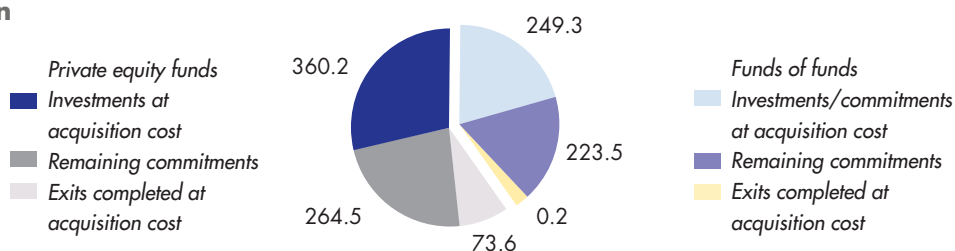
2) Cumulative exits include partial exits; all exits have been factored in at acquisition cost.

*) Investments by Alta-Berkeley Nordic Partners Ky (ABNP), a subfund of Finnventure Fund III, as one investment.

Access Capital Fund and Access Capital Fund II

Cumulative capital commitments from investors, MEUR	167.0	250.3	473.0
Cumulative capital committed in target funds, MEUR	62.0	170.8	249.5

Capital managed by CapMan at 31 December 2001 (MEUR)





CapMan

CapMan
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A year of growth and internationalisation

2001 will be remembered as a year of exceptional progress for CapMan. During the year, we initiated strong international growth backed by the company's listing on the Helsinki Stock Exchange and focused our investment strategy. In line with our Nordic growth strategy, we expanded our operations to Denmark by acquiring Nordic Private Equity Group, one of Denmark's most experienced private equity investors. In February 2002, CapMan signed an agreement to acquire Swedestart Management AB, one of the leading Swedish venture capital companies. The acquisition gives us a jump-start into the Swedish private equity market and makes CapMan a major and truly Nordic player with a team consisting of about 70 people. In addition, our affiliated company Access Capital Partners employs 14 people in Paris and Guernsey.

In March 2002, CapMan manages / advises approximately EUR 1,538 million of capital, of which the affiliated company Access Capital Partners manages EUR 473 million. In autumn 2001, CapMan began to raise funds for a new Nordic private equity fund, CapMan Equity VII. At the first closing in January 2002, the fund had EUR 166 million in commitments and substantial additional commitments are expected. Additionally, Access Capital established a second European fund of funds, which had



approximately EUR 220 million of capital on 1 March 2002. The final size of both funds will be determined by the end of June 2002.

In April 2001, CapMan welcomed more than 5,000 new shareholders when CapMan B shares were quoted on the Main List of the Helsinki Stock Exchange. The trading price sustained its value well in volatile market conditions.

From partnership to listed company

In the second half of the 1990s, the owners of CapMan discussed the direction in which the company should be developed. The alternatives were to continue as a small and mainly domestic partnership, or to significantly enlarge and internationalise the business into a corporation. Ultimately, it was an easy and unanimous decision. Today, CapMan is one of the leading private equity investors in the Nordic countries and a significant player in the European private equity market.

We believe that our chosen strategy to develop the company – including the listing on the Helsinki Stock Exchange – equally benefits CapMan's institutional fund investors, portfolio companies and shareholders. CapMan boasts a Nordic network of 40 investment professionals and has invested in a total of 120 unquoted companies in Finland, Denmark and Sweden. We are experts in both traditional and technology industry sectors and continuously identify and analyse a wide range of new potential investments. The companies in our portfolio receive valuable support as they expand their businesses in the Nordic countries. At the same time, CapMan is a trusted partner for new and existing fund investors seeking maximum returns and well-diversified risk by geography and industry sector.

CapMan employees own about 70 per cent of the company at present. In addition, CapMan has a comprehensive warrant scheme and other incentive programmes dependent on the profitability of investment activities. The bigger the returns as the funds exit portfolio companies, the better CapMan's carried interest and result. In this way, the mutual interests of institutional investors, the company, its shareholders and holders of warrants all coincide.

The decision to develop CapMan into a corporation, the subsequent listing of the company, as well as international growth make CapMan the pioneer in its field, offering a dynamic international work environment and rewarding career path for young and more experienced investment professionals alike.

Unique investment strategy – aiming to be the Nordic leader

In 2001 the funds managed by CapMan invested approximately EUR 90 million in total. At the end of the fiscal year, 76 per cent of the capital in CapMan funds was invested in traditional companies and 24 per cent in technology companies.

CapMan's investment strategy is to invest in unquoted Nordic companies with high growth potential. In contrast to many other private equity investors, the funds managed by CapMan invest in traditional industry sectors as well as technology companies. We believe that a strong Nordic focus and the diversification of investments across a wide range of industry sectors improve our capacity to benefit from economic cycles.

Our acquisitions in Sweden and Denmark improve CapMan's recognition and enhance the attractiveness of CapMan in the eyes of entrepreneurs seeking a private equity investor, which in turn increases the number of potential investment opportunities.

CapMan focuses on industry sectors showing strong growth or offering good opportunities for industry consolidation. If not already the market leader of its segment, a potential portfolio company should be able to achieve market leadership through organic growth or mergers and acquisitions. Another basic prerequisite for the success of a portfolio company is a strong and experienced management. CapMan invests primarily in industry sectors that promise substantial value creation, such as the health care sector, where growth is promoted both by increasing demand for health services and ongoing privatisation within the sector. In Finland, CapMan's portfolio company Mehiläinen Oy is building a nationwide network of medical centres on the wings of a strong brand. As a specialist in mid-sized buy-outs, we believe that CapMan will continue to play a major role when large corporations divest their non-core activities. An example of this type of investment was the acquisition of Eltel Networks from the Fortum Group. As an independent company, Eltel has been able to reinforce its position in the value chain of the electricity and telecommunications sector.

During the past year, telecom operators in particular have reduced their investments in e-business solutions, which in turn slowed down the growth of companies operating in the IT and telecommunications sectors. Consequently, a unique opportunity arose for private equity investors to make new investments in the sector.

As a result of the acquisition of Swedish venture capital company Swedestart, CapMan's investment strategy now also includes life science technology and selected drug development projects.

Extensive expertise

The in-depth expertise of the CapMan team both in various industry sectors and in finance makes us ideally positioned to deliver the support needed by growing companies to realise their ultimate potential. When analysing potential investments and developing the portfolio companies, the CapMan buy-out and technology teams frequently utilize each other's expertise and connections.

The private equity investor is first and foremost a trusted partner for the entrepreneur and uses the accumulated expertise to help the management to identify and develop innovative solutions in difficult market conditions. CapMan's special theme in 2002 is how to make the Board work of our portfolio companies more efficient.

Solid economic foundation

CapMan's sources of income include management fees from the funds, carried interest from funds generating carried interest, a share of the result of affiliated companies and returns on other financial assets. In 2001, CapMan's profit after financial items was EUR 30.6 million, of which EUR 18 million was capital gain from the sale of Sampo plc shares. In accordance with CapMan's dividend policy to distribute at least 50 per cent of the net result to shareholders, the Board of Directors of CapMan Plc is recommending a dividend of EUR 0.26 per share. This corresponds to 85 per cent of the net result, which exceeds the dividend policy due to the aforementioned capital gain from the sale of Sampo shares.

Our strong presence in the Nordic countries as well as the current favourable market conditions create several exciting investment opportunities. The solid support of all of our interest groups is an essential factor in our success. We would like to sincerely thank the investors in CapMan funds, the personnel of the portfolio companies, CapMan shareholders and our other co-operation partners for your confidence in CapMan. We also extend our warmest appreciation to the CapMan team for their invaluable commitment and contribution during the past year.



Ari Tolppanen
CEO
CapMan Plc



Heikki Westerlund
Managing Director
CapMan Capital Management Ltd

Nordic growth strategy progresses



CapMan expanded its operations to Denmark

CapMan has a solid Nordic growth strategy. In April 2001, CapMan published a letter of intent to acquire the entire share capital of the two management companies of the Danish private equity investor Nordic Private Equity Group (NPE). The companies became wholly owned subsidiaries of CapMan Plc on 28 September 2001. Since October, the Danish management company has operated under the name CapMan Invest A/S.

CapMan Invest A/S was established in 1991 and is one of the pioneers of private equity investment in Denmark. The company specialises in mid-sized buy-outs and manages two funds with EUR 35.4 million in total capital. The funds have invested in nine companies. Three companies remain in the portfolio: AudioNord International A/S (distributor of high quality hi-fi equipment and manufacturer of loudspeakers), Lindplast A/S (manufacturer of polyethylene packing materials) and Reima-Tutta Oy (manufacturer of children's clothing, uniforms and sportswear). The funds managed by CapMan Invest A/S are fully invested and will not make any investments in the future. New investments will be implemented through the funds managed by CapMan.

CapMan Invest A/S has five employees and is located in Copenhagen.

Acquisition of Swedestart strengthens CapMan's position in the Swedish market

CapMan signed an agreement to acquire the entire share capital of a leading Swedish venture capital company, Swedestart Management AB, in February 2002. Established in 1995, Swedestart is one of the most experienced and successful Swedish venture capital companies. The transaction gives CapMan a jump-start into the Swedish venture capital and private equity market and strengthens CapMan's position as one of the leading private equity investors in the Nordic countries.

Swedestart manages approximately EUR 160 million of capital in four funds. The company has 12 employees, 8 of whom are investment professionals. Swedestart's technology investments

focus on companies in the IT and telecommunications sectors, making its investment strategy very similar to that of CapMan's technology activities. To date, the funds managed by Swedestart have invested in 24 portfolio companies and made 11 exits. As of March 2002, CapMan and Swedestart have in total made 46 investments and 17 exits in the IT and telecommunications sectors. As a result of the acquisition, CapMan is expanding its operations to the life sciences sector. Swedestart has made five investments in Swedish companies operating in the life sciences sector.

The investment activities in Sweden will in the future also include buy-out transactions. For that purpose, recruiting to build a buy-out team in Sweden was started immediately after the acquisition of Swedestart was published.

Common Nordic investments

CapMan and Swedestart intend to offer mutual co-investment rights into each other's technology deals. The funds managed by CapMan will have the option to invest in all of Swedestart's new technology deals and Swedestart's technology fund will have the option to invest in all of CapMan's new technology deals. Together, CapMan and Swedestart manage in total about EUR 150 million in their funds allocated to investments in the IT and tele-communications sectors, which gives us excellent investment opportunities in the Nordic countries. More detailed information on the investments made by Swedestart is given on pages 18 and 19. Swedestart's investment team is presented on page 33.

As soon as Swedestart's and CapMan's current funds have been fully invested, CapMan and Swedestart will start raising common Nordic funds.

Outstanding returns to investors

Swedestart's funds were established in 1995 (Swedestart I), 1998 (Swedestart II), and 2000 (Swedestart Tech and Swedestart Life Science). The track records of the funds are outstanding. As of January 2002, the net annual IRR for the Swedestart I fund was over 40 per cent and for the Swedestart II fund over 180 per cent.

Investments in unquoted Nordic companies



CapMan's investment activities stabilised in 2001. The activity in the private equity markets slowed down, with a return to long-term growth following an outstanding year in 2000. CapMan's strategy is to invest in unquoted companies in the Nordic countries. The goal is to realise the investments in three to six years and to achieve a substantial increase in the value of the portfolio companies.

During the year, the funds managed by CapMan made seven new investments and nine substantial follow-on investments, investing EUR 89.4 million in total. By the end of 2001, CapMan funds had invested a cumulative total of EUR 433.8 million.

The cornerstone of CapMan's investment operations is the growth of portfolio companies organically or via mergers and acquisitions.

The rate of organic growth of companies in mature sectors is usually only a few per cent per annum. Growth via mergers and acquisitions enables rapid but stable appreciation in company value, provided that synergy benefits can be effectively deployed.

Another key factor in achieving a rise in value is the improvement of the company's profitability and cash flows. Small companies are unable to take advantage of economies of scale that arise with expansion, such as increased purchasing power. On the other hand, improved efficiency of working capital piloted by a professional management usually frees up a significant amount of capital.

CapMan aims to expand its portfolio companies outside their home markets which secures a strategic position that draws the interest and attention of stock markets and industrial buyers alike.

CapMan's business areas

Mid-sized buy-outs

- All industries
- Investments approximately EUR 10–50 million/company

Technology investments

- IT, telecom and media sectors
- Investments approximately EUR 3–8 million/company

Life sciences

- Medical technology
- Drug development and biotechnology
- Investments approximately EUR 1–5 million/company

CapMan funds make both equity and mezzanine investments.

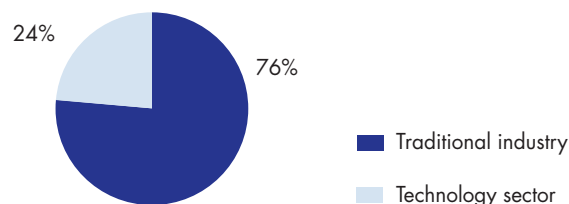
CapMan's affiliated company Access Capital Partners manages funds of funds that invest in European private equity funds.

Our core investment criteria are:

- a sector with high potential for growth organically or via mergers and acquisitions
- a company that is the market leader or has the potential to become the market leader
- an experienced management capable of profitable growth
- a valuation level that allows significant value creation

CapMan strives to be a leading player in selected business areas throughout its home markets in Finland, Sweden and Denmark.

Investments in portfolio companies by sector at 31 December 2001



The equity funds managed by CapMan had EUR 253 million invested in portfolio companies at 31 December 2001. Of this, EUR 192 million was invested in traditional companies and EUR 61 million was invested in technology companies.

Investments in unquoted Nordic companies



Buy-outs

CapMan's buy-out activities usually focus on the divestment of non-core activities by corporations or management-owned companies with the goal to substantially increase their size and profitability. A third area of expertise for the CapMan buy-out team is delistings, where a quoted company is delisted from the stock exchange.

CapMan's buy-out investments focus on companies in the manufacturing, service and retail industries in particular. By the end of 2001, the funds managed by CapMan had made a total of 58 buy-out investments.

One of our new investments in 2001 was Eltel Networks Oy (formerly IVO Transmission Engineering Oy). The funds managed by CapMan and the company's key personnel bought the entire share capital from Fortum Group in spring 2001. Other buy-out investments included the retail jewellery chain Kultajousi Oy and the Danish woodworking wholesaler SMEF Group A/S, which was implemented with our Danish subsidiary CapMan Invest A/S.

Eltel Networks Oy specialises in the design, construction and maintenance of power transmission and distribution networks, the design and construction of telecom networks and the electrification of railways. Eltel Networks' home market comprises the Nordic countries, Estonia and Russia. The company also has major export projects in Africa and South-East Asia. Eltel aims to significantly strengthen its position in its main market areas.

The company's outlook is excellent due to the trend for deregulation of the electricity industry and increasing outsourcing. In 2001, Eltel employed about 1,500 people.



One of CapMan's newest buy-out investments is Finland's leading staffing company Extra Personnel Services. The company employs 10,000 persons annually on short and long-term labour contracts. The employment services sector is expected to grow rapidly in line with developments in labour markets and changes in the general working climate. Employment services offer flexible and customised solutions that suit the worker's circumstances. Short and long-term labour contracts enable parents caring for children at home to keep up with working life via part-time work, or students to get an early start on their careers. At the same time, the employer gains skilled labour that frees the company's resources for core business operations. Extra Personnel Services has operations in 13 locations, the newest of which was opened in the World Trade Center Helsinki in December 2001.



In spring 2001, CapMan made an investment in Denmark in the woodworking wholesaler SMEF Group A/S. The company delivers machines, devices and supplies to manufacturers of furnishings, doors and windows. SMEF Group also designs and delivers production lines for the woodworking industry on a turnkey basis. SMEF Group aims to become one of the leading woodworking wholesalers in Northern Europe.

Mezzanine

Mezzanine has become an essential instrument for financing acquisitions. Mezzanine financing is not typically used to finance normal business activities but it is an ideal solution for financing transactions, rapid growth and exceptional investments. Mezzanine is especially suitable for financing of successions in family-owned companies that want to retain ownership of the company within the family.

Mezzanine loans are always tailor-made for each individual case and may include various instruments such as long-term loans with warrants, capital notes, convertible bonds or profit-sharing loans.

CapMan is one of the leading mezzanine providers in the Nordic countries. We manage three mezzanine funds with total capital of EUR 272 million. Our typical mezzanine investments vary from EUR 5 to 30 million. By the end of 2001, the mezzanine funds managed by CapMan had invested in 28 companies.



The multi-sector Savcor Group, owned by the Savisalo family, is a good example of CapMan's mezzanine investments. Mezzanine financing enabled a partial succession within the company and added resources to fuel the development of the business. The owners of Savcor will continue to operate the company as an independent family-owned company in the future.

Savcor was founded in 1981 and employs over 700 people worldwide. The company has five specialised business areas: physical vapor deposition coating for the telecommunications industry, container logistics, systems that improve the runnability of pulp and paper processes, information systems for the mechanical wood industry and advanced rehabilitation technology.

Investments in unquoted Nordic companies

Technology investments

During 2001 investments by telecom operators fell substantially, which had several repercussions for private equity investment. Investments in growth companies operating in the IT, telecommunications and media sectors slowed down, and investments in innovative business solutions also declined.

CapMan focuses its technology investment activities on fast growing software companies in the Nordic region. The cornerstone of selected portfolio companies is the potential for rapid expansion of business activities, for example through sales channels and partner networks.

The specialised software companies in our portfolio have benefited from completely new opportunities as software has replaced hardware in mobile applications. Recent examples of such technology investments include Fastrax Oy, a manufacturer of GPS receiver modules and Hantro Oy, a developer of video solutions for mobile devices.

The acquisition of Swedestart will complement CapMan's expertise in software with solid know-how in hardware.



One of Swedestart's technology investments is Silex Microsystems AB, a Swedish developer and manufacturer of microelectromechanical systems (MEMS) components. The company's key customers are players in the biotechnology, opto-electronics and mobile communications sectors. The market for microelectromechanical systems components is expanding by 20 to 30 per cent annually. As Sweden's first manufacturer of MEMS components, Silex Microsystems has an exceptionally strong market position.

A key component of CapMan's investment strategy is buy-out investments in technology companies. CapMan's expertise in the technology sector and skill in implementing buy-out investments is a winning combination that will continue to attract leading companies in the future. Our comprehensive Nordic network of offices and contacts gives CapMan unprecedented opportunities to identify portfolio companies that complement each other, in terms of both products and customers.

In addition to Fastrax Oy, our new technology investments in 2001 were Siennax International B.V., a Dutch application service provider; Exidio Oy, a software company specialising in Internet-based data and treasury management systems for large corporations; and via the Fenno programme Takamaki Oy, a specialist in three-dimensional coating technology.



Hantro Products Oy is a specialist in video solutions for handheld devices. In addition to video codecs, Hantro's product portfolio includes software applications for video capturing, play-back and telephony. The company's products play a key role for device and semiconductor manufacturers that develop video-enabled devices, such as mobile phones, digital cameras, PDAs, camcorders, PC cameras and web pads. The funds managed by CapMan invested in the company as a member of an international investor syndicate.

Life sciences investments

Life sciences is one of the fastest growing sectors in European private equity investment, and Sweden offers one of the most exciting markets. From 2002, our portfolio will also include investments in the life sciences sector. Swedestart Management AB, the Swedish venture capital company acquired by CapMan, specialises in both technology investments and life sciences investments.

Swedestart's life sciences team is one of the most experienced in the Nordic region. Swedestart's life sciences investments focus on companies that specialise in medical technology. In the future, the portfolio will also include companies in the pharmaceutical and biotechnology segments.



One of Swedestart's life science portfolio companies is ProstaLund AB, a developer, manufacturer and marketer of products that treat the urology problems of aging men. ProstaLund AB was founded in 1990 and its innovative products have been awarded many patents. One of the company's key products is the unique ProstaLund Feedback Treatment (PLFT) that utilises microwave heat to treat overgrowth of the prostate gland.

The company is in close partnership with leading universities and hospitals. The market prospects for ProstaLund products are promising because doctors estimate that more than half of the male population over the age of 50 suffer from urology problems.



Fund investments by affiliated company

Access Capital Partners

CapMan's affiliated company Access Capital Partners targets investments in the top quarter performers among European mid-sized private equity funds. CapMan owns 47.5 per cent of the funds' management company and the remainder of the shares are owned by the operative management. The investors are mainly pension funds and other institutional investors. Access Capital offers investors the opportunity to diversify their investments throughout Europe.

The company manages two funds of funds, Access Capital Fund (ACF) and Access Capital Fund II (ACF II). ACF and ACF II invest in regional or country-specific private equity funds of approximately EUR 100 million to EUR 1 billion in size. The funds do not invest in Finland or in the funds managed by CapMan.

On 31 December 2001, ACF's capital amounted to EUR 250 million. By the end of the financial year, the fund had committed

EUR 230 million to 18 funds in Europe and one fund in Israel. At 31 December 2001, the underlying funds had invested in 252 companies in total.

The first closing of ACF II took place in March 2001. By the end of the year, the fund had capital totalling approximately EUR 223 million and it had made two investments. The final size of the fund will be determined by June 2002. ACF II will constitute a portfolio of about 20 to 30 private equity funds in Western Europe, including both technology funds and buy-out funds. CapMan Plc's investment commitment in ACF II is EUR 10 million.

Access is looking for investment teams that have been working together for several years and demonstrated an ability to deliver superior rates of return. Investment teams are typically specialised according to the business sector or stage of development of portfolio companies.



Access Capital Partners has 14 employees in Paris and Guernsey. The partners are Managing Director Mr Dominique Peninon (center), Ms Agnès Nahum and Mr Philippe Poggioli. They all have extensive experience in international private equity investment.

The portfolios of Access Capital Fund and Access Capital Fund II as at 31 December 2001

Fund	Fund's investment targets	Geographical area
ABN AMRO Capital 2001 FCPR	Growth and buy-out, all sectors	France
ACT 1999 Private Equity LP	Early stage technology, growth and buy-out investments in all sectors	80% Ireland, 20% Europe (mainly the United Kingdom)
Advent Private Equity Fund III LP	Early stage technology, information and communication technology, life sciences	United Kingdom
Amadeus Fund II LP	Early stage technology, information and communication technology	United Kingdom
Avlar BioVentures Fund II LP *)	Seed and early stage, life sciences	United Kingdom
Banexi Ventures III FCPR	Early stage technology, information technology, semiconductors, optics & life sciences	80% France, 20% in Switzerland
Close Brothers Private Equity Fund VI LP	Growth and buy-out, all sectors	United Kingdom
European Acquisition Capital III LP	Growth and buy-out, all sectors	United Kingdom
Elderstreet Capital Partners LP	Early stage technology, software and Internet	United Kingdom
Gilde Buy-Out II CV	Growth and buy-out, all sectors	Benelux, Germany & France
GMT Communications Partners II LP	Early stage and expansion capital, telecommunications and media	80% Western Europe, 20% Central Europe
Innovacom IV FCPR	Early stage technology, components, Internet technologies, mobile networks and related services	50% France, 30% Europe, 20% United States
Italian Private Equity Fund III LP	Growth and buy-out, all sectors	80% Italy, 20% France and Spain
Jerusalem Venture Partners III LP	Early stage technology, communication technology	80% Israel, 20% Europe and United States
L Capital FCPR *)	Growth and buy-out, all sectors	Europe
MediaTel Capital FCPR	Early stage and expansion capital, telecommunications and media	75% Europe, 25% United States
Mercapital Spanish Private Equity Fund II (Jersey) LP	Growth and buy-out, all sectors	Spain
NeSBIC Cte Fund II CV	Early stage technology, Internet, software and telecommunications	Western Europe, including 40% in the Benelux
Quadriga Capital Private Equity Fund II LP	Growth and buy-out, all sectors	80% Germany, 20% Austria and Switzerland
Segulah II LP	Growth and buy-out, all sectors	Sweden
Wellington Partners Ventures II GmbH & Co KG	Early stage technology, software technology and the Internet	75% Germany, Switzerland and Austria, 25% rest of Europe

*) Access Capital Fund II's investment

Performance of CapMan funds

Raising a new Nordic private equity fund

At the end of 2001, CapMan managed 10 private equity funds with EUR 704 million in total capital. Six of the funds are equity funds with EUR 400 million in capital, three are mezzanine funds with EUR 272 million in capital and one is an Eastern European fund with EUR 32 million in capital. The funds make direct investments in portfolio companies. In addition, CapMan's Danish subsidiary CapMan Invest A/S manages two equity funds and Swedestart Management AB manages four equity funds, which are not included in the table below.

CapMan began to raise a new Nordic equity fund CapMan Equity VII in autumn 2001. At the first closing in January 2002, the fund had EUR 166 million in commitments. The final size of the fund will be determined by the end of June 2002 and substantial additional commitments are expected. CapMan Equity VII will continue

CapMan's investment strategy, focusing two-thirds of investments in mid-sized buy-outs and one-third in technology companies in the IT and telecommunications sectors, the main focus being on companies operating in the Nordic region.

CapMan's affiliated company Access Capital Partners manages two European funds of funds that invest in European buy-out and technology funds. At the end of the fiscal year, the funds had EUR 473 million in capital.

Major investors in CapMan funds include institutional investors such as pension insurance groups, insurance companies, pension funds, banks and foundations. Many investors have invested in more than one CapMan fund.

CapMan Funds at 31 December 2001

Fund	Year of establishment	Committed capital *)	Paid-in capital **)	Remaining commitment ***)	Fund's current portfolio at cost ****)
		MEUR	MEUR	MEUR	MEUR
Private equity funds					
Finventure Fund I	1990	11.1	11.1	0.0	3.5
Finventure Fund II	1994	11.9	11.9	0.0	4.0
Finventure Fund III ¹⁾	1996	29.7	29.7	0.0	17.3
Finventure Fund IV	1998	59.5	56.1	3.4	49.5
Finventure Fund V ¹⁾	1999	203.8	119.6	84.2	108.1
Finmezzanine Fund I	1995	31.4	31.4	0.0	8.6
Finmezzanine Fund II ¹⁾	1998	88.3	83.0	5.3	75.9
Finmezzanine Fund III ¹⁾	2000	151.9	24.3	127.6	23.8
Fenno Program/Fenno Fund ²⁾	1997	42.5	42.5	0.0	37.1
Fenno Program/Other ^{1), 2)}	1997	42.0	20.6	21.4	19.1
Alliance ScanEast Fund ³⁾	1994	32.1	32.1	0.0	16.8
Total private equity funds		704.2	462.3	241.9	363.7
Funds of funds managed by Access Capital Partners					
Access Capital Fund ^{1), 4)}	1999	250.3	112.7	137.6	96.6
Access Capital Fund II ^{1), 4)}	2001	222.7	16.7	206.0	2.2
Funds of funds total		473.0	129.4	343.6	98.8
Total		1177.2	591.7	585.5	462.5

*) Total capital committed by investors = fund size **) Total capital paid into the fund by investors ***) Investors' remaining investment commitment to the fund *****) Current portfolio at cost is frequently used as a base for calculating the management fee (management fee approximately 1%-2.5%) *****) When the return of a fund has exceeded a required cumulative return target, the management company (CapMan) is entitled to a share of the cash flow from the funds (carried interest). Carried interest % of the remaining cash flows are: FVI: 25%, FV II: 35%, FV III: 25%, FM I: 20%. Cash flow includes both the distribution of profits (incl. imputation credit) and distribution of capital. *****) EVCA valuation is carried out in accordance with the guidelines of the European Private Equity & Venture Capital Association (guidelines for 2000). The portfolio is valued according to the prudence principle, e.g. the portfolio of a new fund (1-2 years) is valued at acquisition cost and quoted shares are valued at market price less 25%.

Well-diversified portfolio

CapMan strives to minimise the risks associated with investment activities by diversifying risks in a versatile way. Unlike many other private equity investors, CapMan's portfolio includes traditional manufacturing and service companies as well as technology companies. At the end of the fiscal year, 76 per cent of the capital invested by the funds in portfolio companies was invested in traditional companies and 24 per cent in technology companies.

Profitable exits are the target

The private equity investor plays an active role in the strategic decisions and overall development of portfolio companies. CapMan

is almost always represented on the Board of Directors. The aim is to develop portfolio companies in order to realise the added value in three to six years. After the development phase the private equity investor exits the company, usually through either a stock market listing or a trade sale. Following an exit, the invested funds and yield are returned to the private equity fund to be distributed to the fund's partners according to the agreed profit distribution policy.

By the end of 2001 the funds managed by CapMan had exited 26 companies in total. The value of CapMan's investments had increased by an average of 5.6 times in equity investments exited by 31 December 2001.

Allocation of profits *****)

Fund is generating carried interest since year	Distributed cash flow		Fund's current portfolio/ EVCA-valuation *****)	Liquid assets MEUR
	• To investors MEUR	• To management company (carried interest) MEUR		
1997	29.2	5.6	4.7	
1997	36.8	13.4	9.2	
2000	96.0	21.0	22.7	
	4.7		74.7	
	0.5		115.9	2.1
2001	42.1	0.6	9.3	1.5
	18.3		84.1	
	0.9		25.7	0.1
	20.9		52.5	0.9
	8.5		20.3	
	10.1		11.7 ³⁾	3.0
	268.0	40.6	430.8	7.6
	3.1		75.8	8.8
			2.1	12.6
	3.1		77.9	21.4
	271.1	40.6	508.7	29.0

1) The fund is comprised of two or more legal entities

2) Fenno Program is managed jointly with Fenno Management Oy

3) Alliance ScanEast Fund's size beginning 1 April 2000 MUSD 28.28/US Dollar-denominated items are valued at the average USD rate at 31 December 2001/The portfolio valuation is made by the Fund's General Partner

4) Fund of funds (CapMan's affiliated company Access Capital Partners (47.5% share) acts as the management company)

Private equity funds

Private equity investors raise capital from institutional investors and invest fund capital in selected unquoted portfolio companies. Each private equity fund has a limited and pre-determined life, usually ten years. The legal structure of a fund is a Limited Partnership, in which the investors are Limited Partners and the management company is the General Partner.

A characteristic feature of private equity funds is the way in which capital commitment is implemented. Instead of injecting capital into the fund at the inception date, investors make gradual instalments as the fund itself invests in portfolio companies during the first years. Accordingly, the Limited Partnership structure enables investors to receive interest, dividends and capital gains throughout the financial year as the fund exits its portfolio companies. The continuity of business is assured by establishing new funds and raising capital for them as the previous funds become fully invested.

Performance of CapMan funds

Four funds generating carried interest

Carried interest from funds forms a substantial part of the income of private equity investment management companies. The carried interest is typically 20 to 25 per cent of the funds' cash flow after the investors have received their capital and a pre-agreed preferential return, usually 6 to 8 per cent per annum.

Of the funds managed by CapMan, Finnventure Funds I, II and III and Finnmezzanine Fund I were generating carried interest at the end of the fiscal year. The capital in these four funds was EUR 84.1 million, which represents about 12 per cent of the total capital in CapMan funds investing mainly in Finland.

CapMan funds achieve top European returns

Investors in private equity funds have received excellent long-term returns on their investments. According to a study by the European Private Equity and Venture Capital Association (EVCA), the net return to investors in funds established during the period 1980–1998 has been on average 14.2 per cent per annum since inception. The study included 427 funds with EUR 60 billion in capital. The return to investors of the top quarter of funds has been as much as 34.1 per cent per annum. The return of Finnish private equity funds is very similar to European levels.

Exits by CapMan's funds at 31 December 2001

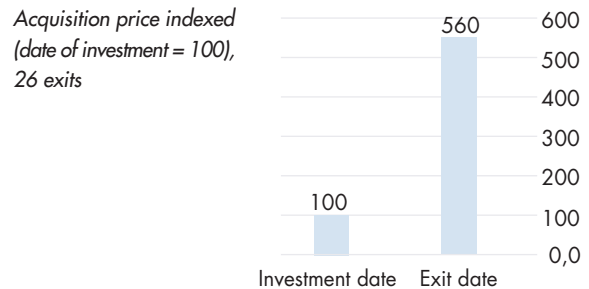
Portfolio company	Industry	Exit method	Year of exit
Provivo Oy	Biotechnology	Receivership	1993
Lappset Group Oy	Environmental products	Purchase by other owners/company	1994
Nordinvest R.T. (Hungary)	Finance consultancy	Purchase by other owners/company	1995
Schat Watercraft Ltd Oy	Sea-rescue products	Industrial buyer	1995
Diamond Cruise Ltd	Cruise line	Receivership	1996
Nordic Aluminium Oy	Aluminium products	Public listing	1997
PK Cables Oy	Cable harness	Public listing	1997
Rocla Oy	Forklift trucks	Public listing	1997
A-Rakennusmies Oy	Construction machine rental	Public listing	1998
Hotelman Oy	Hotel management	Purchase by other owners/company	1998
Oy E.Ahlström Ab	Wholesale trade	Purchase by other owners/company	1998
Serena	Water park	Industrial buyer	1998
Aldata Solution Oyj	Software	Public listing	1999
Mercuri International Oy	Sale and marketing related services	Industrial buyer	1999
Nexor System Service Oy	IT services	Industrial buyer	1999
Oy Scanwoven Ab	Non-woven products	Industrial buyer	1999
Elcoteq Network Oyj	Electronic manufacturing services	Public listing	2000
High Speed Tech Oy	High speed technology	Industrial buyer	2000
Kerox Oy	Pet supplies	Industrial buyer	2000
Satama Interactive Oyj*)	Internet services	Public listing	2000
Oy Marli Group Ab	Alcoholic beverages and juices	Industrial buyer	2001
MatchOn Sports Oy	Internet content production software	Receivership	2001
Hope Smoke Oy	Smoke curing products	Purchase by other owners/company	2001
DB2B Oy, digital-business-to-business	Internet portal for institutional kitchens and restaurants and a wholesale Internet market place	Purchase by other owners/company	2001

*) The funds still own shares of the company.

In addition, Alta-Berkeley Nordic Partners Ky and Alliance ScanEast Fund L.P. have exited seven companies. CapMan manages the funds in co-operation with Alta-Berkeley Associates and Alliance Capital Management Corp.

The return to investors of CapMan funds Finnventure Funds II and III is substantially higher than the pooled return of the top quarter of European funds. CapMan's first equity fund, Finnventure Fund I established in 1990, is an exception from the structure of the other funds as its total capital was injected at the inception stage. On the other hand, Finnventure Fund I's return to investors is 2.9 times the invested capital (including the current portfolio), which outperforms the pooled return of the top quarter of European funds (2.5 times return).

Exits completed by CapMan's equity funds, increase in value of the investments



The value of investments by CapMan's funds has increased by an average of 5.6 times in equity investments exited by 31 December 2001. The total return includes dividend and interest income received during the investment period.

Net Return to investors from Finnish private equity funds managed by CapMan at 31 December 2001

(Finnish equity funds established before 1999 and thus comparable to the European survey)

Fund	Year of establishment	Size of fund a MEUR	Paid in capital b MEUR	Distributions, investors' share * c MEUR	Portfolio, investors' share ** d MEUR	Distribution + portfolio, investors' share e = c + d MEUR	Net return to investors *** IRR % p.a.	Distributions/ paid-in capital f = c / b multiple	Portfolio/ paid-in capital g = d / b multiple	Distributions + portfolio/ paid-in capital h = f + g multiple
Finnventure Fund I	1990	11.1	11.1	29.2	3.5	32.7	15.7%	2.6	0.3	2.9
Finnventure Fund II	1994	11.9	11.9	36.8	6.0	42.8	57.4%	3.1	0.5	3.6
Finnventure Fund III	1996	29.7	29.7	96.0	17.0	113.0	66.4%	3.2	0.6	3.8
Fenno Program/Fenno Fund	1997	42.5	42.5	20.9	46.5	67.4	20.9%	0.5	1.1	1.6
Fenno Program/Skandia	1997	8.4	8.4	8.5	6.4	14.9	38.0%	1.0	0.8	1.8
Finnventure Fund IV	1998	59.5	56.1	4.7	74.7	79.4	15.4%	0.1	1.3	1.4
Comparison *) all European private equity funds ¹⁾							14.2%	0.9	0.7	1.6
Comparison *) upper quartile ²⁾							18.3%			1.8
Comparison *) top quarter of the European private equity funds ³⁾							34.1%	1.6	0.9	2.5

* Comparison: EVCA/Venture Economics: European Private Equity Funds established 1980–1998, Net returns to Investors from Inception to 31 Dec 2000

Note: the benchmarks are from the year 2000; as the EVCA statistics for 2001 had not been published by the time the Annual Report was printed

1) EVCA/Venture Economics: Mature European Private Equity Funds from inception to 31 Dec 2000; all Private Equity Funds, pooled

2) EVCA/Venture Economics: The Lowest of the Top Quarter from Inception to 31 Dec 2000

3) EVCA/Venture Economics: Top Quarter of Mature European Private Equity Funds from Inception to 31 Dec 2000, pooled

* Distributions, investors' share = cash flow (distributions of capital and profit and gains) to investors

** The investors' share of the funds' portfolios includes any liquid assets. The portfolios have been valued in accordance with the EVCA guidelines (guidelines for the year 2000). The quoted shares held by the funds have been valued at the market price at the time of reporting less 25% or for recently listed shares at the IPO price less 25%.

*** Net return to investors = Internal Rate of Return (IRR) p.a. to investors; cumulative cash flow between investors and fund + portfolio (**)

Above mentioned investors' share means the portion paid or belonging to the investors less the management company's carried interest and management fee.

Portfolio of CapMan's Finnish funds at 31 December 2001

Portfolio company

Name	Industry	Data for the year	Net sales MEUR	EBIT MEUR
Affecto Oy	Business Intelligence solutions and consulting	2001	22.3	4.3
Akivist Network Oy (former Suomen Infopiste Oy)	Media (magazine, Internet and mobile services)	2001P	7.5	-5.0
Arcorus Oy (former GSH-International Oy)	High-pressure piping systems	2001	157.7	12.5
AtBusiness Communications Oy	Information systems and services	2001P	8.9	-2.5
Aurajoki Oy	Surface coating	2001P	20.6	2.4
Copterline Oy	Helicopter flights and maintenance operations	2001	8.7	1.4
Drobe VAB, Lithuania	Manufacturer of woollen fabrics for clothing industry	2001P	23.3	0.4
Eltel Networks Ltd	Construction and maintenance of power transmission and distribution lines and telecom networks	2001	192.1	9.7
Espe Group Oy	Foam for the bedding and upholstery industries, mattresses, quilts and interior textiles	2001P	81.7	3.2
Euran Kuluttajatuotteet Oy	Paper and foil products for food supplies	2001P	16.9	1.2
Exidio Oy	Treasury operation system	2001P	0.0	-2.5
Fastrax Oy	GPS technology	2001P	0.4	-1.9
Finndomo Oy	Prefabricated housing	2001P	66.2	0.2
Finnhepo Oy	Horseshoe nails	2001P	1.0	0.0
Foreca Oy (former Oy Weather Service Finland Ltd)	Weather service	2001P	1.6	-1.2
Handwise Oy	Design and implementation of mobile applications and technologies	2001P	0.2	-1.3
Holiday Club Finland Oy	Leisure travel	2001P	42.9	6.2
Junttan Oy	Design, manufacture and sale of piling equipment	2001	33.6	4.0
Karelia Corporation (former Oy Karelia Parketti Ltd and Upofloor Oy)	Manufacture of multilayer parquets and vinyl floor coverings	2001P	100.0	10.0
Kotipizza Oy	Pizzeria chain, franchising	2001P	8.1	0.5
	Chain total	(9 months)	52.5	
Kultajousi Oy	Retail jewellery chain	9/2001	23.4	2.8
Lohja Caravans Oy Ab	Caravans	2001P	37.1	1.8
LPG Innovations Oy	System software for operators and service providers	2001P	1.8	-10.1
Matkatoimisto Oy Matka-Vekka	Travel agency chain	2001P	28.2	1.3
Mehiläinen Oy	Medical and health care services	2001P	48.0	4.1
Modultek Oy	Product information software	2001	3.4	-1.4

The above information on the portfolio companies and the holding companies is primarily as of the end of the latest financial year. Holdings by CapMan funds are as of 31 December 2001.

* CapMan often invests in portfolio companies through a holding (intermediary) company. The asterisk (*) represents each fund's ownership in the holding company. Accordingly, the net debt of the holding company and its ownership in the portfolio company are stated in the column "Holding Company".

Personnel	Holding company	Holding by fund (31 December 2001)				
	Name of the holding company (holding in the portfolio company/ net debt MEUR)	Fund	Holding	Fund	Options	Year of initial Investment
172	Affecto Group Oy (46.6%/MEUR 6.5)	Fenno Fund *	46.6%			1999
109		FV IV	14.0%			1999
		FV V	5.6%			
		Fenno/Skandia	n/a			2001
770		FV III	1.5%			1997
175		FV II	21.6%	FM II	0.9%	1996
		FV IV	7.6%	FM III	2.0%	
254		FV IV	49.7%	FM II	10.0%	1999
65		FV V	14.7%			2000
1330		FV IV	10.2%			2000
		FV V	29.0%			
1552	Eltel Management Oy (100%/MEUR 23.2)	FV V	41.5%	FM II	2.2%	2001
		Fenno Program	44.2%	FM III	3.8%	2001
					Fenno Program	2.4%
616		FV IV	42.2%	FM II	7.8%	1999
		Fenno/Skandia	19.3%	FM III	1.5%	2000
		Fenno Fund	22.8%			
65		FV II	10.4%			1997
		FV III	20.1%			
28		FV V	14.9%			2001
25		FV V	n/a			2001
760		FV II	15.8%			1997
		FV III	30.6%			
		FV V	n/a			2001
15		FV I	16.1%			1995
		FV II	17.3%			
24		FV IV	3.9%			2000
		FV V	11.1%			2001
19		FV V	30.8%			2000
350		FV I	3.7%	FM II	1.6%	1998
		FV IV	20.6%	FM III	1.7%	
		FV V	9.3%			
131		FV IV	8.2%			2000
		FV V	23.5%			
653		FV IV	6.4%	FM II	2.0%	2000
		FV V	18.2%	FM III	3.5%	
17	Pihakozza Oy (24.9%/MEUR 2.9)	FV III *	52.9%	FM I *	3.4%	1997
800		Fenno/Skandia *	19.6%			
320 ¹⁾	Goldhold Oy (100%/MEUR 7.1) ¹⁾ whole group	FV V	40.0%	FM II	1.3%	2001
					FM III	2.2%
144		FV I	49.9%			1993
38		FV IV	8.6%			1999
		FV V	48.0%			2000
250	Viatour Oy (100%/MEUR 3.5)	FV IV *	48.7%	FM II *	8.3%	1999
650		FV V	44.4%			2000
35		FV IV	6.2%			1999
		FV V	17.2%			
		Fenno/Skandia	6.7%			

PF = Pro Forma
P = Preliminary

FV = Finnventure Fund
FM = Finnmezzanine Fund
n/a = not available, investment is made with other instruments than equity

Portfolio of CapMan's Finnish funds at 31 December 2001

Portfolio company

Name	Industry	Data for the year	Net sales MEUR	EBIT MEUR
Mytek Oy Ltd	Mushroom production and sale	2001P	1.1	-0.1
Netseal Oy (former Intrasecure Networks Oy)	Data security software	2001P (14 months)	0.0	-3.9
Normet Oy	Mechanical engineering	2001	44.9	3.5
PI-Consulting Oyj	Technical planning and consulting services	2001	50.9	4.1
PPTH-Norden Oy	Structural steel frames	2001	116.6	8.9
Pretax-Yhtiöt	Bookkeeping, tax advisory and other administrative services	2/2000P	17.3	0.9
Puulämpö Suomi Oy (UPL-Holding Oy)	Wood-fired heating products and fireplaces	2001P	7.4	0.9
Quartal Oy	Content management software	3/2001	3.5	0.7
Republica Oy	Production and development of e- and m-business enabling XML-technologies	2001P	1.3	-1.8
Royal-Rest Oy	Restaurant chain	2001P	42.7	2.8
Satama Interactive Oyj	Internet consulting	2001	28.8	-9.7
SecGo Group Oy	Information security software and network solutions	2001P (9 months)	5.2	-3.6
Siennax International BV , The Netherlands	ASP application service provider	2001P	4.2	-8.2
SMEF Group A/S , Denmark	Supplier of machinery, equipment and fittings to the woodworking industry	2001P	60.9	1.2
Solagem Oy	Enterprise Resource Planning (ERP) software	2001P	7.0	0.4
Takamaki Oy	Developing and licensing coating technology	2001P	0.0	-0.8
Talent Code Oy	Internet-based solutions for eLearning and eManagement	2001P	1.2	-1.2
Tamore Oy and EMO AS	Sale of office supplies	2001PF,P	129.8	4.1
Teknikum-Yhtiöt Oy	Technical rubber and polymer products	2001P	36.3	2.2
Tiimari Oyj	Retail sale of gift items and stationery	2001P	69.9	3.5
Turo Tailor Oy Ab	Men's suits and jackets	2001P	27.9	1.4
Utfors AB , Sweden	Telecommunication infrastructure and services	2001P	48.9	-13.5
Vogue Group Oy (former Finnwear Oy)	Hosiery and underwear production	2001P	58.7	-1.2
Å & R Carton AB , Sweden	Folding cartons	2001PF,P	335.4	1.2

The above information on the portfolio companies and the holding companies is primarily as of the end of the latest financial year. Holdings by CapMan funds are as of 31 December 2001.

* CapMan often invests in portfolio companies through a holding (intermediary) company. The asterisk (*) represents each fund's ownership in the holding company. Accordingly, the net debt of the holding company and its ownership in the portfolio company are stated in the column "Holding Company".

Personnel	Holding company	Holding by fund (31 December 2001)				
	Name of the holding company (holding in the portfolio company/ net debt MEUR)	Fund	Holding	Fund	Options	Year of initial Investment
13		FV II	9.0%			1997
53		FV IV FV V	9.1% 27.8%			2000
300		Fenno Fund	56.5%	FM II	2.0%	1999
764	PI-Management Oy (100%/MEUR 7.10)	FV IV * FV V *	28.3% 49.8%	FM II *	14.3%	2000
590	PPTH Steelmanagement Oy (100%/MEUR 15.9)	FV IV * Fenno Fund *	24.2% 24.8%	FM II *	8.6%	1999
360		FV IV FV V	3.1% 8.8%	FM III	1.8%	2000
54		FV II FV III	17.9% 31.8%	FM I	6.0%	1997
51		FV IV FV V	1.6% 4.4%			2000
54		FV V	26.8%			2000
466		FV IV	43.7%	FM II	3.0%	1999
308		FV III	3.2%			1998
95		FV IV FV V	4.1% 11.6%			2000 2001
57		FV V	8.2%			2001
280		FV V	51.0%	FM II FM III	0.8% 1.5%	2001 2001
80		FV IV FV V	3.6% 10,3%			2000
12		Fenno/Skandia	n/a			2001
37		FV V	19.9%			2000
402	Tamore Group Oy, former Scandinavian Corporate Suppliers Oy (100%/MEUR 22.3)	FV IV * FV V * Fenno Fund *	39.0% 10.7% 13.1%	FM II *	10.2%	1998 1999 2000
399	Tekcap Oy (26%/MEUR 1.9)	FV I * FV II * FV III *	28.0% 30.0% 42.0%	FM I *	15.0%	1996
1190	Maritii Oy (96.36%/MEUR 17.8)	FV III * FV IV * Fenno Fund *	10.1% 26.2% 49.0%	FM I *	2.5%	1998
329	New Suit Promotion Oy Ab (100%/MEUR 2.3)	FV II * FV III *	30.2% 58.4%	FM I *	6.0%	1997
322				FM II	1.8%	2000
1666		FV III Fenno/Skandia Fenno Fund	6.9% 3.5% 18.0%			1998
2120		FV IV FV V Fenno Fund Fenno/Skandia	9.6 % 24.4 % 7.0 % 3.5 %	FM II	1.7 %	2000

PF = Pro Forma
P = Preliminary

FV = Finnventure Fund
FM = Finnmezzanine Fund
n/a = not available, investment is made with other instruments than equity

Other investments

European technology investments

Alta-Berkeley Nordic Partners Ky (ABNP) is a subfund of Finnventure III. It invests mainly in European technology companies. CapMan manages the fund in co-operation with Alta Berkeley Associates. The fund has invested in 22 companies between 1997 and 1999. The investments include

telecommunications, media, IT and biotechnology companies around Europe, and the total investments amount to EUR 6.5 million. Six companies were exited by the end of year 2001. No further investments are made from this fund.

Investments by Alta-Berkeley Nordic Partners Ky Fund at 31 December 2001

Portfolio company *)

Name	Industry	Holding	Year of Initial Investment	Country
AdProTech Plc	Life sciences / biotechnology	1.0%	1997	UK
Categoric Software Corporation	IT	0.9%	1997	USA
CeNeS Pharmaceuticals Plc	Life sciences / biotechnology	0.3%	1997	UK
Modex Therapeutics Ltd	Life sciences / biotechnology	0.2%	1997	Switzerland
Onyvax Ltd	Life sciences / biotechnology	1.0%	1997	UK
Pharmagene Plc	Healthcare	0.5%	1997	UK
Shopping At Home S.A.	Media	2.0%	1997	San Marino
T.V. Files Srl	IT	1.2%	1997	Italy
Arpida A.G.	Life sciences / biotechnology	0.6%	1998	Switzerland
Biofocus Plc (former Cambridge Drug Discovery Ltd)	Life sciences / biotechnology	0.3%	1998	UK
Morphochem A.G.	Healthcare	0.5%	1998	Germany
PolyTrax Information Technology AG	Communications	1.5%	1998	Germany
SawCom Limited	Communications	1.7%	1998	France
Cambridge Positioning Systems Ltd (CPS)	Communications	0.5%	1999	UK
NYTV Oslo ASA	Media	2.0%	1999	Norway
Recommend Ltd	IT	0.6%	1999	UK

*) Information provided by Alta Berkeley Associates (holdings presented as fully diluted)

Investments in Eastern Europe

CapMan's Eastern European fund, Alliance ScanEast Fund L.P., was established in 1994. The fund has invested a total of USD 19.9 million in seven companies in different business sectors in Poland, the Baltic States and Russia. Two exits have been completed. The fund will not make any new investments and the remaining

portfolio will be exited in coming years. The partners in the management company are CapMan Capital Management Ltd (60%) and the major Finnish companies Ahlström, Fortum, Nokia and Wärtsilä.

Investments by Alliance ScanEast Fund at 31 December 2001

Portfolio company	Industry	Holding	Year of Initial Investment	Country
Metalplast Oborniki Sp. z o.o	Manufacture of insulated panels for building	7.0%	1995	Poland
Ramirent Europe Oy (former A-Rakennusmies East Oy)	Construction machine rental	35.0%	1997	Russia, Baltic States
StoryFirst Inc.	TV and radio broadcasting	1.7%	1997	Russia
Sevryba International Shipping Ltd	Fishing trawlers	11.0%	1998	Russia
Unicom Baltic	Outdoor advertising	19.5%	1998	Baltic States

Alliance ScanEast Fund L.P. (ASEF) is managed by CapMan in co-operation with Alliance Capital Management Corp, an American fund management company.



CapMan team

CapMan Capital Management Ltd, a wholly owned subsidiary of CapMan Plc, acts as the management company for the private equity funds and is responsible for investments in the portfolio companies. In 2001, the CapMan team of investment professionals comprised 31 people, of whom 27 were based in Helsinki and four in Copenhagen. CapMan further employed a support staff of 25 people (back office, administration and communications). Since 2002 CapMan has a subsidiary in Stockholm. At the beginning of 2002 Swedestart Management AB employed 12 people, 8 of whom are investment professionals. CapMan (Guernsey) Ltd is the management company of the CapMan Equity VII fund established in 2002, and CapMan Plc's subsidiaries in Finland, Sweden and Denmark act as advisors.



Heikki Westerlund,
M.Sc. (Econ.),
Senior Partner, Managing
Director of CapMan
Capital Management Ltd,
joined 1994



Tuomo Raasio
LL.M., Senior Partner,
Head of buy-out team,
joined 1989



Teemu Annala
M.Sc. (Econ.),
Investment Manager,
joined 1998



Sanna Argillander
M.Sc. (Eng.),
Partner,
joined 1998



Anders Björkell
M.Sc. (Econ.),
M.Sc. (Eng.), Partner,
joined 1997



Jerome Bouix
M.Sc. (Econ.), Business
Development Manager,
joined 2000



Lars Hagelstam
M.Sc. (Econ.),
Investment Manager,
joined 1999



Jukka Järvelä
M.Sc. (Econ.),
Partner,
joined 1997



Outi Kettunen
M.Sc. (Econ.),
Investment Analyst,
joined 2001



Tuomas Lang,
M.Sc. (Econ.),
Partner,
joined 1998



Olli Liitola
M.Sc. (Eng.),
Senior Partner,
joined 1991



Curt Lindbom,
B.Sc. (Eng.), Grad. of
Comm. College, Senior
Advisor since 1997



Jan Mattlin
M.Sc. (Eng.),
Investment Analyst,
joined 2000



Orvo Siimestö
M.Sc. (Econ.),
Senior Advisor
since 2001



Markus Sjöholm
M.Sc. (Econ.), LL.M.,
Partner,
joined 1996



Ari Tolppanen
M.Sc. (Eng.), Senior
Partner, CEO of CapMan
Plc, joined 1989



Vesa Vanha-Honko
M.Sc. (Eng.), B.Sc. (Econ.),
Senior Partner,
joined 1989



Kari Österlund
LL.M.,
Senior Advisor
since 1998



Petri Niemi,
M.Sc. (Eng.), Partner,
Head of technology team,
joined 1999



Peter Buch Lund
Lic. Tech.,
Senior Partner,
joined 1993



Sami Lampinen
M.Sc. (Eng.),
Partner,
joined 1997



Johanna Lindroos
M.Sc. (Econ.), CEFA,
Investment Manager,
joined 1999



Janne Martola
M.Sc. (Eng.),
Investment Manager,
joined 2000



Petri Saavalainen
M.Sc. (Eng.),
Senior Partner,
joined 1995



Jari Sirkiä
Investment Director,
joined 2001



Veera Somersalmi
M.Sc. (Econ.), MBA,
Investment Manager,
joined 2000



Timo Tiihonen
M.Sc. (Eng.), B.Sc. (Econ.),
Senior Advisor since 2000



Danish team



Leif Jensen
Senior Partner, Managing
Director of CapMan Invest
A/S, joined 1990



Morten Runge Poulsen
M.Sc. (Econ.),
Investment Manager,
joined 1998



Susanne Sylvest
State authorised public
accountant, Partner,
Director, joined 1990



Tommy Valther Hansen
M.Sc. (Econ.),
Investment Manager,
joined 2001



Swedish team



Ann-Katrin Persson
B.Sc. (Econ.), eMBA,
Managing Director of
Swedestart Management AB,
joined 2001



Rikard Albihn
M.Sc. (Econ.), M.Sc. (Eng.),
Senior Analyst,
joined 2001



Johan Bennarsten
M.Sc. (Eng.),
M.D. (Medical degree),
Investment Analyst,
joined 2001



Martin Falkevall
M.Sc. (Eng.),
B.Sc. (BA and Econ.),
Partner, joined 1997



Lars Hagdahl
M.Sc. (Eng.), BBA,
Senior Partner,
joined 1995



Lennart Jacobsson
BBA, Senior Partner,
Head of technology team,
joined 1995



Jan Lundahl
B.Sc. (Econ.),
Senior Partner,
Head of life science team,
joined 1997



Anders Mertel
DDS (Doctor of Dental
Surgery),
Partner,
joined 2001



Peter Montgomery
M.Sc. (Eng.), BBA,
Investment Analyst,
joined 2001

Most important stock exchange releases in 2001

22.1.2001

Funds managed by CapMan will exit Marli Group

The funds managed by CapMan will exit Oy Marli Group Ab, Oy Rettig Ab, the owner with the majority of shares, and the minority shareholders i.e. the equity funds managed by CapMan Capital Management Ltd, Oy Ingman Foods Ab, Merita Capital Oy and Nordic Beverages Holding Ltd will sell their shares in Oy Marli Group Ab to Vin och Sprit, which is a Swedish manufacturer of alcoholic beverages.

The exit will have an effect of EUR 3 million on CapMan's operating profit in 2001. As a result of the exit, Finnmezzanine Fund I will start generating carried interest.

30.1.2001

New members of CapMan's Board of Directors

According to the merger plan of CapMan Plc and Vestcap Oyj, the board of directors of CapMan will have two new members. The extraordinary shareholder's meeting of CapMan Plc has today elected Lauri Koivusalo, Managing Director of LEL Employment Pension Fund and Teuvo Salminen, Executive Vice President of Jaakko Pöyry Group Plc as new members of the board.

14.2.2001

Heikki Westerlund was appointed Managing Director of CapMan Capital Management Ltd, a subsidiary of CapMan Plc

As of 14 February 2001, Mr Heikki Westerlund, M.Sc. (Econ.), 34, Senior Partner, head of technology investments, was appointed Managing Director of CapMan Capital Management Ltd, a wholly owned subsidiary of CapMan Plc. The company's former Managing Director, Mr Ari Tolppanen, will continue as CEO of CapMan Plc, and Mr Westerlund will act as his deputy.

15.2.2001

CapMan records an exceptional 2000 result

CapMan Plc Group's (CapMan) turnover and profit improved significantly in 2000 compared with the previous year. CapMan's turnover was EUR 32.9 million (EUR 7.0 million in 1999) and profit after financial items reached EUR 24.9 million (EUR 2.9 million). Increase in the carried interest contributed significantly to the growth in turnover and profit. Net profit for the fiscal year was EUR 20.1 million (EUR 2.0 million). The funds managed by

CapMan made investments totalling EUR 144 million (year 1999 approx. EUR 80 million).

14.3.2001

CapMan Plc applies for listing on the main list of Helsinki Stock Exchange

CapMan Plc has submitted an application to the Board of Helsinki Stock Exchange regarding listing of the company's B shares. The quotation of the CapMan B share on the Main List of Helsinki Stock Exchange is estimated to commence around 2 April 2001.

19.3.2001

Decisions adopted by the Ordinary General Meeting of CapMan Plc

The Ordinary General Meeting of CapMan Plc was held on 19 March 2001 in Helsinki. The General Meeting adopted the financial statements for the year 2000 and the Members of the Board of Directors and the CEO were discharged from liability. The General Meeting adopted the Board of Directors' proposal that EUR 0.39 per A and B shares is paid in dividend except for the shares subscribed for in 2000, which will receive no dividend. Total dividend amount to EUR 15.2 million.

In the organisation meeting of the Board of Directors which was held immediately after the General Meeting, the Board of Directors elected Mr Lauri Koivusalo as Chairman and Mr Vesa Vanha-Honko as Vice Chairman.

28.3.2001

CapMan's affiliate company to close a new European private equity fund of funds

CapMan's affiliate company Access Capital Partners (ACP) held the first closing of its new European fund of funds Access Capital Fund II (ACF II) at the level of approximately EUR 200 million. The final closing will be held later this year, and significant additional commitments are expected to be made. After the first closing Access Capital Partners now has EUR 450 million under management, and thus ranks among the leading private equity fund of funds managers in Europe.

2.4.2001

CapMan Plc on the main list of Helsinki Stock Exchange on 2 April 2001

The merger of Vestcap Oyj and CapMan Plc has now taken effect and has been registered in the Trade Register on 2 April 2001.

The trading in CapMan Plc's B shares has started today, 2 April 2001, on the Main List of Helsinki Stock Exchange. The quotation of Vestcap Oyj's shares ended on the Pre List of the Helsinki Stock Exchange on 30 March 2001.

15.5.2001

A good first quarter result for CapMan

CapMan Plc Group's (CapMan) turnover for the review period was EUR 5.4 million (EUR 14.5 million 1 Jan–31 Mar 2000) and profit after financial items was EUR 3.4 million (EUR 13.4 million). CapMan's first quarter result was good, even though it clearly fell short of the corresponding period in the previous year. First quarter 2000 included two exceptionally profitable exits, from which CapMan earned substantial carried interest. The first quarter accounted for more than half of CapMan's total profit in 2000. Profit after taxes and minority interests for the review period was EUR 2.3 million (EUR 9.1 million).

17.5.2001

CapMan has sold Sampo plc shares for EUR 30 million, profit after financial items EUR 18 million

CapMan Plc has sold its Sampo plc shares, a total of 2,931,260 shares. The market value of the shares was approximately EUR 30 million, and the effect on CapMan Plc's 2001 result after financial items is about EUR 18 million.

31.5.2001

Decisions adopted by CapMan Plc's Extraordinary General Meeting

The Extraordinary General Meeting of CapMan Plc was held 31 May 2001 in Helsinki. The EGM authorised the Board to have a right to increase the Company's share capital in one or more installments, and to decide on obtaining a convertible loan agreement, or issuing options, regardless of the subscription privilege of former shareholders. According to this authorisation the share capital of the Company may be increased by a maximum of EUR 70,000.00 by issuing a maximum of 7,000,000 new Company B-shares at a nominal value of EUR 0.01 in one lot or

in instalments, based on a share issue, convertible loan or option rights.

The EGM authorised the Board to resolve upon purchasing the maximum amount of 3,503,649 of the Company's own B-shares. The purchase of the shares limits the distributable equity of the Company. The authorisations are valid for one year from the resolution.

20.8.2001

A good first half year result for CapMan

CapMan Plc Group's (CapMan) turnover for the first half of 2001 was EUR 7.7 million (EUR 17.4 million 1 Jan–30 Jun 2000). Profit after financial items was EUR 28.5 million (EUR 14.4 million), which includes capital gain of EUR 18 million from the sale of Sampo plc shares. The Group's profit after taxes and minority interests was about EUR 20 million (EUR 9.6 million). Earnings per share on 30 June 2001 was EUR 0.34 (EUR 0.20).

28.9.2001

CapMan Plc's Danish acquisition completed

CapMan Plc has completed the acquisition of the Danish private equity company Nordic Private Equity Group (NPE). Plan for the acquisition was published in April 2001. In the transaction CapMan Plc acquired the entire share capitals of the Danish NPE and the Jersey based management company. The acquisition was carried out as a directed share issue of CapMan Plc to NPE's three owners and key individuals. The purchase price including both companies amounted to 1,130,000 new CapMan B shares. As a result of the acquisition, the above-mentioned companies have, on 28 September 2001 become wholly owned subsidiaries of CapMan Plc.

15.11.2001

CapMan's January-September result EUR 20.8 million

CapMan Plc Group's (CapMan) turnover for the period 1 Jan–30 Sep 2001 was EUR 10.1 million (EUR 20.5 million 1 Jan–30 Sep 2000). Profit after financial items was EUR 29.6 million (EUR 15.4 million), which includes capital gain of EUR 18 million from the sale of Sampo plc shares. Profit after taxes and minority interests was EUR 20.8 million (EUR 10.3 million). Earnings per share on 30 September 2001 was EUR 0.33 (EUR 0.22).

CapMan Plc complies with the provisions on corporate governance issued by the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers. In addition CapMan has drawn up its own corporate governance guidelines, which serve as the company's administrative manual. The provisions of the corporate governance policy are applied to the parent company CapMan Plc, the subsidiary CapMan Capital Management Ltd and other subsidiaries.

Group structure

CapMan Capital Management Ltd, the management company for the Group's private equity funds, is a wholly owned subsidiary of CapMan Plc. CapMan Plc and CapMan Capital Management Ltd have a partly shared organisation. The companies operate in the same premises and some staff are employed by both companies.

The operations of the listed company CapMan Plc include fund-raising, investor relations (institutional investors and CapMan Plc shareholders), communications and stock exchange releases, insider issues, definition of overall group strategy and planning as well as financial, administrative and accounting functions.

The operations of CapMan Capital Management Ltd include definition of investment strategy, identification of new portfolio companies, making investments, value development of portfolio companies and implementation of exit projects.

Board of Directors of CapMan Plc

The duties and responsibilities of the Board of Directors of CapMan Plc are specified under the Companies Act. The Board is responsible

for the overall strategic decisions. Key matters such as validation of business strategy and approval of large investments are reserved for the Board.

The Board of Directors comprises between three and nine members who are elected by the Annual General Meeting. The Board of Directors elects the Chairman and the Vice Chairman for a term ending at the end of the following Annual General Meeting. The members of the Board of Directors are presented on page 37. In 2001 the Board of Directors met 14 times.

CEO

The Board of Directors elects the CEO and his deputy. Remuneration for the CEO is specified in the CEO's agreement, which is approved by the Board of Directors. The duties of the CEO are prescribed in the Companies Act and the code of practice and control specified by the Board of Directors. The CEO's main duties include the company's operational management, day-to-day decision-making and implementation.

Remuneration of the Board and management

Remuneration of the Board and management are presented in the notes to the income statement on page 48.

Insider issues

CapMan complies with the code of practice for insider information identified in the Helsinki Stock Exchange's Guidelines for Insiders issued on 1 March 2000. In addition, the company has complemented the guidelines with its own rules on insider issues.

CapMan Plc is not the subject of any legal proceedings.

CapMan Plc's Board of Directors



Teuvo Salminen

Born 1954. M.Sc. (Econ.),
Authorised Public Accountant.
Executive Vice President of Jaakko
Pöyry Group Oyj. Member of the
Board since 2001.
Shareholding:
83,867 CapMan B shares

Vesa Vanha-Honko

Born 1955. M.Sc. (Eng.),
B.Sc. (Econ.), Vice Chairman of the
Board of CapMan Plc. Senior
Partner, Business Development
Director, joined 1989.
Shareholding:
1,291,638 CapMan A shares *)
and 5,759,218 CapMan B shares

Lauri Koivusalo

Born 1941. LL.M. Chairman of the
Board of CapMan Plc since 2001.
Managing Director of LEL
Employment Pension Fund.
Shareholding:
10 CapMan B shares

Tuomo Raasio

Born 1958. LL.M. Senior Partner,
Head of buy-out team, joined 1989.
Shareholding:
1,291,638 CapMan A shares *)
and 5,759,218 CapMan B shares

Ari Tolppanen

Born 1953. M.Sc. (Eng.). Senior
Partner, CEO of CapMan Plc,
joined 1989.
Shareholding:
2,447,032 CapMan A shares *)
and 10,910,830 CapMan B shares

*) The Senior Partners of CapMan own all A shares (unquoted) through their companies.

Report of the Board of Directors for the financial year 2001

CapMan's core business is private equity fund management and the Company's income derives from four sources: management fees received from the funds, carried interest from funds generating carried interest, a share of the result of CapMan's affiliated companies and returns on other financial assets.

The Report of the Board of Directors is divided into two sections: the funds managed by CapMan and CapMan's business and profit for the 2001 financial year.

Funds managed by CapMan

At the end of the financial year, CapMan managed twelve private equity funds with EUR 1,177 million in total capital, of which EUR 473 million is managed by CapMan's affiliated company Access Capital Partners. About 90 Finnish and international investors have invested in CapMan funds.

Investments by CapMan funds are divided into investments in portfolio companies and fund investments. Investments in portfolio companies include mid-sized buy-outs, technology investments and mezzanine investments mainly in Finland, Sweden and Denmark. Buy-outs and mezzanine investments are made in manufacturing, service and retail industries while technology investments focus on fast growing software companies in the IT, telecommunications and media sectors. At 31 December 2001, 76 per cent of the capital invested by the funds in portfolio companies was invested in traditional companies and 24 per cent in high technology companies.

Fund investments are carried out by CapMan's affiliated company Access Capital Partners, whose two funds invest in mid-sized buy-out and technology funds throughout Europe.

Investments by CapMan funds in 2001

The funds managed by CapMan made seven new investments and nine substantial follow-on investments in portfolio companies in 2001, investing EUR 89.4 million (EUR 144 million) in total. At the end of the year, cumulative investments made by the funds totalled EUR 433.8 million (EUR 344.4 million).

The new mid-sized buy-out investments during 2001 were in Eltel Networks Oy, a specialist in the design and construction of power transmission and telecommunications networks; Danish SMEF Group A/S, a supplier to the woodworking industry; and Kultajousi Oy, a retail jewellery chain.

The new investments in technology companies during 2001 were in Exidio Oy, a software company specialising in Internet-based treasury management systems for large corporations; Fastrax Oy, a manufacturer of GPS receiver modules; Siennax International B.V., a Dutch application service provider (ASP); and via the Fenno programme Takamaki Oy, a specialist in three-dimensional coating technology.

The most substantial follow-on investments during 2001 were in multimedia company Aktivist Network Oy, CRM (Customer Relationship Management) software company AtBusiness Communications Oyj, prefabricated housing manufacturer Finndomo Oy, leisure travel company Holiday Club Finland Oy, wireless technology and data security software company Netseal Oy, software company LPG Innovations Oy, product information management software house Modultek Oy and folding cartons manufacturer Å&R Carton AB. The follow-on investments in Netseal Oy and LPG Innovations Oy were part of an international round of financing. The investment in health care group Mehiläinen Oy was carried out in part during the financial year.

Exits by the funds in 2001

In 2001 the funds managed by CapMan made one financially substantial exit when the Oy Marli Group Ab (currently Oy Nordic Wine Group Ab) shares were sold to Swedish Vin & Sprit in March. Sports media service provider MatchOn Sports Oy filed for bankruptcy in March. CapMan funds had an investment of EUR 3.36 million in the company, which represents about 0.48 per cent of the total capital in CapMan's funds investing mainly in Finland. CapMan funds' share of Hope Smoke Oy as well as the investment in DB2B Oy, digital-business-to-business, were sold to the companies' other owners during the financial year. With the exception of the exit from Marli Group, the exits had no effect on CapMan's profit for the financial year. Information on the funds managed by CapMan and their portfolio companies can be found by visiting CapMan's website www.capman.fi.

Access Capital Partners closed a new fund of funds

CapMan Plc's affiliated company Access Capital Partners is one of Europe's leading fund of funds and manages two funds with EUR 473 million in total capital. Access Capital Fund (ACF) has EUR 250 million in capital committed to 19 European funds. Fundraising for the second fund of funds ACF II started in spring 2001, and at the end of the fiscal year it had EUR 223 million in commitments. The final size of the fund will be determined by the end of June 2002. ACF II aims to build a portfolio of around 20-30 mid-sized private equity funds in Western Europe, approximately half of which will be buy-out funds and half technology funds. ACF II had invested in two funds by the end of the fiscal year. CapMan Plc's investment commitment in ACF II is EUR 10 million.

Further information on Access Capital Partners and its fund investments can be found at Access Capital's website www.access-capital-partners.com.

CapMan Plc

Financial performance

CapMan's turnover in 2001 was EUR 13.1 million (EUR 33.4 million), of which management fees accounted for EUR 8.6 million (EUR 7.4 million) and carried interest for EUR 3.9 million (EUR 25.2 million). The sale of the Marli Group shares had an effect of about EUR 3.3 million on the carried interest. The share from affiliated companies' results was EUR 0.5 million (EUR 0.4 million), mainly from the shareholding in Access Capital Partners. CapMan's profit after taxes and minority interests was EUR 21.7 million (EUR 20.1 million).

CapMan received 2,931,260 Sampo plc shares as a result of the merger of CapMan Plc and Vestcap Oyj. Approximately EUR 4.7 million was received in dividends on the Sampo shares in April, which increased profit after financial items, including imputation credit, by EUR 6.6 million. CapMan Plc sold its Sampo plc shares in May. The value of the sale was approximately EUR 30 million and the effect on the 2001 profit after financial items was about EUR 18 million.

At the close of the financial year, shareholders' equity per share was EUR 0.92 (EUR 0.45). CapMan's cash assets on 31 December

2001 were EUR 53.5 million (EUR 20 million). The improvement in the balance sheet was due to CapMan's good result and from the merger of Vestcap Oyj with CapMan, which brought considerable assets to the company. CapMan has no interest-bearing debt.

Four funds generating carried interest

Private equity fund management companies start to receive carried interest when the return of a fund to investors has exceeded a required cumulative return target. Carried interest is typically 10 to 25 per cent of the fund's cash flow through exits from its portfolio companies. The annual management fee is about 1 to 2.5 per cent of the total capital of the funds.

All of the funds managed by CapMan have the aforementioned profit sharing agreement. The number of funds generating carried interest rose to four as a result of the Marli Group exit. These four funds have capital of EUR 84.1 million, which represents about 12 per cent of the total capital in CapMan's funds that invest mainly in Finland.

Personnel

At the end of 2001, CapMan had 47 (41) employees in Helsinki and the subsidiary CapMan Invest A/S had five employees in Denmark. Additionally, CapMan Capital Management Ltd had four senior advisors as consultants in Helsinki.

Board of Directors and Management

The Board of Directors of CapMan Plc was expanded by two new members in 2001. The Extraordinary General Meeting held on 30 January 2001 elected Mr Lauri Koivusalo, Managing Director of LEL Employment Pension Fund, and Mr Teuvo Salminen, Executive Vice President of Jaakko Pöyry Group Oyj, as members of the Board. The Annual General Meeting of CapMan Plc held on 19 March 2001 decided that the Board of Directors consists of five members. Those elected by the AGM were Mr Lauri Koivusalo (Chairman), Managing Director of the LEL Employment Pension Fund, Mr Vesa Vanha-Honko (Vice Chairman), Senior Partner of CapMan, Mr Teuvo Salminen, Executive Vice President of Jaakko Pöyry Group Oyj, Mr Ari Tolppanen, CEO of CapMan Plc and Mr Tuomo Raasio, Senior Partner of CapMan.

Report of the Board of Directors for the financial year 2001

Mr Heikki Westerlund, formerly the head of technology investments for CapMan Plc's wholly owned subsidiary CapMan Capital Management Ltd, was appointed Managing Director of CapMan Capital Management Ltd as of 14 February 2001. Mr Westerlund's predecessor Ari Tolppanen is the CEO of the parent company CapMan Plc, and Mr Westerlund acts as his deputy.

Auditors

PricewaterhouseCoopers Oy acted as auditor and Mr Jan Holmberg, Authorized Public Accountant as the auditor in charge in 2001.

Changes in Group Structure

In April 2001, CapMan announced that it would acquire the Danish private equity investor Nordic Private Equity Group (NPE), now operating under the name of CapMan Invest A/S. The company became a wholly owned subsidiary of CapMan on 28 September 2001. It specializes in mid-sized buy-outs and manages two equity funds with approximately EUR 35.4 million in capital. The funds have invested in nine companies in total and three companies still remain in the portfolio: AudioNord International A/S (distributor of high quality hi-fi equipment and manufacturer of loudspeakers), Lindplast A/S (polyethylene packaging materials) and Reima-Tutta Oy (children's clothing, sportswear and work uniforms). The funds will not make any new investments.

The acquisition was carried out as a directed share issue to NPE's three owners and key personnel. The purchase price was 1,130,000 new CapMan B shares. The new shares are subject to the same lock-up agreements as the shares owned by CapMan's other key personnel.

Shares and share capital

CapMan Plc's B share was listed on the Main List of the Helsinki Stock Exchange on 2 April 2001, when the merger of Vestcap Oyj and CapMan was entered in the Trade Register. The closing price on the first trading day was EUR 2.20 and on the last trading day of the year it was EUR 2.27. The share's lowest trading price for the year was EUR 1.64 and the highest was EUR 2.55. The average price was EUR 2.12. A total of 6,465,207 shares with a value of EUR 13.7 million were traded on the Helsinki Stock Exchange during the financial year.

At the end of 2001, the market value of the CapMan B shares was EUR 143.5 million and the company's total market capitalisation, including CapMan A shares, was about EUR 161.6 million. There were 63,194,630 CapMan B shares and 8,000,000 CapMan A shares in total at the end of 2001. The company's registered share capital is EUR 711,946.30.

The Extraordinary General Meeting of CapMan Plc held on 31 May 2001 authorised the Board of Directors to increase the company's share capital by issuing a maximum of 7,000,000 new CapMan B shares. By the end of the year the Board of Directors had issued 1,130,000 new shares. The authorisation remains valid until 31 May 2002.

The EGM authorised the Board to resolve upon purchasing up to 3,503,649 of the company's own B shares. The authorisation had not been used by the end of the year and remains valid until 31 May 2002.

CapMan has a warrant scheme as part of the Group's incentive and commitment scheme for employees, excluding current shareholders. A maximum of 5,270,000 warrants can be issued and they will entitle to subscribe for a total of 5,270,000 B shares in CapMan Plc. The share subscription price is EUR 1.26, from which the amount of dividends for the year 2001 and onwards will be deducted. The share subscription periods will begin on 1 October 2003 and 1 October 2005 and will end for all warrants on 31 October 2007. The amount of shares allocated for warrants represents about 7 per cent of CapMan Plc's share capital. More information on the warrant scheme can be found at CapMan's website in the stock exchange release dated 29 August 2000 at [www.capman.fi/en/investor relations](http://www.capman.fi/en/investor%20relations).

Events after the close of the fiscal year

Funds managed by CapMan

In January, the funds managed by CapMan invested in Finland's leading staffing company Extra Personnel Services. The value of the transaction was approximately EUR 30 million.

Also in January, the funds managed by CapMan invested EUR 15 million in the family business Savcor Group, specialist in coating technology, corrosion prevention, process measurements, data control systems and logistical solutions. The investment was

implemented as a mezzanine loan. Savcor Group's turnover in 2001 was approximately EUR 50 million and the company has over 700 employees worldwide.

The newest company in CapMan's technology portfolio is Hantro Products Oy, a developer of video solutions for wireless devices located in Oulu, Finland. The funds managed by CapMan invested in the company's second round of financing in January.

CapMan Plc

In autumn 2001 CapMan began to raise a new Nordic equity fund CapMan Equity VII. The fund is CapMan's seventh equity fund. By the first closing at the end of January the fund had EUR 166 million in commitments. Substantial additional commitments are expected and the final size of the fund will be determined by the end of June 2002.

On 1 February 2002, CapMan Plc signed an agreement to acquire the entire share capital of the Swedish venture capital company Swedestart Management AB. The transaction value was approximately EUR 17 million. The acquisition will be completed during the spring. CapMan will finance the acquisition by cash payment and a directed share issue of 4,500,000 new B shares to the three owners of Swedestart Management. As a result of the deal, Swedestart's three owners will become senior partners of CapMan with 5.9 per cent of the share capital of CapMan Plc.

Swedestart is one of Sweden's most experienced and successful venture capital investors. The company manages four funds with about EUR 160 million in total capital. The funds were established in 1995 (Swedestart I), 1998 (Swedestart II) and 2000 (Swedestart Tech and Swedestart Life Science). Swedestart has 12 employees of whom 8 form the investment team. The funds managed by Swedestart have invested in 24 portfolio companies and made 11 exits with outstanding returns to investors. At January 2002, the net annual IRR for the investors in Swedestart I was over 40 per cent and in Swedestart II over 180 per cent.

CapMan and Swedestart intend to offer each other mutual co-investment rights. The funds managed by CapMan will have the option to invest in all of Swedestart's new technology deals and Swedestart's technology fund will have the option to invest in all of CapMan's new technology deals. CapMan and Swedestart will start raising common Nordic funds after the existing funds have

been fully invested. CapMan and Swedestart have started to build a buy-out team in Sweden. More information on the Swedestart Management AB acquisition can be found in CapMan's stock exchange release dated 1 February 2002, available at the web address www.capman.fi/en.

Outlook for 2002

Funds managed by CapMan

We believe that private equity investments will continue to grow in spite of economic fluctuations. CapMan's acquisitions in Denmark and Sweden increase recognition and strengthen its position as one of the leading private equity investors in the Nordic countries. They also increase the attractiveness of CapMan among companies seeking private equity investors and the amount of suitable targets for CapMan's investment strategy. CapMan will continue to carry out its investment strategy in the Nordic countries, with the main focus on mid-sized buy-outs as well as technology investments in IT and telecommunications companies. The acquisition of Swedestart introduces investments in life science companies, which is a new sector in CapMan's portfolio.

Organic growth, acquisitions, improvements in profitability and cash flow as well as sophisticated financing structures form the foundation for the increase in value of CapMan's portfolio companies. CapMan also aims to secure a strategic market position for the portfolio company that draws the interest of industrial buyers as well as the stock markets. CapMan actively assesses the best time and method of exit from its portfolio companies, depending on the stage of development of the company and the state of the markets. Profitable exits are not dependent solely on stock market conditions. Trade sales to industrial buyers have become a typical exit method.

CapMan Plc

CapMan's objective is that the management fees paid by the funds cover well the company's expenses. CapMan's result in 2002 will depend largely on significant exits from portfolio companies owned by funds already generating carried interest. Exits are being evaluated and negotiated in several portfolio companies. CapMan expects to exit some portfolio companies during the year, but it is too early to estimate their effect on the 2002 result.

Group income statement

EUR	Note	1.1.-31.12.2001	1.1.-31.12.2000
Turnover	1	13 082 337	33 389 598
Other operating income	2	18 053 723	4 053
Personnel costs	3	-3 645 935	-3 412 853
Depreciation	4	-254 647	-108 779
Other operating expenses		-5 176 462	-5 567 662
Operating profit		22 059 016	24 304 357
Financial income and expenses	5	8 522 123	609 388
Profit before taxes		30 581 139	24 913 745
Income taxes	7	-8 715 044	-4 655 142
Minority interest		-136 835	-112 830
Profit for the financial year		21 729 260	20 145 773

Group balance sheet

EUR	Note	31.12.2001	31.12.2000
Assets			
Fixed assets			
Intangible assets	1	673 578	53 270
Consolidated goodwill	2	2 153 613	23 318
Tangible assets	3	545 884	306 727
Investments	4		
Investments in associated companies		753 894	645 144
Other investments		5 484 870	3 582 010
		6 238 764	4 227 154
Total fixed assets		9 611 839	4 610 469
Current assets			
Long-term receivables	5	400 264	243 671
Short-term receivables	6	4 499 179	7 467 599
Marketable securities		25 710 545	4 441 653
Cash and bank		27 798 198	15 526 852
Total current assets		58 408 186	27 679 775
		68 020 025	32 290 244
Liabilities and equity			
Shareholders' equity			
Share capital		711 946	480 000
Share premium account		33 929 448	47 145
Retained earnings		8 831 380	991 980
Profit for the financial year		21 729 260	20 145 773
Total shareholders' equity	7	65 202 034	21 664 898
Minority interest		248 789	107 500
Liabilities			
Long-term liabilities	8	93 739	82 654
Short-term liabilities	9	2 475 463	10 435 192
Total liabilities		2 569 202	10 517 846
		68 020 025	32 290 244

Parent company income statement

EUR	Note	1.1.-31.12.2001	1.1.-31.12.2000
Turnover	1	1 022 583	292 137
Other operating income	2	18 030 836	0
Personnel costs	3	-361 388	-261 889
Depreciation	4	-21 367	-15 590
Other operating expenses		-686 992	-1 805 673
Operating loss		17 983 672	-1 791 015
Financial income and expenses	5	8 486 500	323 227
Profit before extraordinary items		26 470 172	-1 467 788
Extraordinary items	6	-6 645 450	29 432 887
Profit before taxes		19 824 722	27 965 099
Income taxes	7	-5 626 062	-8 110 222
Profit for the financial year		14 198 660	19 854 877

Parent company balance sheet

EUR	Note	31.12.2001	31.12.2000
Assets			
Fixed assets			
Intangible assets	1	94 979	27 915
Tangible assets	3	36 145	46 525
Investments	4		
Shares in subsidiaries		3 073 128	646 780
Shares in associated companies		198 062	184 462
Other investments		1 869 819	688 530
		5 141 009	1 519 772
Total fixed assets		5 272 133	1 594 212
Current assets			
Long-term receivables	5	395 392	243 671
Short-term receivables	6	2 802 927	22 281 442
Marketable securities		24 274 270	2 846 238
Cash and bank		26 792 247	1 994 760
Total current assets		54 264 836	27 366 111
		59 536 969	28 960 323
Liabilities and equity			
Shareholders' equity			
Share capital		711 946	480 000
Share premium account		33 929 448	47 145
Retained earnings		8 301 097	752 442
Profit for the financial year		14 198 660	19 854 877
Total shareholders' equity	7	57 141 151	21 134 464
Liabilities			
Short-term liabilities	9	2 395 818	7 825 859
Total liabilities		2 395 818	7 825 859
		59 536 969	28 960 323

Cash flow statement

EUR	Group 31.12.2001	31.12.2000	Parent Company 31.12.2001	31.12.2000
Operations				
Operating profit	21 533 108	23 843 943	17 552 915	-1 791 015
Adjustments to operating profit	-16 648 859	191 665	-16 859 253	101 379
Change in net working capital	913 834	-1 808 071	21 375 005	-20 582 063
Interest paid	-251 435	-86 805	-33 570	-160 656
Interest received	994 577	550 979	729 776	25 634
Dividends received	430 757	0	430 757	295 271
Taxes paid	-19 694 020	-984 048	-19 751 628	-955 793
Total from operations	-12 722 038	21 707 663	3 444 002	-23 067 243
Investments				
Investments in tangible and intangible assets	-1 064 581	-165 789	-78 051	-61 820
Proceeds from sale of tangible and intangible assets	22 886	54 241	0	4 452
Investments in other placements	-1 912 774	-1 409 794	-1 451 637	-325 338
Consolidation difference	-12 115	-16 006	0	0
Proceeds from sale of other investments	29 599 863	345 397	29 599 863	0
Loans	-672 715	-235 463	-672 715	-235 463
Dividends received from investments	4 690 016	16 777	4 690 016	16 777
Total from investments	30 650 580	-1 410 637	32 087 476	-601 392
Financing				
Share issue/merger	32 754 273	613 987	32 754 273	613 987
Purchase of own shares	-12 764	0	-12 764	0
Increase of short-term loans	0	0	1 733 571	464 051
Decrease of short-term loans	-456 088	0	-456 088	0
Increase of long-term loans	-145 508	-216 130	-151 721	-210 032
Decrease of long-term loans	-1 368 263	0	-1 368 263	0
Dividends paid	-15 159 518	-2 591 625	-15 159 518	-2 021 673
Translation adjustment/minority interest	-75	-1 773	0	0
Translation adjustment/shareholders' equity	-363	-297	0	0
Group contributions paid and received	0	0	-6 645 450	29 432 887
Financing total	15 611 694	-2 195 838	10 694 040	28 279 220
Increase/decrease in cash and current investments	33 540 236	18 101 188	46 225 518	4 610 585
Cash and current investments 1.1.	19 968 507	1 867 319	4 840 998	230 413
Cash and current investments 31.12.	53 508 743	19 968 507	51 066 516	4 840 998

Accounting principles

1. Notes concerning the group's accounting obligations

CapMan Plc is the Group's parent company, domiciled in Helsinki. Copies of the consolidated financial statements are available at Korkeavuorenkatu 32, 00130 Helsinki, Finland.

2. Consolidation principles

Internal shareholdings

The consolidated financial statements have been drawn up by acquisition accounting and the price paid for shares in subsidiaries in excess of shareholders' equity is given as consolidated goodwill.

Internal transactions and margins

Intra-group transactions, internal receivables and debts, and intra-group dividends have been eliminated.

Minority interest

Minority interest has been separated from the Group's shareholders' equity and net profit and is shown as a separate item.

Translation adjustment

The figures for the foreign subsidiary's financial statements have been translated into euros at the average year-end exchange rate and the translation adjustment from the elimination of shareholders' equity is given in the Group's shareholders' equity.

Affiliated companies

The affiliated companies have been consolidated by the equity method. The Group's share (based on its holding) of the affiliated companies' net profit for the year is given in the turnover.

The unoperating subsidiaries acquired/established during the financial year have not been consolidated.

3. Principles of valuation

3.1. Valuation of fixed assets

Fixed assets and investments have been valued at the acquisition cost. Planned depreciation on items included in fixed assets has been calculated in straight-line depreciation over the economic life of the item based on the original acquisition cost, beginning the month after purchase.

The periods of depreciation used:

- Intangible rights 5 years
- Machinery and equipment 5 years
- Vehicles 4 years

3.2. Valuation of financial assets

Securities included in financial assets have been valued at the acquisition cost or market price, whichever is the lower, money market funds at market value.

3.3. Pension arrangements

In Finnish companies, statutory pension liabilities are handled through private insurance companies.

3.4. Items denominated in foreign currency

Receivables and liabilities denominated in foreign currency have been translated into euros at the average year-end rate.

4. Comparison to the previous year

The Group's share (based on its holding) of the affiliated companies' net profit for the year is given in the turnover. The income statement for 2000 has been adjusted comparable.

Notes to the income statement

EUR	Group 31.12.2001	31.12.2000	Parent company 31.12.2001	31.12.2000
1. Turnover				
Turnover by area				
Finland	11 611 133	31 857 952	591 826	292 137
Foreign	1 471 204	1 531 646	430 757	0
Total	13 082 337	33 389 598	1 022 583	292 137
2. Other operating income				
Proceeds from sale of fixed assets	18 030 836	4 053	18 030 836	0
Other	22 885	0	0	0
Total	18 053 723	4 053	18 030 836	0
3. Personnel costs and average number of employees				
Personnel costs				
Wages and salaries	2 815 668	2 723 867	232 929	211 940
Pension costs	606 208	493 039	43 521	33 247
Other personnel costs	224 059	195 947	84 938	16 702
Total	3 645 935	3 412 853	361 388	261 889
Management wages and salaries President and members of the Board of Directors	309 193	188 786	12 715	6 357
Average number of employees Personnel	50	42	8	7
4. Depreciation				
Depreciation by asset type:				
Intangible rights	19 537	9 092	5 775	962
Consolidated goodwill	120 968	8 679	0	0
Other long-term expenditure	2 836	3 350	0	0
Machinery and equipment	111 306	87 658	15 592	14 628
Total	254 647	108 779	21 367	15 590

EUR	Group		Parent company	
	31.12.2001	31.12.2000	31.12.2001	31.12.2000
5. Financial income and expenses				
Dividend income				
Income from subsidiaries	0	0	0	410 098
Others	6 605 655	23 302	6 605 655	23 302
Other interest and financial income				
Others	2 167 945	659 516	1 914 457	117 758
Interest and other financial expenses				
Group companies	0	0	0	-160 656
Others	-251 477	-73 430	-33 612	-67 275
Total	8 522 123	609 388	8 486 500	323 227
6. Extraordinary items				
Extraordinary income				
Group contributions paid/received	0	0	-6 645 450	29 432 887
Total	0	0	-6 645 450	29 432 887
7. Income taxes				
Imputation credit	-125 613	-3 630 300	0	0
Income taxes	8 840 657	8 285 442	5 626 062	8 110 222
Total	8 715 044	4 655 142	5 626 062	8 110 222

Notes to the balance sheet

EUR	Group	31.12.2000	Parent	31.12.2000
	31.12.2001		company 31.12.2001	
1. Intangible assets				
Intangible rights				
Acquisition cost 1.1.	70 442	42 899	28 878	3 173
Additions	348 404	30 716	12 614	28 878
Disposals	0	-3 173	0	-3 173
Acquisition cost 31.12.	418 846	70 442	41 492	28 878
Accumulated depreciation 1.1.	-23 706	-17 788	-963	-3 173
Disposals	0	3 173	0	3 173
Depreciation for financial year	-19 538	-9 091	-5 775	-963
Accumulated depreciation 31.12.	-43 244	-23 706	-6 738	-963
Book value 31.12.	375 602	46 736	34 754	27 915
Other long-term expenditure				
Acquisition cost 1.1.	19 326	19 326	0	0
Additions	294 278	0	60 225	0
Acquisition cost 31.12.	313 604	19 326	60 225	0
Accumulated depreciation 1.1.	-12 792	-9 442	0	0
Depreciation for financial year	-2 836	-3 350	0	0
Accumulated depreciation 31.12.	-15 628	-12 792	0	0
Book value 31.12.	297 976	6 534	60 225	0
Intangible rights total	673 578	53 270	94 979	27 915
2. Consolidated goodwill				
Acquisition cost 1.1.	104 874	99 692		
Additions	2 251 263	5 182		
Acquisition cost 31.12.	2 356 137	104 874		
Accumulated depreciation 1.1.	-81 556	-67 695		
Additions	0	-3 497		
Depreciation for financial year	-120 968	-10 364		
Accumulated depreciation 31.12.	-202 524	-81 556		
Book value 31.12.	2 153 613	23 318		
Consolidated goodwill total	2 153 613	23 318		
3. Tangible assets				
Machinery and equipment				
Acquisition cost 1.1.	484 625	461 282	67 045	53 911
Additions	441 208	130 148	5 212	28 018
Disposals	-19 308	-106 805	0	-14 884
Acquisition cost 31.12.	906 525	484 625	72 257	67 045
Accumulated depreciation 1.1.	-201 842	-165 615	-25 445	-21 250
Disposals/additions	-71 428	50 126	0	10 346
Depreciation for financial year	-111 305	-86 353	-15 592	-14 541
Accumulated depreciation 31.12.	-384 585	-201 842	-41 037	-25 445
Book value 31.12.	521 940	282 783	31 220	41 600

EUR	Group		Parent company	
	31.12.2001	31.12.2000	31.12.2001	31.12.2000
Other tangible assets				
Acquisition cost 1.1.	23 944	19 019	4 925	0
Additions	0	4 925	0	4 925
Book value 31.12.	23 944	23 944	4 925	4 925
Tangible assets total	545 884	306 727	36 145	46 525
4. Investments				
	Group ownership of shares, %		Parent company ownership of shares, %	
Subsidiaries:				
CapMan Capital Management Ltd, Helsinki	100%		100%	
CapMan Invest A/S, Denmark	100%		100%	
NPE General Partner II Ltd, Jersey	100%		100%	
Finnmezzanine Oy, Helsinki	70%			
EastMan Advisors Oy, Helsinki	60%			
ScanEast Managing Partner Ltd., Guernsey *)	70%			
*) Via the subsidiary EastMan Advisors Oy				
	Group ownership of shares, %		Parent company ownership of shares, %	Share capital
Dissimilium Enumeratio Invest AB*)	100%		100%	SEK 100 000
Praeveniens Prasumitur Invest AB*)	100%		100%	SEK 100 000
CapMan Sweden AB*)	100%		100%	SEK 100 000
CapMan Norway AS*)	100%		100%	NOK 100 000
CapMan Germany GmbH*)	100%		100%	EUR 25 000
*) not consolidated, include in the total of other shares				
Associated companies:				
Access Capital Partners S.A., Paris	47.47%		47.47%	
Access Capital Partners (Guernsey) Limited, Guernsey	47.50%		47.50%	
Baltcap Management Oy, Helsinki	20.00%		20.00%	
BIF Management Ltd, Jersey	33.33%		33.33%	
Baltic SME Management B.V., The Netherlands	33.33%		33.33%	
			Parent company 31.12.2001	31.12.2000
Shares in subsidiaries				
Acquisition cost 1.1.			646 780	503 238
Additions			2 426 348	143 542
Acquisition cost 31.12.			3 073 128	646 780

Notes to the balance sheet

EUR	Group 31.12.2001	31.12.2000	Parent company 31.12.2001	31.12.2000
Shares in associated companies				
Acquisition cost 1.1.	645 144	94 148	184 462	0
Additions	108 750	696 409	13 600	184 462
Disposals	0	-145 413	0	0
Acquisition cost 31.12.	753 894	645 144	198 062	184 462
Shares, other				
Acquisition cost 1.1.	3 582 010	2 353 574	688 530	547 655
Additions	13 600 323	1 553 335	12 750 757	140 875
Disposals	-11 709 578	-340 905	-11 569 468	0
Exchange difference	12 115	16 006	0	0
Acquisition cost 31.12.	5 484 870	3 582 010	1 869 819	688 530
Investments total	6 238 764	4 227 154	5 141 009	1 519 772
5. Receivables				
Long-term				
Loan receivables	274 325	33 638	269 453	33 638
Loan receivables from associated companies	125 939	210 033	125 939	210 033
Total	400 264	243 671	395 392	243 671
6. Receivables				
Short-term				
Accounts receivable	147 673	214 116	43 558	8 507
Accounts receivable from group companies	0	0	44 909	29 414
Loan receivables	910 722	235 463	910 722	235 463
Loan receivables from group companies	0	0	47 065	21 673 294
Other receivables	1 259 846	3 395 538	284 746	324 396
Other receivables from group companies	0	0	42 117	0
Accrued income	2 180 938	3 622 482	1 429 810	10 368
Total	4 499 179	7 467 599	2 802 927	22 281 442
7. Shareholders' equity				
Share capital 1.1.	480 000	393 644	480 000	393 644
Rights issue	11 300	0	11 300	0
Merging of Exve Oy	0	86 400	0	86 400
Merging of Vestcap Oyj	220 730	0	220 730	0
Decrease of share capital	-84	-44	-84	-44
Share capital 31.12.	711 946	480 000	711 946	480 000
Share premium account 1.1.	47 145	32 216	47 145	32 216
Issue premium	33 882 219	14 885	33 882 219	14 885
Decrease of share capital	84	44	84	44
Share premium account 31.12.	33 929 448	47 145	33 929 448	47 145

EUR	Group		Parent company	
	31.12.2001	31.12.2000	31.12.2001	31.12.2000
Retained earnings 1.1.	21 137 753	2 364 313	20 607 319	2 124 478
Dividend payment	-15 159 518	-2 021 673	-15 159 518	-2 021 673
Merging of Exve Oy	0	649 637	0	649 637
Merging of Vestcap Oyj	2 853 296	0	2 853 296	0
Consolidation difference	-150	-297	0	0
Retained earnings 31.12.	8 831 380	991 980	8 301 097	752 442
Profit for the financial year	21 729 260	20 145 773	14 198 660	19 854 877
Shareholders' equity, total	65 202 034	21 664 898	57 141 151	21 134 464
Calculation of distributable assets				
Retained earnings	8 831 380	991 980	8 301 097	752 442
Profit for the financial year	21 729 260	20 145 773	14 198 660	19 854 877
Total	30 560 640	21 137 753	22 499 757	20 607 319

CapMan Oyj's share capital is divided as follows:

	2 001		2 000	
	pcs		pcs	
Series A share (10 votes/share)	8 000 000	80 000	8 000 000	80 016
Series B share (1 vote/share)	63 194 630	631 946	40 000 000	399 987

	Group		Parent company	
	31.12.2001	31.12.2000	31.12.2001	31.12.2000
8. Long-term liabilities				
Other liabilities	93 739	82 654	0	0
Total	93 739	82 654	0	0
9. Short-term liabilities				
Advances received	966 869	1 289 462	0	303
Accounts payable	336 855	416 048	44 321	163 583
Other liabilities	246 457	710 562	28 456	4 957
Other liabilities to group companies	0	0	2 204 307	470 736
Accrued expenses	925 280	8 019 120	118 734	7 186 280
Total	2 475 463	10 435 192	2 395 818	7 825 859

Other notes

EUR	Group		Parent company	
Contingent liabilities and other commitments	31.12.2001	31.12.2000	31.12.2001	31.12.2000
Rent and leasing obligations				
Year 2002	150 534	201 179	0	0
Later	156 834	202 996	0	0
Total	307 368	404 175	0	0
Other contingent liabilities				
Pledged deposit for own commitment	6 066	5 802	0	0
Remaining commitments to Funds				
Finnventure Fund III Ky	0	7 316	0	0
Finnventure Fund III G Ky	0	1 514	0	0
Alta-Berkeley Nordic Partners Ky	0	4 301	0	0
Finnventure Fund IV Ky	32 965	64 752	0	0
Fenno Fund Ky	0	8 914	0	0
Finnventure Fund V Ky	697 947	1 093 170	0	0
Finnventure Fund V ET Ky	135 628	239 162	0	0
Finnmezzanine Fund II A Ky	6 055	9 082	0	0
Finnmezzanine Fund II B Ky	19 762	40 786	0	0
Finnmezzanine Fund II C Ky	8 436	13 707	0	0
Finnmezzanine Fund II D Ky	17 936	44 921	0	0
Finnmezzanine Fund III A Ky	836 517	931 247	0	0
Finnmezzanine Fund III B Ky	169 214	185 466	0	0
Finnmezzanine Fund III C Ky	257 269	278 989	0	0
Alliance ScanEast Fund L.P.	0	22 796	0	0
Access Capital FCPR	22 206	30 281	22 206	30 281
Access Capital LP	253 000	345 000	253 000	345 000
Access Capital LP II A	4 625 000	0	4 625 000	0
Access Capital LP II B	4 625 000	0	4 625 000	0
Maneq Fund 2001 Ky	551 497	0	551 497	0
Total *)	12 258 432	3 321 404	10 076 703	375 281
Other contingent liabilities	12 264 498	3 327 206	10 076 703	375 281

*)Increase in other contingent liabilities is connected to CapMan Plc's investment commitment in ACF II worth EUR 10 million.

Board of Directors' proposal to the Annual General Meeting

Auditor's report

Board of Directors' proposal to the Annual General Meeting

At the end of the fiscal year, the Group's unrestricted equity totalled EUR 30.6 million and the parent company's EUR 22.5 million. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.26 be paid for each A and B share. Total dividends amount to EUR 18.5 million.

Helsinki, 4 March 2002

Lauri Koivusalo
Chairman of the Board of Directors

Teuvo Salminen

Vesa Vanha-Honko

Tuomo Raasio

Ari Tolppanen
CEO

To the shareholders of CapMan Plc

We have audited the accounting, the financial statements and the corporate governance of CapMan Plc for the period 1 January–31 December 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies Act.

Helsinki, 5 March 2002

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jan Holmberg
Authorised Public Accountant

Definitions of key ratios

Return on equity % (ROE)	=	$\frac{\text{Profit after financial items} - \text{taxes} \times 100}{\text{Shareholders' equity} + \text{minority interest} + \text{depreciation difference (average)}}$
Return on investment % (ROI)	=	$\frac{\text{Profit after financial items} + \text{interest expense and other financial expenses} \times 100}{\text{Balance sheet total} - \text{non-interest bearing debts (average)}}$
Equity ratio (%)	=	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{depreciation difference} \times 100}{\text{Balance sheet total} - \text{advances received}}$
Earnings per share (EPS)	=	$\frac{\text{Profit after financial items} + / - \text{minority interest of the profit of the financial year} - \text{taxes}}{\text{Share issue adjusted number of shares (average)}}$
Shareholders' equity per share	=	$\frac{\text{Shareholders' equity} + \text{depreciation difference} - \text{minority interest}}{\text{Share issue adjusted number of shares at the end of the financial year}}$
Dividend per share	=	$\frac{\text{Dividend paid in the financial period}}{\text{Share issue adjusted number of shares at the end of the financial year}}$
Dividend per earnings (%)	=	$\frac{\text{Dividend/share} \times 100}{\text{Earnings/share}}$

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