

A photograph of a modern building facade with a grid of windows. A large, dark rectangular sign is mounted on the building, featuring the word "CapMan" in a white, stylized, cursive font. The entire image is overlaid with a large, semi-transparent blue circular graphic on the left side.

CapMan

2002

Annual Report

Helsinki • Stockholm • Copenhagen • Guernsey

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+40%

Growth in capital

Total capital in funds managed/advised by CapMan grew by 40% in 2002, from EUR 1,177.2 million to EUR 1,652.3 million. The growth resulted from the successful raising of the CapMan Equity VII and Access Capital Fund II funds and the transfer of Swedestart Management AB's funds to CapMan.

+17%

Growth in investments

CapMan's investments in portfolio companies increased by 17% in 2002, from EUR 89.4 million to EUR 104.5 million. The number of new portfolio companies increased from seven to twelve compared to the previous year.

+30%

Growth in personnel and stronger Nordic position

CapMan acquired one of Sweden's leading venture capital companies Swedestart Management AB in 2002, which substantially strengthened CapMan's position as a Nordic private equity investor. At the same time the company's investment activities expanded to the life science sector. The number of CapMan personnel including Senior Advisors increased by 30%, or from 56 to 73, as a result of the acquisition and organic growth.

CapMan today

CapMan is one of the leading private equity investors in the Nordic countries. The company was founded in 1989 and its operations consist of private equity fund management and advisory services. The funds managed/advised by CapMan are specialised in mid-sized buyouts, technology investments in IT and telecommunications sectors, and investments in life sciences. CapMan Plc's B share has been listed on the Main List of the Helsinki Stock Exchange since April 2001.

CapMan's Nordic strategy

CapMan has a strong Nordic growth strategy. In 2002, the company expanded its operations into Sweden with the acquisition of one of Sweden's leading venture capital companies Swedestart Management AB (now CapMan AB). In 2001, CapMan acquired the Danish private equity investor Nordic Private Equity Group

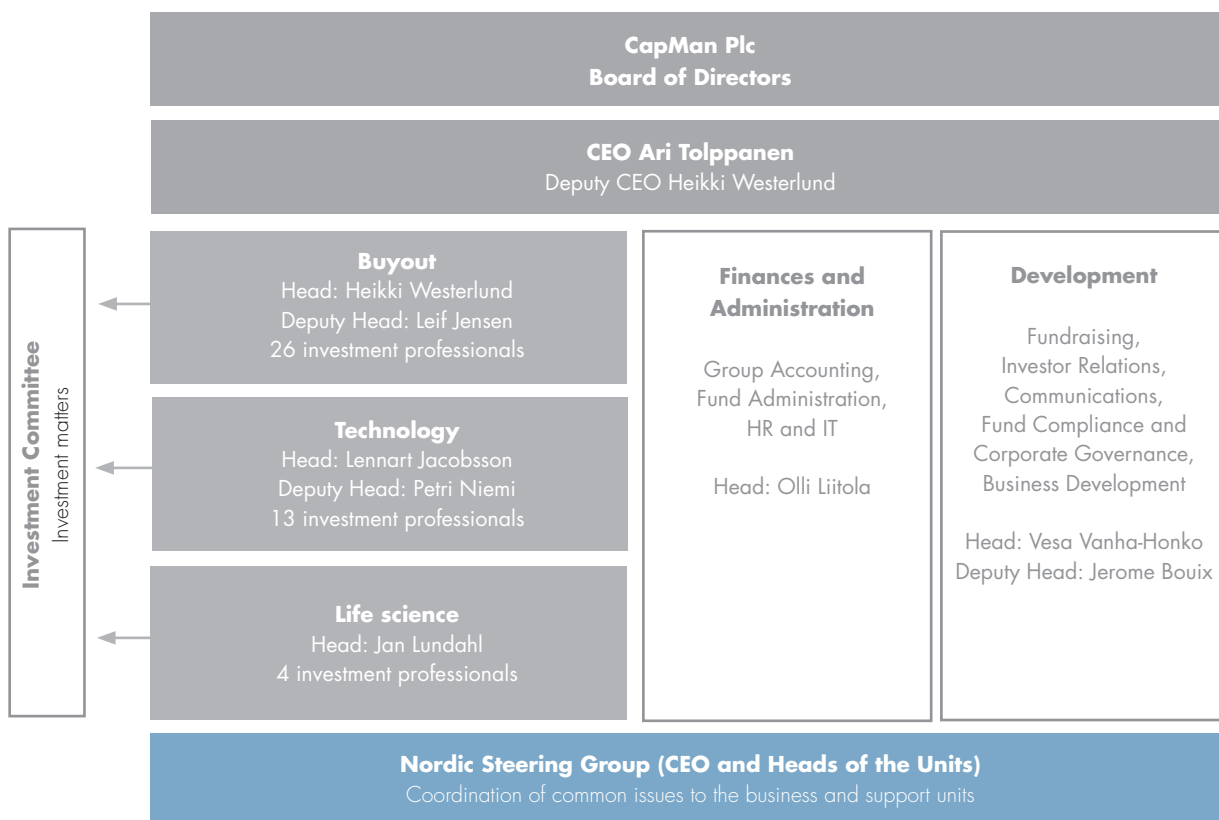
(now CapMan Invest A/S). Today the CapMan team is one of the largest in the Nordic region and comprises about 70 persons in Helsinki, Stockholm, Copenhagen and Guernsey. The objective is to further strengthen CapMan's position in the company's present domiciles.

CapMan funds

CapMan manages/advises 13 equity funds and three mezzanine funds. In addition to these the affiliated fund management company Access Capital Partners, which is 47.5% owned by CapMan, manages/advises two European funds of funds.

At the end of 2002 CapMan managed/advised funds with EUR 1,652.3 million in total capital, of which EUR 527.3 million was managed/advised by Access Capital Partners.

Organisation



Senior Advisors are included in investment professionals.



CapMan's investment activities

Investments by the funds managed/advised by CapMan are divided into direct investments in portfolio companies and European fund investments. Direct investments in portfolio companies in Nordic countries are made in CapMan's three business areas: buyouts, technology investments and investments in the life science sector.

Buyout investments are made in mid-sized companies in manufacturing, service and retail industries. Technology investments focus on strong growth companies in the IT and telecommunications sectors. In life science investments the focus is on companies that specialise in medical technology.

Fund investments are carried out by Access Capital Partners, whose two funds invest in mid-sized buyout, technology and life science funds throughout Europe.

As at the end of 2002, the funds managed/advised by CapMan that make direct investments in portfolio companies had invested in 128 companies and exited from 49 companies.

CapMan's investment focus

Mid-sized buyouts

- All industry segments
- Equity investments EUR 10-50 million per company

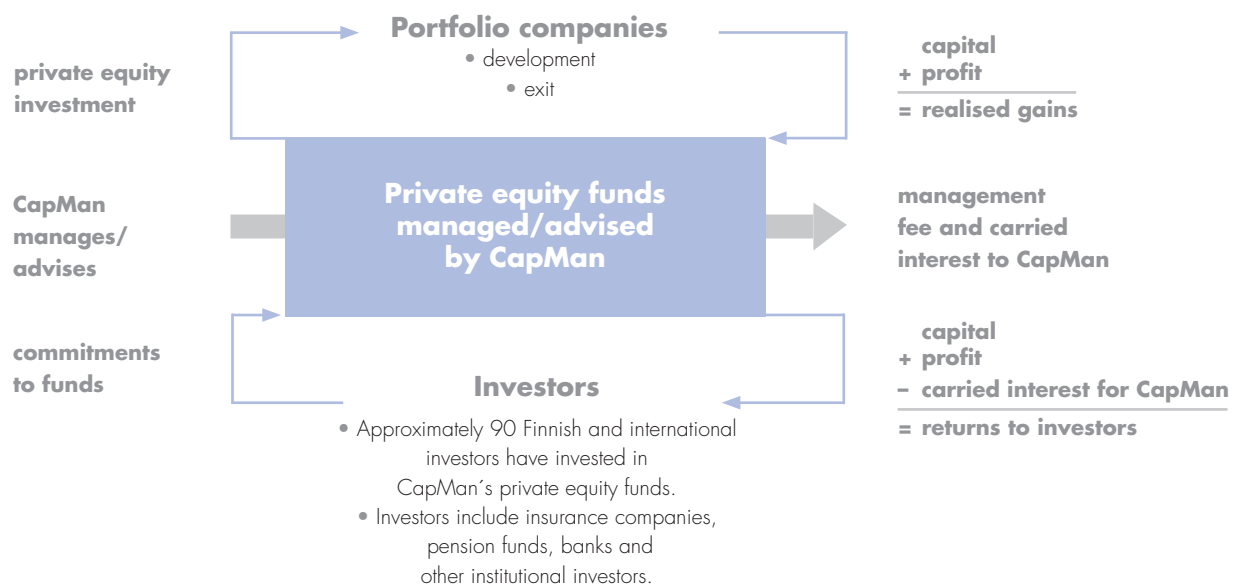
Technology investments

- IT and telecom sectors
- Equity investments EUR 3-10 million per company

Life science investments

- Medical technology
- Equity investments EUR 1-5 million per company

Operational Chart



How CapMan's income is constituted

- **Management fees**
Typically 1.0-2.5% per annum of the size of the fund.
- **Carried interest**
Typically 20-25% of the funds' cash flow after the investors have regained their investment in addition to a preferential annual return, usually 6-8%.
- **Return on direct fund investments made from CapMan's own balance sheet**
- **Share of the profit of CapMan's affiliated companies**
- **Return on other financial assets**

CapMan's financial objectives

- Average capital growth of funds under management by at least 15% per annum.
- Fund performance in the top quartile of all European private equity investors.
- Increase CapMan's own direct capital investments to 5-10% of the capital of future funds.
- Return on equity over 25%.
- A liquid share with a strong cash flow.
- Dividend payments at least 50% of CapMan's net profit.

Key ratios per share 1998-2002

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|--------|---------|------------|------------|------------|
| Earnings/share, EUR | 0.04 | 0.04 | 0.42 | 0.34 | 0.05 |
| Diluted | | | 0.38 | 0.32 | 0.04 |
| Shareholders' equity/share, EUR | 0.06 | 0.06 | 0.45 | 0.92 | 0.71 |
| Dividend/share, EUR | 0.04 | 0.04 | 0.32 | 0.26 | * 0.10 |
| Dividend/earnings, % | 85.2 | 104.2 | 76.2 | 85.2 | 222.5 |
| Average share issue adjusted number of shares | 11,558 | 126,632 | 40,918,032 | 64,797,244 | 73,752,718 |
| Share issue adjusted number of shares at the year-end | 11,558 | 468,100 | 48,000,000 | 71,194,630 | 75,694,630 |
| Number of shares outstanding | | | | 71,194,630 | 74,813,630 |

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

Key ratios for CapMan 1998-2002 (Group)

| MEUR | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|------|------|-------|-----------|--------|
| Turnover | 6.8 | 7.0 | 33.4 | 13.1 | 20.0 |
| Management fees | 4.1 | 5.1 | 7.4 | 8.6 | 15.9 |
| Carried interest* | 2.7 | 2.3 | 28.8 | 4.0 | 3.1 |
| Share of affiliated companies' result | 0.0 | 0.0 | 0.4 | 0.5 | 0.6 |
| Other operating income | 0.0 | 0.0 | 0.0 | **** 18.0 | 0.0 |
| Operating profit | 3.1 | 2.3 | 24.3 | 22.1 | 4.7 |
| Financial income and expenses | 0.4 | 0.6 | 0.6 | 8.5 | 0.5 |
| Profit for the financial year | 2.1 | 2.0 | 20.1 | 21.7 | 3.4 |
| Return on equity, %*** | 68.5 | 70.6 | 93.1 | 50.1 | 5.9 |
| Return on investment, %*** | 93.1 | 89.9 | 114.4 | 70.7 | 10.3 |
| Equity ratio, % | 78.3 | 74.2 | 70.2 | 97.6 | 93.2 |
| Dividend paid | 1.9 | 2.0 | 15.2 | 18.5 | ** 7.5 |
| Personnel and Senior Advisors (at year-end) | 33 | 36 | 44 | 56 | 73 |

* 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, EUR 0.1 million in 2002).

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

*** Key ratios for 1998-2000 are based on the balance sheet as at 31 December.

**** Capital gain from the sale of Sampo plc shares.



Investments and exits by CapMan funds*

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | |
|---|------|------|------|------|------|------|------|------|------|------|------|-------|------|---------|
| Investments in portfolio companies at acquisition cost, MEUR | | 1.9 | 2.4 | 6.9 | 3.2 | 4.5 | 13.9 | 21.4 | 53.5 | 59.7 | 81.6 | 152.4 | 97.7 | 107.0** |
| Investments in portfolio companies, number *** | | 2 | 4 | 5 | 2 | 6 | 7 | 11 | 20 | 13 | 15 | 21 | 10 | 12 |
| Exits from portfolio companies at acquisition cost, MEUR **** | | | | | 1.1 | 0.7 | 1.8 | 3.6 | 5.7 | 6.6 | 21.9 | 36.9 | 23.1 | 16.6 |
| Total exits from portfolio companies, number | | | | | 2 | 1 | 2 | 1 | 5 | 6 | 7 | 13 | 7 | 5 |

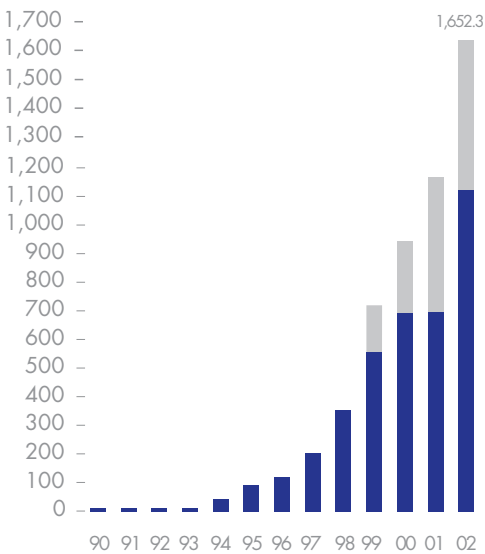
* Including regressive figures for Swedish and Danish funds.

** Investments in portfolio companies 1.5 - 31.12 2002 at acquisition cost total EUR 104.5 million.

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

**** Exits include partial exits.

Foreign currency items are translated for the entire period at the exchange rate on 30.12.2002.

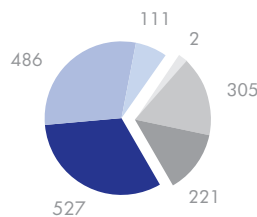


Funds under management 1990-2002

EUR million

- Funds investing directly in companies
- Funds of funds**

** CapMan holds 47.5% of the shares of fund of funds management/advisory company Access Capital Partners.



Status of CapMan funds as at 31 December 2002

EUR million

Private equity funds

- Remaining investment capacity*
- Investments at cost
- Exits completed at acquisition cost

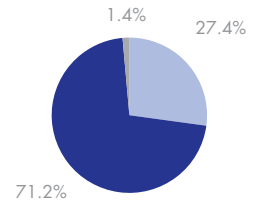
Funds of funds**

- Remaining investment capacity
- Investments/commitments at acquisition cost
- Exits completed at acquisition cost

* Including (realised and estimated) costs for those funds in which part of the total fund size is reserved for costs.

** CapMan holds 47.5% of the shares of fund of funds management/advisory company Access Capital Partners.

Investments in portfolio companies, EUR 486 million



- Basic industry
- Technology
- Life science

The equity funds managed/advised by CapMan had EUR 486 million invested in portfolio companies at 31 December 2002. Of this, EUR 346 million was invested in buyout companies, EUR 133 million in technology companies and EUR 7 million in life science companies.

Events in 2002

January

14.1 The funds managed/advised by CapMan invested in Finland's leading staffing company Extra Personnel Services.

28.1 The funds managed/advised by CapMan invested in Finnish Hantro, developer of video solutions for handheld devices.

29.1 The funds managed/advised by CapMan invested in Finnish multi-sector company Savcor Group.

31.1 CapMan established a new Nordic private equity fund CapMan Equity VII. The fund had commitments totalling EUR 166 million at the first closing on 31 January 2002.

April

2.4 The funds managed/advised by CapMan invested in Finland's leading IT training company Tieturi.

3.4 The Annual General Meeting of CapMan Plc was held in Helsinki. Lauri Koivusalo (Chairman), Lennart Jacobsson, Teuvo Salminen, Ari Tolppanen and Vesa Vanha-Honko (Vice Chairman) were elected as Members of the Board.

5.4 The Finnish technology company LPG Innovations, partly owned by the funds managed/advised by CapMan, sold its software business.

18.4 The Swedish acquisition was closed. Swedestart Management AB became CapMan AB, a wholly-owned subsidiary of CapMan Plc.

23.4 The funds managed/advised by CapMan exited from Finnish Arcorus, producer of high-pressure piping systems and hydraulic motor systems.



On 21 January 2002, CapMan moved into new premises at Korkeavuorenkatu 32 in Helsinki. The company also has offices in Stockholm, Copenhagen and Guernsey.



Every year CapMan, together with record company Ondine Oy, organises a concert for interest groups at the House of Nobility in Helsinki. The concert held in March 2002 featured Beethoven's 4th piano concerto performed by top Swedish pianist Per Tengstrand and the Tapiola Symphony Orchestra conducted by John Storgårds.

February

1.2 CapMan announced the EUR 17 million acquisition of one of Sweden's leading venture capital firms Swedestart Management AB.

19.2 CapMan published its financial statements for 2001. CapMan's turnover in 2001 was EUR 13.1 million and profit after taxes and minority interests EUR 21.7 million.

May

7.5 CapMan's turnover and result for the first quarter of 2002 were EUR 3.3 million and EUR 0.7 million respectively.

15.5 The funds managed/advised by CapMan exited from Finnish restaurant chain Royal-Rest in the year's most substantial exit.

June

5.6 The funds managed/advised by CapMan exited from Euran Kuluttajatuotteet, the Finnish manufacturer of paper, plastic and foil products for food supplies for consumers and institutional kitchens.



July

3.7 The funds managed/advised by CapMan invested in Swedish Avitec, a world-leading supplier of repeaters and repeater systems used to improve the radio coverage in mobile telephony and trunked radio networks.

5.7 The funds managed/advised by CapMan invested in Swedish life science companies Eutech Medical and Otre, in Finnish life science company Inion and Swedish provider of communications, interactive media and CRM consultation services Digiscope.

September

2.9 CapMan announced a reorganisation of its country-based teams into Nordic business and support units.

16.9 CapMan's portfolio company Utfors, the Swedish provider of telecommunication infrastructure and services, filed for financial restructuring.

November

5.11 CapMan's turnover and result for the period from January to September 2002 were EUR 13.3 million and EUR 3.1 million respectively.

13.11 The funds managed/advised by CapMan invested in Swedish technology company Ascade.

19.11 The funds managed/advised by CapMan exited from Utfors.



CapMan organises Executive Forum seminars for its portfolio companies every year. Two high-level CapMan Executive Forums were held in 2002. The themes were "Getting More from Board Work" in March, and "Management through Numbers" in September.



CapMan participated in the investment fair "Sijoita-Invest" that was held at the beginning of November in Helsinki. Private investors had the opportunity to familiarise with the company's business and representatives at the CapMan stand and attend the two CapMan presentations that were given during the event.

August

1.8 The funds managed/advised by CapMan invested in RGS90, the leading provider of waste management services in Denmark. The investment was CapMan's first in the recycling sector.

6.8 CapMan's turnover and result for first half of 2002 were EUR 7.9 million and EUR 1.4 million respectively.

19.8 The Board of Directors resolved to repurchase a maximum of 3,500,000 CapMan B shares in accordance with the authorisation granted by the Annual General Meeting.

December

4.12 The funds managed/advised by CapMan exited from Finnish Teknikum Group Ltd, a specialist in polymer technology.

4.12 The funds managed/advised by CapMan announced their investment in Finnish Nordkalk Corporation, the leading producer of limestone-based products in Northern Europe. The investment was made together with a large investor consortium and it was finalised in February 2003.

30.12 CapMan's newest fund CapMan Equity VII, which was established in January, had raised EUR 253.3 million in commitments by the final closing.



Vision

Our vision is to be the preferred Nordic private equity partner for investors and entrepreneurs.

Values

CapMan's values guide all of our actions towards reaching the vision.

Industrial hands-on approach

We concentrate on enhancing our portfolio companies' businesses by actively taking part in developing their operations. We provide more than just financial support.

High ethics

We believe in integrity and transparency. We are a reliable partner and we respect our stakeholders.

Dedication

We are committed to reaching our objectives. We are innovative and aim to be the trendsetter for the industry. Employees are our most important resource.

Independence

We are independent of other actors in the market.



CEO's Review

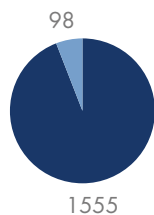
Above all, 2002 was a year of new investments and fundraising for CapMan. The company's Nordic integration also progressed very successfully.

Time to buy

Private equity investment is a favourable industry, in the sense that all economic conditions offer opportunities for efficient business operations. The ability to utilise economical cycles helps private equity funds to yield attractive returns. In recent years the prevailing downturn in markets has provided excellent investment opportunities, while the coming years are expected to bring a more favourable economic environment for profitable realisations. The right timing and utilisation of economical cycles is important, but the key to deliver adequate returns is to understand the earnings logic in different sectors and the ability to actively deliver financial, strategic and industrial added value to the management of the portfolio companies.

CapMan funds have good return potential

The private equity investments are characterised by long-term aims and the real success of individual funds can only be seen from a 5 to 10 year perspective. The central objective for fund management/advisory companies such as CapMan is that their funds succeed so well that they begin to generate carried interest, which generally happens about 5 to 6 years after the establishment of the fund. Of the total capital of EUR 1,652.3 million that is managed/ advised by CapMan, over 70% has been raised in past five years. Five of the funds that were established more than five years ago, with capital of EUR 98 million, are already generating carried interest. Exits from portfolio companies by these funds have contributed approximately EUR 44 million to CapMan's result in previous years, and they will also contribute carry revenue in coming years. However, CapMan's greatest earnings potential is in the carry of the existing funds that are not yet in carry and have investments in CapMan's present portfolio, or are still waiting to invest in portfolio companies.



Capital in CapMan funds

EUR million

■ The capital of the funds generating carried interest.

■ The capital of the funds that are not yet in carry. The affiliated company Access Capital Partners' share is EUR 527 million. The carried interest of funds of funds is smaller than that of funds that invest directly in portfolio companies.

Nordic promise kept

When CapMan announced that it would become a listed company three years ago, the set objective was substantial expansion in the Nordic countries. CapMan's acquisitions in Sweden and Denmark as well as the company's organic growth have secured a significant Nordic market position for the company in mid-sized buyouts and technology investments in the IT and telecommunications sectors. In addition, CapMan's objective is to expand its life science activities from Sweden to Finland and Denmark in coming years.

CapMan's vision is to be the preferred Nordic private equity partner for private equity investors and entrepreneurs. The company's reorganisation that combined separate domestic organisations into three Nordic business units and two Nordic support units was a significant step forward. Another milestone was the successful raising of CapMan Equity VII, which at EUR 253 million is the biggest fund in CapMan's history. I am especially pleased to welcome the fund's new prominent Nordic institutional investors to our investor group. Investment activities were also quite active in 2002 and we made 12 new investments during the year, of which five were in Sweden, five in Finland and two in Denmark.

New investments in a growing sector

Private equity investment is estimated to grow in Europe in the coming years and growth in our Nordic home market is expected to be more rapid than average. In 2003 CapMan will focus on making new investments and developing the existing portfolio of investee companies, as the prevailing market conditions are not favourable for widescale exit activities. The funds' reserves of EUR 500 million in capital for new investments and the solid expertise of our 70-strong team in Helsinki, Stockholm and Copenhagen provide us with a unique opportunity to capitalise on lower valuations in the current market.

I would like to sincerely thank the investors in CapMan funds, the personnel in our portfolio companies, our shareholders and other co-operation partners for your confidence in CapMan. I also extend my warmest appreciation to the personnel of CapMan for your exceptional commitment and contribution in 2002.

Ari Tolppanen, CEO, CapMan Plc

Buyout



*Mr Heikki Westerlund,
Head of Buyout Business Unit*



Buyout

Buyout investments represent about 70% of CapMan's current portfolio. CapMan's buyout team, which comprises 26 investment professionals in Denmark, Finland and Sweden has a top-quartile track record on a European level. By the end of 2002, the team had made a total of 64 buyout investments and exited from 30 companies.

Buyout investments

CapMan's investment strategy has focused on buyouts since the company's foundation in 1989. Buyouts are company acquisitions in which the private equity investor acquires the company or part thereof either with the operative management or with an outside management group. CapMan's buyout activities usually focus on the divestment of non-core activities by corporations.

Investment focus and criteria

CapMan's buyout team is specialised in mid-sized buyout investments, in which the equity investment varies typically between EUR 10-50 million per company. The investment focus is mainly on unquoted companies that operate in under-valued, changing or consolidating industries in Nordic countries.

The core investment criteria in CapMan's buyout investments 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

The buyout team actively seeks new investments in various industry segments. In general, CapMan has the majority ownership in its buyout portfolio companies.

Mezzanine investments

Mezzanine offers an alternative instrument for financing acquisitions alongside equity capital. Mezzanine financing is not typically used to finance routine business activities, but in addition to equity it is a useful instrument in

acquisitions. Mezzanine is especially suitable for financing of successions in family-owned companies that want to retain ownership of the company wholly within the family.

CapMan is one of the leading mezzanine providers in the Nordic countries. CapMan manages three mezzanine funds with approximately EUR 270 million in capital. The funds had invested in a total of 30 companies by the end of 2002. CapMan's typical mezzanine investments vary in size between EUR 5-20 million.

Active role in portfolio companies

CapMan's team of investment professionals participates actively in the development of portfolio companies' businesses, and are almost always represented on the companies' Boards of Directors often as Chairman of the Board. The industrial expertise and close co-operation of CapMan's buyout team enables efficient mentoring and support of the management of the portfolio companies. Additionally, portfolio companies benefit from CapMan's comprehensive partnership network in Nordic countries.

The cornerstone of CapMan's buyout investment philosophy is the growth of the portfolio company organically or via mergers and acquisitions, or a so-called buy-and-build strategy. Another important factor for the achievement of value creation is improving the companies' profitability and cashflows. Increasing the efficiency of working capital under the direction of a professional management also frequently frees up a significant amount of capital.

As a result of CapMan's growth strategy and active ownership, some portfolio companies have increased their sales two to threefold in a few years after the initial investment.

CapMan buyout team

CapMan's buyout team, including Senior Advisors, is comprised of 26 investment professionals who have extensive competence in industry and financing. The Senior Partners of the team have worked together in the private equity field for an average of 12 years, and the Partners have on average 7 years of experience in private equity investment.

Latest investments

RGS90 RGS90 A/S

The Danish RGS90 is one of CapMan's newest portfolio companies. The investment was made in August 2002 and it is CapMan's first in the environmental technology and recycling sector, which is expected to grow significantly in the future. RGS90 has a Nordic growth strategy that fits perfectly with CapMan's competences and portfolio.

RGS90 provides versatile waste management services especially to industrial customers. It is the market leader in recycling of construction materials in Denmark and holds a strong position

also in the treatment and recycling of contaminated soil and industrial wastewater. RGS90 has devoted a lot of resources in R&D and its latest investments are made in a new carbogrit-facility that converts waste materials from water treatment plants into abrasives used for sandblasting and a new recycling facility for PVC. Both projects represent unique new technology development.

RGS90 had net sales of EUR 78 million in 2002 (preliminary) and it employs approximately 250 people.



Nordkalk Nordkalk Corporation

One of CapMan's most significant investments in 2002 was made in Finnish Nordkalk together with a large investor consortium. The deal was finalised in February 2003. Nordkalk is a typical buyout target for CapMan, as it has already established a strong market position but still has potential to grow internationally.

Nordkalk is the leading producer of high quality limestone-based products in Northern Europe. The main products are limestone, limestone powders, quicklime, slaked lime and paper pigment products. In addition, Nordkalk sells calcite, dolomite and wollastonite. The products are used mainly in the steel, pulp and paper industries as well as in environmental care and agriculture.

Nordkalk has recently invested heavily in the paper pigment business, thereby increasing its capacity of Ground Calcium Carbonate. In addition it has expanded its geographical focus by acquiring quarries in Poland and Estonia.

Nordkalk has operations at 36 locations in 8 countries and employs some 1,300 people. The company's net sales increased by 17% and totalled EUR 252 million in 2002.



CapMan's buyout investments in brief

| | |
|---|--|
| Investment focus | All industry segments in Nordic countries |
| Investment size | Mid-sized, typically MEUR 10-30, maximum MEUR 50 |
| Investment stage | Mainly companies with turnover over MEUR 50 |
| Number of investments as at 31 December 2002 | 64 |
| Number of exits as at 31 December 2002 | 30 |
| Average length of investment (exited companies) | 4.2 years |
| Important business partners and competitors | 3i, MB Rahastot, Sponsor Capital |
| <ul style="list-style-type: none"> • in Finland • in Sweden • in Denmark | 3i, Segulah, Procuritas, Priveq |
| | 3i, Axcel, Polaris |



1. Heikki Westerlund, Head of Buyout Business Unit, Senior Partner, Deputy CEO of CapMan Plc 2. Matti Copeland, Investment Director 3. Jukka Järvelä, Partner 4. Vesa Vanha-Honko, Senior Partner, Head of Group Development 5. Tuomas Lang, Partner 6. Göran Barsby, Investment Director 7. Olli Liitola, Senior Partner, Head of Finances and Administration 8. Sanna Argillander, Partner 9. Rikard Albihn, Investment Manager 10. Jerome Bouix, Director of Investor Relations and Communications 11. Morten Runge Poulsen, Investment Manager 12. Peter Langkjaer, Senior Advisor 13. Tuomo Raasio, Senior Partner 14. Elina Aartola-Mäkelä, Investment Manager 15. Jan Mattlin, Investment Manager 16. Lars Hagelstam, Investment Manager 17. Jan Dahlqvist, Investment Director 18. Mats Gullbrandsson, Investment Manager 19. Curt Lindbom, Senior Advisor 20. Leif Jensen, Deputy Head of Buyout Business Unit, Senior Partner 21. Ari Tolppanen, Senior Partner, CEO of CapMan Plc 22. Susanne Sylvest, Partner 23. Kari Österlund, Senior Advisor 24. Orvo Siimestö, Senior Advisor 25. Anders Björkell, Partner 26. Markus Sjöholm, Partner

Background information about team members can be found at www.capman.com. You can send email to the team to buyout@capman.com.

The buyout portfolio companies of CapMan's Nordic funds as at 31 December 2002

| Portfolio company | Country | Business description | Investment year |
|--|---|--|-----------------|
| Kuusamon Tropiikki Oy* |  | Tropical health spa | 1990 |
| Lohja Caravans Oy Ab |  | Caravans | 1993 |
| Finnhepo Oy |  | Horseshoe nails | 1995 |
| AudioNord International A/S |  | Retailer of hi-fi and video equipment | 1996 |
| LindPlast A/S |  | Manufacturer of mono-layer polyethylene (PE) film products | 1996 |
| Finndomo Oy |  | Prefabricated housing | 1997 |
| Kotipizza Oyj |  | Pizzeria chain, franchising | 1997 |
| Puulämpö Suomi Oy (UPL Holding Oy) |  | Wood-fired heating products and fireplaces | 1997 |
| Reima-Tutta Oy |  | Manufacturer of children's and adults' clothing | 1997 |
| Turo Tailor Oy Ab |  | Men's suits and jackets | 1997 |
| Holiday Club Finland Oy |  | Leisure travel | 1998 |
| Tamore Group Oy |  | Sale of office supplies | 1998 |
| Tiimari Oyj |  | Retail sale of gift items and stationery | 1998 |
| Vogue Group Oy (formerly Finnwear Oy) |  | Hosiery and underwear production | 1998 |
| Aurajoki Oy |  | Surface coating | 1999 |
| Espe Group Oy |  | Foam for the bedding and upholstery industries | 1999 |
| Matkatoimisto Oy Matka-Vekka |  | Travel agency chain | 1999 |
| Normet Oy |  | Mechanical engineering | 1999 |
| PPTH-Norden Oy |  | Structural steel frames | 1999 |
| Copterline Oy |  | Helicopter flights and maintenance operations | 2000 |
| Drobe VAB |  | Manufacturer of woollen fabrics for the clothing industry | 2000 |
| Junttan Oy |  | Design, manufacture and sale of piling equipment | 2000 |
| Karelia Corporation (formerly Oy Karelia Parketti Ltd and Upofloor Oy) |  | Manufacturer of multilayer parquets and vinyl floor coverings | 2000 |
| Mehiläinen Oyj |  | Health care service provider | 2000 |
| PIC Engineering Oyj (formerly PI-Consulting Oyj) |  | Technical planning and consulting services | 2000 |
| Pretax-Yhtiöt |  | Bookkeeping, tax advisory and other administrative services | 2000 |
| Å & R Carton AB |  | Folding cartons | 2000 |
| Eltel Networks Ltd |  | Construction and maintenance of power transmission and distribution lines and telecom networks | 2001 |
| Kultajousi Oy |  | Retail jewellery chain | 2001 |
| SMEF Group A/S |  | Supplier of machinery, equipment and fittings to the woodworking industry | 2001 |
| Extra Group Oy |  | Staffing services | 2002 |
| RGS90 A/S |  | Service provider of recycling services to the building and construction industries | 2002 |
| Savcor Group Oy |  | Industrial high technology conglomerate | 2002 |

* Merged with Holiday Club Finland Oyj in 1999.

More detailed information on portfolio companies and the funds that have invested in them can be found at www.capman.com in the Funds section under the title Overview.



The buyout exits by CapMan's Nordic funds as at 31 December 2002

| Portfolio company | Country | Business description | Exit method | Investment year | Exit year |
|---|---------|--|---|-----------------|-----------|
| Provivo Oy | + | Biotechnology | Receivership | 1991 | 1993 |
| Broen Armatur A/S | + | Ball valves | Industrial buyer | 1991 | 1993 |
| Lappset Oy | + | Environmental products | Purchase by other owners/company | 1991 | 1994 |
| Nordinvest R.T. | + | Finance consultancy | Purchase by other owners/company | 1992 | 1995 |
| Schat Watercraft Ltd Oy | + | Sea-rescue products | Industrial buyer | 1991 | 1995 |
| Diamond Cruise Ltd | + | Cruise line | Receivership | 1990 | 1996 |
| Nordic Aluminium Oy | + | Aluminium and related down-stream products | Public listing | 1995 | 1997 |
| PKC Group Oyj (formerly PK Cables Oy) | + | Cable harnesses | Public listing | 1994 | 1997 |
| Rocla Oyj | + | Forklift trucks | Public listing | 1994 | 1997 |
| Ramirent Oyj (formerly A-Rakennusmies Oy) | + | Construction machine rental | Public listing | 1995 | 1998 |
| Hotelman Oy | + | Hotel management | Purchase by other owners/company | 1994 | 1998 |
| Oy E.Ahlström Ab | + | Kitchen utensils and tableware | Purchase by other owners/company | 1992 | 1998 |
| Serena | + | Water park | Industrial buyer | 1994 | 1998 |
| Chymos Juomat Oy* | + | Juices and beverages | Merger with Marli Oy | 1995 | 1998 |
| Kosan Teknova A/S | + | LPG valves and regulators | Industrial buyer | 1993 | 1999 |
| Mercuri International Oy | + | Marketing and sales training | Industrial buyer | 1998 | 1999 |
| Scanwoven Oy | + | Non-woven products | Industrial buyer | 1994 | 1999 |
| Elcoteq Network Oyj | + | Electronic manufacturing services | Public listing | 1996 | 2000 |
| High Speed Tech Oy | + | High speed technology | Industrial buyer | 1996 | 2000 |
| Microtronic A/S | + | Components to hearing aids | Sale to another private equity investor | 1992 | 2000 |
| Elite Shipping A/S | + | Shipping and ship owner business | Receivership | 1992 | 2000 |
| Powerpipe AB | + | Pre-insulated pipe systems | Receivership | 1997 | 2000 |
| Kerox Oy | + | Pet supplies | Industrial buyer | 1997 | 2000 |
| Marli Group Oy | + | Alcoholic beverages and juices | Industrial buyer | 1998 | 2001 |
| Hope Smoke Oy | + | Cooking and smoking products | Receivership | 1997 | 2001 |
| Toftejorg A/S | + | Spray nozzles and services for tank cleaning | Purchase by other owners/company | 1992 | 2001 |
| Oy Mytek Ltd | + | Shiitake mushrooms | Receivership | 1997 | 2002 |
| Arcorus Oyj (formerly GHS-International Oyj) | + | Hydraulic systems | Purchase by other owners/company | 1997 | 2002 |
| Euran Kuluttajatuotteet Oy | + | Paper, plastic and foil products for food supplies | Purchase by other owners/company | 1997 | 2002 |
| Teknikum-Yhtiöt Oy | + | Technical rubber and polymer products | Purchase by other owners/company | 1996 | 2002 |
| Royal Ravintolat Oy (formerly Royal-Rest Oy) | + | Private restaurant corporation | Purchase by other owners/company | 1999 | 2002 |

In addition Alliance ScanEast Fund L.P. has exited two companies. CapMan manages the fund in co-operation with Alliance Capital Management Corp.

The business descriptions date back to the exit years.

** The exit is not included in the total number of exits (30) because the exit method was a merger with another CapMan portfolio company.*



Technology

*Mr Lennart Jacobsson,
Head of Technology Business Unit*



Technology

Technology investments represent about 27% of CapMan's current portfolio. CapMan has one of the leading technology teams in the Nordic countries and a top quartile track record on a European level. As of the end of 2002, CapMan had made in total 48 technology investments and exited from 16 companies.

Technology investments

Technology investments have been a part of CapMan's business activities since 1995. In 2002 CapMan expanded its technology investment activities to Sweden, when it acquired one of Sweden's leading venture capital companies Swedestart Management AB (now CapMan AB). As a result of the acquisition, CapMan also manages the Swedestart funds that specialise in technology and life science investments.

Investment focus and criteria

The size of CapMan's investments in the technology sector varies typically between EUR 3-10 million per company. The investment focus is on the IT and telecom sectors, on companies that design and produce applications or infrastructure for industry or companies. Investments are predominantly made in Nordic strong growth companies that have proof of concept with existing customer references.

The most important criteria in CapMan's technology investments are:

- favourable market development (market growth)
- competitive, solid technology
- a complete, experienced management team
- a scalable business model with strong growth and profitability potential

CapMan technology team

The investment professionals of CapMan's technology team are always represented on the Boards of its portfolio companies, typically as Chairman of the Board. Portfolio companies are in different stages of development and have varying needs for strategic and operative support. Depending on the company, the team members actively participate in the planning and implementation of bus-

ness strategy, internationalisation, consolidation and recruitment of key personnel. The buy-and-build strategy that is typical of buyout investments, where the value is grown through acquisitions, is applied in some companies.

With Senior Advisors, the team comprises 13 investment professionals, who have long experience in the technology or finance sectors. The Senior Partners and Partners of the team have on average eight years of experience in private equity investment business.

Latest investments



Avitec AB

The funds managed/advised by CapMan invested in the Swedish company Avitec in July 2002. Fast growing Avitec is, with its significant worldwide market potential, a good example of a company that meets CapMan's technology investment criteria.

Avitec, founded in 1984, is one of the leading repeater manufacturers in the world. Repeaters are hardware equipment that are installed to complement the functionality and the coverage in mobile telecom networks, such as GSM, GSM-R, UMTS and Tetra. Avitec has 45 employees and its net sales were EUR 9.0 million in 2002 (preliminary).



Tieturi Oy

Finland's leading IT training company Tieturi has been CapMan's portfolio company since April 2002. Tieturi provides corporate IT training as scheduled courses or single-company courses, certification training, seminars and eLearning services as well as consulting services both to IT professionals and to end-users. Tieturi is a good example of a technology company to which the buy-and-build strategy can be applied. In August 2002 Tieturi acquired the IT and project management training business of Talent Partners Oy.

Tieturi has a track record of profitable growth and a strong customer base. The company's market position, 30% of the Finnish IT training market, coupled with its strong brand and experienced management provide an excellent base for further growth. Tieturi employs 140 persons and its net sales were EUR 13 million in 2001 (financial year 1.4 - 31.3 2002).

CapMan's technology investments in brief

Investment focus

Growth companies in the IT and telecom sectors in Nordic countries

Investment size

Typically MEUR 3-10, maximum MEUR 20

Investment stage

"later stage"

Number of investments as at 31 December 2002

48

Number of exits as at 31 December 2002

16

Average length of investment (exited companies)

2.9 years

Important business partners and competitors

- in Finland
- in Sweden
- in Denmark

Eqvitec Partners, 3i, Nexit

IT-Provider, 3i, Innovationskapital, Slotsbacken

Danske eVentures, Vaekstfonden



1. Lennart Jacobsson, Head of Technology Business Unit, Senior Partner 2. Sami Lampinen, Partner 3. Johanna Lindroos, Investment Manager 4. Petri Niemi, Deputy Head of Technology Business Unit, Partner 5. Tommy Valther Hansen, Investment Director 6. Janne Martola, Investment Manager 7. Jari Sirkiä, Investment Director 8. Lars Hagdahl, Senior Partner 9. Timo Tiihonen, Senior Advisor 10. Peter Buch Lund, Senior Partner 11. Petri Saavalainen, Senior Partner 12. Vesa Walldén, Investment Director

Missing from the picture: Martin Falkevall, Partner. Background information about team members can be found at www.capman.com. You can send email to the team to technology@capman.com.

The technology portfolio companies of CapMan's Nordic funds as at 31 December 2002

| Portfolio company | Country | Business description | Investment year |
|---|---------|--|-----------------|
| AtBusiness Communications Oyj | + | CRM software & solutions | 1996 |
| Tritech Teknik AB | + | Solutions provider in product development | 1996 |
| Multichannel Instruments AB | + | Development of spectroscopic instruments | 1997 |
| Affecto Oy | + | Business Intelligence solutions and consulting | 1999 |
| Medianorth Group Oy (formerly Aktivist Network Oy) | + | Local multiple media focusing on print magazine and Internet content | 1999 |
| XFG Holding Oy (formerly LPG Innovations Oy) | + | System software for operators and service providers | 1999 |
| Modultek Oy | + | Product information software | 1999 |
| Cetevo AB | + | Solutions provider for network environments | 2000 |
| Foreca Oy (formerly Oy Weather Service Finland Ltd) | + | Weather services to media and weather sensitive industries | 2000 |
| Handwise Oy | + | Design and implementation of mobile applications and technologies | 2000 |
| Netseal Oy (formerly Intrasecure Networks Oy) | + | Data security software | 2000 |
| QlikTech International AB | + | Software development | 2000 |
| Quartal Oy | + | Content management software | 2000 |
| Republica Oy | + | XML-based integration software and solutions | 2000 |
| Runaware AB | + | Evaluation Service Provider (ESP) | 2000 |
| SecGo Group Oy | + | Information security software and network solutions | 2000 |
| Solagem Oy | + | Enterprise resource planning software related integration and wireless solutions | 2000 |
| Talent Code Oy | + | Internet-based solutions for eLearning and eManagement | 2000 |
| Utfors AB | + | Telecommunication infrastructure and services | 2000 |
| EM4 Photonics Ltd | + | Optoelectronic device manufacturing services | 2001 |
| Exidio Oy | + | Treasury operation system | 2001 |
| Fastrax Oy | + | GPS technology | 2001 |
| Silex Microsystems AB | + | Components based on MEMS technology | 2001 |
| Siennax International BV | + | Application service provider (ASP) | 2001 |
| Takamaki Oy | + | Developer and licensor of coating technology | 2001 |
| Ascade AB | + | Software solutions and consulting within the carrier supply chain | 2002 |
| Avitec AB | + | Telecom equipment | 2002 |
| Digiscope AB | + | Interactive media consultancy with services and solutions for customer relations | 2002 |
| Eco-Dan A/S | + | High-tech guidance system development for agricultural usage | 2002 |
| Hantro Products Oy | + | Multimedia technology for mobile devices | 2002 |
| Tieturi Oy | + | IT training | 2002 |

More detailed information on portfolio companies and the funds that have invested in them can be found at www.capman.com in the Funds section under the title Overview.

The technology exits by CapMan's Nordic funds as at 31 December 2002

| Portfolio company | Country | Industry | Exit method | Investment year | Exit year |
|---------------------------|---------|--|----------------------------------|-----------------|-----------|
| CeCap AB* | + | Measurement sensors | Receivership | 1996 | 1997 |
| Flexim Security Oy | + | Software for access control | Merger with Aldata Solution Oyj | 1997 | 1998 |
| Aldata Solution Oyj | + | Software for retail market | Industrial buyer | 1997 | 1999 |
| Nexor System Service Oy | + | IT services | Industrial buyer | 1995 | 1999 |
| Satama Interactive Oyj*** | + | Internet consultancy | Public listing | 1998 | 2000 |
| Adrasoft AB | + | Software for the utilities sector | Purchase by other owners/company | 1997 | 2000 |
| Alitun / ADC AB | + | Tuneable lasers | Industrial buyer | 1997 | 2000 |
| AltOptronik AB | + | Laser measurement systems | Receivership | 1998 | 2000 |
| Autograf AB* | + | Imaging products | Purchase by other owners/company | 1999 | 2000 |
| lobox Oy** | + | Internet services | Industrial buyer | 1999 | 2000 |
| Netwise AB*** | + | Computer telephony systems | Public listing | 1998 | 2000 |
| UniAccess AB* | + | Communication products | Industrial buyer | 1996 | 2000 |
| MatchOn Sports Oy | + | Real-time sports entertainment content and gaming technology | Industrial buyer | 1999 | 2001 |
| DB2B Oy (Nettikeittiö) | + | Internet portal and e-commerce | Purchase by other owners/company | 2000 | 2001 |
| Equa AB | + | Simulation software | Receivership | 1998 | 2001 |
| LGP Telecom AB | + | Mobile telecommunication products | Public listing | 1996 | 2001 |
| Readsoft AB* | + | Automatic document capture | Public listing | 1996 | 2001 |

* Swedestart Management AB's fund Swedestart AB, which did not transfer to the management of CapMan in connection with the Swedestart-acquisition, has invested in the company.

** In addition Alta-Berkeley Nordic Partners Ky, a subfund of Finnventure Fund III, has exited nine companies, of which lobox Oy is one. CapMan manages the fund in co-operation with Alta-Berkeley Associates.

*** The funds still own shares of the company or shares received in the place of them.

A man in a dark suit, light blue shirt, and dark tie stands in a modern office. He is positioned in the center of the frame, with his hands in his pockets. The office features a large abstract line drawing on the wall to the left, a red horizontal band below it, and a large window to the right. A black lounge chair with a tufted seat and a glass coffee table are visible in the foreground. A copper-colored lamp fixture is mounted on the ceiling.

Life science

*Mr Jan Lundahl,
Head of Life science Business Unit*



Life science

Life science investments are a growing part of CapMan's investment activities. By the end of 2002, CapMan's life science team had made nine investments and exited from one company.

A growing business area

Life science investments joined CapMan's portfolio when the company acquired Swedestart Management AB (now CapMan AB) in 2002. Swedestart has been an active player in the life science sector since 1997. As a result of the acquisition, CapMan also manages/advises the Swedestart technology and life science funds.

Life science is one of the fastest growing sectors in European private equity investment due to changing demography patterns and increasing demand for innovative cost-efficient care methods. The public and private health care systems in the Nordic countries produce world-class research and development, and Sweden in particular is a pioneer in the development of life science products and services.

Investment focus and criteria

The size of CapMan's investments in the life science sector varies typically between EUR 1-5 million per company. The focus is on companies that specialise in medical technology rather than pharma or biotech.

Portfolio companies have developed unique technologies that enhance quality of life and improve treatment outcomes. The companies' products and services provide significant benefits to the health care system, with indications that address increased needs for frequently performed procedures. Investments are preferably made in companies close to the break-even point or with revenues.

The most important criteria in CapMan's life science investments are:

- an experienced management group with ability to manage profitable growth
- state-of-the-art expertise and a competitive technological edge with strong IP position
- a real market demand
- global market potential

CapMan is usually a substantial minority owner in its life science portfolio companies. Many investments are made in syndicate with other private equity investors.

CapMan life science team

The members of CapMan's life science team have solid experience both in private equity investment and in the medical sector. Their expertise facilitates strong support to portfolio companies in business related issues and financial matters. The team members strive for company development and value creation, for example by active participation on company Boards of Directors.

The team comprises three investment professionals and one Senior Advisor. Most of the team members have held various management positions in companies that specialise in medical technology. They have extensive experience in life sciences as well as in private equity. Two members of the team hold a medical degree and have worked as doctors. In addition, an advisory board of highly experienced industrial professionals supports the team.

CapMan's objective is to expand the life science team to Finland during 2003 and to Denmark in coming years. The present investment focus is in the Nordic region but historically, most of the investments have been made in Sweden.

Latest investments



Inion Oy

The Swedestart Life Science fund invested in Finnish med-tech company Inion in July 2002. Inion is manufacturing and marketing biomaterial-based surgical implants for treatment of fractures. Inion's products, based on medical technology, have a significant market potential worldwide.

Inion launched its first product line, skull and face fractures (CMF), on the market in 2002. During the next few years a new product line to cover the whole body will be launched. Inion was established in 1999 and has 60 employees in Finland, UK and US as well as sales teams and distributors in more than 15 countries.



Otre AB

The Swedestart Life Science fund invested in Swedish Otre in July 2002. The company meets CapMan's investment criteria well because of its development stage, technology and business model.

Otre has developed a new technology for sterilisation. This technology fills a gap, compared to available sterilisation methods, with the expressed need for low temperature sterilisation without toxic agents. The company's business model is strategic partnerships, where the technology is licensed out after proof of concept is shown in each application, with milestone and royalty payments. The first commercial agreement has been signed with Swedish Getinge AB. Otre was founded in 1995 and has 5 employees.

Life science investments in brief









| | |
|---|--|
| Investment focus | Medical technology companies in Nordic countries |
| Investment size | Typically MEUR 1-5, maximum MEUR 10 |
| Investment stage | "later early stage" |
| Number of investments as at 31 December 2002 | 9 |
| Number of exits as at 31 December 2002 | 1 |
| Average length of investment | 3-5 years |
| Important business partners and competitors | |
| <ul style="list-style-type: none"> • in Finland • in Sweden • in Denmark | Biofund, Sitra HealthCap, Innovationskapital, Investor, SLS Venture Novo, BankInvest |



1. Jan Lundahl, Head of Life Science Business Unit, Senior Partner 2. Semmy Rulf, Senior Advisor 3. Björn Nordenvall, Investment Director 4. Johan Bennarsten, Investment Analyst

Background information about team members can be found at www.capman.com. You can send email to the team to lifescience@capman.com.

The life science portfolio companies of CapMan's Nordic funds as at 31 December 2002

| Portfolio company | Country | Business description | Investment year |
|----------------------------|---|---|-----------------|
| ProstaLund AB |  | Manufacturing of equipment for microwave treatment of benign prostatic hyperplasia | 1998 |
| Hemapure AB |  | Solutions and development within hemodialysis and related areas | 1999 |
| NeoPharma Production AB |  | Patent-protected pharmaceutical preparations and drug delivery systems for the treatment of Parkinson's disease | 1999 |
| Entific Medical Systems AB |  | Development and marketing of hearing aids | 1999 |
| Vicore Pharma AB |  | Development of drugs for treatment of gastrointestinal and cardiovascular diseases | 2001 |
| Eutech Medical AB |  | Treatment procedures for incontinence | 2002 |
| Inion Oy |  | Biomaterials and their surgical applications | 2002 |
| Otre AB |  | Technology development for surgical instrument serialisation | 2002 |

More detailed information on portfolio companies and the funds that have invested in them can be found at www.capman.com in the Funds section under the title Overview.

The life science exits by CapMan's Nordic funds as at 31 December 2002

By the end of 2002 the funds managed/advised by CapMan have exited from one life science company, the Swedish Biora AB* in 1997. The exit method was public listing. The investment in Biora was made in 1995. Biora manufactures biology-based dental products.

* Swedestart Management AB's fund Swedestart AB, which did not transfer to the management of CapMan in Swedestart acquisition, has invested in the company.



Access Capital Partners

CapMan Plc's affiliated company Access Capital Partners is one of the leading funds of funds managers/advisors in Europe. The company manages/advises two funds of funds, Access Capital Fund and Access Capital Fund II, with a total of EUR 527.3 million in capital. The Access funds invest mainly in European mid-sized private equity funds.

CapMan owns 47.5 per cent of the funds' management/advisory company Access Capital Partners. The remainder of the shares is owned by the three partners. Access Capital Fund (ACF) has EUR 250.3 million in capital. Access Capital Fund II (ACF II) was closed at the end of July

2002 with a final size of EUR 277.0 million. By the end of 2002, ACF had made 22 commitments and ACF II seven commitments. ACF II will constitute a portfolio of 20 to 30 private equity funds in Western Europe, including growth, buyout and technology funds.

Access Capital Partners offers its investors the opportunity to diversify their investments throughout Europe. The investors are mainly pension funds, insurance companies and other institutional investors, but include also some family businesses and wealthy private individuals.



Access Capital Partners has 13 employees in Paris and Guernsey. The partners are Managing Director Mr Dominique Peninon, Mr Philippe Poggioli and Ms Agnès Nahum. They all have extensive experience in international private equity investment.

Investment focus and criteria

Access Capital Partners will constitute a carefully selected portfolio of high-performance European private equity funds. The portfolio will be balanced between growth and buyout funds and both early and later stage funds within technology and life science.

ACF and ACF II invest in regional or country-specific private equity funds usually in the range of EUR 100 to 500 million in size. The underlying funds target companies at diverse stages in the value creation stream.

At 31 December 2002, the underlying funds had invested in 326 companies in total. The funds managed/advised by Access Capital Partners do not invest in Finnish private equity funds or in the funds managed/advised by CapMan.

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 sectors or stages of development of portfolio companies.





CapMan funds

At the end of 2002, CapMan managed/advised 13 equity funds and three mezzanine funds. In addition, CapMan's affiliated company Access Capital Partners managed/advised two funds of funds.

Capital in the funds

At the end of 2002, the total capital managed/advised by CapMan was EUR 1,652.3 million (EUR 1,177.2 million). The growth in capital resulted from the capital in the funds of Swedestart Management AB and Nordic Private Equity Group, which were acquired by CapMan in 2002 and 2001 respectively, as well as the raising of new funds.

The CapMan private equity funds that invest directly in portfolio companies had EUR 1,125.0 million in total capital. Of this, EUR 826.4 million was in Nordic equity funds, EUR 271.6 million was in mezzanine funds and EUR 27.0 million was in Alliance ScanEast Fund that has Eastern European investment focus.

The Access Capital Partners funds of funds had EUR 527.3 million in total capital.

New funds

CapMan's newest equity fund CapMan Equity VII was closed at the end of 2002 with a final size of EUR 253.3 million. CapMan Equity VII is the largest of the CapMan equity funds that invest directly in portfolio companies.

Access Capital Partners' second fund Access Capital Fund II was closed at the end of July 2002. The final size of the fund was EUR 277.0 million.

Private equity funds

Private equity investors make investments from capital raised in private equity funds. The funds' legal structure is a Limited Partnership, in which the investors are

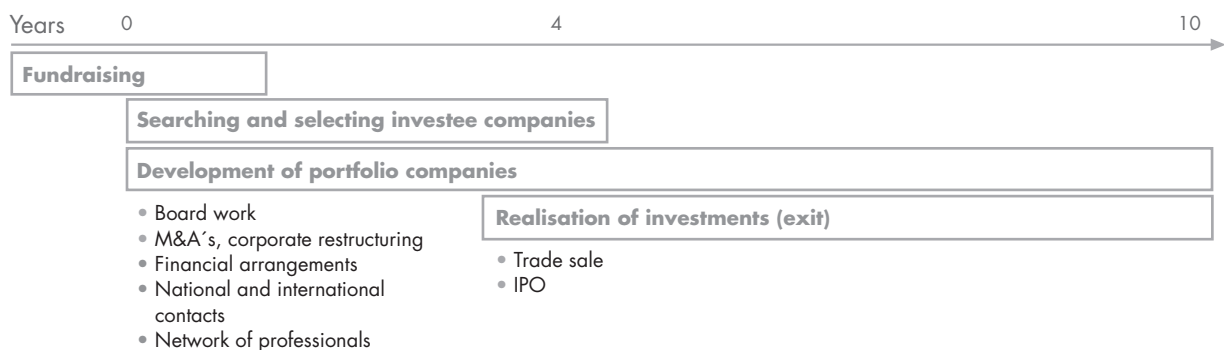
Limited Partners and the management company is usually the General Partner.

A private equity fund has a limited and pre-determined life, usually ten years. Fund capital is invested in selected unquoted portfolio companies mainly during the fund's first three to four years.

The private equity investor has an active role in the development and expansion of the portfolio company. The aim is to create prerequisites for significant appreciation in the value of the company. Investments are generally made for three to six years after which the private equity investor exits from the portfolio company, for example through a listing on the stock exchange or through a trade sale. Following an exit, the invested capital and yield are returned to the private equity fund to be distributed to the fund's investors according to the agreed profit distribution policy. The Limited Partnership structure enables investors to receive interest, dividends and capital gains throughout the financial year as the fund exits from its portfolio companies. The funds' management company or General Partner receives an annual management fee based on total capital in the fund. In addition, the management company receives carried interest. Private equity fund management companies begin to receive carried interest after the investors (Limited Partners) have regained their investment in addition to a preferred annual return, usually 6% to 8%. After this point, carried interest is typically 20% to 25% of the fund's cash flow through exits from its portfolio companies. Carried interest from funds of funds is substantially smaller.

The continuity of business is assured by establishing new funds and raising capital for them as the previous funds become fully invested.

Life cycle of private equity funds



CapMan Group Funds as at 31 December 2002

| Fund | Year of establishment | Committed capital *) | Paid-in capital **) | Remaining commitment ***) | Fund's current portfolio at cost |
|---|-----------------------|-------------------------|------------------------|------------------------------|----------------------------------|
| | | MEUR | MEUR | MEUR | MEUR |
| Private equity funds: | | | | | |
| Nordic equity funds | | | | | |
| Finnventure Fund I | 1990 | 11.1 | 11.1 | 0.0 | 3.2 |
| Nordic Private Equity Partners I | 1991 | 13.5 | 13.5 | 0.0 | 1.5 |
| Finnventure Fund II | 1994 | 11.9 | 11.9 | 0.0 | 3.2 |
| Nordic Private Equity Partners II | 1995 | 20.7 | 20.7 | 0.0 | 14.3 |
| Finnventure Fund III ¹⁾ | 1996 | 29.7 | 29.7 | 0.0 | 13.8 |
| Fenno Program/Fenno Fund ²⁾ | 1997 | 42.5 | 42.5 | 0.0 | 37.1 |
| Fenno Program/Other ²⁾ | 1997 | 7.7 | 6.0 | 1.7 | 6.0 |
| Fenno Program/Skandia ^{1), 2)} | 1997 | 16.9 | 15.9 | 1.0 | 14.2 |
| Swedestart II | 1997 | 25.9 | 25.1 | 0.8 | 16.3 |
| Finnventure Fund IV | 1998 | 59.5 | 58.1 | 1.4 | 48.0 |
| Finnventure Fund V | 1999 | 169.9 | 138.4 | 31.5 | 126.4 |
| Finnventure Fund V ET | 1999 | 34.0 | 27.4 | 6.6 | 24.0 |
| Swedestart Life Science | 2000 | 50.2 | 10.9 | 39.3 | 6.6 |
| Swedestart Tech | 2000 | 79.6 | 17.6 | 62.0 | 10.5 |
| CapMan Equity VII A | 2002 | 106.7 | 13.9 | 92.8 | 8.1 |
| CapMan Equity VII B | 2002 | 56.5 | 9.0 | 47.5 | 5.9 |
| CapMan Equity VII C | 2002 | 23.1 | 1.2 | 21.9 | 0.5 |
| CapMan Equity Sweden | 2002 | 67.0 | 9.1 | 57.9 | 5.1 |
| Nordic mezzanine funds | | | | | |
| Finnmezzanine Fund I | 1995 | 31.4 | 31.4 | 0.0 | 6.1 |
| Finnmezzanine Fund II ¹⁾ | 1998 | 88.3 | 85.2 | 3.1 | 74.1 |
| Finnmezzanine Fund III ¹⁾ | 2000 | 151.9 | 49.2 | 102.7 | 48.4 |
| Other | | | | | |
| Alliance ScanEast Fund ^{3), 4)} | 1994 | 27.0 | 27.0 | 0.0 | 13.5 |
| Total private equity funds | | 1 125.0 | 654.8 | 470.2 | 486.8 |
| Funds of funds | | | | | |
| (managed/advised by CapMan's affiliate company Access Capital Partners) | | | | | |
| Access Capital Fund ^{1), 4)} | 1999 | 250.3 | 137.7 | 112.6 | 126.3 |
| Access Capital Fund II A ^{1), 4)} | 2001 | 153.5 | 11.5 | 142.0 | 6.6 |
| Access Capital Fund II B ^{1), 4)} | 2001 | 123.5 | 9.3 | 114.2 | 4.0 |
| Funds of funds total | | 527.3 | 158.5 | 368.8 | 136.9 |
| Total | | 1 652.3 | 813.3 | 839.0 | 623.7 |

1) The fund is comprised of two or more legal entities (parallel funds are presented separately only if they have different investment focuses).

2) Fenno Program is managed jointly with Fenno Management Oy.

3) Currency items are valued at the average EUR rate at 31 December 2002.

4) The portfolio valuation is made by the Fund's General Partner/management company with adjusted EVCA guidelines.

CapMan updates the information above in conjunction with the release of interim reports.



| Allocation of profits ****) | | | Fund's current portfolio / EVCA valuation *****) | Liquid assets |
|--|--------------------------------------|---|--|---------------|
| Fund is generating carried interest since year | Distributed cash flow • to investors | • to management company *****) (carried interest) | | |
| | MEUR | MEUR | MEUR | MEUR |
| 1997 | 29.3 | 5.6 | 7.1 | 0.1 |
| 2002 | 26.6 | 0.8 | 0.5 | 0.3 |
| 1997 | 37.4 | 13.8 | 3.7 | |
| | 4.3 | | 16.7 | 1.0 |
| 2000 | 100.4 | 22.2 | 8.7 | 0.1 |
| | 21.9 | | 46.0 | 0.7 |
| | | | 13.2 | 0.3 |
| | 8.7 | | 17.6 | 0.1 |
| | 127.4 | | 14.0 | 4.4 |
| | 12.9 | | 50.0 | 2.0 |
| | 1.9 | | 136.2 | 1.1 |
| | | | 14.9 | 1.4 |
| | | | 6.6 | 0.6 |
| | | | 7.8 | 1.6 |
| | | | 8.1 | 4.0 |
| | | | 5.9 | 2.3 |
| | | | 0.5 | 0.2 |
| | | | 5.1 | 2.7 |
| 2001 | 44.6 | 1.2 | 6.6 | 1.4 |
| | 25.2 | | 67.3 | 0.7 |
| | 4.1 | | 51.7 | 0.2 |
| | 9.8 | | 10.5 ⁴⁾ | 1.5 |
| | 454.5 | 43.6 | 498.7 | 26.7 |
| | 5.8 | | 85.5 ⁴⁾ | 2.3 |
| | | | 5.9 ⁴⁾ | 2.3 |
| | | | 3.2 ⁴⁾ | 2.8 |
| | 5.8 | | 94.6 | 7.4 |
| | 460.3 | 43.6 | 593.3 | 34.1 |

*) Total capital committed by investors. In CapMan's statistics the terms 'capital under management' and 'size of a fund' refer to the gross capital commitment in the fund. Funds managed by affiliated company Baltcap Management Oy are excluded (CapMan's share of Baltcap Management Oy is 20%; the total size of the fund is approx. EUR 58.3 million).

**) Total capital paid into the fund by investors.

***) Investors' remaining investment commitment to the fund.

****) When the return of a fund has exceeded a required cumulative return target, the management company is entitled to a share of the cash flow from the funds (carried interest). Cash flow includes both the distribution of profits (incl. tax credits) and distribution of capital.

Carried interest % of the remaining cash flows are (for the funds which are currently generating carried interest): Finnventure Fund I: 25%, Finnventure Fund II: 35%, Finnventure Fund III: 25%, Finnmezzanine Fund I: 20%, Nordic Private Equity Partners I: approx. 61% (exceptional carried interest agreement).

*****) CapMan Group's share of the carried interest is less than 100% for the following funds: Finnmezzanine Fund I: 70%, Fenno Fund and Fenno Program (Skandia, others): 50-60%, Swedestart II: 4-20%, Swedestart Life Science: 10%, Swedestart Tech: 12%, Alliance ScanEast Fund: 42%, Access Capital Fund: 47.5%, Access Capital Fund II A, B: 45%.

*****) EVCA valuation is carried out in accordance with the guidelines of the European Private Equity & Venture Capital Association (guidelines for the year 2001, EVCA/fair market value).

Well-diversified portfolio

The investment focus of the funds that invest directly in Nordic portfolio companies is diversified between companies in various traditional industry segments and the technology and life science sectors. CapMan's investment focus and criteria are described in more detail in the buy-out, technology and life science sections on pages 13, 19 and 23. At the end of the fiscal year, 71.2% of the capital invested by the funds in existing portfolio companies was invested in traditional companies, 27.4% in technology companies and 1.4% in life science companies.

In exception to the other funds managed/advised by CapMan, the investment focus of Alliance ScanEast Fund is on Eastern Europe. The fund will not make any new investments.

The funds of funds managed/advised by Access Capital Partners invest in European buyout, technology and life science funds and their operations are described on page 25.

Investments and exits by the funds

By the end of 2002 the funds managed/advised by CapMan that invest directly in portfolio companies had invested in 128 companies and exited from 49 companies in total. The value of CapMan's equity investments had increased by an average of 6.3 times from the initial investment. The past and present portfolio companies of CapMan's Nordic funds are presented in the buyout, technology and life science sections.

Five funds generating carried interest

The funds managed/advised by CapMan are at different stages of the life cycle, which evens out the payment of carried interest from the funds to the management company over several years. Of the funds managed/advised by CapMan, the Finnventure I, II and III, Finnmezzanine I and Nordic Private Equity Partners I Funds were generating carried interest at the end of the fiscal year. The capital in these five funds was EUR 97.6 million, which represents approximately 8.7% of the total capital in the CapMan funds that invest in the Nordic countries and 5.9% of the total capital managed/advised by the Group.

Increase in the value of investments, acquisition price indexed (date of investment = 100)

Nordic equity funds managed/advised by CapMan at 31 December 2002



* The value of investments has on average increased by 6.3 times. IRR 53%. Average holding period 3.7 years.

** The value of investments has on average increased by 3.0 times. IRR 32%. Average holding period 4.2 years.

*** The value of investments has on average increased by 10.4 times. IRR 144%. Average holding period 2.9 years.

Realisation value includes profit from the sale in connection with the exit and dividend and interest income received during the investment period. Exits made by Swedestart AB are included, and mezzanine exits and Alliance ScanEast Fund's exits are excluded, in which case the number of exits made by Nordic equity funds managed/advised by CapMan totals 46. Exits made by Alta Berkeley Nordic Partners Ky recorded as one single exit.



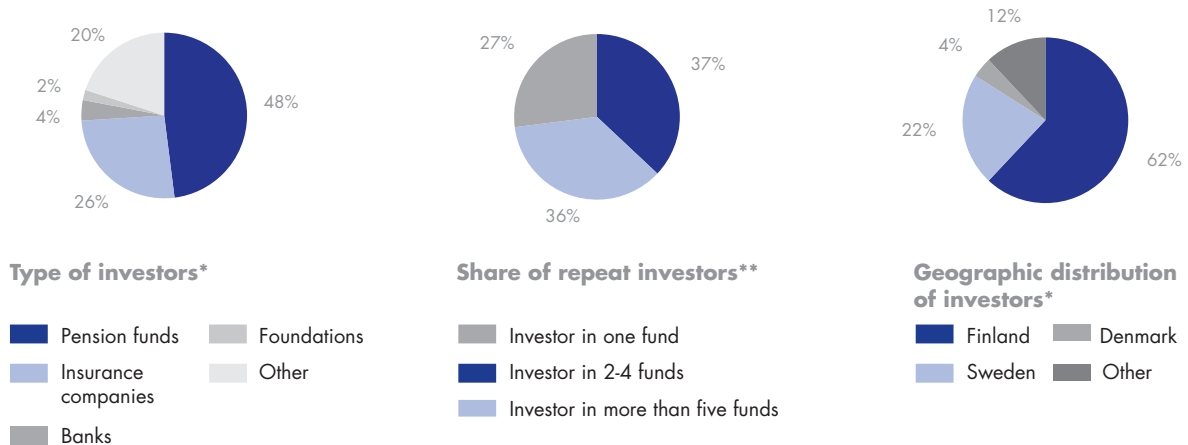
Investors in the funds

Major investors in the funds managed/advised by CapMan include pension funds, life assurance and non-life insurance companies, as well as banks and foundations.

The majority of these investors have invested in several CapMan funds and many have invested in both equity and mezzanine funds.

The Group's fundraising for all business areas is centralised in the Group Development Unit. For further information please contact Mr Jerome Bouix, Director of Investor Relations and Communications, tel. +358 9 6155 8358 or jerome.bouix@capman.com.

Investors in CapMan Group's Nordic funds



* Based on the amount of funds committed. Total funds under management in CapMan's Nordic funds amounts to EUR 1.1 billion.

** Based on the number of investors. Total number of investors in CapMan's Nordic funds is 75.

Net return to investors from Nordic private equity funds managed/advised by CapMan as at 31 December 2002

Funds established 1990-1999

| Fund | Year of establishment | Size of fund | Paid-in capital | Distributions, investors' share * | Portfolio, investors' share ** | Distribution + portfolio, investors' share | |
|---|-----------------------|--------------|-----------------|-----------------------------------|--------------------------------|--|-------|
| | | a | b | c | d | e = c + d | |
| | | MEUR | MEUR | MEUR | MEUR | MEUR | |
| Nordic private equity funds over 5 years: | | | | | | | |
| Finnventure Fund I | 1990 | 11.1 | 11.1 | 29.3 | 5.4 | 34.7 | |
| Nordic Private Equity Partners I | 1991 | 13.5 | 13.5 | 26.6 | 0.5 | 27.1 | |
| Finnventure Fund II | 1994 | 11.9 | 11.9 | 37.4 | 2.4 | 39.8 | |
| Nordic Private Equity Partners II | 1995 | 20.7 | 20.7 | 4.3 | 16.4 | 20.7 | |
| Finnventure Fund III | 1996 | 29.7 | 29.7 | 100.4 | 6.5 | 106.9 | |
| Fenno Program / Fenno Fund | 1997 | 42.5 | 42.5 | 21.9 | 40.8 | 62.7 | |
| Fenno Program / Skandia I | 1997 | 8.4 | 8.4 | 8.7 | 4.6 | 13.3 | |
| Swedestart II | 1997 | 25.9 | 25.1 | 127.4 | 11.5 | 138.9 | |
| Nordic private equity funds under 5 years: | | | | | | | |
| Fund's investment allocation: | | | | | | | |
| Buyout/Technology | | | | | | | |
| Finnventure Fund IV | 80/20% | 1998 | 59.5 | 58.1 | 12.9 | 52.0 | 64.9 |
| Finnventure Fund V | 80/20% | 1999 | 169.9 | 138.4 | 1.9 | 137.3 | 139.2 |
| Finnventure Fund V ET | 0/100% | 1999 | 34.0 | 27.4 | | 16.3 | 16.3 |

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

** The investors' share of the Funds' portfolios include any liquid assets. The portfolios have been valued in accordance with the guidelines of the EVCA (guidelines for the year 2001).

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

The above "investors' share" means the portion paid or belonging to the investors less the management company's carried interest and management fee.

Nordic equity funds over five years old

The funds established by CapMan between 1990-1997 have mainly yielded good returns to investors when compared to European funds. These funds have typically invested in both buyout and technology portfolio companies. Only the Swedestart II Fund focuses purely on technology investments.

CapMan has succeeded well in supporting the portfolio companies as well as in utilising the prevailing market situations in the equity funds established more than five years ago. As a pioneer in the private equity investment field CapMan made many investments in the mid 1990s, in which the associated growth potential was realised by the end of the decade. New types of exit opportunities such as listings on the stock exchange emerged at the same time. For the period 1997-2001, CapMan's successful realisations via public listings included exits from current PKC Group, Rocla, Nordic Aluminium, Rami-

rent, Aldata, Satama Interactive, LGP Telecom and ReadSoft.

The portfolios of older CapMan funds that already generate good returns still include investments to be realised in more favourable market conditions.

Nordic equity funds under five years old

The investment focus of the CapMan funds established in 1998-1999 is distributed into buyout and technology investments. In spite of the upward trend, buyout investments have been made at moderate prices and value has mostly developed as expected. The technology boom in the late 1990s and early 2000 raised the acquisition prices of technology investments, and some of the investments have been made at quite high valuation levels. Correspondingly, the current downturn in the technology sector can be seen in the market-based valuations, and this has an effect on the rate of return of the funds. This is the



| Net return to investors | Distributions/ paid-in capital | Portfolio/ paid-in capital | Distributions + portfolio / paid-in capital |
|-------------------------|--------------------------------|----------------------------|---|
| *** IRR % p.a. | DPI f = c / b multiple | RVPI g = d / b multiple | TVPI h = f + g multiple |
| 16.0% | 2.6 | 0.5 | 3.1 |
| 10.2% | 2.0 | 0.0 | 2.0 |
| 56.0% | 3.1 | 0.2 | 3.3 |
| 0.3% | 0.2 | 0.8 | 1.0 |
| 63.7% | 3.4 | 0.2 | 3.6 |
| 14.1% | 0.5 | 1.0 | 1.5 |
| 26.6% | 1.0 | 0.5 | 1.5 |
| 177.0% | 5.1 | 0.5 | 5.6 |
| 3.7% | 0.2 | 0.9 | 1.1 |
| 0.3% | 0.0 | 1.0 | 1.0 |
| - | 0.0 | 0.6 | 0.6 |

situation especially for Finnventure Fund V ET, which focuses entirely on technology investments.

On average, about 20% of investments in the CapMan funds established in 1998-1999 (Finnventure Fund IV and Finnventure Fund V) are technology investments and 80% are made in buyouts. The overall portfolios of the funds are in good condition and include substantial return potential. However the holding period of the investments in these funds will be longer than before, as the markets are not yet favourable for largescale exit activities.

The comparison does not include the CapMan funds established between 2000-2002. These funds are in the early stage of their operations and therefore the returns are not comparable with those of older funds.

Extract from EVCA press release in Geneva, 12 March 2003:

Preliminary long-term returns for European private equity remain solid at 11.5%, but market correction pulls down short-term performance

Preliminary European private equity and venture capital returns for the year ending 2002 remain solid with an annualised pooled internal rate of return¹ (IRR) of 11.5% for all private equity. This long term IRR is measured for the 23 years since fund inception of 31 December 1979. This compares with short-term returns, (measured using one and three-year horizon IRRs) of -8.2% and +4.1% respectively. The findings illustrate that the industry has not escaped the effects of the difficult global economic conditions, which have led to reduced valuations of portfolio companies still held by private equity investors. Nevertheless, the performance of the asset class has remained solid, when compared to public market equity indices, where levels decreased by over 30% during 2002². These are the preliminary findings of the 2003 Pan-European Investment Benchmarks Study carried out by Thomson Venture Economics, with the full cooperation of the European Private Equity and Venture Capital Association (EVCA).

...
In addition to IRRs, other metrics can be used to measure performance of this asset class. Of most importance to investors are the 'realization' ratios, which measure how much of a given return is actually realised as actual proceeds and how much is unrealised portfolio value. These two measures (distribution to paid-in capital or DPI and residual value to paid-in capital or RVPI respectively) can be added together to calculate the total value to paid in capital (TVPI) which provides the investor with an indication of the 'multiple' value created by their investment. The preliminary 2002 figures show that the private equity and venture capital asset class has multiplied the value of capital invested by 1.39.

¹ The IRR obtained by taking cash flows from inception together with the Residual Value for each fund and aggregating them into a pool as if they were a single fund. This is superior to either the average, which can be skewed by large returns on relatively small investments, or the capital weighted IRR which weights each IRR by capital committed. This latter measure would be accurate only if all investments were made at once at the beginning of the funds life.

² Change in value of index between 31 Dec 2001 and 31 Dec 2002. NASDAQ US: -32.5%, Nouveau Marché: -53.3%, AIM: -32.8%, FTSE Eurotop 300: -31%, Eurostoxx 50: -36.45%





Personnel

For CapMan, the year 2002 was marked by many changes, which were directly reflected in the duties of the company's personnel. The Group underwent considerable internationalisation following the acquisition of Swedestart Management AB in spring and the Group structure was reorganised in September.

At the end of 2002 CapMan had 66 (52) employees and 7 (4) Senior Advisors acting as consultants for CapMan. The growth in personnel was mainly the result of the Swedestart acquisition. The number of employees increased further in autumn, due to recruitments in all teams.

New organisational structure

In September CapMan implemented a new organisational structure, which consolidated separate country organisations into Nordic business and support units. At the same time, CapMan's internal business practices and division of responsibilities were reviewed. In the present organisation investment activities are carried out by Nordic business units. Support units are mainly located in Finland.

High competence and satisfaction

Competent and motivated personnel are the cornerstone of CapMan's success. The key components of CapMan's personnel strategy are the wellbeing of the staff and the enhancement of their competence, as well as recruitments that support achieving the company's vision.

Company expenditure on the training of personnel totalled EUR 155,000 (an average of EUR 2,000 per employee) in 2002.

In autumn, CapMan implemented the first survey of its internal working climate to measure employee satisfaction and to find the central components for development of personnel policy. The response rate to the questionnaire was 100% and the average results were good compared to common standards. The results and recommendations for further measures to improve the working community have been handled at both the Group and team levels. In the future working climate surveys will be conducted twice a year. Measures for improvement will be reported among other things at the Group's biannual training days that are attended by the entire personnel.

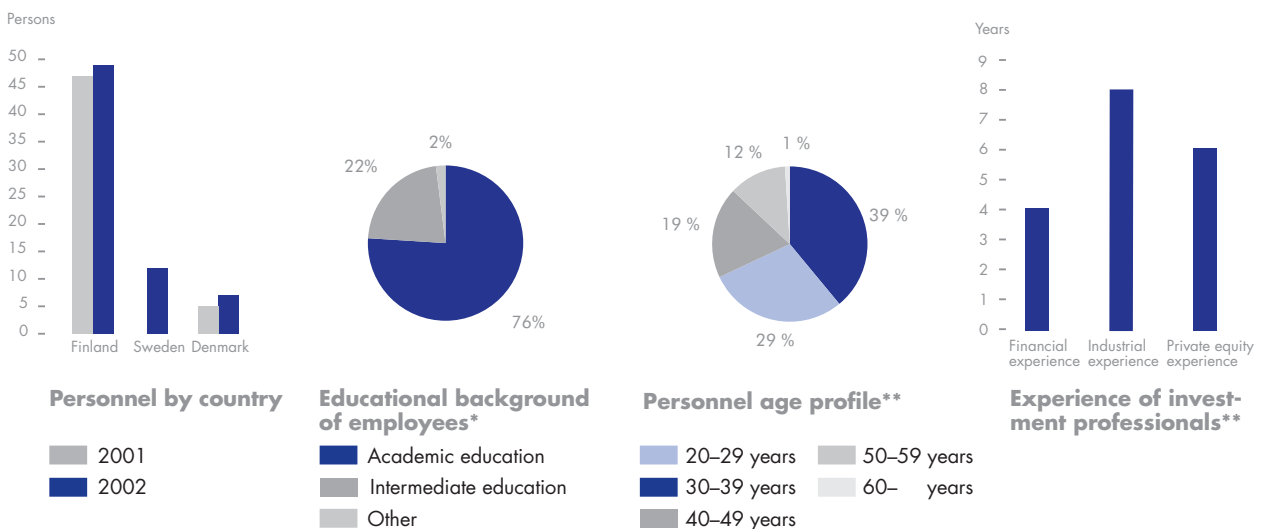
A Human Resources Manager was nominated at the beginning of 2003. The HR Manager is responsible for CapMan's human resources affairs together with the CEO the Heads of business and support units.

Personnel incentive scheme

CapMan has an incentive and bonus scheme to motivate and reward employee commitment. Detailed information about the warrant scheme and employee shareholdings can be found in the Shares and Shareholders section on pages 56-57.

The bonus scheme covers CapMan's entire personnel. The bonus is paid annually and is based on both the achievement of personal objectives and the Group's result.

In addition, CapMan's investment professionals have the opportunity to participate in portfolio company investments alongside the funds, via an equity fund established for this purpose.



*) There are eight CapMan employees who have academic qualifications in two fields. Qualifications are listed under the level or field of education that they represent. The figures also include CapMan's Senior Advisors.

**) The figures include CapMan's Senior Advisors. Total number of investment professionals is 43.

Corporate governance

CapMan Plc follows the principles concerning the governance of public companies recommended by the Helsinki Exchanges and issued by the Finnish Central Chamber of Commerce and the Confederation of Finnish Industry and Employers.

Group structure

CapMan Plc's most significant subsidiaries are CapMan Capital Management Ltd, CapMan AB, CapMan Invest A/S and CapMan (Guernsey) Ltd. These wholly-owned subsidiaries, as well as CapMan Plc's affiliated company Access Capital Partners of which CapMan owns 47.5%, are fund management/advisory companies. All of CapMan Plc's subsidiaries and affiliated companies are listed in the notes to the balance sheet on page 49.

Operational organisation

CapMan Group's operations are divided into three Nordic business units (Buyout, Technology, Life Science) and two Nordic support units (Finances and Administration, Development). The business units are responsible for identifying new portfolio companies, making investments, supporting value creation of portfolio companies and carrying out exit projects. The support units are responsible for finances and administration, human resources, fund-raising, investor relations (fund investors and shareholders of CapMan Plc), communications, fund compliance, corporate governance and business development.

Board of Directors

The members of the Board of Directors of CapMan Plc are elected by the AGM (Annual General Meeting) for a one year term, which commences at the closing of the AGM and ends when the following AGM concludes. According to the Articles of Association the Board elects the Chairman and the Vice Chairman among themselves.

The Board of Directors comprises between three and nine Members. The Members of the Board do not have deputy members. In 2002 the Board of Directors met 11 times.

The duties and responsibilities of the Board of Directors are determined for the main part by the Finnish Companies Act. The Board is responsible for the administration and proper organisation of the company's operations and decides upon exceptional or far-reaching matters, taking into account the extent and quality of the company's operations. Examples of such matters include the adoption of Group business strategy and approval of large investments. The Board has general authority to render decisions on all of those company matters which, on the basis of the law or the Articles of Association, are not

stipulated to be decided or carried out by another executive body. The Chairman of the Board is responsible for overseeing that the Board fulfills the tasks specified by the law and the Articles of Association.

CEO

The CEO of CapMan Plc and his deputy are elected by the Board of Directors. The CEO leads and oversees the company's operations in accordance with the instructions and orders set forth by the Companies Act and the Board of Directors. As a rule, the CEO is independently responsible for deciding and implementing matters concerning the company's operative activities and ordinary business. The CEO of CapMan Plc in 2002 was Ari Tolppanen.

Remuneration of the Board and CEO

The central conditions of the CEO's employment are specified in writing in the service contract, which is approved by the Board of Directors. The AGM confirms the Board's remuneration. Members of the Board who are employees of CapMan Group are not paid any separate compensation for Board work.

The Board Members' remuneration and CEO's salary and remuneration are included in the notes to the income statement on page 46. Their shareholdings are presented on page 56.

Insider issues

CapMan Plc follows the code of practice for insider information set forth by the Helsinki Exchanges on 1 March 2000. In addition the company has complemented the guidelines with its own rules on insider issues, which are in part stricter than the general guidelines.

Decision-making processes

The highest powers of decision in CapMan Plc are (in order) the AGM, the Board of Directors, the CEO and the Heads of Units. In addition, the company has an Investment Committee whose members are Senior Partners and a Nordic Steering Group comprised of the CEO and the Heads of Units.

Based on the presentations by investment professionals, the Investment Committee makes proposals for new investments and exits from portfolio companies to the funds' Advisory Boards. Advisory Boards consist of the funds' representative investors, and typically they have certain veto rights in investment decisions. The final investment and exit decisions are, in principle, made by the General Partner of the respective fund.



The Nordic Steering Group is responsible for the preparation and co-ordination of matters other than investment activities for the Business and Support Units. Regarding these matters, decisions are made by the Head of the Unit, the CEO or the Board of Directors on a case-by-case basis.

System of control

Clear financial and other functional objectives are set for all of the Group's Business and Support Units. Internal instructions are in use for the achievement of set objectives and the minimisation of risks associated with the Group's operations.

CapMan Plc's auditors PricewaterhouseCoopers Oy and auditor in charge Mr Jan Holmberg, Authorised Public Accountant, are responsible for instructing and co-ordinating the auditing work of the entire Group.

Sources of income and risk management

CapMan Plc's result is influenced by management fees and carried interest from funds and by the share of the result of affiliated companies. In the future the returns on fund investments made from own balance sheet will increase, as the company's objective is to increase the size of these investments to between 5% and 10% of the capital of its future funds. The Group's business risks are primarily related to the growth of managed/advised capital and the success of investments in portfolio companies.

The annual management fees are 1.0-2.5% of the funds' total capital. The income received from management fees can be calculated quite accurately for each fund's lifespan, which is typically about 10 years. CapMan's objective is to well cover the company's fixed expenses with management fees, in which case carried interest and other sources of income fully contribute to the company's profit.



Members of the Board of Directors

1. Lauri Koivusalo (born 1941), LL.M., Chairman of the Board of CapMan Plc since 2001, Managing Director of LEL Employment Pension Fund. Shareholding in CapMan Plc: 10 B shares. 2. Lennart Jacobsson (born 1955), BBA, Head of CapMan's Technology Business Unit, Senior Partner. Joined CapMan in 1995. Shareholding in CapMan: 1,500,000 B shares. 3. Vesa Vanha-Honko (born 1955), M.Sc. (Eng.), B.Sc. (Econ.), Vice Chairman of the Board of CapMan Plc, Head of CapMan's Group Development Unit, Senior Partner. Joined CapMan in 1989. Shareholding in CapMan Plc: 1,291,638 A shares*, 5,759,218 B shares. 4. Teuvo Salminen (born 1954), M.Sc. (Econ.), Authorised Public Accountant. Executive Vice President of Jaakko Pöyry Group Oyj. Member of the Board of CapMan Plc since 2001. Shareholding in CapMan Plc: 20,000 B shares. 5. Ari Tolppanen (born 1953), M.Sc. (Eng.), CEO of CapMan Plc, Senior Partner. Joined CapMan in 1989. Shareholding in CapMan Plc: 2,447,032 A shares*, 10,910,830 B shares.

*) The Senior Partners of CapMan own all unquoted A shares and most of their B shares through their companies. The ownership figures are as at 31 December 2002.

Private equity fund management/advisory companies begin to receive carried interest after the investors have regained their investment and a preferential return, usually 6-8% p. a. Carried interest is typically 20-25% of the fund's cash flow through exits from its portfolio companies. Therefore the amount of carried interest depends on the success of the fund's investments in portfolio companies. The funds managed/advised by CapMan are at different stages of their lifespans, which evens out the carried interest over several years.

The establishment of new funds and fundraising are important for the continuing of active investment operations as well as for the receiving of management fees and

carried interest. Successful investments and exits build fund investors' confidence and trust in CapMan, which facilitates in fundraising for new funds.

CapMan strives to minimise the risks and maximise returns associated with investments by means of deliberate investment strategies and criteria, a phased investment decision-making process, active ownership and a well-diversified portfolio of investee companies. CapMan's investment focus and criteria are described in more detail on pages 5, 13, 19 and 23.

CapMan Plc is not party to any legal proceedings.

Report of the Board of Directors

CapMan's core business is private equity fund management and advisory services. The Group's income derives from management fees from the funds, carried interest from funds generating carried interest, and a share of the result of affiliated companies. In the future, returns on direct fund investments will also have a greater influence on the company's result. CapMan's objective is to increase the size of investments from its balance sheet to 5-10% of the capital in future CapMan funds. CapMan's Swedish subsidiary CapMan AB (formerly Swedestart Management AB), which became a wholly owned subsidiary of CapMan Plc on 18 April 2002, is included in the financial statements as of 1 May 2002. The Report of the Board of Directors is divided into two sections: the funds managed/advised by CapMan and CapMan Group's financial performance in 2002.

Funds managed/advised by CapMan

CapMan's investments comprise direct investments in portfolio companies and European fund investments. Direct investments include mid-sized buyouts, technology investments and investments in the life science sector in Finland, Sweden and Denmark. Buyouts are made in manufacturing, service and retail industries while technology investments focus on strong growth companies in the IT and telecommunications sectors. In spring 2002 the acquisition of Swedestart introduced life science investments to CapMan's portfolio, with a focus on companies specialising in medical technology.

Fund investments are carried out by the affiliated company Access Capital Partners, of which CapMan owns 47.5%. Access Capital Partners manages/advises two funds that invest in mid-sized buyout, technology and life science funds throughout Europe.

Substantial remaining capital for new investments

At the end of 2002, CapMan managed/advised MEUR 1,652.3 (MEUR 1,177.2) in capital calculated as total commitments in the funds. The 40% growth in capital under management resulted from the closing of fundraising for the CapMan Equity VII and Access Capital Fund II funds during the year, and the acquisition of Swedestart Management AB managing three funds.

Of the managed/advised capital, MEUR 1,125.0 was in funds that invest directly in portfolio companies. As at the end of 2002 investments in portfolio companies at acquisition cost totalled MEUR 486.8. Of this, 71.2% was invested in buyout companies, 27.4% in technology companies and 1.4% in life science companies. About MEUR 490 remains to be invested in portfolio companies.

CapMan's affiliated company Access Capital Partners managed/advised MEUR 527.3 (MEUR 473.0). Of this, investments/commitments totalled MEUR 306.7 and remaining investment capacity totalled MEUR 220.5.

Investments in portfolio companies increased in 2002

CapMan's funds that invest directly in portfolio companies made twelve new investments and six substantial follow-on investments in

2002 (seven new and nine follow-on investments in 2001). All in all, MEUR 104.5 (MEUR 89.4) was invested by CapMan funds during the year.

Investments in the last quarter

There were two new investments in the fourth quarter of 2002, both in the technology sector. In November, the CapMan Equity VII and Swedestart Tech funds invested in the Swedish Ascade AB. Ascade is a software and consulting company that develops solutions and provides integration services for telecom carriers. In December, the CapMan Equity VII, Finnventure V ET and Swedestart Tech funds invested in Danish Eco-Dan A/S. Eco-Dan has developed a high-tech guidance system for automatic precision guidance of agricultural implements, self-propelled machines and tractors.

Investments in January-September

New investments in the buyout sector were made in Finland's leading staffing company Extra Personnel Services, multi-sector family business Savcor Group, and Danish company RGS90 A/S. RGS90 provides versatile waste management services especially to industrial customers, and was CapMan's first investment in the environmental technology and recycling sector. The most significant follow-on investments in the buyout sector in 2002 were folding cartons manufacturer Å&R Carton AB, leisure travel company Holiday Club Finland Oy, health care group Mehiläinen Oyj and accounting company chain Pretax Oy.

New investments in the technology sector were made in provider of mobile multimedia solutions Hantro Products Oy, Finland's leading IT training provider Knowledgepool Tieturi Oy, provider of communications, interactive media and CRM consultation services Digiscope AB, and supplier of repeaters and repeater systems used to improve the radio coverage in all types of networks Avitec AB. The most significant follow-on investments in the technology sector in 2002 were developer of XML technologies Republica Oy and multimedia company Aktivist Network Oy (now Medianorth Group Oy).

New investments in the life science sector were made in developer and marketer of special products for the treatment of incontinence Eutech Medical AB, specialist in biomaterials and their surgical applications Inion Oy, and developer of a new technology for the sterilisation of surgical instruments Otre AB.

Exits by the funds in 2002

The funds managed/advised by CapMan exited from a total of five portfolio companies during 2002 (eight exits in 2001). The acquisition price of all realisations during the year (including partial realisations and mezzanine loan payments) totalled MEUR 16.6 (MEUR 14.0).

In December, Finnventure Funds I, II and III as well as Finnmezzanine Fund I exited from Teknikum Group Ltd. The funds made their initial investment in the company in summer 1996 and their combined shareholding was 26%.

The most significant realisation in 2002 was the sale of shares in the restaurant chain Royal-Rest Oy to MK-Rest Oy in May. Finnventure Fund IV and Finnmezzanine Fund II invested in Royal-Rest in 1999 and held 43.7% of the company.

Finnventure Funds II and III exited Euran Kuluttajatuotteet Oy in June. The funds made their initial investment in the company in 1997 and their combined shareholding was 30.5%.

Finnventure Fund III sold its 1.5% share in Arcorus Oyj to Swedish Ratos AB in April. The fund invested in Arcorus in 1997 and made a partial realisation of the investment in spring 2000.

Finnventure Funds II and III made a partial exit from the manufacturer of wood-fired heating products and fireplaces UPL Holding Oy in January.

Finnventure Fund II's portfolio company Mytek Oy, which specialised in shiitake mushroom growing and sales, filed for bankruptcy in March.

For information on the funds managed/advised by CapMan and their portfolio companies, please visit CapMan's website www.capman.com.

European fund investments

CapMan Plc's affiliated company Access Capital Partners is one of Europe's leading fund of fund managers, with MEUR 527.3 (MEUR 473.0) of capital managed/advised in two funds. Access Capital Fund (ACF) has MEUR 250.3 in capital and has made investments in 22 European funds. Access Capital Fund II (ACF II) was closed at the end of July 2002 with a final size of MEUR 277.0. The fund had made seven investments as of the end of 2002. Additional information about Access Capital Partners can be found at www.access-capital-partners.com.

Other events in 2002

In December the funds managed/advised by CapMan announced a significant buyout investment in Nordkalk Corporation, the leading producer of limestone-based products in Northern Europe. The transaction was made by a syndicate of investors lead by CapMan and Ahlström Capital Oy and was implemented in early February 2003.

One of the portfolio companies in Finnmezzanine Fund II, the Swedish provider of telecommunications infrastructure and services Utfors AB, filed for financial restructuring on 16 September 2002. On 18 November 2002, Utfors announced that Norwegian Telenor would acquire 90% of the company, and on 19 November 2002 CapMan announced that Finnmezzanine Fund II would exit from Utfors in connection with the acquisition. As a part of the arrangement, Finnmezzanine Fund recovered about 6% of total receivables in a lump-sum payment from Utfors in January 2003, based on its investment in the company. The fund still holds 978,315 Utfors AB shares and its final exit from the company is expected to be realised during 2003.

The Danish Nordic Private Equity Partners I fund, which is managed/advised by CapMan, began to generate carried interest in 2002.

CapMan Group

Financial performance in 2002

CapMan's turnover in 2002 was MEUR 20.0 (MEUR 13.1 in 2001). Management fees from the funds increased to MEUR 15.9 (MEUR 8.6). Carried interest received by CapMan from the funds decreased to MEUR 3.0 (MEUR 3.9). Finnventure Fund IV is not generating carried interest at present, but the realisation of its investment in restaurant chain Royal-Rest Oy during 2002 moves the fund considerably closer to the point when it will begin to generate carried interest.

Carried interest for 2002 was received from the five funds that have begun to generate carried interest. These five funds have capital of MEUR 97.6, which represents 8.7% of the total capital in CapMan funds (MEUR 1,125.0). The portfolios of funds that have not begun to generate carried interest are mainly in good condition. It may prove difficult for Finnmezzanine Fund II to begin generate carried interest because its investment in Swedish Utfors AB was in large part lost. Because CapMan's investment as the fund's management company was small, the loss of the investment did not have an effect on CapMan's result for 2002.

The share from the result of CapMan's affiliated companies increased slightly from the previous year and was MEUR 0.6 (MEUR 0.5).

Profit after taxes and minority interests was MEUR 3.4 (MEUR 21.7). The fall in profit resulted from the sale of CapMan's Sampo plc shares in 2001, for which CapMan received dividends totalling MEUR 6.6 and a pre-tax profit of MEUR 18. The combined effect of the share sale and dividend on CapMan's profit after taxes in 2001 was approximately MEUR 17.5. Operating profit in 2002 was MEUR 4.7, which increased from the previous year excluding the sale of Sampo plc shares (MEUR 4.0). Shareholder's equity per share at year-end was EUR 0.71 (EUR 0.92). CapMan's cash assets on 31 December 2002 totalled MEUR 26.9 (MEUR 53.5). The company has no interest-bearing debt. Return on equity was 5.95% (50.1%).

MEUR 253.3 raised on new equity fund

CapMan began to raise the new Nordic equity fund CapMan Equity VII in autumn 2001, and at the first closing on 31 January 2002 it had raised commitments totalling MEUR 166. Fundraising continued successfully throughout 2002 in spite of unfavourable market conditions. The final size of the fund at the year-end close of the second fundraising round was MEUR 253.3. CapMan Equity VII is the largest of the funds managed/advised by CapMan that invest directly in portfolio companies.

23 institutional investors committed to the CapMan Equity VII fund. Of the commitments, 58% originate from international, mainly Nordic investors and 42% from Finnish investors. More than 70% of commitments to the fund are from pension funds and life insurance companies. About half of the commitments originate from new investors and the remainder are from investors who have already committed to earlier CapMan funds. CapMan has committed MEUR 16 to the fund.

The investment strategy of CapMan Equity VII is to invest about two-thirds of the capital in mid-sized buyouts and about one-third in technology companies in the IT and telecommunications sectors. The main focus is on investments in Nordic companies. CapMan Equity VII has commenced investment activities and its portfolio companies include RGS90 A/S, Avitec AB and Nordkalk Corporation among others.

New Nordic organisation

CapMan Plc strengthened its position as one of the leading private equity investors in the Nordic countries via the MEUR 17 acquisition of the Swedish venture capital company Swedestart Management AB (now CapMan AB) in spring 2002, and the acquisition of Danish Nordic Private Equity Group (now CapMan Invest A/S) in 2001. Subsequent to the acquisitions, CapMan announced a reorganisation of the Group in August. The reorganisation combines the separate domestic organisations into pan-Nordic business and support units with the aim to achieve synergies at the Nordic level. The new organisation came into effect on 2 September 2002 and consists of three Nordic Business Units (Buyout, Technology, Life Science) as well as two Nordic Support Units (Group Finances and Administration, Group Development).

Those appointed as Heads of the new units were Mr Heikki Westerlund, Senior Partner (Head of Buyout Business Unit), Mr Lennart Jacobsson, Senior Partner (Head of Technology Business Unit), Mr Jan Lundahl, Senior Partner (Head of Life Science Business Unit), Mr Olli Liitola, Senior Partner (Head of Group Finances and Administration) and Mr Vesa Vanha-Honko, Senior Partner (Head of Group Development).

Personnel

At the end of 2002, CapMan had 66 (52) employees. There were 48 (47) employees in Helsinki, 12 in Stockholm and 6 (5) in Copenhagen. In addition there were seven Senior Advisors acting as consultants for CapMan, four in Finland and three in Sweden.

Increase in share capital in 2002

The Extraordinary General Meeting of CapMan Plc held on 31 May 2001 authorised the Board to decide on increasing the share capital of the company by a maximum of EUR 70,000 via the issue of a maximum of 7,000,000 new B shares. The company's share capital was increased by EUR 45,000 in 2002, via a direct share issue to the three owners of Swedestart Management AB with the acquisition of Swedestart on 18 April 2002. In accordance with the authorisation, 1,130,000 shares were issued in 2001 and the resolution was valid until 31 May 2002. The company's registered share capital on 31 December 2002 was EUR 756,946.30.

Shares and shareholders in 2002

The total number of CapMan A shares did not change during 2002 and was 8,000,000. The total number of CapMan B shares increased from 63,194,630 to 67,694,630 during the year. The increase in shares resulted from the aforementioned direct share issue made as consideration to the three owners of Swedestart Management AB.

A total of 15,930,043 CapMan Plc B shares with a value of MEUR 37.4 were traded on the Helsinki Stock Exchange during 2002. The share's highest trading price was EUR 2.90 and the lowest trading price was EUR 1.25. The closing price on the first day of trading 2

January 2002 was EUR 2.30 and on the last trading day 30 December 2002 it was EUR 1.59. The average price of trades was EUR 2.35. The market value of CapMan Plc's B shares at year-end was MEUR 107.6 (MEUR 143.5) and the company's total market capitalisation, including CapMan A shares, was MEUR 120.4 (MEUR 161.6).

CapMan Plc had 6,150 shareholders at the end of 2002. One notice of flagging was made during the year, when Fennogens Investment S.A's holding in CapMan Plc decreased to less than 5% of total shares and voting rights on 26 March 2002.

Share repurchase

On 19 August 2002 the Board of Directors of CapMan Plc resolved to acquire a maximum of 3,500,000 of the company's own B shares, in accordance with the authorisation granted by the Annual General Meeting held on 3 April 2002. The shares will be acquired through public trading on the Helsinki Stock Exchange at the publicly quoted market price at the time of purchase, as provided by the regulations on public trading of shares. The acquisition of shares began on 27 August 2002 and will end no later than 2 April 2003. The B shares will be acquired for use by the company as consideration in prospective business acquisitions, to develop the capital structure of the company, or to be assigned or invalidated in some other way.

As at the end of 2002 CapMan had acquired a total of 881,000 own shares at a cost of EUR 1,279,576. At the close of the year CapMan held 867,000 shares according to the shareholder register, which represents 1.15% of the company's shares and 0.59% of voting rights.

Dividend policy

CapMan's policy is to distribute at least 50% of the net profit in dividends. Consistent with the decisions adopted by the Annual General Meeting held on 3 April 2002, CapMan Plc distributed a dividend per share of EUR 0.26 for the 2001 financial year. The Board of Directors proposes to the AGM to be held on 9 April 2003, that for the year 2002 a dividend of EUR 0.10 per share or a total of MEUR 7.5 will be distributed to shareholders.

Authorisations of the Board at the end of 2002

In addition to the above authorisation on the repurchase of own shares, the Annual General Meeting held on 3 April 2002 resolved to authorise the Board to decide on increasing the share capital regardless of the former shareholders' subscription privilege by new subscription or by a convertible loan agreement in one or more instalments as well as to decide on the more detailed conditions of the authorised directed share issue or the convertible loan agreement.

Based on this authorisation, the share capital of the company can be increased by a maximum of EUR 35,000 by issuing a maximum of 3,500,000 new B shares at a nominal value of EUR 0.01 in one lot or in instalments, based on a new directed share issue or a convertible loan. The new B share issue can, according to the Board's decision, be made against consideration in kind or by setting off a receivable. The authorisation is valid for one year from the resolution. The authorisation had not been used as of the end of 2002.

Events after the close of the year

Funds managed/advised by CapMan

In January, the CapMan Equity VII, Finnventure V ET and Swedestart Tech funds invested in the Swedish Northlight Optronics AB, one of the leading suppliers of active fibre optic components for optical communication systems.

The investment in Nordkalk Corporation that was announced by CapMan in early December 2002 was implemented in early February 2003. The Finnventure V and CapMan Equity VII funds invested in the company.

CapMan Group

A total of 76,500 own B shares at a cost of EUR 127,526.14 have been acquired by CapMan in January 2003. On 13 February 2003 the number of CapMan Plc B shares held by the company totalled 957,500. As a result of the share repurchases in 2003, CapMan's distributable equity has been reduced by an amount equal to the acquisition price.

Future outlook

Funds managed/advised by CapMan

CapMan's acquisitions in Denmark and Sweden have increased the company's recognition and strengthened its position as one of the leading private equity investors in the Nordic countries. In turn, companies seeking private equity investors are more attracted to CapMan and the number of suitable potential investments for CapMan's investment strategy grows. CapMan will continue to focus its investment strategy on a Nordic level in mid-sized buyouts, technology investments in IT and telecommunications and life science investments in medical technology.

The foundations for value creation of CapMan's portfolio companies are organic growth or mergers and acquisitions, improved profitability and cash flows and sophisticated financing structures. CapMan strives to secure its portfolio companies with a strategic market position that will arouse the interest of industrial buyers and stock markets alike. CapMan actively evaluates the optimal time and method of exit, depending on the development stage of the portfolio company and the prevailing market conditions. Profitable realisations from portfolio companies are not solely dependent on the stock market. Trade sales to industrial buyers or other private equity investors have become a typical exit method in the private equity investment business.

Above all, 2003 will be a year for CapMan to make new investments and develop the existing portfolio of investee companies. Although realisations are likely, the prevailing market conditions are not favourable for large-scale exit activities.

CapMan Group

Private equity investment in Europe is estimated to show growth in the mid and long term. Consolidation will continue in both buyout and technology sectors. Other important trends in all of the countries where CapMan has activities are the privatisation of public services and functions, and the rising affluence and ageing of the population - which in turn grows the demand of the service sector. Family businesses are also increasingly turning to private equity investors to finance their management successions.

In CapMan's home market in the Nordic area, growth is also supported by strong investment in technology research and development and increasing entrepreneurial activity. However the outlook for technology companies in 2003 is still uncertain. Competition between private equity investors for investments in the technology sector has decreased and company valuations have fallen to a more realistic level than before. This offers interesting opportunities to CapMan's technology Business Unit, who can compare investee companies and company valuations on a Nordic level. Opportunities for realisation of investments will remain slight, particularly in the case of small technology companies. CapMan will continue to focus its activities on the development of existing portfolio companies and the search for potential new investments.

The life science sector is expected to show strong growth in the future, due to changing demography patterns and rising demand for innovative and cost-efficient methods of care. Sweden in particular is a pioneer in the development of life science products and services. Sweden's and Finland's public and private health care systems produce world-class research and development in life sciences. Because of the nature of the sector, portfolio companies usually need more than one round of financing before a product or service can be profitably launched on the market. In 2003, CapMan will focus its activities in life science less on exits than on making new investments and creating value in existing investments.

Private equity funds have long life spans, usually 10 years. Private equity fund management companies begin to receive carried interest after the investors have regained their investment in addition to a preferred annual return, usually 6-8%. Carried interest is typically 20-25% of the fund's cash flow through exits from its portfolio companies. Five of the funds managed/advised by CapMan are already generating carried interest. These funds have MEUR 97.6 in capital, which represents 8.7% of the total capital in CapMan funds that invest directly in portfolio companies (MEUR 1,125.0).

The portfolios of the funds that invest directly in portfolio companies, totalling MEUR 486.8 at acquisition cost, include traditional manufacturing and service companies, technology companies and life science companies. To date, 71.2% of the capital invested by funds in portfolio companies is invested in traditional companies, 27.4% in technology companies and 1.4% in life science companies. Several of the portfolio companies offer substantial upside potential. The portfolios also include companies with clearly higher risk levels than at the time of investment.

2003 will be a year for CapMan to make new investments. CapMan is well positioned to continue as an active player in the private equity market, as its funds have approximately MEUR 490 in capital for new investments. The affiliated company Access Capital is in a similar position. Its funds have abundant capital available for new fund investments.

The management fees CapMan receives from the funds are expected to well cover the company's expenses. CapMan's result in 2003 will depend largely on exits from portfolio companies owned by funds generating carried interest. Several exit discussions are under way but the outcome of these is difficult to estimate. Due to prevailing market conditions, 2003 will first and foremost offer good opportunities for new investments and the development of the existing portfolio.

Helsinki 14 February 2003
CapMan Plc
Board of Directors

Income statement

| EUR | Note | Group | | Parent company | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | 2002 | 2001 | 2002 | 2001 |
| Turnover | 1 | 19 993 258 | 13 082 337 | 853 358 | 1 022 583 |
| Other operating income | 2 | 24 050 | 18 053 723 | 9 590 | 18 030 836 |
| Personnel expenses | 3 | -5 850 231 | -3 645 935 | -274 658 | -361 388 |
| Depreciation | 4 | -1 896 655 | -254 647 | -29 868 | -21 367 |
| Other operating expenses | | -7 525 901 | -5 176 462 | -652 485 | -686 992 |
| Operating profit (loss) | | 4 744 521 | 22 059 016 | -94 063 | 17 983 672 |
| Financial income and expenses | 5 | 450 589 | 8 522 123 | 12 331 390 | 8 486 500 |
| Profit before extraordinary items | | 5 195 110 | 30 581 139 | 12 237 327 | 26 470 172 |
| Extraordinary items | 6 | 0 | 0 | 570 000 | -6 645 450 |
| Profit before taxes | | 5 195 110 | 30 581 139 | 12 807 327 | 19 824 722 |
| Income taxes | 7 | -1 663 142 | -8 715 044 | -3 637 103 | -5 626 062 |
| Minority interest | | -161 656 | -136 835 | 0 | 0 |
| Profit for the financial year | | 3 370 312 | 21 729 260 | 9 170 224 | 14 198 660 |

Balance sheet

| EUR | Note | 2002 | Group 2001 | Parent company 2002 | 2001 |
|---|------|-------------------|-------------------|------------------------|-------------------|
| Assets | | | | | |
| Fixed assets | | | | | |
| Intangible assets | 1 | 908 840 | 673 578 | 163 231 | 94 979 |
| Consolidated goodwill | 2 | 8 089 406 | 2 153 613 | 0 | 0 |
| Tangible assets | 3 | 1 277 134 | 545 884 | 48 314 | 36 145 |
| Investments | 4 | | | | |
| Shares in subsidiaries | | 0 | 0 | 12 027 342 | 3 073 128 |
| Investments in associated companies | | 1 078 188 | 753 894 | 198 062 | 198 062 |
| Own shares | | 1 279 576 | 0 | 1 279 576 | 0 |
| Other investments | | 10 505 385 | 5 356 368 | 5 558 872 | 1 741 316 |
| | | 12 863 149 | 6 110 262 | 19 063 852 | 5 012 506 |
| Total fixed assets | | 23 138 529 | 9 483 337 | 19 275 397 | 5 143 630 |
| Current assets | | | | | |
| Long-term receivables | 5 | 1 767 812 | 528 766 | 1 761 684 | 523 895 |
| Deferred tax receivables | 6 | 226 575 | 0 | 226 575 | 0 |
| Short-term receivables | 7 | 5 794 511 | 4 499 179 | 9 956 468 | 2 802 927 |
| Marketable securities | | 13 701 507 | 25 710 545 | 11 806 911 | 24 274 270 |
| Cash and bank | | 13 225 681 | 27 798 198 | 8 308 228 | 26 792 247 |
| Total current assets | | 34 716 086 | 58 536 688 | 32 059 866 | 54 393 339 |
| Total assets | | 57 854 615 | 68 020 025 | 51 335 263 | 59 536 969 |
| Shareholders' equity and liabilities | | | | | |
| Shareholders' equity | | | | | |
| Share capital | | 756 946 | 711 946 | 756 946 | 711 946 |
| Share premium account | | 36 854 438 | 33 929 448 | 36 854 438 | 33 929 448 |
| Reserve for own shares | | 1 279 576 | 0 | 1 279 576 | 0 |
| Retained earnings | | 10 784 868 | 8 831 380 | 2 709 577 | 8 301 097 |
| Profit for the financial year | | 3 370 312 | 21 729 260 | 9 170 224 | 14 198 660 |
| Total shareholders' equity | 8 | 53 046 140 | 65 202 034 | 50 770 761 | 57 141 151 |
| Minority interest | | 265 257 | 248 789 | 0 | 0 |
| Liabilities | | | | | |
| Deferred tax liabilities | 9 | 268 807 | 0 | 0 | 0 |
| Long-term liabilities | 10 | 88 219 | 93 739 | 0 | 0 |
| Short-term liabilities | 11 | 4 186 192 | 2 475 463 | 564 502 | 2 395 818 |
| Total liabilities | | 4 543 218 | 2 569 202 | 564 502 | 2 395 818 |
| Total shareholders' equity and liabilities | | 57 854 615 | 68 020 025 | 51 335 263 | 59 536 969 |

Cash flow statement

| EUR | Group | | Parent Company | |
|--|--------------------|--------------------|--------------------|-------------------|
| | 2002 | 2001 | 2002 | 2001 |
| Operations | | | | |
| Operating profit | 4 744 521 | 21 533 108 | -94 063 | 17 552 915 |
| Adjustments to operating profit | 1 812 101 | -16 648 859 | 284 069 | -16 859 253 |
| Change in net working capital | -2 678 235 | 913 834 | -9 248 711 | 21 375 005 |
| Interest paid | -110 548 | -251 435 | -167 | -33 570 |
| Interest received | 797 040 | 994 577 | 483 638 | 729 776 |
| Dividends received | 268 850 | 430 757 | 9 248 850 | 430 757 |
| Taxes paid | 744 273 | -19 694 020 | 998 361 | -19 751 628 |
| Total from operations | 5 578 002 | -12 722 038 | 1 671 977 | 3 444 002 |
| Investments | | | | |
| Investments in tangible and intangible assets | -1 368 557 | -1 064 581 | -110 290 | -78 051 |
| Proceeds from sale of tangible and intangible assets | 48 872 | 22 886 | 9 590 | 0 |
| Loans | 0 | -672 715 | 0 | -672 715 |
| Investments in other placements | -4 865 988 | -1 912 774 | -9 801 770 | -1 451 637 |
| Investments in subsidiaries | -4 771 648 | 0 | 0 | 0 |
| Consolidation difference | 41 265 | -12 115 | 0 | 0 |
| Proceeds from sale of other investments | 0 | 29 599 863 | 0 | 29 599 863 |
| Dividends received from investments | 8 734 | 4 690 016 | 8 734 | 4 690 016 |
| Total from investments | -10 907 322 | 30 650 580 | -9 893 736 | 32 087 476 |
| Financing | | | | |
| Share issue / merger | 0 | 32 754 273 | 0 | 32 754 273 |
| Purchase of own shares | -1 257 681 | -12 764 | -1 257 670 | -12 764 |
| Increase of short-term loans | 0 | 0 | 0 | 1 733 571 |
| Decrease of short-term loans | 0 | -456 088 | -2 158 457 | -456 088 |
| Increase of long-term loans | -1 502 636 | -145 508 | -1 381 097 | -151 721 |
| Decrease of long-term loans | -5 520 | -1 368 263 | 8 221 | -1 368 263 |
| Dividends paid | -18 510 604 | -15 159 518 | -18 510 604 | -15 159 518 |
| Translation difference (minority interest) | 9 797 | -75 | 0 | 0 |
| Translation difference (shareholders' equity) | 14 408 | -363 | 0 | 0 |
| Group contributions paid and received | 0 | 0 | 570 000 | -6 645 450 |
| Financing total | -21 252 236 | 15 611 694 | -22 729 618 | 10 694 040 |
| Increase (decrease) in cash and current investments | | | | |
| | -26 581 556 | 33 540 236 | -30 951 377 | 46 225 518 |
| Cash and current investments 1.1. | 53 508 743 | 19 968 507 | 51 066 516 | 4 840 998 |
| Cash and current investments 31.12. | 26 927 187 | 53 508 743 | 20 115 139 | 51 066 516 |

Notes to the financial statements

Accounting principles

Extent of consolidation

The consolidated financial statements include the accounts of all companies and affiliated companies of CapMan Group, excluding inoperative subsidiaries.

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 difference

The figures for the foreign subsidiaries' financial statements have been translated into euros at the average year-end exchange rate and the translation differences 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.

Valuation of fixed assets

Fixed assets are reported in the balance sheet at their acquisition value less depreciation according to plan. 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 price, beginning the month after purchase.

The periods of depreciation used are:

| | |
|-----------------------------|------------|
| Intangible rights | 5–10 years |
| Consolidated goodwill | 5–10 years |
| Other long-term expenditure | 5 years |
| Machinery and equipment | 4–5 years |

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.

Pensions

Statutory pension liabilities are handled through private insurance companies. Pension expenses are reported in accordance with local regulations and practices.

Income taxes

The consolidated income statement includes current taxes calculated in accordance with local regulations and deferred taxes. Deferred tax assets or liabilities are recognised for the future tax consequences of events that have been recognised in financial statements or tax returns, based on the tax laws and tax rates enacted by the balance sheet date.

Foreign currency items

Receivables and liabilities denominated in foreign currencies are translated at the year-end exchange rate.

Notes to the income statement

| EUR | Group | | Parent Company | |
|--|-------------------|-------------------|----------------|-------------------|
| | 2002 | 2001 | 2002 | 2001 |
| 1. Turnover | | | | |
| Turnover by area | | | | |
| Finland | 10 112 848 | 11 611 133 | 284 761 | 591 826 |
| Foreign | 9 880 410 | 1 471 204 | 568 597 | 430 757 |
| Total | 19 993 258 | 13 082 337 | 853 358 | 1 022 583 |
| 2. Other operating income | | | | |
| Proceeds from sale of fixed assets | 13 552 | 18 030 836 | 9 590 | 18 030 836 |
| Other | 10 498 | 22 887 | 0 | 0 |
| Total | 24 050 | 18 053 723 | 9 590 | 18 030 836 |
| 3. Personnel expenses and average number of employees | | | | |
| Personnel expenses | | | | |
| Wages and salaries | 4 542 999 | 2 815 668 | 251 875 | 232 929 |
| Pension expenses | 741 373 | 606 208 | 43 843 | 43 521 |
| Other personnel expenses | 565 859 | 224 059 | -21 060 | 84 938 |
| Total | 5 850 231 | 3 645 935 | 274 658 | 361 388 |
| Management wages and salaries | | | | |
| President and Members of the Board of Directors | 896 751 | 309 193 | 12 600 | 12 715 |
| Average number of employees Personnel | 65 | 50 | 7 | 7 |
| 4. Depreciations | | | | |
| Depreciation by asset type: | | | | |
| Intangible rights | 67 450 | 19 537 | 13 755 | 5 775 |
| Consolidated goodwill | 1 555 826 | 120 968 | 0 | 0 |
| Other long-term expenditure | 14 482 | 2 836 | 0 | 0 |
| Machinery and equipment | 258 897 | 111 306 | 16 113 | 15 592 |
| Total | 1 896 655 | 254 647 | 29 868 | 21 367 |

| EUR | Group | | Parent Company | |
|--|------------------|------------------|-------------------|-------------------|
| | 2002 | 2001 | 2002 | 2001 |
| 5. Financial income and expenses | | | | |
| Dividend income | | | | |
| Income from subsidiaries | 0 | 0 | 12 084 225 | 0 |
| Others | 12 302 | 6 605 655 | 12 302 | 6 605 655 |
| Dividend income total | 12 302 | 6 605 655 | 12 096 527 | 6 605 655 |
| Other interest and financial income | | | | |
| Group companies | 0 | 0 | 2 744 | 0 |
| Others | 1 330 129 | 2 167 945 | 1 013 579 | 1 914 457 |
| Other interest and financial income total | 1 330 129 | 2 167 945 | 1 016 323 | 1 914 457 |
| Interest and other financial expenses | | | | |
| Others | -891 842 | -251 477 | -781 460 | -33 612 |
| Interest and other financial expenses total | -891 842 | -251 477 | -781 460 | -33 612 |
| Financial income and expenses total | 450 589 | 8 522 123 | 12 331 390 | 8 486 500 |
| 6. Extraordinary items | | | | |
| Extraordinary income and expenses | | | | |
| Group contributions paid (received) | 0 | 0 | 570 000 | -6 645 450 |
| Total | 0 | 0 | 570 000 | -6 645 450 |
| 7. Income taxes | | | | |
| Imputation credit | -52 919 | -125 613 | 0 | 0 |
| Income taxes | 1 871 100 | 8 840 657 | 3 863 678 | 5 626 062 |
| Deferred taxes increase (decrease) | -155 039 | 0 | -226 575 | 0 |
| Total | 1 663 142 | 8 715 044 | 3 637 103 | 5 626 062 |

Notes to the balance sheet

| EUR | Group | | Parent Company | |
|------------------------------------|------------------|------------------|----------------|---------------|
| | 2002 | 2001 | 2002 | 2001 |
| 1. Intangible assets | | | | |
| Intangible rights | | | | |
| Acquisition cost 1.1. | 418 846 | 70 442 | 41 492 | 28 878 |
| Additions | 532 134 | 348 404 | 142 232 | 12 614 |
| Acquisition cost 31.12. | 950 980 | 418 846 | 183 724 | 41 492 |
| Accumulated depreciation 1.1. | -43 244 | -23 706 | -6 738 | -963 |
| Depreciation for financial year | -67 450 | -19 538 | -13 755 | -5 775 |
| Accumulated depreciation 31.12. | -110 694 | -43 244 | -20 493 | -6 738 |
| Book value 31.12. | 840 286 | 375 602 | 163 231 | 34 754 |
| Other long-term expenditure | | | | |
| Acquisition cost 1.1. | 313 604 | 19 326 | 60 225 | 0 |
| Additions | 47 852 | 294 278 | 0 | 60 225 |
| Disposals | -280 271 | 0 | -60 225 | 0 |
| Acquisition cost 31.12. | 81 185 | 313 604 | 0 | 60 225 |
| Accumulated depreciation 1.1. | -15 628 | -12 792 | 0 | 0 |
| Disposals | 15 628 | 0 | 0 | 0 |
| Depreciation for financial year | -12 631 | -2 836 | 0 | 0 |
| Accumulated depreciation 31.12. | -12 631 | -15 628 | 0 | 0 |
| Book value 31.12. | 68 554 | 297 976 | 0 | 60 225 |
| Intangible rights total | 908 840 | 673 578 | 163 231 | 94 979 |
| 2. Consolidated goodwill | | | | |
| Acquisition cost 1.1. | 2 356 137 | 104 874 | | |
| Additions | 7 491 619 | 2 251 263 | | |
| Acquisition cost 31.12. | 9 847 756 | 2 356 137 | | |
| Accumulated depreciation 1.1. | -202 524 | -81 556 | | |
| Depreciation for financial year | -1 555 286 | -120 968 | | |
| Accumulated depreciation 31.12. | -1 758 350 | -202 524 | | |
| Book value 31.12. | 8 089 406 | 2 153 613 | | |
| Consolidated goodwill total | 8 089 406 | 2 153 613 | | |
| 3. Tangible assets | | | | |
| Machinery and equipment | | | | |
| Acquisition cost 1.1. | 906 525 | 484 625 | 72 257 | 67 045 |
| Additions | 972 101 | 441 208 | 28 282 | 5 212 |
| Disposals | -178 238 | -19 308 | -15 662 | 0 |
| Acquisition cost 31.12. | 1 700 388 | 906 525 | 84 877 | 72 257 |
| Accumulated depreciation 1.1. | -384 585 | -201 842 | -41 037 | -25 445 |
| Disposals (additions) | 113 893 | -71 438 | 14 605 | 0 |
| Depreciation for financial year | -273 444 | -111 305 | -15 056 | -15 592 |
| Accumulated depreciation 31.12. | -544 136 | -384 585 | -41 488 | -41 037 |
| Book value 31.12. | 1 156 252 | 521 940 | 43 389 | 31 220 |
| Other tangible assets | | | | |
| Acquisition cost 1.1. | 23 944 | 23 944 | 4 925 | 4 925 |
| Additions | 96 938 | 0 | 0 | 0 |
| Book value 31.12. | 120 882 | 23 944 | 4 925 | 4 925 |
| Tangible assets total | 1 277 134 | 545 884 | 48 314 | 36 145 |

4. Investments

| | Group ownership of shares, % | Parent company ownership of shares, % | Share capital |
|--|---------------------------------|---|------------------|
| Subsidiaries: | | | |
| CapMan Capital Management Ltd, Finland | 100% | 100% | |
| Choco Chip VC AB, Sweden | 100% | 100% | |
| CapMan AB, Sweden | 100% | | |
| CapMan Invest A/S, Denmark | 100% | 100% | |
| NPE General Partner II Ltd, Jersey | 100% | 100% | |
| CapMan (Guernsey) Ltd, Guernsey | 100% | 100% | |
| CapMan Sweden AB, Sweden | 100% | 100% | |
| Finnmezzanine Oy, Finland | 70% | | |
| EastMan Advisors Oy, Finland | 60% | | |
| ScanEast Managing Partner Ltd., Guernsey *) | 70% | | |
| *) Via the subsidiary EastMan Advisors Oy | | | |
| Dissimilium Enumeratio Invest AB, Sweden | *) 100% | 100% | SEK 100 000 |
| Praeveniens Praesumitur Invest AB, Sweden | *) 100% | 100% | SEK 100 000 |
| CapMan Norway AS, Norway | *) 100% | 100% | NOK 100 000 |
| CapMan Germany GmbH, Germany | *) 100% | 100% | EUR 25 000 |
| *)Not consolidated, included in the total of other shares. | | | |

Associated companies:

| | | |
|--|--------|--------|
| Access Capital Partners S.A., France | 47.47% | 47.47% |
| Access Capital Partners (Guernsey) Limited, Guernsey | 47.50% | 47.50% |
| Baltcap Management Oy, Finland | 20.00% | 20.00% |
| BIF Management Ltd, Jersey | 33.33% | 33.33% |
| Baltic SME Management B.V., The Netherlands | 33.33% | 33.33% |

| EUR | 2002 | Group 2001 | Parent Company 2002 | 2001 |
|--------------------------------|-------------------|------------------|------------------------|------------------|
| Shares in subsidiaries | | | | |
| Acquisition cost 1.1. | | | 3 073 128 | 646 780 |
| Additions | | | 8 954 214 | 2 426 348 |
| Acquisition cost 31.12. | | | 12 027 342 | 3 073 128 |
| Shares in associated companies | | | | |
| Acquisition cost 1.1. | 753 894 | 645 144 | 198 062 | 184 462 |
| Additions | 324 294 | 108 750 | 0 | 13 600 |
| Acquisition cost 31.12. | 1 078 188 | 753 894 | 198 062 | 198 062 |
| Own shares | | | | |
| Acquisition cost 1.1. | 0 | 0 | 0 | 0 |
| Additions | 1 279 576 | 0 | 1 279 576 | 0 |
| Acquisition cost 31.12. | 1 279 576 | 0 | 1 279 576 | 0 |
| Shares, other | | | | |
| Acquisition cost 1.1. | 5 356 368 | 3 582 010 | 1 741 317 | 688 530 |
| Additions | 5 709 791 | 13 471 820 | 3 940 538 | 12 622 254 |
| Disposals | -519 509 | -11 709 578 | -122 983 | -11 569 468 |
| Translation difference | -41 265 | 12 115 | 0 | 0 |
| Acquisition cost 31.12. | 10 505 385 | 5 356 368 | 5 558 872 | 1 741 316 |
| Investments total | 12 863 149 | 6 110 262 | 19 063 852 | 5 012 506 |

| EUR | Group | | Parent Company | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2002 | 2001 | 2002 | 2001 |
| 5. Long-term receivables | | | | |
| Receivables from associated companies | | | | |
| Loan receivables | 125 939 | 125 939 | 125 939 | 125 939 |
| Loan receivables | 1 641 873 | 402 827 | 1 635 745 | 397 956 |
| Long-term receivables total | 1 767 812 | 528 766 | 1 761 684 | 523 895 |
| 6. Deferred tax receivables | | | | |
| Accrued differences | 226 575 | 0 | 226 575 | 0 |
| Deferred tax receivables total | 226 575 | 0 | 226 575 | 0 |
| 7. Short-term receivables | | | | |
| Accounts receivable | 304 194 | 147 673 | 39 732 | 43 558 |
| Receivable from Group companies | | | | |
| Accounts receivable | 0 | 0 | 521 666 | 44 909 |
| Loan receivables | 0 | 0 | 493 767 | 47 065 |
| Other receivables | 0 | 0 | 7 563 241 | 42 117 |
| Total | 0 | 0 | 8 578 674 | 134 091 |
| Loan receivables | 336 507 | 910 722 | 336 507 | 910 722 |
| Other receivables | 3 846 920 | 1 259 846 | 948 975 | 284 746 |
| Accrued income | 1 306 890 | 2 180 938 | 52 580 | 1 429 810 |
| Short-term receivables total | 5 794 511 | 4 499 179 | 9 956 468 | 2 802 927 |
| 8. Shareholders' equity | | | | |
| Share capital 1.1. | 711 946 | 480 000 | 711 946 | 480 000 |
| Rights issue | 0 | 11 300 | 0 | 11 300 |
| Increase of share capital | 45 000 | 0 | 45 000 | 0 |
| Merging of Vestcap Oyj | 0 | 220 730 | 0 | 220 730 |
| Decrease of share capital | 0 | -84 | 0 | -84 |
| Share capital 31.12. | 756 946 | 711 946 | 756 946 | 711 946 |
| Share premium account 1.1. | 33 929 448 | 47 145 | 33 929 448 | 47 145 |
| Issue premium | 2 924 990 | 33 882 219 | 2 924 990 | 33 882 219 |
| Decrease of share capital | 0 | 84 | 0 | 84 |
| Share premium account 31.12. | 36 854 438 | 33 929 448 | 36 854 438 | 33 929 448 |
| Reserve for own shares 1.1. | 0 | 0 | 0 | 0 |
| Additions | 1 279 576 | 0 | 1 279 576 | 0 |
| Reserve for own shares 31.12. | 1 279 576 | 0 | 1 279 576 | 0 |
| Retained earnings 1.1. | 30 560 640 | 21 137 753 | 22 499 757 | 20 607 319 |
| Dividend payment | -18 510 604 | -15 159 518 | -18 510 604 | -15 159 518 |
| Merging of Vestcap Oyj | 0 | 2 853 296 | 0 | 2 853 296 |
| Consolidation difference | 14 408 | -150 | 0 | 0 |
| Transfer to reserve for own shares | -1 279 576 | 0 | -1 279 576 | 0 |
| Retained earnings 31.12. | 10 784 868 | 8 831 380 | 2 709 577 | 8 301 097 |
| Profit for the financial year | 3 370 312 | 21 729 260 | 9 170 224 | 14 198 660 |
| Shareholders' equity, total | 53 046 140 | 65 202 034 | 50 770 761 | 57 141 151 |

| EUR | Group | | Parent Company | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2002 | 2001 | 2002 | 2001 |
| Calculation of distributable assets | | | | |
| Retained earnings | 10 784 868 | 8 831 380 | 2 709 577 | 8 301 097 |
| Profit for the financial year | 3 370 312 | 21 729 260 | 9 170 224 | 14 198 660 |
| Total | 14 155 180 | 30 560 640 | 11 879 801 | 22 499 757 |

CapMan Plc's share capital is divided as follows:

| | pcs | EUR | pcs | EUR |
|-----------------------------------|------------|---------|------------|---------|
| Series A share (10 votes / share) | 8 000 000 | 80 000 | 8 000 000 | 80 000 |
| Series B share (1 vote / share) | 67 694 630 | 676 946 | 63 194 630 | 631 946 |

9. Deferred tax liabilities

| | | | | |
|---------------------------------------|----------------|----------|----------|----------|
| From untaxed reserves | 268 807 | 0 | 0 | 0 |
| Deferred tax liabilities total | 268 807 | 0 | 0 | 0 |

10. Long-term liabilities

| | | | | |
|------------------------------------|---------------|---------------|----------|----------|
| Other long-term liabilities | 88 219 | 93 739 | 0 | 0 |
| Long-term liabilities total | 88 219 | 93 739 | 0 | 0 |

11. Short-term liabilities

| | | | | |
|-------------------------------------|------------------|------------------|----------------|------------------|
| Advances received | 649 801 | 966 869 | 0 | 0 |
| Accounts payable | 1 266 550 | 336 856 | 9 482 | 44 321 |
| Liabilities to Group companies | | | | |
| Other liabilities | 0 | 0 | 45 850 | 2 204 307 |
| Other liabilities | 562 036 | 246 457 | 35 036 | 28 456 |
| Accrued expenses | 1 707 805 | 925 281 | 474 134 | 118 734 |
| Short-term liabilities total | 4 186 192 | 2 475 463 | 564 502 | 2 395 818 |

Other notes

| EUR | Group | | Parent Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2002 | 2001 | 2002 | 2001 |
| 1. Contingent liabilities and other commitments | | | | |
| Rent and leasing obligations | | | | |
| Year 2003 | 149 250 | 150 534 | 0 | 0 |
| Thereafter | 114 356 | 156 834 | 0 | 0 |
| Total | 263 606 | 307 368 | 0 | 0 |
| Other contingent liabilities | | | | |
| Pledged deposit for own commitment | 6 090 | 6 066 | 0 | 0 |
| Remaining commitments to Funds | | | | |
| Finnventure Fund IV Ky | 12 951 | 32 965 | 0 | 0 |
| Finnventure Fund V Ky | 311 133 | 697 947 | 0 | 0 |
| Finnventure Fund V ET Ky | 65 092 | 135 628 | 0 | 0 |
| Finnmezzanine Fund II A Ky | 4 697 | 6 055 | 0 | 0 |
| Finnmezzanine Fund II B Ky | 12 109 | 19 762 | 0 | 0 |
| Finnmezzanine Fund II C Ky | 6 174 | 8 436 | 0 | 0 |
| Finnmezzanine Fund II D Ky | 8 057 | 17 936 | 0 | 0 |
| Finnmezzanine Fund III A Ky | 622 369 | 836 517 | 0 | 0 |
| Finnmezzanine Fund III B Ky | 155 909 | 169 214 | 0 | 0 |
| Finnmezzanine Fund III C Ky | 238 354 | 257 269 | 0 | 0 |
| Maneq Fund 2002 Ky | 1 672 840 | 551 497 | 1 635 400 | 551 497 |
| Access Capital FCPR | 18 169 | 22 206 | 18 169 | 22 206 |
| Access Capital FCPR II A | 29 193 | 0 | 29 193 | 0 |
| Access Capital FCPR II B | 18 075 | 0 | 18 075 | 0 |
| Access Capital LP | 207 000 | 253 000 | 207 000 | 253 000 |
| Access Capital LP II A | 4 705 663 | 4 625 000 | 4 705 663 | 4 625 000 |
| Access Capital LP II B | 4 686 769 | 4 625 000 | 4 686 769 | 4 625 000 |
| Access Capital LP II C | 22 493 | 0 | 22 493 | 0 |
| Access Capital LP II D | 26 991 | 0 | 26 991 | 0 |
| Access Capital II Founder Partner LP | 96 054 | 0 | 96 054 | 0 |
| CapMan Equity VII A L.P. | 9 265 500 | 0 | 9 265 500 | 0 |
| CapMan Equity VII B L.P. | 1 638 000 | 0 | 1 638 000 | 0 |
| CapMan Equity VII C L.P. | 997 500 | 0 | 997 500 | 0 |
| CapMan Equity Sweden KB | 2 050 050 | 0 | 1 167 750 | 0 |
| Swedestart Tech KB | 3 402 158 | 0 | 3 402 158 | 0 |
| Swedestart Tech AB | 156 122 | 0 | 156 122 | 0 |
| Swedestart Life Science AB | 74 656 | 0 | 74 656 | 0 |
| Total *) | 30 504 078 | 12 258 432 | 28 147 493 | 10 076 703 |
| Total other contingent liabilities and other commitments | 30 510 168 | 12 264 498 | 28 147 493 | 10 076 703 |

*) Increase in other commitments is connected to CapMan Plc's investment decision of EUR 16 million in CapMan Equity VII.

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 14.2 million and the parent company's EUR 11.9 million. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.10 be paid for each A and B share. Total dividends amount to EUR 7.5 million.

Helsinki, 6 March 2003

Lauri Koivusalo
Chairman of the Board of Directors

Lennart Jacobsson

Teuvo Salminen

Ari Tolppanen
CEO

Vesa Vanha-Honko

To the shareholders of CapMan Plc

We have audited the accounting, the financial statements and the corporate governance of CapMan Plc for the period 1.1. - 31.12.2002. 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 CEO 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, 10 March 2003

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jan Holmberg
Authorised Public Accountant

Definitions of key ratios

$$\text{Return on equity \% (ROE)} = \frac{\text{Profit after financial items - taxes}}{\text{Shareholders' equity + minority interest + depreciation difference (average)}} \times 100$$

$$\text{Return on investment \% (ROI)} = \frac{\text{Profit after financial items + interest expense and other financial expenses}}{\text{Balance sheet total - non-interest bearing debts (average)}} \times 100$$

$$\text{Equity ratio (\%)} = \frac{\text{Shareholders' equity + minority interest + depreciation difference}}{\text{Balance sheet total - advances received}} \times 100$$

$$\text{Earnings per share (EPS)} = \frac{\text{Profit after financial items +/- minority interest of the profit of the financial year - taxes}}{\text{Share issue adjusted number of shares (average)}}$$

$$\text{Shareholders' equity per share} = \frac{\text{Shareholders' equity}}{\text{Share issue adjusted number of shares at the end of the financial year}}$$

$$\text{Dividend per share} = \frac{\text{Dividend paid in the financial year}}{\text{Share issue adjusted number of share at the end of the financial year}}$$

$$\text{Dividend per earnings (\%)} = \frac{\text{Dividend / share}}{\text{Earnings / share}} \times 100$$

Shares and shareholders

Share capital and share series

CapMan Plc's minimum share capital is EUR 390,000 and maximum share capital EUR 1,560,000, within which limits the share capital can be increased or decreased without amending the Articles of Association. The paid-in share capital, which is entered in the Trade Register, was EUR 756,946.30 as of 31 December 2002.

CapMan Plc has two series of shares, A and B. Each A share entitles its holder to ten (10) votes and each B share entitles its holder to one (1) vote. At the end of 2002 the total number of A shares was 8,000,000 and the total number of listed B shares was 67,694,630. A shares entitle to 54% of all votes and B shares to 46% of all votes. Companies owned by CapMan's Senior Partners own all A shares.

The nominal share value is EUR 0.01. The company's shares belong to the book-entry system.

Increases in share capital in 2002

The Ordinary Meeting of CapMan Plc held on 31 May 2001 authorised the Board to decide on increasing the company's share capital by a maximum of EUR 70,000.00 by issuing a maximum of 7,000,000 new B shares. 1,130,000 shares were issued in accordance with the authorisation during 2001.

In 2002 CapMan Plc's share capital was increased by EUR 45,000 in accordance with the aforementioned authorisation, when a share issue was directed to the three owners of Swedestart Management AB with the acquisition of Swedestart on 18 April 2002. The authorisation expired on 31 May 2002.

Redemption obligation clause

A shareholder whose share of the entire share capital of the company or the votes produced by the shares reaches or exceeds 33.3% or 50% shall be obliged to redeem the shares and related securities of other shareholders at their request in accordance with the Articles of Association of CapMan Plc.

Own shares

On 19 August 2002 the Board of Directors of CapMan Plc resolved to acquire a maximum of 3,500,000 of the company's own B shares, in accordance with the authorisation granted by the AGM (Annual General Meeting) held on 3 April 2002. The period for share acquisition was defined as 27 August 2002 to 2 April 2003.

As of 31 December 2002 the company held 867,000 own B shares, equivalent to 1.15% of shares and 0.59% of votes. The total acquisition cost of the shares was EUR 1,257,670.05 or an average of EUR 1.45 per share.

Authorisations of the Board of Directors in 2002

The authorisations granted to the Board of Directors by the AGM of CapMan Plc held on 3 April 2002 are described in the Report of the Board of Directors on page 40.

Share listing and trading code

CapMan Plc's B share has been listed on the Main List of the Helsinki Stock Exchange as of 2 April 2001. CapMan's company code on the Helsinki Exchanges is CPM and the trading code of CapMan B shares is CPMBV. The trading lot is 500 shares.

Increases in share capital in 2002

| | Number of A shares | Number of B shares | Share capital, EUR |
|--------------------------------------|--------------------|--------------------|--------------------|
| Share capital as at 1 January 2002 | 8,000,000 | 63,194,630 | 711,946.30 |
| Direct share issue on 18 April 2002 | | 4,500,000 | 45,000.00 |
| Share capital as at 31 December 2002 | 8,000,000 | 67,694,630 | 756,946.30 |

Trading and share price

The closing price of the B share was EUR 2.30 on the first day of trading of the year and EUR 1.59 on the last trading day. The share's lowest trading price was EUR 1.25 and the highest trading price was EUR 2.90. The average trading price was EUR 2.35.

A total of 15,930,043 (6,465,207) B shares with a value of approximately EUR 37.4 million (EUR 13.7 million) were traded on the Helsinki Stock Exchange during 2002. Share turnover was 21.6% (9.8%) of all B shares. The market value of B shares at year-end, excluding own shares held by the company, was EUR 106.2 million and including own shares EUR 107.6 million (EUR 143.5 million). The company's total market capitalisation, including all A and B shares, was EUR 120.4 million (EUR 161.6 million).

Shareholders

CapMan Plc had 6,150 shareholders at the end of 2002. There was one notice of flagging during the year, when Fennogens Investment S.A.'s stake in CapMan Plc decreased to less than 5% of the company's total shares and voting rights on 26 March 2002.

Management's shareholdings

As of 30 December 2002 the Members of the Board of Directors of CapMan Plc as well as the CEO and Deputy CEO own a total of 25,977,733 A and B shares, both

directly and via their companies. Management's shareholdings represent 34.3% of shares and 44.49% of voting rights.

Warrant scheme

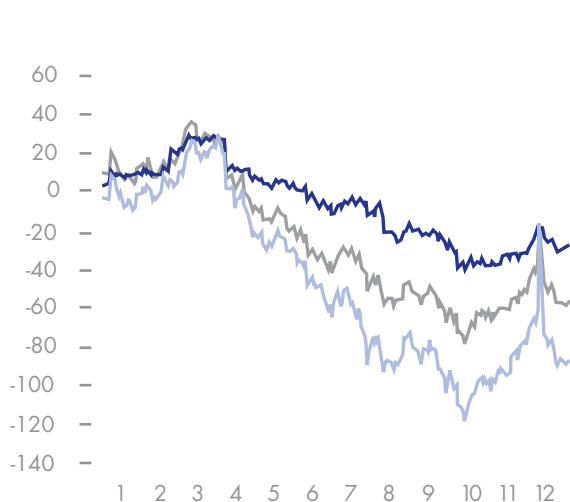
The company has a warrant scheme as part of the Group's incentive and commitment programme for all employees, excluding substantial shareholders of the company. A maximum of 5,270,000 warrants can be issued and they will entitle to subscribe for a total of 5,270,000 CapMan Plc B shares. The share subscription 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 seven per cent of the shares and share capital of CapMan Plc.

Dividend policy

The company policy is to distribute at least 50% of the net profit in dividends. Both share series give an equal entitlement to receive dividend. The Board of Directors proposes to the AGM that for the year 2002 a dividend of EUR 0.10 per share be distributed to shareholders.

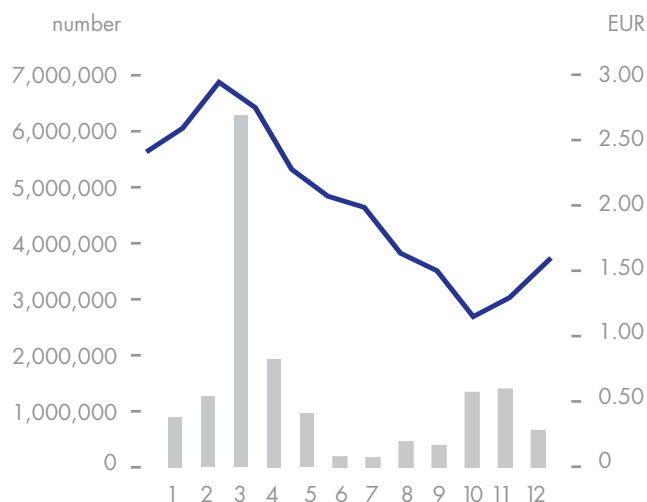
Insiders

CapMan Plc's insider rules are outlined in Corporate Governance section on page 36.



Indexes in 2002

- CapMan
- HEX general index
- Banking and Finance



CapMan B share trading and average price in 2002

- Number of shares traded
- Average price of share

Distribution of A and B shareholdings on 30 December 2002

| Numbers of shares | Number of shareholders | % | Number of shares | % | Number of votes | % |
|--|------------------------|--------|------------------|-------|-----------------|--------|
| 1-100 | 1,199 | 19.50 | 53,649 | 0.07 | 53,649 | 0.04 |
| 101-1,000 | 3,165 | 51.46 | 1,647,462 | 2.18 | 1,647,462 | 1.12 |
| 1,001-100,000 | 124 | 2.02 | 3,305,866 | 4.37 | 3,305,866 | 2.24 |
| 100,001-1,000,000 | 35 | 0.57 | 14,400,878 | 19.02 | 16,157,300 | 10.94 |
| 1,000,001- | 13 | 0.21 | 51,379,194 | 67.88 | 121,622,772 | 82.35 |
| Total | 6,150 | 100.00 | 75,675,306 | 99.97 | 147,675,306 | 99.99 |
| On the book-entry register joint account | | | 9,324 | 0.03 | 19,324 | 0.01 |
| Total | | | | | 75,694,630 | 100.00 |

Shareholders by group on 30 December 2002

| Group | Number of owners | % | Number of shares | % | Number of votes | % |
|--|------------------|--------|------------------|--------|-----------------|--------|
| Publicly and privately held companies | 430 | 7.00 | 48,299,288 | 63.81 | 120,299,288 | 81.45 |
| Financial and insurance institutions | 8 | 0.13 | 3,319,669 | 4.39 | 3,319,669 | 2.25 |
| Public associations | 5 | 0.08 | 665,091 | 0.88 | 665,091 | 0.45 |
| Non-profit entities | 35 | 0.57 | 1,423,645 | 1.88 | 1,423,645 | 0.96 |
| Households | 5,644 | 91.77 | 15,737,863 | 20.79 | 15,737,863 | 10.66 |
| International investors | 24 | 0.39 | 5,713,102 | 7.55 | 5,713,102 | 3.87 |
| In nominee register | 4 | 0.07 | 516,648 | 0.68 | 516,648 | 0.35 |
| Total | 6,150 | 100.00 | 75,675,306 | 99.98 | 147,675,306 | 99.99 |
| On the book-entry register joint account | | | 9,324 | 0.03 | 19,324 | 0.01 |
| Total | | | 75,694,630 | 100.00 | 147,694,630 | 100.00 |

Source: Finnish Central Securities Depository Ltd, as at 30 December 2002

Figures are based on the total number of shares 75,694,630, including 867,000 B shares owned by CapMan Plc and 8,000,000 A shares owned by the Senior Partners of CapMan.

CapMan's largest shareholders on 30 December 2002

| | Number of shares | Percentage of shares | Number of votes | Percentage of votes |
|---|------------------|----------------------|-----------------|---------------------|
| 1 Aristo Invest Oy**) + Ari Tolppanen*) | 13,357,862 | 17.65% | 35,381,150 | 23.96% |
| 2 Geldegall Oy**) + Olli Liitola*) | 7,050,856 | 9.31% | 18,675,598 | 12.64% |
| 3 Winsome Oy**) + Tuomo Raasio*) | 7,050,856 | 9.31% | 18,675,598 | 12.64% |
| 4 Vesasco Oy**) (Vesa Vanha-Honko***) | 7,050,856 | 9.31% | 18,675,598 | 12.64% |
| 5 Other CapMan employees | 4,631,306 | 6.12% | 4,631,306 | 3.14% |
| 6 Heiwes Oy**) + Heikki Westerlund*) | 4,049,005 | 5.35% | 10,722,037 | 7.26% |
| 7 Novestra Ab**) + Peter Buch Lund*) | 3,983,335 | 5.26% | 10,656,367 | 7.22% |
| 8 Nordea Life Assurance Finland Ltd | 2,961,306 | 3.91% | 2,961,306 | 2.01% |
| 9 Geveles AB | 2,177,152 | 2.88% | 2,177,152 | 1.47% |
| 10 Matteus Holding SPRL (Jan Lundahl***) | 1,500,000 | 1.98% | 1,500,000 | 1.02% |
| 11 Torpet SPRL (Lars Hagdahl***) | 1,500,000 | 1.98% | 1,500,000 | 1.02% |
| 12 Degato Holding SPRL (Lennart Jacobsson***) | 1,500,000 | 1.98% | 1,500,000 | 1.02% |
| 13 Guarneri Oy**) + Petri Saavalainen*) | 1,434,460 | 1.90% | 3,190,882 | 2.16% |
| 14 Procurator Oy | 1,158,806 | 1.53% | 1,158,806 | 0.78% |
| 15 CapMan Oyj | 867,000 | 1.15% | 867,000 | 0.59% |
| 16 Kari Stadigh | 711,259 | 0.94% | 711,259 | 0.48% |
| 17 Svenska Litteratursällskapet i Finland | 500,000 | 0.66% | 500,000 | 0.34% |
| 18 Premiere Holding Oy Ab | 455,000 | 0.60% | 455,000 | 0.31% |
| 19 Nokia Plc | 436,600 | 0.58% | 436,600 | 0.30% |
| 20 Lindell Oy Ab | 384,000 | 0.51% | 384,000 | 0.26% |
| Total | 62,759,659 | 82.91% | 134,759,659 | 91.24% |
| In nominee register | 516,648 | 0.68% | 516,648 | 0.35% |

*) Employed by CapMan.

**) Companies owned by CapMan's Senior Partners own all 8,000,000 A shares, each of which has ten votes for every one B share vote. There were 67,694,630 B shares in total at year-end.

***) The owner of the company marked in parentheses is a Senior Partner of CapMan who does not directly own shares in the company.

Information for shareholders

Annual General Meeting

The Annual General Meeting of CapMan Plc will be held on Wednesday, 9 April 2003 at 10.00 a.m. Finnish time at the Scandic Hotel Continental, at the address Mannerheimintie 46, Helsinki.

Attendance at the Annual General Meeting is open to shareholders who, by Friday, 28 March 2003, have been entered as shareholders in the company's Shareholder Register, which is kept by the Finnish Central Securities Depository Ltd.

The deadline for registration to attend the meeting is Monday, 7 April 2003 at 12.00 p.m. Finnish time. Shareholders can register either by telephone to the numbers +358 9 6155 8345 or +358 9 6155 8356, by fax to the number +358 9 6155 8350, by e-mail to pia.vilpas@capman.com or by sending a letter to the address CapMan Plc, Korkeavuorenkatu 32, 00130 Helsinki, Finland. Registrations shall be received at CapMan prior to the expiration of the registration period. Any proxy by which the shareholder wishes to exercise his or her voting right at the meeting should be submitted to CapMan Plc at the aforementioned postal address prior to the expiration of the registration period.

Dividend

The Board of Directors of CapMan Plc proposes to the Annual General Meeting that a dividend of EUR 0.10 per share be paid for the 2002 fiscal year. The dividend will be paid to shareholders who on the dividend record date, 14 April 2003, have been entered in the company's Shareholder Register, which is kept by Finnish Central Securities Depository Ltd. The dividend payment date in Finland will be 23 April 2003.

CapMan Plc financial reports in 2003

In 2003, CapMan Plc will publish its interim reports on the following dates:

Interim Report for 1 January - 31 March 2003 on
Wednesday, 7 May

Interim Report for 1 January - 30 June 2003 on
Wednesday, 6 August

Interim Report for 1 January - 30 September 2003 on
Tuesday, 4 November

CapMan's financial reports are published in Finnish and English. CapMan's Annual Report, interim reports, stock exchange releases and press releases are available on the Internet at www.capman.com, which also contains other information for investors. In addition, it is possible to subscribe to the company's press releases and order print copies of CapMan's Annual Report online.

Contact information

CapMan's Investor Relations and Communications Unit is in Helsinki. The contact details are:

CapMan Plc/Communications
Korkeavuorenkatu 32
00130 Helsinki
Finland
Tel. +358 9 6155 8322
Fax +358 9 6155 8350

Changes of address

Shareholders are requested to make notification of changes in their personal particulars and address directly to the holder of the book-entry securities account, that is the bank's book-entry register at which the shareholder has a book-entry securities account. The address for book-entry securities accounts at Finnish Central Securities Depository Ltd is:

Finnish Central Securities Depository Ltd
P.O. Box 1260
00101 Helsinki
Finland

(tel. +358 800 180 500 free customer service
9 a.m. - 4 p.m. Monday - Friday)

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The logo consists of the word "CapMan" in a white serif font, centered within a dark grey rectangular box.

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