

*amanda*



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Annual Report 2005

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### **Amanda Capital in Brief**

Amanda Capital group is the only publicly listed private equity fund-of-funds in Scandinavia. The company has investments in 21 different private equity funds and thereby in over 200 unquoted companies, mainly located in Europe. Amanda Capital Plc's subsidiary Amanda Advisors Ltd (formerly Mandatum Private Equity Funds Ltd) is one of Finland's largest managers of private equity fund investments.

The company manages several consulting private equity fund portfolios, as well as Amanda Capital Plc's investment portfolio. Amanda Advisors Ltd also acts as a general partner in the private equity funds-of-funds Mandatum Private Equity Fund I L.P. and Mandatum Private Equity Fund II L.P. established by the company. The investors include several institutional investors. Amanda Advisors Ltd currently manages more than 700 million euro of assets (original investment commitments being close to one billion euro) and has made investments in more than 80 private equity funds in Europe, the United States, Asia and Russia.

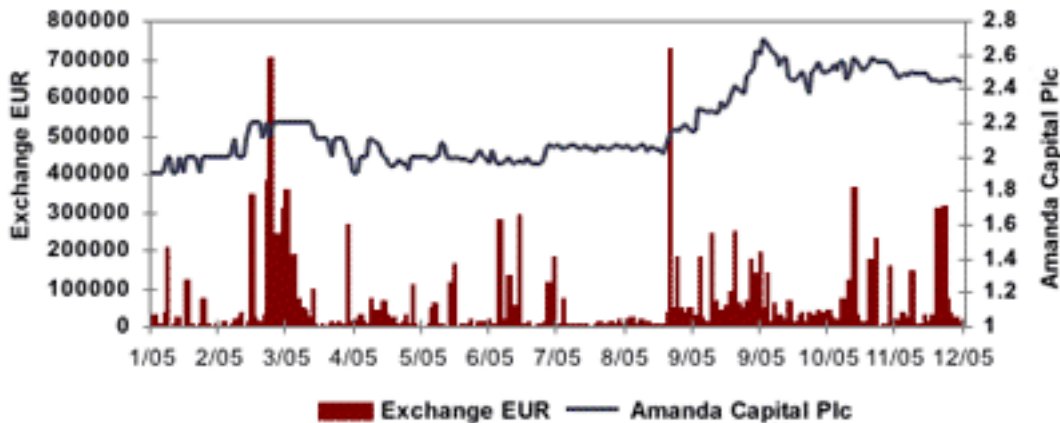
**Annual Report 2005**

The year 2005 was interesting for Amanda Capital both economically and structurally. Major events in 2005 were:

- Amanda Capital carried out a reverse split of its share, in which ten old shares were combined into one new share. At the same time as the split, the quotation of Amanda’s share was transferred from the Helsinki Stock Exchange NM List to the Main List in Helsinki Stock Exchange.
- Amanda Capital acquired its management company Mandatum Private Equity Funds Ltd. With this acquisition Amanda expanded its business from investment operations to the management and consultation of private equity investments.
- In 2005 Amanda made three new investment commitments. Amanda made its first commitment in Russian private equity markets, five million dollar commitment in Russia Partners II private equity fund. In addition, Amanda made five million euro commitments in both Montagu III and Pai Europe IV private equity funds.
- The net profits from Amanda’s investment operations rose to €9.4 million. The result for the financial period improved by 38 per cent on the previous year to €5.5 million.

**Key Figures, 1 000 EUR**

Net asset value/share	2.41
Balance sheet total	54 780
Shareholders’ equity	51 312
%	
Equity to asset ratio	93.89
Commitments to equity ratio	107
Private equity investments to equity ratio	62



## CEO's Review

### A year of good profits and structural changes for Amanda

Dear Shareholder, thank you for the past year. The year 2005 was interesting for Amanda Capital both economically and structurally. The net profits from Amanda's investment operations rose to €9.4 million. The result for the financial period improved by 38 per cent on the previous year to €5.5 million. The good result gives the opportunity to pay significant dividends. Amanda's Board of Directors will propose a dividend of 15 cents per share at the shareholders' meeting.

In April Amanda carried out a reverse split of its share, in which ten old shares were combined into one new share. At the same time as the split, the quotation of Amanda's share was transferred from the Helsinki Stock Exchange NM List to the Helsinki Stock Exchange Main List. The Main List process with the reverse split was a profitable process for Amanda and its shareholders since the set goals, the company's improved visibility and recognisability among investors and the media, the improvement of the share's price formation and its increase in value have been realised. The share's exchange in euro increased by 30 per cent compared with 2004. The number of finished trades increased from 1,900 to 3,563. Amanda's share price has risen by 42 per cent since the main listing. Naturally, other factors have also affected this, such as successful detachments from target companies.



However, the acquisition of Mandatum Private Equity Funds Ltd can be considered the most significant event in 2005 since Amanda expanded its business from investment operations to the management and consultation of private equity investments. Amanda's own investments handle now its own personnel. In future, this competence can be utilised in offering private equity investment services to outside parties.

### The competition for good private equity investment objects becomes fiercer in Europe

In 2005, according to estimates, over €55 billion of capital was collected into European private equity funds- an all-time record. Private equity capacity this grand inevitably raises the question of whether there is already too much money competing for same investment objects in the business. There are, however, many natural explanations for the huge amounts invested in private equity funds.

First of all, the private equity funds have expanded their operations to the top end of the corporate transaction market. As the sizes of individual funds have grown near €10 billion, the average size of investments has grown as well. The biggest fund of all-time, Blackstone V, closed in the final quarter of the year at slightly over \$13 billion. The funds of this size have combined their forces and ended up making corporate transactions of even €10 billion, such as the de-listing of the Danish operator TDC from the Copenhagen Stock Exchange.

Low interest rate levels, stable juridical environment and functional exit markets have also been preconditions for the growth in private equity investment operations. The low interest level has made the record-high use of debt instruments possible, and corporations with good cash flow can manage even big debt loads. Although the exit markets have worked well over the past two years, they may not necessarily work optimally as more than half of the exits have been secondary transactions. So far the private equity investments have been able to produce overwhelming profits compared with other assets classes. Nevertheless, the consensus view in the business is that the increased competition for investment objects due to the growth in the supply of share capital and loans may somewhat reduce the returns in the most mature markets, such as Europe and the United States, in the future.

Many private equity funds and institutions have turned their eyes also to the less competitive and strongly growing areas of private equity markets, such as Central and Eastern Europe, Russia and Asia. According to estimates, the funds investing in the developing markets collected \$26 billion last year, an increase of 300% compared with the previous year. However, there is still a lot of room for growth compared with Europe and the United States. Moreover, it can be said that the tale of private equity investing is only beginning in the emerging markets.

### The first investment in Russian private equity markets

During 2005 Amanda's investment professionals studied 174 different investment alternatives globally. Of these, Amanda accepted three as its investment objects. Amanda made a €5 million investment commitment in the French Pai Europe IV private equity fund, a €5 million commitment in the British Montagu III private equity fund and a €5 million engagement in the Russian Russia Partners II private equity fund. Amanda now has investments in 21 private equity funds, which, for their part, have invested in nearly 300 target corporations.

As we studied the Russian private equity market in connection with the Russia Partners II investment, we found that they have developed into an interesting phase in which the norms for private equity investing have been created but the competition for good investment objects is still low. In order to gain good profits, we are constantly looking for new alternatives and markets. In the last 18 months Amanda has studied the private equity investment markets and funds in Russia, the former Soviet Union and Eastern Europe a great deal, and has found that there are a number of interesting investment objects in these regions.

Private equity funds in Amanda's portfolio made several new, interesting investments during 2005. Investments were made in, for instance, ISS, quoted in Denmark, which provides sanitation and real estate services; Sanitec which manufactures bathroom solutions; the Finnish Sulake Oy, whose most popular game is "Habbo Hotel"; Avent Holdings Ltd, which manufactures and sells children's goods; the English pub chain Barracuda and the French TDF, which owns the French terrestrial antenna network for cordless services.

In 2006 Amanda will continue the disciplined study of investment possibilities and make new investment commitments in private equity funds.

### **Many successful detachments**

In 2005 the most important exits from Amanda's portfolio were the sale of Normet Oy, which manufactures machines for the mining industry to the company's active management and a Finnish investor group; the sale of ADR-Haanpää, which specialises in the transport of liquid chemicals to another private equity investor; the quotation of AffectoGenimap on the Helsinki Stock Exchange; the sale of the sweets factory Panda to FelixAbba, a part of Orkla consolidated; the sale of Sydsvenska Kemi to another private equity investor; and the sale of the explosives manufacturer DynoNobel to Macquarie Bank. In 2005 Amanda's private equity investment portfolio yielded 36.6 per cent (IRR) and since the beginning of Amanda's investment operations the private equity investments have yielded 30 per cent a year, on average.

Last year was very interesting for Amanda but the new business area - management and consultation of private equity investments - opens completely new possibilities for expansion and increase in turnover and profit in the future. A positive sentiment on the market will help Amanda in these plans. As the exit market of private equity investments is expected to remain good in 2006, I believe that Amanda's shareholders are going to have another good year ahead of them.

Helsinki, 22 February 2006

Petteri Änkilä  
CEO

## Board of Directors' Report 1 Jan.-31 Dec. 2005

In addition to excellent returns from investment operations, 2005 marked great structural changes for Amanda. The company moved to the Main List of the stock exchange in the spring, and a reverse split was applied to its shares. In the autumn, the company expanded into the management and consultancy business related to private equity funds through the acquisition of Mandatum Private Equity Funds Ltd as a subsidiary. This transformed Amanda Capital Plc into a consolidated group.

### Amanda Capital's financial situation and investments in private equity funds

Amanda's investment portfolio, consisting of 21 different private equity funds, carried out several exits during 2005. In particular, buyout funds founded in 1997-2000 divested their investments.

The net asset value per share, adjusted for changes in the number of shares, was EUR 2.22 at the beginning of the year and EUR 2.41 at the end of the year. The increase in net asset value was EUR 0.29, taking into account the dividend of EUR 0.10 per share paid out in March.

From 1 January to 31 December 2005, Amanda Capital's parent company increased its net income from investments by 54% to 9.4 million euro (6.1 million euro from January to December 2004). Consolidated net sales, including net sales from consultancy and administration, was no more than 64,000 euro higher than this, because this business has only been included in the consolidated financial statements since 9 December 2005. The group profit for the period increased by 38% to 5.5 million euro (4.0 million euro), while earnings per share amounted to 0.26 euro (0.19). The increased net investment income and earnings in the review period were the consequence of several profitable exits carried out by the private equity funds and capital returned through rearrangements of financing to the target companies.

The balance sheet total of Amanda Capital group totalled EUR 54,780 thousand and shareholders' equity EUR 51,312 thousand. According to Amanda Capital's investment policy, almost the entire balance sheet consists of shareholders' equity. This means that the equity to assets ratio is high at 93.89 per cent. Approximately 58% of the balance sheet total is invested in private equity funds and 36% in liquid assets. The amount of goodwill is 6% of the balance sheet total.

Amanda made three new investments in private equity funds during the year. During the first quarter, the company made a EUR 5 million investment commitment in the PAI Europe IV private equity fund. PAI Partners (PAI) invests in unquoted medium-sized and large European companies. PAI has offices in Paris, London, Madrid and Milan. For more information, see [www.paimanagement.com](http://www.paimanagement.com).

In the second quarter, Amanda made a USD 5 million investment commitment in the Russia Partners II private equity fund. Russia Partners makes investments in unlisted medium-sized companies operating in Russia or the countries of the former Soviet Union. For more information, see [www.sigulerguff.com](http://www.sigulerguff.com).

Amanda also made a USD 5 million investment commitment in the Montagu III private equity fund in the second quarter. Montagu Private Equity makes investments in unlisted medium-sized European companies. Montagu has offices in London, Manchester, Paris, Düsseldorf and Stockholm. For more information, see [www.montaguequity.com](http://www.montaguequity.com).

At the end of the financial year, the company had investments in 21 private equity funds: Atlas Venture VI L.P. ([atlasventure.com](http://atlasventure.com)), Benchmark Europe I L.P. ([benchmark.com](http://benchmark.com)), Charterhouse Capital Partners VII ([charterhouse.co.uk](http://charterhouse.co.uk)), EQT Finland BV([eqt.fi](http://eqt.fi)), EQT Scandinavia II BV ([eqt.se](http://eqt.se)), EQT IV ([eqt.se](http://eqt.se)), Fenno Rahasto Ky ([fennomanagement.fi](http://fennomanagement.fi)), Finnventure Rahasto V Ky ([capman.fi](http://capman.fi)), Gresham III Fund L.P.([gresham.vc](http://gresham.vc)), Industri Kapital 1997 ([industrikapital.com](http://industrikapital.com)), Industri Kapital 2000 ([industrikapital.com](http://industrikapital.com)), Innovacom 4 ([innovacom.com](http://innovacom.com)), MB Equity Fund II Ky ([mbfunds.fi](http://mbfunds.fi)), Merlin Biosciences Fund L.P. ([merlin-biosciences.com](http://merlin-biosciences.com)), Montagu III L.P. ([montaguequity.com](http://montaguequity.com)), Nexit Infocom 2000 ([nexitventures.com](http://nexitventures.com)), PAI Europe IV ([paimanagement.com](http://paimanagement.com)), Permira Europe II L.P. ([permira.com](http://permira.com)), Permira Europe III, Russia Partners II ([sigulerguff.com](http://sigulerguff.com)) and Sponsor Fund I Ky ([sponsor.fi](http://sponsor.fi)).

### Personnel and Amanda Advisors Ltd

The management of Amanda Capital's investment operations has been outsourced to Mandatum Private Equity Funds Ltd, part of the Sampo Group, since September 2002. At the end of the period under review, Amanda Capital Group's number of personnel increased to eight people through the acquisition of Mandatum Private Equity Funds Ltd (currently Amanda Advisors Ltd) on 9 December 2005. Mandatum Private Equity Funds Ltd was a private equity investment company held on a 100% basis by Sampo plc. The company's net sales in 2004 amounted to 1.65 million euro, while the operating profit stood at approximately 0.6 million euro. Net sales and operating profit increased in 2005 and amounted to 2.5 and 1.3 million euro due to a non-recurring return item. The return item was associated with a management agreement between Amanda Capital and Amanda Advisors Ltd (formerly Mandatum Private Equity Funds Ltd). Amanda Advisors Ltd is one of Finland's largest managers of private equity investments. The company manages several consulting private equity fund portfolios, as well as Amanda Capital Plc's investment portfolio. Amanda Advisors Ltd also acts as a general partner in the private equity capital funds-of-funds Mandatum Private Equity Fund I L.P. and Mandatum Private Equity Fund II L.P. established by the company. The investors include several institutional investors. Amanda Advisors Ltd currently manages more than 700 million euro of assets and has made investments in more than 80 private equity funds in Europe, the United States, Asia and Russia.

The acquisition will provide Amanda stable cash flow and competence associated with a new business area, consultancy and the management of private equity fund investments. The business area is believed to have good opportunities for growth as the popularity of private equity investments is increasing among institutions.

### Other major events during the period under review

On 30 June 2005, Helsinki District Court dismissed the lawsuits filed against Amanda Capital by Interglobia Ltd.'s bankruptcy estate and Interavanti Oyj. On 19 September 2005 Interavanti Oyj and Interglobia's bankruptcy estate filed an appeal against Helsinki District Court's decision with the Court of Appeal. Amanda Capital's management, Board of Directors and legal counsellors regard the lawsuits as unfounded. The legal procedures as such do not have an impact on Amanda Capital Plc's regular business operations.

An Extraordinary General Meeting of Amanda Capital Plc on 9 December 2005 approved the acquisition of the entire stock of Mandatum Private Equity Funds Ltd at a price of 3.6 million euro and amended Section 2 of the company's Articles of Association to read as follows:

"The Company's field of activity comprises making investments in shares, units and securities, and their derivatives, of private equity investment companies and funds, and trading in these instruments. The Company may also manage private equity funds, engage in asset administration, carry out advisory and consultancy operations associated with these, own, purchase and sell securities, as well as own real estate. The Company may also engage in other asset administration and in other investment and financing operations.

The Company may engage in other asset management, investment and financing operations.

The Company may engage in the operations referred to in the above either directly or through subsidiaries and affiliates.

The Company also operates as the administrative unit of its consolidated group, providing its subsidiaries with financing, marketing, administration and other similar functions."

### Amanda Capital's Board of Directors, auditors and Managing Director

The following persons were elected as continuing Members of the Board for the next term in Amanda Capital's AGM on 15 March 2005: Mr. Carl-Gustaf Ehrnrooth, Mr. Antti Heikinheimo, Mr. Kari Joutsa, Mr. Dag Nykvist, Mr. Topi Piela and Mr. Dag Wallgren. In its organisation meeting, the Board of Directors elected Mr. Topi Piela as its chairman.

The company auditor was the Authorised Public Accountant Ernst & Young Oy, with Mr. Kunto Pekkala, APA, as the auditor in charge.

Mr. Petteri Änkilä, M.Sc. (Econ.) acted as Amanda Capital Plc's CEO.

### Company shares and acquisition of own shares

A decrease in the number of Amanda Capital Plc's shares was registered in the Trade Register on 9 April 2005. The number of shares was reduced by a reversed split of shares, so that by virtue of an amendment to the Articles of Association 10 existing shares were combined into one new share. As a consequence of the reversed split, the number of shares changed from 212,596,460 to 21,259,646. At the same time, the nominal value of each share changed from EUR 0.05 to EUR 0.50. Trading in the combined shares started on 11 April 2005.

The round lot for trading Amanda Capital Plc's stock changed from 3,000 shares to 100 shares. Amanda Capital has been quoted on the Main List of Helsinki Exchanges since 19 April 2005. Amanda Capital moved to the Investment business sector of the Main List. On 1 July 2005, Helsinki Exchanges introduced the Global Industry Classification Standard (GICS) according to which Amanda Capital is included in the Financials sector.

On 31 December 2005 the company's share capital amounted to EUR 10,630,000 and the number of shares was 21,259,646. The company held no shares of its own at the end of the review period. The company has a valid authorisation to purchase its own shares.

The Board was also authorised to decide on increasing the share capital by a maximum of EUR 2 million or less. The Board did not exercise this authorisation.

### Dividend policy and proposal for the distribution of profits

The Board of Directors of Amanda Capital Plc has adopted a dividend policy with the objective of recommending payment of dividends amounting to a minimum of 30 per cent of Amanda Capital's result for the year. The distributable funds of the mother company amount to EUR 9,630,153.53 and the group to EUR 13,349,689.47. The Board of Directors proposes that a dividend of EUR 0.15 for 21,259,646 shares be distributed for the financial period ending on 31 December 2005. According to the proposal, EUR 3,188,946.90 will be used for dividends, which corresponds to 58% of the profit for the accounting period. The dividend will be paid to such shareholders that on the matching day, 17 March 2006, are entered as shareholders in the Register of Shareholders maintained by the Finnish Central Depository Ltd. 24 March 2006 is proposed as the date for the dividend payment.

### Introduction of the IAS/IFRS standards

Amanda adopted the IFRS standards in 2005. The company announced the preliminary effects of the transition on 19 January 2005 and issued interim reports in accordance with the standards during the year.

### Corporate Governance

Amanda has drafted and will introduce Corporate Governance instructions that comply with the Corporate Governance Recommendation for Listed Companies issued by the Helsinki Exchanges, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers, as well as the Guidelines for Insiders published by the Helsinki Exchanges. Information in accordance with the Corporate Governance guidelines can be found on the company web pages at [www.amandacapital.fi](http://www.amandacapital.fi).



**Events after the end of the financial period and future outlook**

On 11 January 2006, Amanda Capital Plc received the following notifications of changes in major shareholdings:

Sampo plc's (Business ID 0142213-3) holding of Amanda Capital Plc's shares and voting rights has decreased to less than one third, namely from 45.41 per cent to zero (0) per cent. Berling Capital Ltd's (Business ID 0799293-8) holding of Amanda Capital's shares and voting rights has exceeded one tenth and stands at 14.99%. Umo Capital Oy's (Business ID 0115056-1) holding of Amanda Capital's shares and voting rights has exceeded one tenth and stands at 14.99%. Veikko Laine Oy's (Business ID 0110592-0) holding of Amanda Capital's shares and voting rights has exceeded one tenth and stands at 14.99%. Sampo Life Insurance Company Limited's (Business ID 0641130-2) holding of Amanda Capital's shares and voting rights has exceeded one twentieth and stands at 9.66%.

The funds returned from A-Katsastus Ltd sold by MB Funds were received in January. The exit produced more than one million euro of cash flow for Amanda. The funds returned from PPTH-Norden Ltd sold by Fenno Fund were received in January. The Industri Kapital 2000 fund sold the chemical company Perstorp AB to the private equity investment company PAI Partners. The purchaser, PAI Europe IV, is also an investment of Amanda. Income from the sale was recognised by Amanda in January. EQT II has entered into an agreement to sell Findus AB, a producer of frozen foods, to the CapVest private equity investment company. The transaction is subject to the approval of the competition authorities.

Amanda has made an additional investment commitment of seven million dollars in the Russia Partners II private equity fund. Russia Partners makes investments in unlisted medium-sized companies operating in Russia or the countries of the former Soviet Union. Please visit [www.sigulerguff.com](http://www.sigulerguff.com) for more information.

Amanda Capital's long-term return expectations of investments in private equity funds remain positive. There may be exits, particularly in buyout funds, because many of the investments in these funds are now 4-6 years of age. The company will continue to build the private equity fund portfolio described in its strategy. The aim of Amanda Capital is to form a well-diversified private equity fund portfolio. Within the new business area, the management of private equity investments and related consultancy, the company has long-term agreements and these produce a stable cash flow.

Helsinki, 16 February 2006

AMANDA CAPITAL PLC  
Board of Directors

## Company Management

### Board of Directors

Amanda Capital's Board of Directors is elected by the general meeting of shareholders for a period of one year at a time. In accordance with the Articles of Association, the Board consists of 5-7 members. Those elected to the Board must have the necessary qualifications and the opportunity to dedicate sufficient time for Board work. The company promotes the work of the Board by providing it with sufficient information about the company's operations.

The majority of Amanda's Board is independent of the company. Furthermore, a minimum of two members included in said majority are also independent of any major shareholders in the company.

Amanda Capital's Board of Directors convened 15 times during the financial period and average attendance percentage was 94. The Chairman of the Board was paid a monthly fee of 1,000 euro and each Board member was paid a monthly meeting compensation of 700 euro.

### Amanda Capital Plc's Board of Directors in 2004

#### **Topi Piela, born 1962, member of the Board of Directors since 2004 Chairman of the Board**

Topi Piela, Msc.Econ, CEFA is the managing director of Balance Capital Ltd. Mr. Piela served as Managing Director of Amanda Capital Plc from 2000 until the spring of 2004, when he assumed the position of Chairman of the Board of Directors. Piela's previous positions include Managing Director of Mandatum Private Equity Funds Ltd., Investment Director at Ilmarinen Mutual Pension Insurance Company, Managing Director and co-founder of Arctos Rahasto Oy, and Securities and Investment Director of Ålandsbanken Ab. He has also served on the investment committees of several Finnish and European private equity funds. Topi Piela is a member of the Board of Directors of Menire Corporation, Balance Capital Limited and Eyemaker's Finland Ltd., a member of the State Pension Fund investments committee, and a member of the Board of Directors of the Finnish Society of Investment Professionals.

Office address: Umo Capital Oy, PO Box 254, FI-00811 Helsinki, Finland  
Piela Ventures Oy (a corporation controlled by Piela) holds 12 000 Amanda Capital Plc shares.

#### **Carl Gustaf Ehrnrooth, born 1969, member of the Board of Directors since 2004**

Carl Gustaf Ehrnrooth is a private investor. He has previously worked in different positions in Seligson & Co asset management company. Mr. Ehrnrooth is a member of the Board of Directors in Ekoport Turku Oy and the chairman of the Board of Directors in Confido Capital Oy.

Office Address: Amanda Capital Plc. PO Box 152, FI-00121 Helsinki, Finland  
Fennogens Investment S.A. (a corporation controlled by Ehrnrooth together with family members) holds 2,295,693 Amanda Capital Plc shares.

#### **Antti Heikinheimo, born 1954, Member of the Board since 2000**

Antti Heikinheimo is a partner of Hannes Snellman Attorneys at Law, Ltd. Hannes Snellman is one the leading Finnish law firms with about 100 employed lawyers and a total number of employees of 180. Mr. Heikinheimo completed his legal education in 1979 at the University of Helsinki and was thereafter employed by the Pohjola Insurance Group before moving to Hannes Snellman in 1982. He became partner in 1988. He served Hannes Snellman as the managing partner 2000-2004. Mr. Heikinheimo also holds several positions of trust both in business and in the practice of law.

Contact information: Hannes Snellman Attorneys at Law, Ltd, Eteläranta 8, FI-00130 Helsinki, Finland  
Marathon-Invest Oy (a limited liability company controlled by Antti Heikinheimo) holds 19 600 shares of Amanda Capital Plc.

#### **Kari Joutsa, born 1948, Member of the Board since 2001**

Kari Joutsa has been the Managing Director of Apteekkien Eläkekassa (the Pharmacists' Pension Fund) since 1994. His primary responsibilities concern the management of the company's investment portfolio, whose value is approximately 350 million euro. Mr. Joutsa has previously worked in Alko Inc, holding various positions in human resource management since 1973. He also served as the Director of Alko's pension fund. Mr. Joutsa has also served as Chairman of the Board of Directors of Oy Porasto Ab since 1994 and as Member of the Board of Evli Fund Management Company Ltd since 2002. Mr. Joutsa also holds several positions of trust in the area of pension fund activities.

Contact address: Apteekkien Eläkekassa, Kalevankatu 13, FI-00100 Helsinki, Finland  
Owns 3 000 shares of Amanda Capital Plc.

**Dag Nykvist, born. 1964, member of the Board of Directors since 2004**

Dag Nykvist, MBA, joined er Capital Management Oy in 2002. er Capital Management Oy is an investment service company which focuses on hedge funds. Nykvist started his career as a securities broker in 1988. He was a partner in Gyllenberg's AG Private Bankers Ltd for 7 years before its dissolution. Dag Nykvist also serves as Chairman of the Board of Directors of WL-Medical Oy. Established in 1989, WL-Medical Oy imports cardiovascular diagnostic and therapy products to Finland.

Office address: er Capital Management Oy, Aleksanterinkatu 50A, FI-00950 Helsinki, Finland

**Dag Wallgren, born 1961, Member of the Board since 2001**

Dag Wallgren, M.Sc. (Econ.), has worked as Finance Manager for the Swedish Literary Society in Finland since 1997. Before this, he worked at Oy International Business Machines Ab since 1989 in sales and marketing as well as with different tasks related to customer finance. The Swedish Literary Society is a scientific society established in 1885, which manages considerable fund assets, e.g. Svenska Kulturfonden. Dag Wallgren is also Managing Director of Ab Kelonia Oy, which is a joint investment company for eight non-profit organisations in Swedish-speaking Finland. Kelonia mainly invests its assets in private equity funds. Mr. Wallgren is a Board member in, e.g. Aktia Savings Bank and Helsingin Säästöpankkisäätiö Foundation.

Contact address: Svenska litteratursällskapet i Finland, Ritarikatu 5, FI-00170 Helsinki, Finland  
Owns 600 shares of Amanda Capital Plc.

**Petteri Änkilä, born 1971  
Managing Director**

Petteri Änkilä, M.Sc. (Econ.), was appointed Managing Director of Amanda Capital in March 2004. He also acts as Managing Director of Amanda Advisors Ltd, Amanda Capital's subsidiary. Änkilä also holds positions of trust in many European private equity funds. He has previously served as a Fund Director at Sampo Fund Management and as a partner and Head of institutional sales at Mandatum Stockbrokers. Before joining Mandatum, Änkilä was employed as an institutional stockbroker at Evli Securities, before which he worked as a currency, interest rate and derivatives dealer and chief dealer in Merita and Kansallis-Osake-Pankki.

Gold Rush Holding Oy (a corporation controlled by Änkilä) holds 4,800 Amanda Capital Plc shares.

### Consolidated Key Ratios

	1-12/2005	1-12/2004 (parent)
Earnings per share, EUR	0.26	0.19
Equity per share, EUR	2.41	2.22
Return on investment, ROI % p.a.	15.12	12.38
Return on equity, ROE % p.a.	11.23	9.03
Equity to assets ratio, %	93.89	99.84
Net asset value per share, EUR	2.41	2.22
Stock price at end of period, EUR	2.43	1.90
Investments, EUR 1,000	3 792	0
Number of personnel at the end of period	8	0
Private equity investments to equity ratio, %	62	69
Investment commitments to equity ratio, %	107	104

The comparison figures for the ratios have been modified to correspond to the reverse split as applicable. Shares were combined so that 10 existing shares became one new share. The number and value of own shares acquired have been eliminated from shareholders' equity, the number of shares and the balance sheet total when calculating the key ratios.

### Calculation of Key Figures

#### RETURN ON INVESTMENT, ROI (%)

$$100 \times \frac{\text{profit before extraordinary items} + \text{interest and other financial expenses}}{\text{balance sheet total} - \text{non-interest bearing}}$$

#### RETURN ON EQUITY, ROE (%)

$$100 \times \frac{\text{profit before extraordinary items} - \text{taxes}}{\text{shareholders' equity} + \text{minority interest (average)}}$$

#### EQUITY TO ASSETS RATIO (%)

$$100 \times \frac{\text{shareholders' equity} + \text{minority interest}}{\text{balance sheet total} - \text{advances received}}$$

#### GEARING (%)

$$100 \times \frac{\text{interest-bearing liabilities} - \text{current investments} - \text{cash in hand and at bank}}{\text{shareholders' equity} + \text{minority interest}}$$

#### EARNINGS PER SHARE, EPS

$$\frac{\text{profit before extraordinary items} - \text{taxes} - \text{minority interest}}{\text{adjusted average number of shares during the financial period}}$$

#### SHAREHOLDERS' EQUITY PER SHARE

$$\frac{\text{shareholders' equity}}{\text{adjusted number of shares at the end of the financial period}}$$

#### DIVIDEND PER SHARE

$$\frac{\text{dividend}}{\text{adjusted number of shares at the end of the financial period}}$$

**DIVIDEND PER RESULT (%)**

$$100 \times \frac{\text{dividend per share paid for the financial period}}{\text{earnings per share}}$$

**EFFECTIVE DIVIDEND YIELD (%)**

$$100 \times \frac{\text{dividend per share}}{\text{adjusted share price at the end of the financial period}}$$

**PRICE/EARNINGS RATIO, P/E**

$$\frac{\text{share price at the end of the financial period}}{\text{earnings per share}}$$

**MARKET CAPITALISATION**

number of shares at the end of the financial period x last trading price of the financial period

**TURNOVER (%)**

$$\frac{\text{number of shares traded during the financial period}}{\text{average number of shares during the financial period}}$$

**PRIVATE EQUITY INVESTMENTS TO EQUITY RATIO (%)**

$$\frac{\text{private equity investments}}{\text{shareholders' equity}}$$

**PRIVATE EQUITY COMMITMENTS TO EQUITY RATIO (%)**

$$\frac{\text{private equity investments} + \text{remaining commitments}}{\text{shareholders' equity}}$$

**CONSOLIDATED INCOME STATEMENT 1-12/05**  
**EUR 1,000**

	Note No.	1-12/2005	1-12/2004 (parent)
<b>NET SALES</b>	1		
Net investment income		9 413	6 112
Management fees		64	0
Total		9 477	6 112
Operating expenses	2,3	-2 191	-891
<b>OPERATING PROFIT</b>		7 286	5 221
Financial income and expenses	4	180	295
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>		7 466	5 516
Income taxes	5	-1 938	-1 495
<b>PROFIT</b>		5 529	4 021

**CONSOLIDATED BALANCE SHEET**  
**EUR 1,000**

	Note No.	31.12.2005	31.12 .2004 (parent)
<b>ASSETS</b>			
<b>LONG-TERM ASSETS</b>			
Intangible and tangible assets	7	3 299	10
Investments available for sale			
Private equity investments	8	31 814	32 357
<b>CURRENT ASSETS</b>			
Accrued income and advance payments		15	147
Investments available for sale			
Financial securities	8	15 257	10 114
Cash		4 395	4 740
<b>TOTAL ASSETS</b>		<b>54 780</b>	<b>47 369</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>		51 312	47 138
<b>LIABILITIES</b>			
Non-current liabilities	9	273	0
Current liabilities	10,11	3 195	231
<b>TOTAL LIABILITIES</b>		<b>3 467</b>	<b>231</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>54 780</b>	<b>47 369</b>



**CONSOLIDATED CASH FLOW STATEMENT**  
**EUR 1,000**

	1-12/2005	1-12/2004 (parent)
<b>OPERATIONS</b>		
Operating income	7 286	5 221
Depreciation and write-downs	1	1
Investments available for sale		
Long-term increase (-) decrease (+)	543	-196
Short-term increase (-) decrease (+)	-4 829	-4 469
Change in fair value reserve	765	1 214
Change in tax liability/receivable	1 778	-17
Investments for sale, total change	-1 743	-3 468
Change in working capital		
Business receivables, increase (-) decrease (+)	1 063	140
Interest-free debt, increase (+) decrease (-)	581	6
Total change in working capital	1 644	146
Dividends paid	-2 126	0
Cash flow from operations before financial items and taxes	5 062	1 900
Financial income and expenses	181	295
Deferred taxes	-2 181	0
<b>CASH FLOW FROM OPERATIONS</b>	<b>3 062</b>	<b>2 195</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
Sales gain from tangible and intangible assets	0	378
Acquisition of subsidiary	-3 407	0
<b>FINANCING</b>		
Share issue/premium	0	14
Sale/purchase of own shares	0	67
Increase (-)/decrease (+) in loan receivables	0	0
<b>FINANCING TOTAL</b>	<b>0</b>	<b>81</b>
Increase/decrease in liquid assets	-345	2 654
Liquid assets 1 January	4 740	2 086
Liquid assets 31 December	4 395	4 740

Liquid assets contain cash and bank deposits.

<b>NOTES TO THE CONSOLIDATED INCOME STATEMENT EUR 1,000</b>	<b>2005</b>	<b>2004</b>
<b>1 NET SALES</b>		
Net income from investments		
Profit distribution from private equity investments	9 321	4 988
Dividends	93	1 106
Other income	0	18
Management fees	63	0
<b>Total</b>	<b>9 477</b>	<b>6 112</b>
<b>2 EXPENSES RELATED TO EMPLOYEE BENEFITS</b>		
<b>Short-term employee benefits</b>		
Salaries and remunerations	125	37
Other indirect employee costs	8	1
<b>Benefits after end of employment</b>		
Pension costs - payment based arrangements	12	0
<b>Total</b>	<b>145</b>	<b>38</b>
<b>3 OTHER OPERATING EXPENSES</b>		
Management fees	1 435	516
Fees for advisory services	304	101
Other expenses	307	235
Total	2 046	852
<b>Total</b>	<b>2 191</b>	<b>890</b>
<b>4 FINANCIAL INCOME AND EXPENSES</b>		
Interest income from current investments	27	48
Other financial income	159	247
Other financial expenses	-6	0
<b>Total</b>	<b>180</b>	<b>295</b>
<b>5 INCOME TAXES</b>		
Direct taxes for the review period	676	0
Change in deferred taxes	1 264	1 495
<b>Total</b>	<b>1 940</b>	<b>1 495</b>
<b>6 EARNINGS PER SHARE</b>		
Earnings for the period	5 529	4 021
Shares 1 000 shs *)	21 260	21 260
Earnings per share	0.26	0.19

\*) The reversed split that took place during the fiscal year has been taken into account in the number of shares.

The shares were combined so that 10 existing shares formed one (1) new share. Same adjustment has been made to the figures of the year of comparison.

NOTES TO THE CONSOLIDATED BALANCE SHEET EUR 1,000	2005	2004
<b>7 TANGIBLE AND INTANGIBLE ASSETS</b>		
Tangible assets		
Machinery and equipment, Acquisition cost, 1 Jan.	32	32
Increases	22	0
Decreases	0	0
Acquisition cost, 31 Dec.	54	32
Accumulated depreciation and value adjustments, 1 Jan.	-29	-28
Depreciation for the period	-1	-1
Accumulated depreciation and value adjustments, 31 Dec.	-30	-29
Tangible assets 31 Dec.	24	2
Other tangible assets 1 Jan.	8	8
Other tangible assets 31 Dec.	8	8
Intangible assets		
Acquisition cost 1 Jan.	0	0
Increases (acquisition of subsidiary)	1 471	0
Decreases	0	0
Acquisition cost 1 Dec.	1 471	0
Goodwill acquisition cost 1 Jan.	0	0
Increases (acquisition of subsidiary)	1 796	0
Decreases	0	0
Goodwill acquisition cost 31 Dec.	1 796	0
Intangible assets, book value 31 Dec.	3 267	0
The planned depreciations of the intangible assets will be started 1 January 2006.		
Business value will be tested yearly for the possible depreciation.		
<b>8 INVESTMENTS AVAILABLE FOR SALE</b>		
Private equity investments		
Acquisition cost 1 Jan.	32 357	32 539
Increases	8 579	5 500
Decreases	-10 080	-6 293
Acquisition cost 31 Dec.	30 856	31 746
Change in value	958	611
Book value 31 Dec.	31 814	32 357
Investments in mutual funds		
Acquisition cost 1 Jan.	10 114	5 644
Increases	10 506	8 716
Decreases	-5 541	-4 364
Acquisition cost 31 Dec.	15 079	9 996
Change in value	178	118
Book value 31 Dec.	15 257	10 114
<b>9 LONG-TERM INTEREST BEARING LIABILITIES</b>		
Loans from financial institutions		
Acquisition cost 1 Jan.	0	0
Increases (acquisition of subsidiary)	273	0
Decreases	0	0
Acquisition cost 31 Dec.	273	0

The loan is due 10/2009 and the interest is 3 month euribor + 0.5 %.  
The loan is paid off quarterly.

<b>NOTES TO THE CONSOLIDATED BALANCE SHEET EUR 1,000</b>	<b>2005</b>	<b>2004</b>
<b>10 OTHER CURRENT LIABILITIES</b>		
Other current liabilities		
Accounts payable	8	19
Accrued shares and deferred credits	1 164	0
Other liabilities	92	59
Total	1 264	78
<b>11 DEFERRED TAX LIABILITIES</b>		
Deferred tax liabilities 1 Jan.	153	0
Change in deferred tax liabilities	1 534	153
Deferred tax liabilities of the fair value of the assets and liabilities of the acquired subsidiary	243	0
Deferred tax liabilities 31 Dec.	1 930	153
<b>12 OBLIGATIONS</b>		
Amanda Capital Plc's remaining commitments to private equity funds were	22 930	16 754
<b>13 ACQUIRED OPERATIONS</b>		
<p>Amanda Capital Ltd acquired the entire stock of Mandatum Private Equity Funds Ltd on 9 December 2005. The deal expanded Amanda Capital's operations from investment operations to management and the consulting of private equity investments. A 3.6 million euro cash payment and 0.19 million euro in costs directly allocated to the purchase, i.e. a total of 3.8 million euro was booked as an acquisition cost for the purchase. Because the acquisition took place at the end of the fiscal period, it generated 64 thousand euro in net sales and 32 thousand euro in operating loss for the Amanda Capital Ltd Group. The acquisition is explained in more detail below.</p>		
<b>The formation of the acquisition cost</b>		
EUR thousand		
Paid in cash	3 600.0	
Costs allocated to the acquisition	191.5	
Total payment	3 791.5	
Fair value of acquired net assets	1 995.8	
Goodwill	1 795.8	
<b>Specification of acquired net assets</b>		
EUR thousand		
	Fair value	Seller's book value
Tangible and intangible assets	1 493.8	716.6
Receivables	931.3	931.3
Shares in investment funds	314.2	305.5
Liquid assets	386.0	386.0
Interest-bearing debt	272.9	272.9
Other debt	218.4	366.9
Accrued expenses	638.4	1 304.2
Acquired net assets	1 995.8	

If the acquisition would have been completed at the beginning of the fiscal period, the group net sales would have been 10,429.0 thousand euro and the operating profit would have been 6,411.2 thousand euro.

**NOTES TO THE CONSOLIDATED BALANCE SHEET EUR 1,000****2005****2004****14 Related party disclosures**

The members of the Board of Directors and the CEO of the company are considered as related party.

During the fiscal year Amanda Capital has not paid salary or remunerations for the CEO, Petteri Änkilä because his salary and pension is determined in the agreement as the managing director of the management company.

Fees of the Board of Directors  
EUR 1,000  
Fees

57

38

The Board of Directors has no share based remuneration.

The CEO or the members of the Board of Directors did not have loan from Amanda Capital Plc 31 December 2005.

**The ownership of the CEO and members of the Board of Directors in Amanda Capital Plc 31 December 2005**

Members of the Board of Directors and their and the CEO's and the companies controlled by them.

**Shares**

Ehrnrooth, Carl-Gustaf	2 158 963
Heikinheimo, Antti	19 600
Joutsa, Kari	3 000
Nykvist, Dag	0
Piela, Topi	12 000
Wallgren, Dag	600
Änkilä, Petteri	4 800

<b>NET ASSET VALUE CALCULATION EUR 1, 000</b>	<b>Market value parent 31.12.2005</b>	<b>Market value parent 30.11.2005</b>	<b>Market value parent 31.12.2004</b>	<b>Market value group 31.12.2005</b>
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
Tangible and Intangible assets	10	10	11	3 299
Investments available for sale				
Private equity investments	31 814	31 134	32 357	31 814
Shares of subsidiary	3 792	0	0	0
Private equity investments	35 606	31 134	32 357	31 814
<b>CURRENT ASSETS</b>				
Short-term receivables	13	371	147	15
Investments available for sale				
Mutual funds	14 943	17 914	10 114	15 257
Cash and bank deposits	3 165	1 236	4 740	4 395
<b>TOTAL ASSETS</b>	<b>53 737</b>	<b>50 665</b>	<b>47 369</b>	<b>54 780</b>
<b>LIABILITIES</b>				
<b>LONG-TERM LIABILITIES</b>				
Loans from financial institutions	0	0	0	237
<b>SHORT-TERM LIABILITIES</b>				
<b>TOTAL LIABILITIES</b>	<b>72</b>	<b>985</b>	<b>79</b>	<b>589</b>
<b>NET ASSET VALUE BEFORE DEFERRED TAX LIABILITY</b>	<b>53 665</b>	<b>49 680</b>	<b>47 290</b>	<b>53 910</b>
Deferred tax liability	-2 363	-1 327	0	-2 730
<b>NET ASSET VALUE</b>	<b>51 302</b>	<b>48 353</b>	<b>47 290</b>	<b>51 180</b>
Net asset value per share	2.41	2.27	2.22	2.41
Number of shares	21,259,646	21,259,646	21,259,646	21,259,646

**CALCULATION PRINCIPLES**

Private equity funds have been valued according to the last market value given by the management companies of the funds. Mutual funds are short-term money market investments, which are valued according to the market value. Other items have been valued according to the book value.

Due to a reversed split that took place in April 2005, the number of shares decreased from 212,596,464 to 21,259,646 and the net asset value per share 31 December 2004 has been calculated according to the new number of shares.

<b>INCOME STATEMENT, PARENT (FAS)</b> <b>EUR 1,000</b>	<b>Note No.</b>	<b>2005</b>	<b>2004</b>
<b>NET SALES</b>	1	19 399	12 602
Other operating income		0	1
Expenses			
Cost of investments		-8 579	-5 421
Change in inventories	2	-1 258	-1 706
Personnel expenses	3	-57	-39
Depreciation	4	-0,5	-0,5
Other operating expenses	5	-2 067	-852
		-11 962	-8 018
<b>OPERATING PROFIT (LOSS)</b>		7 437	4 585
Financial income and expenses	6	179	289
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>		7 616	4 874
Direct taxes		-676	-1
<b>PROFIT (LOSS) FOR THE PERIOD</b>		6 939	4 874

<b>BALANCE SHEET, PARENT (FAS)</b> <b>EUR 1,000</b>	<b>Note No.</b>	<b>31.12.2005</b>	<b>31.12.2004</b>
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Tangible assets	1		
Machinery and equipment		1	2
Other tangible assets		8	8
Investments	2		
Shares in subsidiaries		3 792	0
Other shares		0	0
Own shares		0	0
<b>CURRENT ASSETS</b>			
Inventories		25 941	27 199
Current receivables			
Receivables		0	0
Other receivable		0	120
Prepayments and accrued income		13	27
Current investments	3		
Other securities		14 655	9 996
Cash in hand and at bank		3 165	4 740
		<b>47 576</b>	<b>42 093</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
	4		
Share capital		10 630	10 630
Share premium account		15 880	15 880
Reserve for own shares		0	0
Legal Reserve		10 688	10 688
Retained earnings		2 691	-58
Profit for the period		6 939	4 874
		<b>46 828</b>	<b>42 014</b>
<b>LIABILITIES</b>			
Current liabilities	5		
Payables		0	20
Other liabilities		72	59
Deferred income		676	0
		<b>748</b>	<b>79</b>
		<b>47 576</b>	<b>42 093</b>



<b>CASH FLOW, PARENT (FAS)</b> <b>EUR 1,000</b>	<b>2005</b>	<b>2004</b>
<b>OPERATIONS</b>		
Operating profit/loss	7 437	4 585
Depreciation	1	1
Change in working capital		
Incr. (-) or decr. (+) in current receivables	134	140
Incr. (+) or decr. (-) in current liabilities	669	6
Incr. (-) or decr. (+) in investments	1 258	1 706
Change in working capital, total	2 061	1 852
Cash flow before financial items and taxes	9 499	6 438
Financial income and expenses	179	289
Taxes	-676	0
<b>CASH FLOW FROM OPERATIONS</b>	<b>9 002</b>	<b>6 727</b>
Paid dividend	-2 126	0
<b>INVESTMENTS</b>		
Sales of intangible and tangible assets	0	378
Acquisition of subsidiary	-3 792	0
<b>FINANCING</b>		
Share issue	0	14
Purchase of own shares	0	67
Incr. (-) or decr. (+) in loan receivables		
<b>FINANCING TOTAL</b>	<b>0</b>	<b>81</b>
Increase/decrease in liquid assets	3 084	7 186
Liquid assets, 1 Jan.	14 736	7 550
Liquid assets, 31 Dec.	17 820	14 736

Liquid assets contain cash in hand and at bank as well as securities.

<b>NOTES TO THE PARENT INCOME STATEMENT (FAS)</b> <b>EUR 1,000</b>	<b>2005</b>	<b>2004</b>
<b>1 NET SALES</b>		
Rental revenue	0	5
Dividends	93	785
Return of capital from private equity funds	19 306	11 812
<b>Total</b>	<b>19 399</b>	<b>12 602</b>
<b>2 INCR. (-) or DECR. (+) IN INVESTMENTS</b>		
Private equity investments	-1 258	-1 082
Shares of Menire Corporation	0	-621
Other shares	0	-3
<b>Total</b>	<b>-1 258</b>	<b>-1 706</b>
<b>3 PERSONNEL EXPENSES</b>		
Salaries and remunerations	55	38
Pension costs	0	0
Other indirect employee costs	2	1
<b>Total</b>	<b>57</b>	<b>39</b>
Salaries and remunerations are remunerations to the Board of Directors.		
Average number of personnel during the fiscal year	0	0
<b>4 DEPRECIATIONS</b>		
Depreciation on intangible and tangible assets	0	1
Depreciation specification to balance sheet item is included under intangible and tangible assets.		
<b>5 OTHER OPERATING COSTS</b>		
Management fees etc.	1 469	516
Fees for advisory services	303	101
Other operating expenses	295	235
<b>Total</b>	<b>2 067</b>	<b>852</b>
<b>6 FINANCIAL INCOME AND EXPENSES</b>		
Interest income from current investments		
External	25	48
Other financial income		
External	159	241
Other financial expenses		
External	-5	0
Exchange rate losses/gains		
Financial income and expenses, total	179	289

<b>NOTES TO THE PARENT BALANCE SHEET (FAS) EUR 1,000</b>	<b>2005</b>	<b>2004</b>
<b>1 INTANGIBLE AND TANGIBLE ASSETS</b>		
Machinery and equipment		
Acquisition cost 1 Jan.	32	32
Increases		
Decreases		
Acquisition cost 31 Dec.	32	32
Accumulated depreciation and value adjustments, 1 Jan.	-30	-29
Depreciation for the period	-1	-1
Accumulated depreciation and value adjustments, 31 Dec.	-31	-30
Book value, 31 Dec.	1	2
Other tangible assets		
Acquisition cost 1 Jan.	8	8
Acquisition cost 31 Dec.	8	8
<b>2 INVESTMENTS</b>		
Shares of subsidiary		
Acquisition cost 1 Jan.	0	0
Increases	3 792	0
Decreases	0	0
Acquisition cost 31 Dec.	3 792	0
Book value 31 Dec.	3 792	0
<b>3 CURRENT INVESTMENTS</b>		
Replacement price 31 Dec.	14 943	10 114
Book value 31 Dec.	14 655	9 996
Difference	288	118
The securities comprise shares in mutual funds.		
<b>4 SHAREHOLDERS' EQUITY</b>		
Share capital 1 Jan.	10 630	10 630
Share capital 31 Dec.	10 630	10 630
Share premium account, 1 Jan.	15 880	15 866
Invalidating of own shares	0	14
Transfer of retained earnings	0	0
Share premium account, 31 Dec.	15 880	15 880
Reserve for own shares 1 Jan.	0	67
Decrease	0	-67
Reserve for own shares 31 Dec.	0	0
Legal reserve, 1 Jan.	10 688	10 688
Legal reserve, 31 Dec.	10 688	10 688
Retained earnings, 1 Jan.	-58	0
Acquisition of own shares		
Result for the previous year	2 749	-125
Transfer to reserve for own shares	0	67
Retained earnings, 31 Dec.	2 691	-58

**NOTES TO THE PARENT BALANCE SHEET (FAS)**  
**EUR 1,000**
**2005****2004**

Profit for the period

6 939

4 874

Shareholders' equity, 31 Dec.

46 828

42 014

Calculation of distributable earnings, 31 Dec.

Retained earnings

2 691

-58

Profit for the period

6 939

4 874

Distributable retained profit

9 630

4 816

The share capital of the company consists of 21,259,646 shares.  
 All shares carry one vote.

The nominal value of the share is 0.50 euros.  
 The company did not have any own shares at the end of the period.

**5 CURRENT LIABILITIES**

Accounts payable

0

20

Other current liabilities

71

59

Deferred income

677

748

79

**OTHER NOTES**

**Remaining commitments  
31.12.2005**

**Remaining commitments  
31.12.2004**

**PLEDGES, MORTAGES AND OBLIGATIONS**

Remaining commitments

22 930

16 754

## Accounting principles of consolidated financial statements

### Main operations

Amanda Capital Plc is a Finnish public limited liability company founded under Finnish law. The domicile of the company is Helsinki, Finland. The parent company, Amanda Capital Plc's shares were listed on the main list of the Helsinki Stock Exchange on 19 April 2005 and before this the shares were listed on the NM List.

Amanda Capital Plc engages in Finnish private equity investment company and invests in private equity funds and direct investments in unlisted companies. Amanda Capital Plc's target is to create a diversified investment portfolio that consists of private equity funds with the best yield and thus achieve a better yield than the stock markets on average. Amanda Capital Plc became a consolidation group on 9 December 2005 when the company acquired Mandatum Private Equity Funds Ltd.

### Accounting principles of financial statements

This is Amanda Capital Plc's first group financial statements that have been prepared in accordance with International Financial Reporting Standards. IFRS and IAS standards and SIC and IFRIC interpretations, valid on 31 December 2005, have been applied when preparing the statements. Previously, Amanda Capital Plc's financial statements were prepared in accordance with the Finnish accounting principles. The financial statements are presented in thousand euro and they are based on original acquisition costs, unless the compilation principles require otherwise. During 2005, Amanda Capital Plc Group adopted IFRS, and it applied IFRS 1 First-time Adoption of International Financial Reporting Standards for the adoption. Amanda Capital's adoption date for IFRS was 1 January 2004.

Amanda Capital Plc published comparison data for 2004 in accordance with IFRS and the effects of the adoption of IFRS on 16 February 2005. 2005 interim reports have been compiled in accordance with IFRS calculation and valuation principles.

### Use of estimates

Preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amount of assets and liabilities in the balance sheet at the time of preparation, the reporting of contingent assets and liabilities, and the amount of profits and costs during the reporting period. The estimates are based on the management's best view but it is possible that the outcome differs from the figures used in the financial statements.

### Consolidation principles

The group financial statements contains the parent company, Amanda Capital Ltd and Amanda Advisors Ltd. The name change of the acquired subsidiary Mandatum Private Equity Funds Ltd to Amanda Advisors Ltd was registered in the Trade Register on 30 December 2005 and has been included in the financial statement using the cost method, where the assets and liabilities of an acquired company are valued at fair value at the time of acquisition. The cost of goodwill is the amount by which the subsidiaries acquisition cost exceeds the fair net value of identifiable assets, liabilities and contingent liabilities of the acquired company. The subsidiaries acquired during the fiscal period are included in the group financial statements from the time of acquisition. Amanda Advisors Ltd's acquisition was completed on 9 December 2005 when Amanda Capital group was formed. The Group's internal income statement items and receivables and liabilities have been eliminated in the financial statements.

The comparison data used for 2004 is the parent company, Amanda Capital Plc's corresponding data.

### Segment reporting

Amanda Capital Plc has one operational segment, private equity investments and related advisory services and consultation. The private equity investment advisory and consultation operations were acquired when the Group acquired Amanda Advisors Plc in December 2005. Amanda Capital Plc's geographical segment is Finland.

### Foreign currency transactions

The group financial statements are presented in euro and foreign currency transactions are converted to euro using the exchange rates valid on the day of the transaction. Foreign currency receivables and liabilities are converted to euro using the European Central Bank's average exchange rates on the balance sheet date. Realised foreign currency translation gains and losses from available for sale items are included in the profit and loss statement under net income from investment operations. Unrealised foreign currency translation gains and losses from available for sale items are included in available for sale items and fair value reserves.

### Revenue recognition

Net income from investment operations included in revenue includes profit distributions from the private equity funds, as well as realised losses or losses assessed as permanent. Profit distributions are recognised in accounting when the cash flow is realised. Dividend income and sales profits and losses from direct investments are also included in the net income from investment operations.

The revenue also includes management fees from capital investment advisory and consultation operations. The management fees are invoiced in advance and expensed to the appropriate fiscal periods.

### **Tangible and intangible assets**

Tangible assets are entered into the balance sheet at original acquisition cost less depreciation according to plan and impairment. Intangible assets include the goodwill generated from the Amanda Advisors Ltd acquisition that consists of the fair net value difference of identifiable assets, liabilities and contingent assets and liabilities valued at fair value and the purchase price. Other intangible assets include customer relationships. No depreciation is booked for intangible assets that have an unlimited useful life but they are tested annually for impairment. Intangible assets with a limited useful life are entered as costs into the profit and loss account as straight-line depreciation according to plan during their useful life.

Depreciations according to plan have been calculated based on the useful life from the original acquisition costs as straight-line depreciations. The depreciation periods according to plan by asset type are as follows:

Machinery and equipment	3–10 years
Intangible rights	5–7 years

### **Employment pensions**

The Group's pensions arrangement is a contribution-based arrangement and the payments are entered in the profit and loss account for the periods to which they apply. The pension coverage of the Group's personnel is arranged with statutory TEL insurance through an insurance company outside the Group.

### **Income taxes**

The taxes based on Group company earnings for the period are entered into the Group's taxes as are the adjustments of taxes from previous periods and the changes in deferred taxes. The tax effect from items entered directly into shareholder's equity are similarly entered directly into shareholder's equity. Deferred taxes are calculated based on the debt method from all temporary differences in accounting and taxation in accordance with the valid tax rate. The most significant temporary differences are generated from valuing acquired companies' net assets at fair value and from valuing available for sale financial assets at fair value.

### **Cash**

Cash in hand and at bank includes cash and money in bank accounts.

### **Financial instruments**

Amanda Capital Ltd Group's financial instruments are grouped into available for sale financial assets and other financial liabilities. Private equity fund investments and mutual fund investments are classified as available for sale financial assets and loans from financial institutions are classified as other financial liabilities.

Financial assets available for sale are valued at fair value using quoted market prices and rates or suitable appraisal models. Private equity fund investments are valued using the principle generally used in the sector, i.e. the fair value of the private equity fund investment is the last fund value announced by the private equity fund management company added with the capital investments and less the capital returns that have taken place between the balance sheet date and the announcement of the management company. In addition, permanent impairment (bankruptcies) in the private equity funds' target companies that are known to Amanda Capital Ltd on the balance sheet date and which the management company has not taken into account in the value of the fund are subtracted from the fair value. The changes in the fair value of financial assets available for sale are entered directly into shareholder's capital under the fair value reserves. Impairment assessed as permanent is, however, entered into the profit and loss account. When financial assets available for sale are realised, the accumulated changes in fair value are booked from shareholder's equity to earnings.

Other financial liabilities, i.e. loans from financial institutions are valued at amortised cost and they are entered into and from the balance sheet on the day of clearing.

### **Earnings per share**

Earnings per share are calculated using the weighted average number of outstanding shares during the fiscal period.

### **Dividend distribution**

No booking has been made for the dividend proposed by the board to the AGM in the financial statements and it has not been taken into account when calculating distributable retained profits. The dividends are only taken into account based on the AGM decision.

### Managing the risks of the investment operations

The risks related to Amanda Capital Ltd's operations mainly consist of risks related to investment operations, i.e. market risk and currency risk. Comprehensively the risks are managed through the investment process and investment strategy verified by Amanda Capital Ltd's board.

The investment objects are selected through the investment process where the investment committee screens potential investment objects on which a so-called Due Diligence is performed, where the fund's personnel, documentation and other issues integrally related to the funds management and development are checked. Final investment proposals are presented to Amanda Capital Ltd's board for assessment and decision-making.

The aim of Amanda Capital's investment strategy is to create a diversified investment portfolio. Amanda Capital diversifies the investment portfolio both geographically and according the foundation year of the funds, also taking into account the target companies' development stages and sectors.

### Amanda Capital's investment strategy

- Amanda Capital's main geographical focus area is Europe so over half of the investment commitments must be geographically located in Europe.
- Amanda Capital can invest a maximum of 25% of investment commitments in emerging markets.
- Amanda Capital can invest a maximum of 25% of investment commitments in venture capital funds.
- The share of a single buyout fund in the company's investment portfolio cannot exceed 15% of investment commitments.
- The share of a single venture capital fund in the company's investment portfolio cannot exceed 10% of investment commitments.
- An investment in a single company cannot exceed 5% of Amanda Capital's shareholder's equity.
- Amanda Capital can take out short-term loans to carry out investments corresponding with a maximum of 20% of its shareholder's capital. The purpose of the loan is to ensure Amanda's liquidity to private equity funds in all situations.
- The share of the investment commitment made by Amanda Capital can at most be 20% of an individual fund's total capital.
- Direct investments in unlisted companies cannot in total exceed 20% of shareholder's equity.

### Currency risk

Foreign exchange risks affect the company's result, cash flow and balance sheet. Amanda Capital does not particularly monitor the changes caused by foreign exchange rates but views them as part of the change in the fair value of the investment object. Amanda Capital's private equity fund investments are divided by currency as follows:

Million EUR	27.2	85.4 %
Million USD	2.2	6.8 %
Million GBP	1.6	5.1 %
Million SEK	0.9	2.7 %



## Shares and Shareholders

Major shareholders	Share of shares and votes %
Sampo Plc	45.4
Fennogens Investments Sa	10.1
Kaleva Mutual Insurance Company	4.7
Mutual Insurance Company Pension Fennia	3.3
Veikko Laine Oy	3.0
Ab Kelonia Oy	2.6
Investment Fund Nordea Fennia Plus	2.6
Procurator Oy	2.3
Nordea Bank Suomi Plc *)	2.3
Finnish Cultural Foundation	1.6
Others	22.1
<b>Total</b>	<b>100.0</b>

\*) nominee-registered

The information is based on the situation in the shareholder register kept by Finnish Central Securities Depository on 31 December 2005.

Ownership structure by sector	Number of shares	Share of shares, %
Corporations	2 897 318	13.6
Financial and insurance institutions	11 801 928	55.5
Public organisations	720 337	3.4
Households	2 493 187	11.7
Foreign	2 243 876	10.6
Others 1)	1 103 000	5.2
<b>Total</b>	<b>21 259 646</b>	<b>100.0</b>

1) The others comprise non-profit organisations and shares not transferred to the book-entry securities system.

### Ownership structure according to number of shares held

Shares No./shareholder	Shares, No.	Share of shares and votes	Number of owners	Share of shareholders
1 - 100	64 465	1 600	41.8	0.3
101 - 500	330 227	1 232	32.2	1.6
501 - 1.000	349 165	425	11.1	1.6
1.001 - 5.000	1 042 290	466	12.2	4.9
5.001 - 10.000	337 322	47	1.2	1.6
10.001 - 50.000	723 623	39	1.0	3.4
50.001 - 100.000	442 600	6	0.2	2.1
100.001 -	17 962 124	17	0.4	84.5
<b>Total</b>	<b>21 251 816</b>			<b>100.00</b>
Shares that have not yet been registered to securities depository	6 830			0.03
<b>Total</b>	<b>21 258 646</b>	<b>3 832</b>	<b>100.0</b>	<b>100.00</b>

**Management ownership**

The members of the Board of Directors and the Managing Director as well as the companies controlled by them held 31 December 2005 2,198,963 shares or a total 10.3% of the company votes and shares.

**Nominee-registered**

497,632 of the company shares representing 2.34% of company votes and shares were nominee-registered.

**Insider ownership**

The Board of Directors, Managing Director and the authorised public accountant are considered as the insiders of the company. They all together held 2,198,963 shares or a total 10.3 % of the company votes and shares.

**Shares and share capital**

In the beginning of the fiscal year the share capital of Amanda Capital Plc was 10,629,823.20 euros, divided into 212,596,464 shares. The nominal value of the share was 0.05 euros. 9 April 2005 a share combination was registered into the Trade Register Center so that 10 existing shares combined into one new share. Amanda Capital Plc's share capital is 10,629,823 euros, divided into 21,259,646 shares. The nominal value of the share is 0.50 euros. All shares carry one vote. On 31 December 2005 the company did not hold any own shares. According to the Articles of Association, the company's minimum share capital is 4,000,000 euros and maximum share capital is 16,000,000 euros. Within these limits the share capital can be increased or decreased without amending the Articles of Association.

**Board authorisation**

At the shareholder's Annual General Meeting held on 15 March 2005, the Board was authorised to decide on the acquisition and transfer of own shares. The authorisation was not used during the fiscal year.

**Proposal for the Distribution of Profits****Board of Directors' proposal for the distribution of profits**

The distributable funds of the parent company amount to EUR 9,360,153.53 and of the Group to EUR 13,349,689.47. The Board of Directors proposes that a dividend of EUR 0.15 for 21,259,646 shares be distributed for the financial period ending on 31 December 2005. According to the proposal, EUR 3,188,946.90 will be used for dividends, which corresponds to 58% of the profit for the accounting period. The dividend will be paid to such shareholders that on the matching day, 17 March 2006, are entered as shareholders in the Register of Shareholders maintained by the Finnish Central Depository Ltd. 24 March 2006 is proposed as the date for dividend payment.

Helsinki, 15 February 2006

AMANDA CAPITAL PLC  
Board of Directors

Topi Piela	Antti Heikinheimo	Kari Joutsa
Dag Nykvist	Carl-Gustaf Ehrnrooth	Dag Wallgren

Petteri Änkilä  
CEO

## **Auditor's Report**

### **To the shareholders of Amanda Capital Oyj**

We have audited the accounting, the financial statements and the administration of Amanda Capital Plc for the accounting period 1.1.-31.12.2005. The Board of Directors and the Managing Director have prepared the report and the consolidated financial statements in accordance with the international accounting standards approved in EU as well as the parent company's financial statements in accordance with the Finnish regulations including the parent company's income statement, balance sheet, cash flow and the notes to the financial statements. Based on our audit we express an opinion on the consolidated financial statements and the financial statements and administration of the parent company.

We have conducted our audit in accordance with the Finnish Standards of Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit included 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 management as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration 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.

### **Consolidated financial statements**

The consolidated financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) approved in EU give a true and fair view, as defined in the Accounting Act and IFRS standards, of the consolidated result of operations and financial position. The consolidated financial statements can be adopted.

### **The financial statements and administration of the parent company**

The financial statements of the parent company 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 the consolidated result of operations and financial position of the parent company. The consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period examined by us. The proposal by the Board of Directors regarding the handling of the result is in compliance with the Companies Act.

Helsinki, 15 February 2006

### **Ernst & Young Oy**

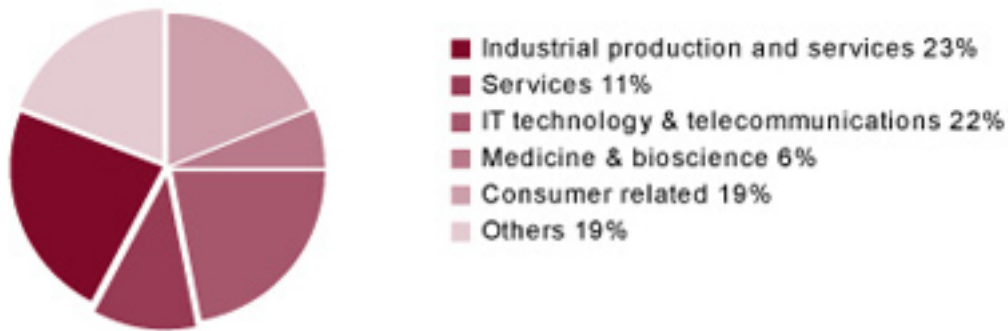
Authorised public accountants

Kunto Pekkala

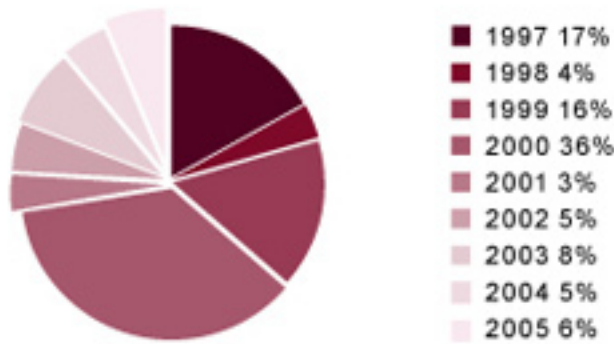
Authorised public accountant

**Diversification of Investments**

**Industry sector**



**Vintage**



**Stage**



**Geographic**



## Current Investments

### Benchmark Europe I L.P.

Vintage Year	2000
Management company	Benchmark Capital Delaware, DE
Total size of the Fund	500.0 MUSD
Initial commitment	2.0 MUSD
Financing stage	Venture capital
Geographical focus	Europe
Industry focus	High-tech, infrastructure, internet, media, and telecom
www pages	www.benchmark.com

### Charterhouse Capital Partners VII L.P.

Vintage Year	2002
Management company	Charterhouse Development Capital Limited
Total size of the Fund	2,708,0 MEUR
Initial commitment	5,0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large European companies
www pages	www.charterhouse.co.uk

### EQT Finland

Vintage Year	1999
Management company	EQT Partners
Total size of the Fund	138,0 MEUR
Initial commitment	4,5 MEUR
Financing state	Buyout
Geographical focus	Finland
Industry focus	Middle-sized and large companies
www pages	www.eqt.fi

### EQT Scandinavia II

Vintage Year	1998
Management company	EQT Partners AB
Total size of the Fund	625.0 MEUR
Initial commitment	2.2 MEUR
Financing stage	Buyout
Geographical focus	Nordic countries
Industry focus	Industrial and technology companies
www pages	www.eqt.se

### EQT IV

Vintage Year	2004
Management company	EQT Partners AB
Total size of the Fund	2 500.0 MEUR
Initial commitment	3.0 MEUR
Financing stage	Buyout
Geographical focus	Nordic countries
Industry focus	Middle-sized and large companies
www pages	www.eqt.se

### Fenno Rahasto Ky

Vintage Year	1997
Management company	Fenno Management Oy, CapMan Capital Management Oy
Total size of the Fund	42.5 MEUR
Initial commitment	2.1 MEUR
Financing stage	Buyout
Geographical focus	Finland
Industry focus	Finnish middle-sized companies
www pages	www.fennomanagement.fi

### **Finnventure Rahasto V Ky**

Vintage Year	1999
Management company	CapMan Capital Management Oy
Total size of the Fund	169.9 MEUR
Initial commitment	4.3 MEUR
Financing stage	Buyout, Venture capital
Geographical focus	Finland, Nordic countries
Industry focus	Middle-sized Finnish and Nordic companies and technology companies
www pages	<a href="http://www.capman.fi">www.capman.fi</a>

### **Gresham Fund III**

Vintage Year	2003
Management company	Gresham LLP
Total size of the Fund	237,00 MEUR
Initial commitment	2,0 MEUR
Financing stage	Midmarket
Geographical focus	UK
Industry focus	Small and middle-sized English companies
www pages	<a href="http://www.gresham.vc">www.gresham.vc</a>

### **Industri Kapital 1997**

Vintage Year	1997
Management company	Industri Kapital 1997 Limited
Total size of the Fund	750.0 MEUR
Initial commitment	3.0 MEUR
Financing stage	Buyout
Geographical focus	Europe, mainly Nordic countries
Industry focus	Middle-sized and large companies in manufacturing business
www pages	<a href="http://www.industrikapital.com">www.industrikapital.com</a>

### **Industri Kapital 2000:**

Vintage Year	1999
Management company	Industri Kapital Ltd
Total size of the Fund	2,100.0 MEUR
Initial commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Manufacturing, retailing business, food and chemical industry and services
www pages	<a href="http://www.industrikapital.com">www.industrikapital.com</a>

### **Innovacom 4**

Vintage Year	2000
Management company	Innovacom s.a.
Total size of the Fund	200.0 MEUR
Initial commitment	5.0 MEUR
Financing stage	Venture capital
Geographical focus	France, Germany, U.S., United Kingdom
Industry focus	Communications, computer related, computer software, electronic related
www pages	<a href="http://www.innovacom.com">www.innovacom.com</a>

### **MB Equity Fund II Ky**

Vintage Year	1997
Management company	MB Equity Partners Oy
Total size of the Fund	42.1 MEUR
Initial commitment	4.2 MEUR
Financing stage	Buyout
Geographical focus	Finland
Industry focus	Finnish middle-sized and large companies
www pages	<a href="http://www.mbfunds.fi">www.mbfunds.fi</a>

**Merlin Biosciences Fund L.P.**

Vintage Year	2000
Management company	Merlin Biosciences Limited
Total size of the Fund	247.0 MEUR
Initial commitment	1.5 MEUR
Financing stage	Venture capital
Geographical focus	Europe
Industry focus	Biosciences, nutrition, life science
www pages	<a href="http://www.merlin-biosciences.com">www.merlin-biosciences.com</a>

**Montagu III L.P.**

Vintage Year	2005
Management company	Montagu Private Equity
Total size of the Fund	2 260 MEUR
Initial commitment	5 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large European companies
www pages	<a href="http://www.montaguequity.com">www.montaguequity.com</a>

**Nexit Infocom 2000**

Vintage Year	1999
Management company	Nexit Ventures Oy
Total size of the Fund	99.5 MEUR
Initial commitment	4.8 MEUR
Financing stage	Venture capital
Geographical focus	Nordic countries and U.S.
Industry focus	Mobile, wireless internet infrastructure, mobile internet
www pages	<a href="http://www.nexitventures.com">www.nexitventures.com</a>

**PAI Europe IV**

Vintage Year	2005
Management company	Pai Partners
Total size of the Fund	2 700 MEUR
Initial commitment	5 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large European companies
www pages	<a href="http://www.paimanagement.com">www.paimanagement.com</a>

**Permira Europe II**

Vintage Year	2000
Management company	Permira Advisors Limited
Total size of the Fund	3,300.0 MEUR
Initial commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Mainly Europe
Industry focus	Middle-sized and large European companies
www pages	<a href="http://www.permira.com">www.permira.com</a>

**Permira Europe III**

Vintage Year	2003
Management company	Permira Advisors Limited
Total size of the Fund	5,076,0 MEUR
Initial commitment	3,0 MUSD
Financing stage	Buyout
Geographical focus	Mainly Europe
Industry focus	Middle-sized and large European companies
www pages	<a href="http://www.permira.com">www.permira.com</a>



**Russia Partners II**

Vintage Year	2004
Management company	Russia Partners Management LLC
Total size of the Fund	325 M\$
Initial commitment	5 M\$
Financing stage	Buyout
Geographical focus	Russia
Industry focus	Middle-sized Russian companies
www pages	<a href="http://www.sigulerguff.com">www.sigulerguff.com</a>

**Sponsor Fund I Ky**

Vintage Year	1997
Management company	Sponsor Capital Oy
Total size of the Fund	100.0 MEUR
Initial commitment	4.2 MEUR
Financing stage	Buyout
Geographical focus	Finland
Industry focus	Finnish middle-sized companies
www pages	<a href="http://www.sponsor.fi">www.sponsor.fi</a>