



Annual Report 2006



You too can invest in private equity

## Sisältö

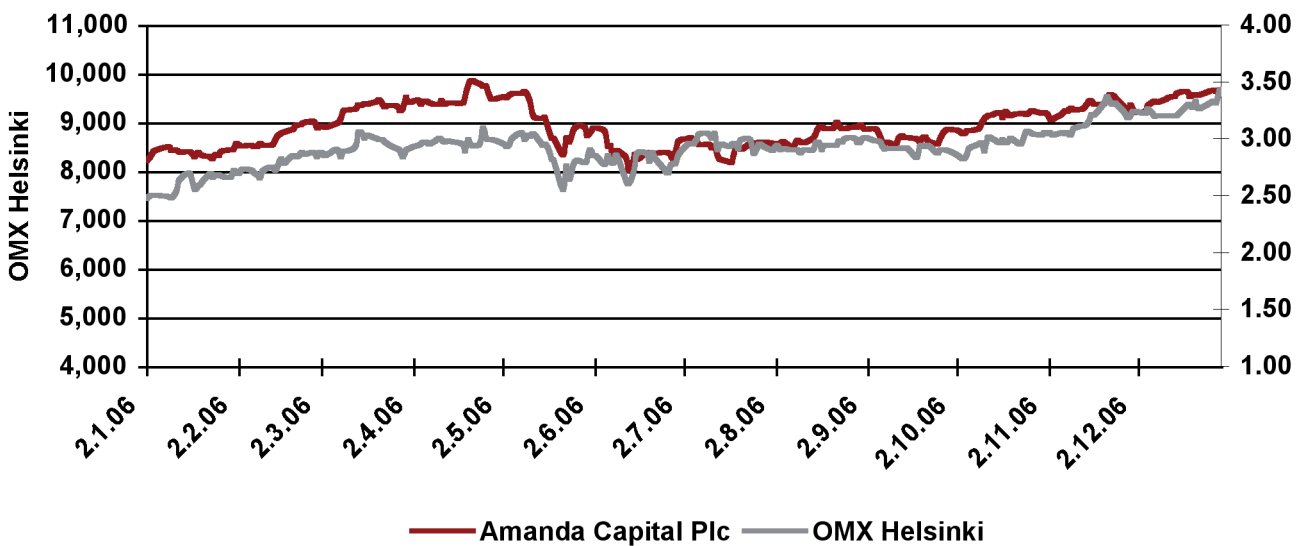
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**AMANDA CAPITAL IN BRIEF**

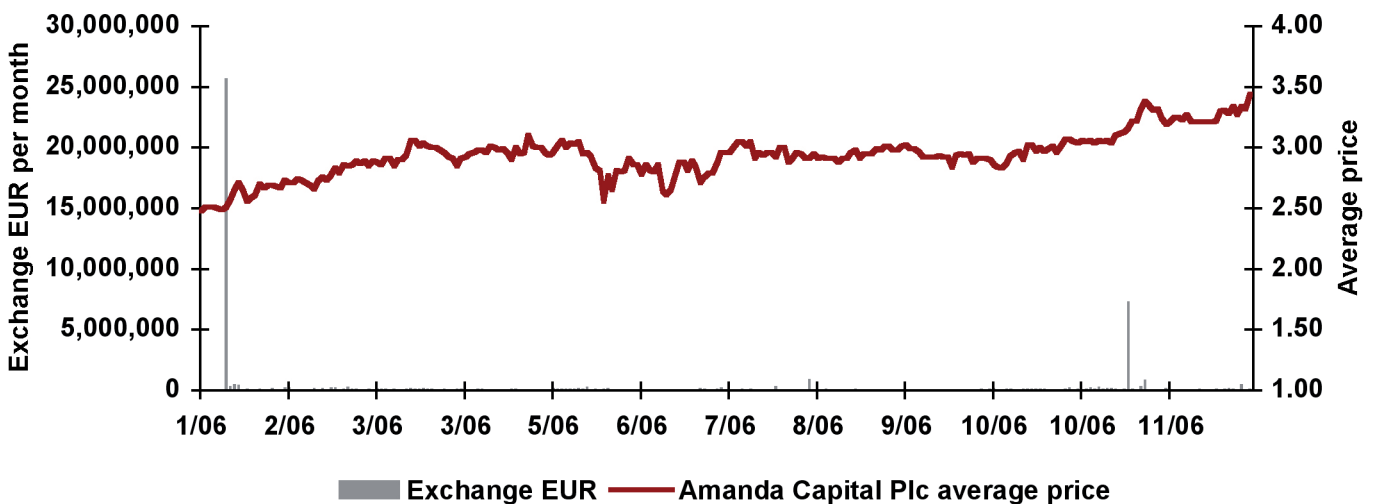
Amanda Capital Group is a private equity investment company. Its parent company is the first publicly listed private equity fund-of-funds in Scandinavia. The company has investments in 25 different private equity funds and thereby in over 300 unquoted companies, mainly located in Europe. Amanda is one of Finland's largest private equity fund investment management companies.

In addition to its own investments, it manages several private equity fund portfolios under consultancy agreements. Amanda is also a founding general partner in five private equity funds, which have several institutional investors. Amanda Group currently has more than EUR 900 million of assets under management (original investment commitments more than EUR 1.3 billion) and has made investments in more than 100 private equity funds in Europe, the United States, Asia and Russia.

**Development of Amanda Capital Plc's share price vs. OMX Helsinki 3 Jan.-30 Dec. 2006**



**Amanda Capital Plc's share turnover and average price 3 Jan.-30 Dec. 2006**



## 2006 IN BRIEF

- \* Amanda Group's net sales were EUR 9.4 million.
- \* The net investment income included in net sales amounted to EUR 7.6 million and management fees from private equity fund management to EUR 1.8 million.
- \* Consolidated earnings after taxes increased to EUR 6.0 million.
- \* Earnings per share calculated on the average number of shares during the period was 0.28 and the number of shares at year-end EUR 0.26.
- \* Equity per share at the end of the financial period was EUR 2.48.
- \* The return on private equity investments was 23.2% of invested capital..

### Key figures, EUR 1 000

Total assets	59 038
Shareholder's equity	56 395
%	
Equity to asset ratio	95.5
Commitments to equity ratio	59.0
Private equity investments to equity ratio	121.4

- \* In spring 2006, Amanda's Annual General Meeting approved the personnel share issue directed at Amanda's employees. All employees exercised their subscription right.
- \* In May 2006, Amanda established a limited partnership fund, Amanda III Eastern Private Equity L.P. By the end of the year almost EUR 80 million of capital was raised.
- \* Amanda made five new investments in private equity funds, totalled EUR 27,0 million.
- \* During a period of slightly more than a year, Amanda has expanded its business from investment operations to the management and consultation of private equity investments through two acquisitions and a newly established fund.

## CEO'S REVIEW

Dear Shareholder, thank you for the past year.

In 2006 Amanda's result improved by nearly ten per cent, while net sales remained at the previous year's level. The expansion of business, from investment operations to the management and consultation of private equity investments, will make the result more predictable and stable in the future.

In spring 2006, Amanda's Annual General Meeting approved the personnel share issue directed at Amanda's employees. All employees exercised their subscription right, which makes it even more evident that the company's owners and employees share the same goals.

Amanda's Board of Directors will propose a basic dividend of 20 cents per share and an additional dividend of 10 cents per share at the shareholders' meeting. The additional dividend is based on excellent exits from private equity investments, as a result of which Amanda's cash position is strong. With the value of Amanda's share increased by more than 40 per cent during the past year, it can be concluded that the 2006 was an excellent year for Amanda's shareholders.



### Private equity investments back in fashion

The private equity market has recently seen strong growth. During 2005 and 2006, records were frequently beaten in terms of the amount of capital invested in private equity funds, and both new and existing investors wanted their share of this profitable asset class. Private equity funds addressed this demand by establishing new types of products, such as listed funds, which has enabled access to private equity investment markets also for those investors who, for one reason or another, did not previously have that opportunity.

Private equity funds have been fairly successful in finding investment targets for their increased assets, and the exit market has also performed well. The large amount of funds flowing into private equity investments and the good liquidity of the debt markets have increased the average price of company divestments. The rising trend in interest rate development may cause problems for certain target companies of private equity funds where the share of debt financing is high. Experienced private equity investors, however, use debt financing moderately, making reasonably priced investments that still produce typical private equity returns.

The large amount of funds available in the private equity market also means that secondary deals will remain common. This development is not welcomed by all. Fortunately, other ways of exiting, such as selling the target companies to other companies as well as stock exchange listings, have also been successful exit options recently.

### New investments and exits

In 2006 Amanda was presented with 210 new investment targets. The record high number of investment opportunities is due partly to Amanda's active search for new investment targets and, partly to the market situation. When the market provides good returns, new funds are established on an accelerating pace. In such situations, it is crucial to adhere to a disciplined investment strategy and be extremely selective when making new investments.

Amanda has responded to the market escalation by making investments in new areas where the competition over good investment targets is more moderate. Amanda has also concentrated its investments in private equity funds targeting more mature companies, which have long-term, successful experience in their respective markets, as well as a proven success with their investment strategy.

During the financial period, Amanda made the following investment commitments in private equity funds: the German Triton Fund II: EUR 5 million; Permira IV, private equity fund investing in Europe: EUR 4 million; the British Gresham Fund IV: GBP 3 million; and the Nordic EQT V: EUR 5 million. In addition, Amanda also sold its USD 12 million investment commitment in the Russia Partners II private equity fund to the newly established Amanda III Eastern Private Equity L.P. fund and made an additional EUR 10 million investment commitment to this private equity fund.

Several target companies exited from Amanda's private equity investment portfolio during the year, and the investments in private equity funds yielded a return of 23.2 per cent for the year. On average, Amanda's private equity investments have yielded an annual return of 28 per cent (IRR).

The most important exits from the portfolio were the sale of A-Katsastus and Terveidenhuoltotalo Mehiläinen to other private equity investors, the sale of children's product manufacturer Aventi to Royal Philips, the sale of the Travelodge hotel chain to Dubai International Capital, and the sale of Saunatec to ABN Amro Capital.

### **Business expanded to the management and consultation of private equity investments**

Amanda has expanded its business from investment operations to the management and consultation of private equity investments through two acquisitions and a newly established fund. The new private equity fund, Amanda III Eastern Private Equity Ky, makes investments in Russian and Eastern European unquoted companies through local private equity funds. By the end of the financial period, the fund had EUR 78.8 million in investment commitments. The fund will continue fund raising, and its final closing will take place during spring 2007.

The expansion of business operations will reduce the sensitivity of Amanda's earnings to fluctuations in investment income. The long-term management contracts for private equity investments produce a stable cash flow, thereby improving the predictability of Amanda's net sales and earnings. In the future, the company's objective is to continue expanding its management business by establishing new funds and also through potential acquisitions.

### **Continued success for 2007**

Our aim is to continue Amanda's success story even further. The acquisition carried out in February 2007, along with our successful sales efforts, will raise the net sales of private equity investment management and consultation to a new level in 2007, exceeding EUR 3.5 million. During the course of 2007 we will strongly focus on sales work, attracting more investors to both our existing and newly established funds. We will also make new investments from our balance sheet. For investment operations the year has started promisingly since we have already announced a number of exits.

Wishing you continued success for 2007,

Helsinki, 19 February 2007

Petteri Änkilä  
CEO

## BOARD OF DIRECTORS' REPORT 1 Jan.-31 Dec. 2006

In 2006 Amanda focused on increasing the proportion of private equity investment management and consultation within its business by establishing the first fund under the Amanda brand, Amanda III Eastern Private Equity L.P. The private equity fund attracted several institutional investors and almost EUR 80 million in capital by the end of the year. The fund is going to continue fund raising. The year was also a success for Amanda's investment operations: the yield on the private equity investments was 23.2 per cent.

### Financial standing of the company

Net sales from the management and consultation of private equity investments increased to almost 20 per cent of Amanda's total net sales in 2006. Amanda's investment portfolio, consisting of 25 different private equity funds, carried out several exits during 2006. In particular, buyout funds founded in 1997–2000 divested their investments. The company made five new private equity fund investments during the financial period.

During the year, the net asset value per share increased from EUR 2.41 to EUR 2.48 after taxes. The company also paid a dividend of EUR 0.15 during the year.

Amanda's consolidated net sales for the period 1 January to 31 December 2006 amounted to EUR 9.4 million (EUR 9.5 million 1 January to 31 December 2005). Fees from the management and consultation of private equity funds accounted for EUR 1.8 million of the amount. In the comparison period, net sales from the corresponding operations amounted to EUR 64,000 as the acquisition of Amanda Advisors Ltd was only realised in December 2005, and its net sales were consolidated since the date of acquisition. Net investment income amounted to EUR 7.6 million (EUR 9.4 million). Consolidated earnings increased to EUR 6.0 million (EUR 5.5 million), while earnings per share calculated on the average number of shares during the period were EUR 0.28 and on the number of shares at year-end EUR 0.26 (EUR 0.26). The decline in net investment income during the period under review was due to a decrease in the number of target companies divested by the private equity funds. Exits from target companies continued to yield good return percentages.

Amanda's consolidated balance sheet total was EUR 59.0 million (EUR 54.8 million), and shareholders' equity amounted to EUR 56.4 million (EUR 51.3 million). 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 95.5% (93.89%). Approximately 59% (58%) of the balance sheet total is invested in private equity funds and 38% (36%) in liquid assets. Consolidation goodwill amounts to 3% (6%) of the balance sheet total.

In May 2006, Amanda established a limited partnership fund, Amanda III Eastern Private Equity L.P., which makes investments in Russian and Eastern European unquoted companies through local private equity funds. By the end of the financial period, the fund had EUR 78.8 million in investment commitments. The fund is going to continue fund raising and its final closing is going to take place by 22 May 2007.

### Five new private equity fund investments

In the second quarter, Amanda sold its USD 12 million investment commitment in the Russia Partners II private equity fund to the newly established Amanda III Eastern Private Equity L.P. fund. Amanda Capital also made a EUR 10 million investment commitment in the Amanda III private equity fund.

In the second quarter, Amanda made a EUR 5 million investment commitment to the Triton Fund II private equity fund. Triton makes investments in unquoted medium-sized European companies.

In the third quarter, Amanda made a EUR 4 million investment commitment in the Permira IV private equity fund. Permira is a leading international private equity investor and has made over 280 private equity investments since 1985.

In the third quarter, Amanda also decided on a GBP 3 million investment commitment in the Gresham Fund IV L.P. private equity fund based in England. Gresham targets buyouts of unquoted small and medium-sized British companies.

In the fourth quarter, Amanda made a EUR 5 million investment commitment in the EQT V private equity fund. The EQT V private equity fund invests in medium-sized companies in growing industries in Northern Europe.

### Other major events

In January 2006 Amanda's Board of Directors specified the company's investment strategy as follows:

Amanda may make investments in private equity funds in the primary market, acquire private equity fund investments through secondary transactions, and in exceptional cases make direct investments in unquoted companies.



The objective is to make well-diversified investments in a variety of private equity funds in different geographical markets within the following limits:

- (i) Amanda's primary geographical focus is Europe, which means that more than one half of the investment commitments must be located within the geographical limits of Europe.
- (ii) Amanda may invest a maximum of 25% of its investment commitments in emerging markets.
- (iii) Amanda may invest a maximum of 25% of its investment commitments in venture capital funds.
- (iv) The proportion of any single buyout fund must not exceed 15% of the investment commitments in Amanda's portfolio.
- (v) The proportion of any single venture capital fund must not exceed 10 % of the investment commitments in Amanda's portfolio.
- (vi) Any investment in an individual company must not exceed 5% of Amanda's shareholders' equity.
- (vii) Amanda may take out short-term loans for investment purposes up to a maximum of 20% of shareholders' equity. The purpose of the loan is to ensure Amanda's ability to make payments to the private equity funds in all circumstances.
- (viii) Amanda's investment commitment must not exceed 20% of the total capital of an individual fund.
- (ix) The aggregate amount of direct investments in unquoted companies must not exceed 20% of shareholders' equity.

Cash in hand shall be invested in short-term interest-bearing instruments.

Amanda's intention is to make investment commitments using the over-commitment strategy, aiming to keep 100% of the balance sheet invested in the private equity market.

### Essential risks associated with the operations

The risks associated with Amanda Group's business mainly consist of investment-related risks, in other words market risk and foreign exchange risk. Risks are comprehensively managed through an investment process and investment strategy confirmed by Amanda Capital Plc's Board of Directors.

Investments are chosen with the help of an investment process. In this process, the Investment Committee screens potential investments, which are then subjected to a Due Diligence review covering the fund's personnel, documentation and other factors essentially linked to the administration and development of the fund. Final investment proposals are submitted to Amanda Capital Plc's Board of Directors for assessment and decision-making.

### Personnel

The Group had 10 employees at the end of the financial period. The average number of personnel during the period was 10. Total salaries paid during the financial period amounted to EUR 839,000 (EUR 145 thousand). The personnel expenses include EUR 128,000 of share premium accruals associated with the personnel issue; this has no cash flow effect. The data for the comparison year includes personnel expenses only since the consolidation of Amanda Advisors Ltd; that is, 9 December 2005.

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

The following persons were elected as Members of the Board at Amanda Capital's General Meeting of Shareholders on 14 March 2006: Carl Gustaf Ehrnrooth, Antti Heikinheimo, Esa Karppinen, Pertti Laine, Erkki Myllärniemi, Petri Niemisvirta and Topi Piela. At its organising meeting, the Board of Directors elected Mr. Esa Karppinen as Chairman.

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

The Managing Director of Amanda Capital Plc was Mr. Petteri Änkilä, M.Sc. (Econ.).



### Treasury shares and personnel issue

The General Meeting of Shareholders on 14 March 2006 authorised the Board of Directors to increase the share capital through a subscription issue directed to the personnel. At its meeting on 30 March 2006, the Board of Directors decided on increasing the share capital through a subscription issue directed to personnel. The subscription price was EUR 2.52, the subscription period was 31 March to 30 June 2006, and the shares had to be paid for by 31 August 2006 at the latest. The terms and conditions for subscription include a lock-up period preventing sale of the shares within two years of the date of subscription. The new shares will entitle the holder to dividend and shareholders' rights equal to those of existing shares. Each share carries one vote and all shares are equally entitled to dividend. The Board of Directors approved the subscriptions of 1,508,100 shares, and the increase in share capital was entered in the Trade Register on 22 September 2006. After the increase, Amanda's share capital stood at EUR 11,383,873 divided into 22,767,746 shares.

The company has a valid authorisation to acquire treasury shares that has not been exercised during the financial period. The Group's share capital on 31 December 2006 amounted to EUR 11,383,873 and the number of shares was 22,767,746. The company held no treasury shares at the end of the review period.

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

As a consequence of expanding the company's business from investment operations to the management and consultation of private equity investments, the Board of Directors has redefined the dividend policy. The objective will be to distribute at least one half of the net profit as dividends, observing the company's liquidity. On 31 December 2006, the parent company's distributable funds amounted to EUR 12,609,950.20 and the Group's distributable funds amounted to EUR 16,297,628.78. The Board of Directors proposes that a dividend of EUR 0.20 and an additional dividend of EUR 0.10 for 22,767,746 shares be distributed for the financial period ending on 31 December 2006. According to the proposal, EUR 6,830,323.80 will be used for dividends, which corresponds to 113.7% of the profit for the period. According to the Board of Directors' opinion, the proposed distribution of dividends does not endanger the company's liquidity. The dividend will be paid to shareholders who on the matching day, 2 April 2007, are entered as shareholders in the Register of Shareholders maintained by the Finnish Central Depository Ltd. 11 April 2007 is proposed as the date for dividend payment.

### Events after the end of the financial period

On 9 February 2007, Amanda acquired the entire stock of the Proventure group for EUR 10.0 million. The net asset value of the acquired companies was EUR 7.1 million on 31 December 2006. The purchase price was settled entirely in cash.

Proventure was a private equity investment management company previously held by private shareholders. Companies within the acquired group are founding general partners in the private equity funds-of-funds First European Fund Investments L.P and European Fund Investments II L.P, which have several Finnish and foreign institutional investors. The acquisition will increase the net sales of Amanda's private equity investment management and consultation by approximately EUR 1.7 million this year.

After the end of the financial period, some exits have taken place in Amanda's investments, resulting in an aggregate cash flow of more than EUR 1 million for Amanda. These include, among others:

The Permira Europe II private equity fund divested its holding in Rodenstock GmbH. The company is the leading manufacturer of lenses and frames in Germany. It has production facilities in 10 countries and sales offices in more than 80 countries. The Permira Europe II private equity fund also divested its remaining holding in Premiere AG. The company was listed on the Frankfurt stock exchange in March 2005. The funds will probably be returned to Amanda Capital during the first quarter of 2007.

The Permira Europe III private equity fund sold its holding in Grand Navi Veloci S.p.A to other private equity investors. The company operates cruise vessels in the Mediterranean and maintains ferry traffic from Italy to Sardinia and Sicily, among other routes. The funds will be returned to Amanda during the first quarter.

The PAI Europe IV private equity fund rearranged funding for its target company Chr.Hansen, which will result in capital being returned to Amanda. The EQT II private equity fund sold HemoCue to Quest Diagnostics. HemoCue is a leading developer, manufacturer and marketer of medical diagnostic equipment for point-of-care testing. HemoCue's annual net sales amount to approximately EUR 90 million. The funds will probably be returned to Amanda during the first quarter.

**Future outlook**

During a period of slightly more than a year, Amanda has expanded its business from investment operations to the management and consultation of private equity investments through two acquisitions and a newly established fund. The management of private equity investments is characterised by long-term management contracts that produce a stable cash flow and improve the predictability of Amanda's net sales and earnings. The expansion of business operations will reduce the sensitivity of Amanda's earnings to fluctuations in investment income. The company's objective is to continue expanding its management business both organically by establishing new funds and by potential acquisitions. The net sales of the business segment are expected to exceed EUR 3.5 million in 2007.

Amanda has continued its disciplined investment operations and made very selective investments despite the wide variety of options available. Amanda has mostly concentrated its investments in private equity funds targeting more mature companies. The strategy has resulted in good returns, and the long-term returns on investments are expected to remain good for the foreseeable future.

Helsinki, 15 February 2007

AMANDA CAPITAL PLC  
Board of Directors

## CORPORATE GOVERNANCE

In addition to the Finnish Companies Act, Amanda Capital Plc and its subsidiary comply with the Corporate Governance Recommendation for Listed Companies issued by Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers.

### Annual General Meeting

Annual General Meeting is Amanda Capital's highest decision-making body where the shareholders participate in the supervision and control of the company. Amanda summons one Annual General Meeting during each financial period. An Extraordinary General Meeting may be convened when necessary. Shareholders exercise their rights to vote and speak at the General Meetings.

Amanda Capital provides shareholders with sufficient information, in advance, on the matters to be addressed at the Annual General Meeting. Advance information will be provided in the invitation to the General Meeting, other releases and on the company's website. The Annual General Meeting is organized in a manner that permits shareholders to effectively exercise their ownership rights. The goal is for the Managing Director, Chairman of the Board of Directors, and a sufficient number of Board members to attend Amanda Capital's Annual General Meeting. A person proposed as director for the first time shall participate in the General Meeting that decides on his/her election, unless there are well-founded reasons for his/her absence.

### Supervisory Board

Amanda Capital does not have a Supervisory Board.

### Board of Directors

Amanda Capital's Board of Directors has adopted a written Charter for its work, which contains the following principal duties and working principles of the Board:

- \* The Board shall be responsible for the management and appropriate organization of the company's operations
- \* The Board shall direct and supervise the company's operative management, as well as appoint and dismiss the Managing Director
- \* The Board shall approve the company's strategic objectives
- \* The Board shall approve the company's risk management principles and ensure the functionality of the management system
- \* The Board shall ensure that the company adopts the values to be applied in its operations
- \* The Board aims to promote the interests of the company and all its shareholder
- \* The members of the Board shall not represent in the company the parties who proposed them as Board members
- \* The Board shall assess its performance and working methods annually, either by means of internal self-evaluation or by using an external evaluator.

The company reports in its annual report the number of Board meetings held during the financial period, as well as the average attendance of directors at the Board meetings. The number of members elected to Amanda's Board of Directors may be between 5 and 7. The members are elected for one year at a time.

The prospective director candidates notified to the Board will be disclosed in the invitation to the General Meeting, provided that the proposal has been made by the Board or if the candidate is supported by at least 10 per cent of the total votes of all the shares of the company and the candidate has given his/her consent to the election. The candidates proposed after the delivery of the invitation will be disclosed separately. The company's Articles of Association do not contain any provisions on the appointment of directors according to a specific order.

A person elected as director must have the qualifications required to discharge directors' duties and have sufficient time to the work. The company facilitates the work of the Board by providing the directors with sufficient information on the company's operations.

The majority of Amanda Capital's Board of Directors are independent of the company. In addition, at least two of the directors representing the said majority are independent of significant shareholders of the company. The Board of Directors evaluates the independence of the directors and reports which directors it determines to be independent. When evaluating independence, the circumstances of private individuals or legal entities closely affiliated to the director, such as referred to in Chapter 1, section 4 of the Finnish Companies Act, will be taken into consideration in all situations. Companies belonging to the same group as the company will be considered comparable to the company.

The company reports the following personal details and holdings of the directors: name, year of birth, education, main occupation, primary working experience, date of inception of Board membership, other simultaneous key positions of trust, shareholdings in the company, and holdings and rights based on a share-related compensation system of the company.

The members of Amanda's Board of Directors provide the Board and the company with sufficient information that allows the evaluation of their qualifications and independence, and notify the Board and the company of any changes in such information.

The remuneration and other benefits of the Board of Directors of Amanda Capital are disclosed in the annual report. The Board of Directors has no share-related rights and other remuneration schemes.

### **Board Committees**

Amanda Capital does not have any committees due to the size of the company and its Board.

### **Managing Director**

The Managing Director is in charge of the day-to-day management of the company in accordance with the regulations of The Finnish Companies Act and instructions and orders given by the Board of Directors. The Managing Director may undertake acts which, considering the scope and nature of the operations of the company, are unusual or extensive, only with the authorization of the Board. The Managing Director ensures that the accounting practices of the company comply with the law and that financial matters are handled in a reliable manner.

Amanda Capital's Board of Directors appoints the Managing Director. The Managing Director's service terms and conditions have been specified in writing in the Managing Director's service contract approved by the Board. The Managing Director's term of notice is three months when the Managing Director gives his/her notice and six months when the company gives notice. When notice is given by the company the Managing Director is paid the salary for the term of notice and additional compensation of six months salary. In 2006 the Managing Director was paid a total of EUR 124 000 as salary and remuneration. The retirement age and pension of the Managing Director is determined in accordance with TyEL (The new Employees Pension Act). The company also discloses the same personal details and holdings information of the Managing Director as for its directors. The Managing Director shall not be elected Chairman of the Board.

### **Other management**

Amanda has Chief Financial Officer and four Investment Directors.

### **Compensation**

The company's Board does not have any share-related rights or other compensation systems.

### **Incentive system**

The Board of Directors of the management company makes decisions concerning the compensation system covering the Managing Director and other executives.

### **Internal control, risk management and internal audit**

Amanda Capital's Board of Directors ensures that the Managing Director manages the day-to-day management of the company in accordance with the instructions and orders given by the Board. The Board monitors the activities of the Investment Committee and the investments proposed by the Committee.

Amanda Capital is a private equity investment company that makes private equity investments mainly in Europe. Additionally the company manages several consulting private equity fund portfolios as well as acts as a general partner to its own fund-of-funds. The investment strategy specifies the limits for individual risk concentrations. The Board of Directors of the company monitors compliance with the investment strategy. At the meetings of the Board of Directors, the directors receive an investment portfolio report, listing the company's assets in accordance with the following criteria: geographically, by industry, year of establishment, and fund life cycle. The investment strategy is discussed more closely on the company's website.

Amanda operates in such a manner that it retains the freedom to decide which target investments to buy and sell. Amanda aims to avoid being the principal shareholder in a target investment. The company exercises its rights of ownership in general meetings of shareholders, stockholder meetings, and other investor events organized by its target companies.

### Contract register

The company maintains a contract register. The contract register contains brief summaries of the content of significant contracts. The company's internal audit has not been organized separately due to the extent of the company's activities.

### Insider administration

The company complies with the Guidelines for Insiders (1 January 2006) issued by Helsinki Stock Exchange. The key principles are: The company maintains a register of statutory insiders and insiders by definition, which include the members of Amanda's Board of Directors and the entire personnel of Amanda Group including the Managing Director. The company informs, in writing or otherwise verifiable manner, the person belonging to the permanent insiders of his/her insider position in the company.

### Prohibition of short-term trading

Those who are regarded as Amanda Capital's insiders or those, whose interests they protect (persons under guardianship) or corporations they control are not permitted to trade in Amanda's shares on a short-term basis. Investments are regarded as short-term investments when the period between the purchase and transfer or the transfer and purchase of the security is less than one (1) month.

### "Closed window"

Company insiders may not trade in securities issued by the company for 14 days prior to the publication of the company's interim report and financial statements bulletin. It is recommended that insiders schedule their trading, as far as possible, to the moment when the market has as exact information as is possible on issues influencing the value of the share.

The restriction on trading is applied to the company's permanent insiders, those under their guardianship and the corporations they control referred to in Chapter 1, section 5 of the Securities Markets Act. (The restriction on trading does not apply to auditors, nor corporations in which the managerial and office employees exercise a significant influence.)

It is contrary to good practice and forbidden to circumvent the restriction on trading by trading in shares on one's own behalf using the immediate circle or other intermediaries, such as corporations in which the insider exercises significant influence.

### Register on project-specific insiders

The company uses a register on project-specific insiders in issues or arrangements that derogate from the company's regular business activities due to their nature or size. The company evaluates on a case by case basis whether an issue or arrangement under preparation is to be deemed a project. The purpose of the project-specific register is to clarify the moment at which a person is to be regarded as an insider and to intensify the processing of insider information.

### Management of insider issues

Amanda Capital has informed its permanent insiders of the company's Guidelines for Insiders. The company has a designated person in charge of insider issues, who carries out tasks related on the management of insider issues. The company has the permanent insiders check the information to be declared to the company annually, and, in addition, the company checks at least once a year the trading of the permanent insiders based on the register information of the Finnish Central Depository Ltd.

### Audit

The proposal for the election of an auditor prepared by the Board of Directors of the company will be disclosed in the invitation to the General Meeting of Shareholders. If the Board has not arrived at a decision on the prospective auditor by the time the invitations are issued, the candidacy will be disclosed separately.

The company reports the fees of the auditor during the financial period in its annual report. If the auditor has been paid fees for non-audit services, such fees are reported separately.

### Communication and disclosure

The important issues concerning Amanda Capital's administration are disclosed on Amanda's website ([www.amandacapital.fi](http://www.amandacapital.fi)). The stock exchange announcements are available on the company's website after the publication.

## Company Management

### Board of Directors and CEO

Amanda Capital's Board of Directors is elected by the Annual General Meeting 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 16 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 until the Annual General Meeting. The Annual General Meeting, held on March 14, 2006, decided that no fees will be paid for the Board of Directors.

### The Board of Directors since March 14, 2006 and CEO

#### Esa Karppinen, born 1952, Member of the Board since 2006 Chairman of the Board of Directors

Esa Karppinen, Master of Laws, has been the Group CEO in Berling Capital Ltd since 1986. Before this Mr. Karppinen served as Deputy CEO and CFO in Expaco Ltd. Mr. Karppinen is a Member of the Board in several companies, including Aspö Plc and Exel Plc.

Berling Capital Ltd. (a company controlled by Mr. Karppinen) holds 3,187,000 Amanda Capital shares. Mr. Karppinen is independent of the company.

#### Carl Gustaf Ehrnrooth, born 1969, Member of the Board since 2004

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

Mr. Ehrnrooth holds 7,270 Amanda Capital shares. Mr. Ehrnrooth is independent of the company and any major shareholders in the company.

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

Antti Heikinheimo is a partner of Hannes Snellman Attorneys at Law, Ltd. 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 and served as the Managing Partner of the firm in 2000–2004. He holds several positions of trust both in business and in the practice of law.

Marathon-Invest Oy (a limited liability company controlled by Antti Heikinheimo) holds 19,600 Amanda Capital shares. Mr. Heikinheimo is independent of the company.

#### Pertti Laine, born 1941, Member of the Board since 2006

Pertti Laine, M.Sc. (econ.) holds several positions of trust in different companies. Mr. Laine is the Chairman of the Board in Veikko Laine Oy, Finnlines Plc and in United Bankers Ltd. In addition, Mr. Laine is a Member of the Board in Evos Rifa Group Plc and Länsiauto Ltd.

Veikko Laine Oy (a company controlled by Mr. Laine) holds 3,187,000 Amanda Capital shares. Mr. Laine is independent of the company.



*Members of the Board of Directors: In the front are Esa Karppinen and Petri Niemisvirta. At the back are Erkki Myllärniemi, Topi Piela, Carl-Gustaf Ehrnrooth and Pertti Laine. (Antti Heikinheimo was not available).*

**Erkki Myllärniemi, born 1949, Member of the Board since 2006**

Erkki Myllärniemi has been the Managing Director in Umo Capital Ltd since 1988, he is also main partner and a Member of the Board in the company. Mr. Myllärniemi is also the Managing Director and a Member of the Board in Ulkomarkkinat Ltd, a subsidiary of Umo Capital Ltd. Mr. Myllärniemi is also the Chairman of the Board in Mainospyörä Ltd and Thomeko Ltd and a Member of the Board in Moving Media Nordic.

Umo Capital Ltd (a company controlled by Mr. Laine) holds 2,927,000 Amanda Capital shares. Mr. Myllärniemi is independent of the company.

**Petri Niemisvirta, born 1970, Member of the Board since 2006**

Petri Niemisvirta, Master of Laws, has been the Managing Director of Sampo Life Insurance Company Limited and a member of Group Executive Committee of Sampo Group since 2001. Before this Mr. Niemisvirta served as Managing Director in Evli Life Ltd. and in different positions in Sampo Life Insurance Company Limited. Mr. Niemisvirta is a Member of the Board in Federation of Finnish Insurance Companies, Consumers' Insurance office and Nordben Life and Pension Insurance Co. Limited.

Mr. Niemisvirta does not hold Amanda Capital shares. Mr. Niemisvirta is independent of the company and any major shareholders in the company.

**Topi Piela, born 1962, Member of the Board since 2004**

Topi Piela, Msc.Econ, CEFA is the Managing Director and a board member of Balance Capital Oy. Before Topi Piela served as the 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 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 Amanda Capital Plc, Balance Capital Ltd, Eyemaker's Finland Oy, Piela Ventures Oy, and CFA-Finland. He is also a member of the State Pension Fund investments committee, and Hallitusammattilaiset ry (the Finnish Association of Professional Board Members).

Piela Ventures Oy (a corporation controlled by Piela) holds 272,000 Amanda Capital shares.

**Petteri Änkilä, born 1971, CEO**

Petteri Änkilä, Msc.Econ, was appointed CEO 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.

Mr. Änkilä holds 430,000 Amanda Capital shares and Gold Rush Holding Oy (a corporation controlled by Änkilä) holds 14,800 Amanda Capital shares.



## Amanda Team



*Members of the Amanda team: In the front are Peter Borg, Petter Hoffström, Petteri Änkilä and Jyrki Orpana. At back are Eija Mäkinen, Anna-Mari Kautto, Hannu Iiskola, Olli Heinilä, Auli Lehtonen and Tarja Kampman.*

Amanda is a well-known private equity investor in the international private equity market. The company has made investments in over 100 private equity funds for itself and to its customers. Amanda currently manages an investment portfolio of over EUR 1.0 billion. Amanda's investment professionals' team has long-term relations with the best private equity funds in the market. Sufficient amount of managed assets and good long-term relations give access to the funds with highest returns in the market.

The investment portfolio of Amanda Capital is managed by investment professionals, who have over 50 years of experience between them in private equity business and also a long experience from other financial sectors.

## Insider Regulations

The company complies with the insider regulations of Helsinki Stock Exchange. Permanent insiders include the statutory insiders, comprising the Board of Directors, Managing Director and responsible auditor, and the insiders by definition, includes the management company's personnel. The company uses the SIRE system for disclosing information on the insiders' holdings in Amanda Capital Plc, as well as on the holdings of corporations controlled by them, and changes in these holdings.

**KEY RATIOS, CONSOLIDATED**
**EUR 1 000**

	<b>2006</b>	<b>2005</b>
<b>INCOME STATEMENT</b>		
Turnover	9 369.0	9 477.0
Profit	7 547.0	7 286.0
% of turnover	80.6	76.9
Financial income and expenses	536.0	180.0
% of turnover	5.7	1.9
Profit before appropriations and taxes	8 083.0	7 466.0
% of turnover	86.3	78.8
Direct taxes	-2 074.0	-1 937.0
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>6 009.0</b>	<b>5 529.0</b>
<b>BALANCE SHEET</b>		
Intangible and tangible assets	3 054.0	3 299.0
Investments	33 268.0	31 814.0
Short term receivables	334.0	15.0
Marketable securities and cash	22 382.0	19 652.0
<b>TOTAL ASSETS</b>	<b>59 038.0</b>	<b>54 780.0</b>
Shareholders' equity	56 395.0	51 312.0
Non-interest bearing liabilities	2 643.0	3 195.0
Interest bearing liabilities	0.0	273.0
<b>TOTAL LIABILITIES</b>	<b>59 038.0</b>	<b>54 780.0</b>
<b>PROFITABILITY AND OTHER KEY RATIOS</b>		
Return on investment, ROI % p.a.	15.0	15.1
Return on equity, ROE % p.a.	11.2	11.2
Equity to asset ratio, %	95.5	93.3
Gearing, %	-39.7	-37.8
Private equity investments to equity ratio, %	59.0	62.0
Investment commitments to equity ratio, %	121.4	107.0
Number of personnel at period end	10	8
Number of personnel on average	10	0
<b>SHARE RATIOS</b>		
Equity per share, EUR	0.26	0.26
Equity per average share, EUR	0.28	0.26
Shareholders' equity per share, EUR	2.48	2.41
Shareholders' equity per average share, EUR	2.59	2.41
Dividend EUR 1,000 1)	4 554	3 189
Dividend per share 1)	0.20	0.15
Dividend per result, % 1)	75.8	57.7
Price/earnings ratio, P/E	13.2	9.3
Price development of share issue adjusted shares, EUR 2)		
Average stock price	2.69	2.23
Highest stock price	3.43	2.74
Lowest stock price	2.44	1.80
Closing price	3.43	2.43
Market capitalisation EUR 1,000	78 093	51 661
Share turnover 1,000 shs	16 826	5 712
% of total number of shares	73.9	26.9
Share turnover EUR 1,000	44 099	12 716
Share issue adjusted number of shares 1,000 shs 2)		
Average during the period	21 768	21 260
At period end	22 768	21 260

1) The proposal of the Board of Directors for the dividend of year 2006.

2) 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 formed one new share. Same adjustment has been made to the figures for the year of comparison. Closing price and volume of the trading day has been used in calculation of the ratio.

**CALCULATION FOR KEY RATIOS**
**RETURN ON INVESTMENT, ROI (%)**

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

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

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

**EQUITY TO ASSETS RATIO (%)**

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

**GEARING (%)**

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

**EARNINGS PER SHARE, EPS**

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

**SHAREHOLDERS' EQUITY PER SHARE**

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

**DIVIDEND PER SHARE**

$$\frac{\text{dividend}}{\text{share issue adjusted number of shares at period end}}$$

**DIVIDEND PER RESULT (%)**

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

## CALCULATION FOR KEY RATIOS

## EFFECTIVE DIVIDEND YIELD (%)

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

## PRICE/EARNINGS RATIO, P/E

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

## MARKET CAPITALISATION

$$\text{number of shares} \times \text{market share at period end}$$

## 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 (%)

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

**INCOME STATEMENT, CONSOLIDATED**
**EUR 1 000**

	Note No.	2006	2005
<b>NET SALES</b>			
Net investment income		7 557	9 413
Management fees		1 812	64
Total	4	9 369	9 477
Operating expenses	5, 6	-1 576	-2 191
Depreciations	7	-246	0
<b>OPERATING PROFIT</b>			
Financial income and expenses	8	7 547	7 286
		536	180
<hr/>			
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>			
Income taxes	9	8 083	7 466
		-2 074	-1 938
<hr/>			
<b>PROFIT</b>			
		6 009	5 529

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

	Note No.	31.12.2006	31.12.2005
<b>ASSETS</b>			
<b>LONG-TERM ASSETS</b>			
Intangible and tangible assets	11	3 054	3 299
Investments available for sale			
Private equity investments	12	33 268	31 814
<b>Total long-term assets</b>		<b>36 322</b>	<b>35 114</b>
<b>CURRENT ASSETS</b>			
Accrued income and advance payments		334	15
Investments available for sale			
Financial securities	12	19 397	15 257
Cash		2 985	4 395
<b>Total current assets</b>		<b>22 716</b>	<b>19 666</b>
<b>TOTAL ASSETS</b>		<b>59 038</b>	<b>54 780</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity		11 384	10 630
Share premium		18 994	15 947
Reserves		10 688	10 688
Fair value reserve		-968	698
Returned earnings		10 288	7 820
Profit		6 009	5 529
<b>Total shareholders' equity and liabilities</b>		<b>56 395</b>	<b>51 312</b>
Long-term liabilities			
Non-current liabilities	13	0	273
Current liabilities			
Accounts payable		0	8
Other liabilities	14	1 294	1 256
Tax liabilities	15	1 349	1 930
<b>Total current liabilities</b>		<b>2 643</b>	<b>3 195</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>59 038</b>	<b>54 780</b>



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

	<b>2006</b>	<b>2005</b>
<b>OPERATIONS</b>		
Operating income	7 547	7 286
Depreciation and write-downs	245	1
Investments available for sale		
Long-term, increase (-) decrease (+)	-1 454	543
Short-term, increase (-) decrease (+)	-4 140	-4 829
Change in fair value reserve	-1 665	765
Change in tax liability/receivable	-581	1 778
Investments available for sale, total change	-7 840	-1 743
Change in working capital		
Business receivables, increase (-) decrease (+)	-319	1 063
Interest-free debt, increase (+) decrease (-)	29	581
Interest-free debt, increase (+) decrease (-)	-273	0
Total change in working capital	-563	1 644
Dividends paid	-3 189	-2 126
Periodisation of premium from employee issue	128	0
Cash flow from operations before financial items and taxes	-3 672	5 062
Financial income and expenses	536	181
Deferred taxes	-2 074	-2 181
<b>CASH FLOW FROM OPERATIONS</b>	<b>-5 210</b>	<b>3 062</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
Acquisition of subsidiary	0	-3 407
<b>FINANCING</b>		
Share issue	3 800	0
<b>FINANCING TOTAL</b>	<b>3 800</b>	<b>0</b>
<b>INCREASE/DECREASE IN LIQUID ASSETS</b>	<b>-1 410</b>	<b>-345</b>
Liquid assets 1 Jan.	4 395	4 740
Liquid assets 31 Dec.	2 985	4 395
<b>INCREASE/DECREASE IN LIQUID ASSETS</b>	<b>1 410</b>	<b>345</b>
<b>ACQUISITION OF SUBSIDIARY</b>		
Cash equivalents	0	386
Financial assets	0	314
Accounts receivable	0	932
Tangible assets	0	23
Intangible assets	0	3 267
Long term liabilities	0	272
Other liabilities	0	-857
Purchase price	0	3 793
Cash equivalents	0	386
<b>CASH EFFECT FROM THE ACQUISITION</b>	<b>0</b>	<b>3 407</b>

**CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY**
**EUR 1 000**

	<b>Share Capital</b>	<b>Other reserves</b>	<b>Fair value reserve</b>	<b>Retained earnings</b>
Shareholders' equity 1 Jan. 2005	10 630	26 635	-67	9 940
Payment of dividends	0	0	0	-2 126
Change in investments available for sale	0	0	765	0
Depreciation difference	0	0	0	6
Profit for the period	0	0	0	5 529
Shareholders' equity 31 Dec. 2005	10 630	26 635	698	13 350

**EUR 1 000**

	<b>Share capital</b>	<b>Other reserves</b>	<b>Fair value reserve</b>	<b>Retained earnings</b>
Shareholders' equity 1 Jan. 2006	10 630	26 635	698	13 350
Payment of dividends	0	0	0	-3 189
Increase in share capital 22 Sept. 2005	754	3 046	0	128
Change in investments available for sale	0	0	-1 666	0
Profit for the period	0	0	0	6 009
Shareholders' equity 31 Dec. 2006	11 384	29 681	-968	16 298

The difference between the subscription price in the employee issue and the market value of shares at the time if subscription is allocated during two years from the time of subscription.

## ACCOUNTING PRINCIPLES

### 1 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. Amanda Capital Plc and its subsidiaries form the Amanda Group ("Amanda" or "the Group"). The parent company Amanda Capital Plc's shares are listed on the main list of Helsinki Stock Exchange.

Amanda Capital Plc is a Finnish company that engages in capital investment operations. Its investment objects include 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 in the market and thus achieve a better yield than the stock market on average.

#### Accounting principles of financial statements

Amanda Capital Plc's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, and the IAS and IFRS standards and SIC and IFRIC interpretations valid on 31 December 2006 have been applied when preparing the statements. The comparison data for 2005 have also been drawn up in accordance with IFRS, as the Amanda Group adopted IFRS and 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.

The Group has not applied the following IFRS and IAS standards or interpretations that have been published but that are not yet mandatory: IFRS 7 Financial Instruments: Disclosures (valid for financial periods that begin after 1.1.2007), Amendment to the IAS 1 standard - Capital Disclosures (valid for financial periods that begin after 1.1.2007). According to Amanda's assessment, these two amendments of standards will mainly have an impact on the notes to the consolidated financial statements. The IFRIC 10 Interim Financial Reporting and Impairment (valid for financial periods that start after 1.11.2006) interpretation forbids the reversal of an impairment loss on goodwill or equity investments made, e.g. in an interim report in later financial statements. Amanda estimates that the interpretation will not have any impact on the consolidated financial statements.

The financial statements are presented in thousand euros and they are based on original acquisition costs, unless otherwise mentioned in the compilation 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 consolidated financial statements contain the parent company, Amanda Capital Plc as well as Amanda Advisors Ltd and Amanda III Eastern GP Ltd. The subsidiaries acquired during the financial period are included in the consolidated financial statement from the time of acquisition. Amanda III Eastern GP Ltd was established on 17 May 2006, and has been included in the Group since that date. The Group's internal income statement items and receivables and liabilities have been eliminated in the financial statements. The internal shareholdings of Group companies are eliminated by deducting the shareholders' equity of the subsidiaries at the time of acquisition from the acquisition price of the subsidiaries.

#### Segment reporting

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

#### Foreign currency transactions

The consolidated financial statements are presented in euros and foreign currency transactions are converted to euros using the exchange rates valid on the day of the transaction. Foreign currency receivables and liabilities are converted to euros 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 account 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 only when the realisation of the target funds has taken place or later, when the target funds have obtained the necessary permits from authorities. 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, which consists of the fair value difference of identifiable assets, liabilities and contingent assets and liabilities valued at fair value. 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.

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

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

### Impairment and impairment testing

The balance sheet values of other long-term tangible and intangible assets are tested for impairment at each balance sheet date and always when there is indication that the value of an asset may have been impaired. In the impairment test, the recoverable amount of the assets is tested. The recoverable amount is the higher of an assets' net selling price and its value in use, based on cash flow. An impairment loss is entered in the profit and loss account, if the book value of the asset is higher than the recoverable amount.

The Amanda Group carries out the annual impairment testing during the fourth quarter of the fiscal period. In impairment testing, the future income cash flow is based on agreements, and the Group management's view is that its realisation is almost risk-free. Besides, the income cash flow has been defined in advance in agreements, which means that there is no uncertainty related to estimates. The future expense cash flow in the impairment testing is based on the Group management's cost estimates. The expenses allocated to goodwill are estimated to increase by 2% annually. The discount rate used in the calculations is 10%, which corresponds to Amanda's return on equity. The impairment testing has included sensitivity analyses, where the estimated expenses and discount rate have been altered. Based on these analyses, there are no indications of any major impairment losses in future. The impairment tests indicate no impairment of goodwill, and no impairment has consequently been recorded in the financial statements.

### Employment pensions

The Group's pension 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 is 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

The Amanda 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, essential permanent impairment in the private equity funds' target companies that is known to Amanda 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 equity 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 dividend is only taken into account based on the AGM decision.

## Managing the risks of the investment operations

The risks related to the Group'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 Plc'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 Plc'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 to a maximum of 20% of its shareholders' equity. 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 the 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 rates have an impact on 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. The currency breakdown of Amanda Capital's private equity fund investments is as follows:

	Currency	EUR	%
EUR million	29.0	29.0	87.3
GBP million	1.0	1.5	4.5
SEK million	4.0	0.4	1.3
USD million	3.0	2.3	6.9

The risks arising from Amanda Group's investment operations are reported to the Board of Directors quarterly. The report contains, e.g. return follow-up on the private equity fund portfolio, geographic breakdown, the relationship between the investments made in private equity funds and the shareholders' equity as well as the overall commitments in the shareholders' equity.

### 2 Acquired operations

Amanda Capital Plc made no corporate acquisitions during the fiscal period. During the comparison period, Amanda Capital Plc acquired the entire stock of Mandatum Private Equity Funds Ltd on 9 December 2005. The deal expanded Amanda Capital's operations from mere investment operations to the management and consulting of investment operations. A 3.6 million euro cash payment and 0.19 million euros in costs directly allocated to the purchase, i.e. a total of 3.8 million euros was booked as an acquisition cost for the purchase. Because the acquisition took place towards the end of the fiscal period, it generated 64 thousand euros in net sales and 32 thousand euros in operating loss for the Amanda Group.

### 3 Allocation of goodwill

For impairment testing, the goodwill is allocated to cash-generating units in the Group. No new business acquisitions were made during the fiscal period, but the goodwill of the operations acquired during the comparison period has been allocated to the unit that carries out the Group's investment operations as well as to the unit that manages the business operations and supports reporting.

**NOTES TO THE CONSOLIDATED INCOME STATEMENT**  
**EUR 1 000**

	<b>2006</b>	<b>2005</b>
<b>4 NET SALES</b>		
Net income from investments		
Profit distribution from private equity investments	7 487	9 321
Dividends	69	93
Other income	1	0
Management fees	1 812	63
<b>TOTAL</b>	<b>9 369</b>	<b>9 477</b>
<b>5 EXPENSES RELATED TO EMPLOYEE BENEFITS</b>		
<b>Short-term employee benefits</b>		
Salaries and remunerations	582	125
Other indirect employee costs	-16	8
Periodisation of the premium from employee issue	128	0
<b>Benefits after end of employment</b>		
Pension costs – payment based arrangements	145	12
<b>TOTAL</b>	<b>839</b>	<b>145</b>
<b>6 OTHER OPERATING EXPENSES</b>		
Management fees	0	1 435
Fees for advisory services	122	304
Other expenses	615	307
<b>TOTAL</b>	<b>737</b>	<b>2 046</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1 576</b>	<b>2 191</b>
<b>7 DEPRECIATIONS</b>		
Depreciations on tangible assets	6	0
Depreciations on intangible assets	240	0
<b>TOTAL</b>	<b>246</b>	<b>0</b>
<b>8 FINANCIAL INCOME AND EXPENSES</b>		
Interest income from current investments	62	27
Other financial income	478	159
Other financial expenses	-4	-6
<b>TOTAL</b>	<b>536</b>	<b>180</b>
<b>9 INCOME TAXES</b>		
Direct taxes for the review period	2 064	676
Change in deferred taxes	4	1 264
<b>TOTAL</b>	<b>2 068</b>	<b>1 940</b>
<b>10 EARNINGS PER SHARE</b>		
Earnings for the period	6 009	5 529
Shares, 1 000 shs*)	22 014	21 260
Earnings per share	0.26	0.26

\*) The number of shares used is an average of the share amount at the beginning and at the end of the year. The reversed split that took place during the fiscal year 2005 has been taken into account in the number of shares. The shares were combined so that 10 existing shares formed one (1) new share.



**NOTES TO THE CONSOLIDATED BALANCE SHEET  
EUR 1 000**

	<b>2006</b>	<b>2005</b>
<b>11 TANGIBLE AND INTANGIBLE ASSETS</b>		
Tangible assets		
Machinery and equipment, Acquisition cost, 1 Jan.	54	32
Increases	1	22
Acquisition cost 31 Dec.	55	54
Accumulated depreciation and value adjustments, 1 Jan.	-30	-29
Depreciation for the period	-6	-1
Accumulated depreciation and value adjustments, 31 Dec.	-36	-30
<b>TANGIBLE ASSETS 31 Dec.</b>	<b>19</b>	<b>24</b>
Other tangible assets 1 Jan.	8	8
Other tangible assets 31 Dec.	8	8
Intangible assets		
Acquisition cost 1 Jan.	1 471	0
Increases (acquisition of subsidiary)	0	1 471
Decreases	0	0
Acquisition cost 31 Dec.	1 471	1 471
Accumulated depreciation and value adjustments, 1 Jan.	0	0
Depreciation for the period	-240	0
Accumulated depreciation and value adjustments, 31 Dec.	-240	0
Goodwill acquisition cost 1 Jan.	1 796	0
Increases (acquisition of subsidiary)	0	1 796
Decreases	0	0
Impairment loss	0	0
Goodwill acquisition cost 31 Dec.	1 796	1 796
<b>INTANGIBLE ASSETS, BOOK VALUE 31 Dec.</b>	<b>3 027</b>	<b>3 267</b>
The planned depreciations of the intangible assets were started 1 January 2006.		
Business value is tested yearly for the possible depreciation.		
<b>12 INVESTMENTS AVAILABLE FOR SALE</b>		
Private equity investments		
Acquisition cost 1 Jan.	31 814	32 357
Increases	14 728	8 579
Decreases	-11 281	-10 080
Acquisition cost 31 Dec.	35 261	30 856
Change in value	-1 993	958
Book value 31 Dec.	33 268	31 814
Investments in mutual funds		
Acquisition cost 1 Jan.	15 257	10 114
Increases	20 000	10 506
Decreases	-15 915	-5 541
Acquisition cost 31 Dec.	19 342	15 079
Change in value	55	178
Book Value 31 Dec.	19 397	15 257

**NOTES TO THE CONSOLIDATED BALANCE SHEET**  
**1 000 EUR**

	<b>2006</b>	<b>2005</b>
<b>13 LONG-TERM INTEREST BEARING LIABILITIES</b>		
Loans from financial institutions		
Acquisition cost 1 Jan.	273	0
Increases (acquisition of subsidiary)	0	273
Decreases	-273	0
Acquisition cost 31 Dec.	0	273
<p>The loan with the interest was paid off in December 2006. According to the loan agreement the loan was due on 10/2009 and the interest rate was three (3) months euribor + 0.5%. The loan was paid off quarterly.</p>		
<b>14 OTHER CURRENT LIABILITIES</b>		
Other current liabilities		
Accounts payable	0	8
Accrued shares and deferred credits	1 216	1 164
Other liabilities	77	92
<b>TOTAL</b>	<b>1 293</b>	<b>1 264</b>
<b>15 DEFERRED TAX LIABILITIES</b>		
Deferred tax liabilities 1 Jan.	1 930	153
Change in deferred tax liabilities	-581	1 534
Deferred tax liabilities of the fair value of the assets and liabilities of the acquired subsidiary	0	243
Deferred tax liabilities 31 Dec.	1 349	1 930
<b>16 OBLIGATIONS</b>		
Amanda Capital Plc's remaining commitments to private equity funds were	35 184	22 930
Leasing and rental commitments within one year	95	87
Leasing and rental commitments after one but not more than five years	389	0
<b>TOTAL</b>	<b>35 668</b>	<b>23 017</b>
<b>17 Related party disclosures</b>		
<p>The parent company, the subsidiaries and the members of the Board of Directors and the CEO are considered as related party.</p> <p>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.</p>		
Fees of the CEO the Board of Directors EUR 1,000	<b>2006</b>	<b>2005</b>
Fees and remunerations	216	57
<p>The Board of Directors has no share based remuneration or other bonus schemes. The Annual General Meeting of Shareholders held on 14 March, 2006, resolved that no remunerations will be paid for the members of the Board for their meetings.</p> <p>The CEO or the members of the Board of Directors did not have a loan from Amanda Capital Plc as of 31 December 2006.</p>		

**NOTES TO THE CONSOLIDATED BALANCE SHEET**

The ownership of the CEO and the members of the Board of Directors in Amanda Capital Plc as of 31 December 2006.

The table below shows the personal ownerships of the members of the Board and the CEO and those companies in which they have a sole control.

	<b>Osakkeita</b>
Ehrnrooth, Carl-Gustaf	7 270
Heikinheimo, Antti	19 600
Karppinen, Esa	3 187 000
Laine, Pertti	3 187 000
Myllärniemi, Erkki	2 927 000
Niemisvirta, Petri	0
Piela, Topi	272 000
Änkilä, Petteri	444 800

The subsidiaries considered as related party

	<b>Number of shares and votes</b>
Amanda Advisors Oy, domicile Helsinki	100 %
Amanda III Eastern GP Oy, domicile Helsinki	100 %

**INCOME STATEMENT, PARENT (FAS)**

<b>EUR 1 000</b>	<b>Note No.</b>	<b>2006</b>	<b>2005</b>
<b>NET SALES</b>	1	18 560	19 399
Expenses			
Cost of investments		-14 762	-8 579
Change in inventories	2	3 552	-1 258
Personnel expenses	3	-289	-57
Depreciation	4	-620	-0,5
Other operating expenses	5	-569	-2 067
		-12 069	-11 962
<b>OPERATING PROFIT</b>		<b>6 491</b>	<b>7 437</b>
Financial income and expenses	6	1 472	179
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>		<b>7 963</b>	<b>7 616</b>
Direct taxes		-1 794	-676
<b>PROFIT FOR THE PERIOD</b>		<b>6 169</b>	<b>6 939</b>

**BALANCE SHEET, PARENT (FAS)**
**EUR 1 000**

	Note No.	31.12.2006	31.12.2005
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Tangible assets	7		
Machinery and equipment		2	1
Other tangible assets		8	8
Investments	8		
Shares in subsidiaries		3 800	3 792
<b>CURRENT ASSETS</b>			
Inventories		29 493	25 941
Current receivables			
Other receivables		118	0
Prepayments and accrued income		15	13
Current investments	9		
Other securities		18 946	14 655
Cash in hand at bank		2 164	3 165
<b>TOTAL ASSETS</b>		<b>54 545</b>	<b>47 576</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
	10		
Share capital		11 383	10 630
Share premium account		18 927	15 880
Legal reserve		10 688	10 688
Retained earnings		6 441	2 691
Profit for the period		6 169	6 939
		53 608	46 828
<b>LIABILITIES</b>			
Current liabilities	11		
Other liabilities		65	72
Deferred income		872	676
		937	748
<b>TOTAL LIABILITIES</b>		<b>54 545</b>	<b>47 576</b>

**CASH FLOW, PARENT (FAS)**
**EUR 1 000**

	<b>2006</b>	<b>2005</b>
<b>OPERATIONS</b>		
Operating profit/loss	6 194	7 437
Depreciation	1	1
Change in working capital		
Incr. (-) or decr. (+) in current receivables	-121	134
Incr. (+) or decr. (-) in current liabilities	190	669
Incr. (-) or decr. (+) in investments	-3 552	1 258
Change in working capital, total	-3 483	2 061
Cash flow before financial items and taxes	3 009	9 499
Financial income and expenses	1 472	179
Taxes	-1 794	-676
<b>CASH FLOW FROM OPERATIONS</b>	<b>2 687</b>	<b>9 002</b>
Paid dividend	-3 189	-2 126
<b>INVESTMENTS</b>		
Cash flow to investments	-8	-3 792
<b>FINANCING</b>		
Share issue	3 800	0
<b>FINANCING TOTAL</b>	<b>3 800</b>	<b>0</b>
Increase/decrease in liquid assets	3 290	3 084
Liquid assets, 1 Jan.	17 820	14 736
Liquid assets, 31 Dec.	21 110	17 820

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

**NOTES TO THE PARENT INCOME STATEMENT (FAS)**
**EUR 1 000**

	<b>2006</b>	<b>2005</b>
<b>1 NET SALES</b>		
Dividends	69	93
Return of capital from private equity funds	18 491	19 306
<b>TOTAL</b>	<b>18 560</b>	<b>19 399</b>
<b>2 INCR. (-) or DECR. (+) IN INVESTMENTS</b>		
Private equity investments	3 552	-1 258
<b>TOTAL</b>	<b>3 552</b>	<b>-1 258</b>
<b>3 PERSONNEL EXPENSES</b>		
Salaries and remunerations	237	55
Pension costs	59	0
Other indirect employee costs	-7	2
<b>TOTAL</b>	<b>289</b>	<b>57</b>
Salaries and remunerations in year 2005 are remunerations to the Board of Directors.		
Average number of personnel during the fiscal year.	3	0
<b>4 DEPRECIATIONS</b>		
Depreciation on intangible and tangible assets	1	0
Depreciation specification to balance sheet item is included under intangible and tangible assets.		
<b>5 OTHER OPERATING COSTS</b>		
Management fees paid for Amanda Advisors Ltd	100	1 469
Fees for advisory services	122	303
Other operating expenses	347	295
<b>TOTAL</b>	<b>569</b>	<b>2 067</b>
<b>6 FINANCIAL INCOME AND EXPENSES</b>		
Dividends		
Companies included in the same Group	955	0
Interest income from current investments		
External	48	25
Other financial income		
External	468	159
Other financial expenses		
External	0	-5
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>1 471</b>	<b>179</b>

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

	<b>2006</b>	<b>2005</b>
<b>7 INTANGIBLE AND TANGIBLE ASSETS</b>		
Machinery and equipment		
Acquisition cost 1. Jan.	32	32
Increases	2	0
Decreases	0	0
Acquisition cost 31 Dec.	34	32
Accumulated depreciation and value adjustments, 1 Jan.	-30	-30
Depreciation for the period	-1	-1
Accumulated depreciation and value adjustments, 31 Dec.	-32	-31
Book value, 31 Dec.	2	1
Other tangible assets		
Acquisition cost 1 Jan.	8	8
Acquisition cost 31 Dec.	8	8
<b>8 INVESTMENTS</b>		
Shares of subsidiary		
Acquisition cost 1 Jan.	3 792	0
Increases	8	3 792
Decreases	0	0
Acquisition cost 31 Dec.	3 800	3 792
Book value 31 Dec.	3 800	3 792
<b>9 CURRENT INVESTMENTS</b>		
Replacement price 31 Dec.	19 285	14 943
Book value 31 Dec.	18 946	14 655
<b>DIFFERENCE</b>	<b>339</b>	<b>288</b>

The securities comprise shares in mutual funds.



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

	<b>2006</b>	<b>2005</b>
<b>10 SHAREHOLDERS' EQUITY</b>		
Share capital 1 Jan.	10 630	10 630
Employee issue	754	0
Share capital 31 Dec.	11 384	10 630
Share premium account, 1 Jan.	15 880	15 880
Premium from employee issue	3 046	0
Transfer of retained earnings	0	0
Share premium account, 31 Dec.	18 927	15 880
Legal reserve, 1 Jan.	10 688	10 688
Legal reserve, 31 Dec.	10 688	10 688
Retained earnings, 1 Jan.	2 691	-58
Result for the previous year	3 750	2 749
Retained earnings, 31 Dec.	6 441	2 691
Profit for the period	6 169	6 939
<hr/>		
<b>SHAREHOLDERS' EQUITY, 31 Dec.</b>	<b>53 608</b>	<b>46 828</b>
Calculation of distributable earnings, 31 Dec.		
Retained earnings	6 441	2 691
Profit for the period	6 169	6 939
<hr/>		
<b>DISTRIBUTABLE RETAINED PROFIT</b>	<b>12 610</b>	<b>9 630</b>
The share capital of the company consists of 22,767,746 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.		
<b>11 CURRENT LIABILITIES</b>		
Other current liabilities	65	71
Deferred income	872	677
<hr/>		
<b>TOTAL</b>	<b>937</b>	<b>748</b>

**OTHER NOTES, PARENT  
EUR 1 000**
**Remaining commitments  
31.12.2006**
**Remaining commitments  
31.12.2005**
**PLEDGES, MORTGAGES AND OBLIGATIONS**

Remaining commitments	35 184	16 754
Leasing and rental commitments within one year	90	78
Leasing and rental commitments after one but not more than five years	389	0

**SHARES AND SHAREHOLDERS**
**Major shareholders**

	<b>Share of shares and votes, %</b>
Berling Capital Oy	14,0
Veikko Laine Oy	14,0
Umo Capital Oy	12,9
Oy Hermitage Ab	10,1
Sampo Life	9,0
Procurator Oy	2,6
Ab Kelonia Oy	2,4
Mutual Insurance Company Pension Fennia	2,3
Änkilä Petteri	1,9
Investment Fund Nordea Fennia Plus	1,9
Others	28,9
<b>TOTAL</b>	<b>100,0</b>

The information is based on the situation in the shareholder register kept by Finnish Central Securities Depository on 31 December 2006.

**Ownership structure by sector**

	<b>Number of shares</b>	<b>Share of shares, %</b>
Corporations	14 129 854	13,6
Financial and insurance institutions	2 573 616	55,5
Public organisations	555 037	3,4
Households	4 080 977	11,7
Foreign	608 866	10,6
Others 1)	819 396	5,2
<b>TOTAL</b>	<b>22 767 746</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**

<b>Shares No. /shareholder</b>	<b>Shares, No.</b>	<b>Share of shares and votes</b>	<b>Number of owners</b>	<b>Share of shareholders</b>
1 - 100	61 698	1 495	40,4	0,27
101 - 500	311 053	1 157	31,2	1,37
501 - 1.000	371 670	453	12,2	1,63
1.001 - 5.000	1 068 211	480	13,0	4,69
5.001 - 10.000	402 114	55	1,5	1,77
10.001 - 50.000	749 032	33	0,9	3,29
50.001 - 100.000	360 719	5	0,1	1,58
100.001 - 500.000	4 105 102	17	0,5	18,03
500.001 -	15 331 359	8	0,2	67,34
<b>TOTAL</b>	<b>22 760 958</b>	<b>3 703</b>	<b>100,0</b>	<b>99,97</b>
Shares that have not yet been registered to securities depository	6 788			0,03
<b>TOTAL</b>	<b>22 767 746</b>	<b>3 703</b>	<b>100,0</b>	<b>100,0</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 2006 10,044,670 shares or a total 44.1% of the company votes and shares.

### **Nominee-registered**

454,239 of the company shares representing 2.0% of company votes and shares were nominee-registered.

### **Insider ownership**

The Board of Directors, Managing Director, the authorised public accountant and the personnel of the management company are considered as the insiders of the company. They all together held 31 December 2006 11,125,770 shares or a total 48.9 % 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. At its meeting on 30 March 2006, the Board of Directors decided on increasing the share capital through a subscription issue directed to personnel. The Board of Directors approved the subscriptions of 1,508,100 shares, and the increase in share capital was entered into the Trade Register on 22 September 2006.

Amanda Capital Plc's share capital is 11,383,873 euros, divided into 22,767,746 shares. All shares carry one vote. On 31 December 2006 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 14 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 12,609,950.20 and of the Group to EUR 16,297,628.78.

The Board of Directors proposes that a dividend of EUR 0.20 and an additional dividend of EUR 0.10 for 22,767,746 shares be distributed for the financial period ending on 31 December 2006. According to the proposal, EUR 6,830,323.80 will be used for dividends.

Helsinki, 15 February 2007

AMANDA CAPITAL PLC  
Board of Directors

Esa Karppinen  
The Chairman of the Board

Carl-Gustaf Ehrnrooth

Antti Heikinheimo

Pertti Laine

Erkki Myllärniemi

Petri Niemisvirta

Topi Piela

These financial statements have been drawn up in compliance with good bookkeeping practice. A report on the audit performed has been issued today.

Helsinki, 15 February, 2007

ERNST & YOUNG OY  
Authorized Public Accountant Firm

Kunto Pekkala  
Authorized Public Accountant

## AUDITOR'S REPORT

### To the shareholders of Amanda Capital Plc

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Amanda Capital Plc for the financial year 2006. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and 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 the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Companies Act.

### Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position. The consolidated financial statements can be adopted.

### Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements and the report of the Board of Directors have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements and the report of the Board of Directors give a true and fair view of the parent company's result of operations and of the financial position. The report of the Board of Directors is consistent with the consolidated financial statements.

The parent company's financial statements can be adopted and the members of the Board of Directors and the Managing Directors 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 result from the period is in compliance with the Companies Act.

Helsinki, February 15, 2007

ERNST & YOUNG OY  
Authorized Public Accountant Firm

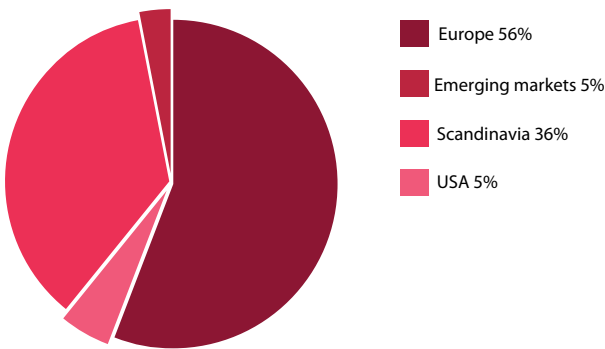
Kunto Pekkala  
Authorized Public Accountant

**DIVERSIFICATION OF INVESTMENTS**

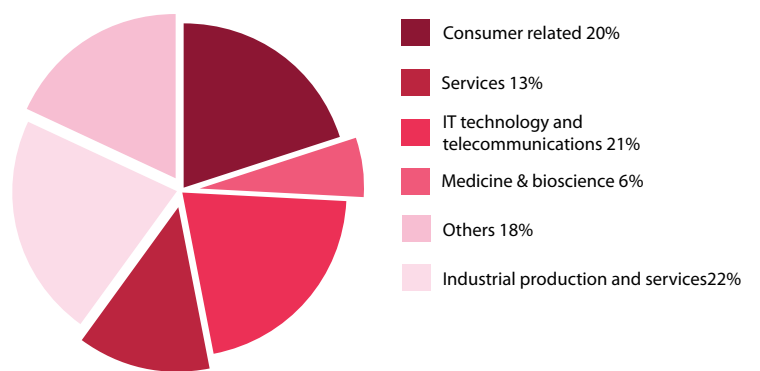
**Balanced investment portfolio**

Amanda's aim is to offer an investment portfolio, which is diversified geographically and by industry, and therefore reduces the risk and enables more stable returns than a single private equity investment.

**Geographic**



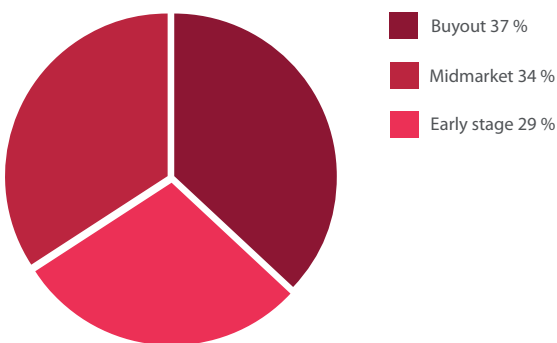
**Industry sector**



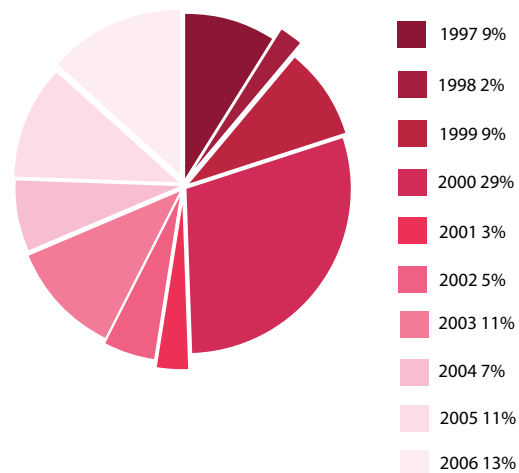
**Diversified risk**

Amanda diversifies the investments by vintage taking into account the life cycles of the companies and funds. This way Amanda aims for more stable cash flow in different time periods and diversified risk.

**Stage**



**Vintage**



**CURRENT INVESTMENTS**
**Amanda III Eastern Private Equity L.P.**

Vintage Year	2006
Management company	Amanda Advisors Ltd
Total size of the Fund	78.6 MEUR
Initial commitment	10.0 MEUR
Financing stage	Buyout
Geographical focus	Russia, CIS countries
Industry focus	Middle-sized Russian companies
www pages	<a href="http://www.amandacapital.fi">www.amandacapital.fi</a>

**Atlas Venture VI L.P.**

Vintage Year	2001
Management company	Atlas Venture Advisors, Inc.
Total size of the Fund	599.7 MUSD
Initial commitment	1.9 MUSD
Financing stage	Venture capital
Geographical focus	Europe, U.S.
Industry focus	Information technology, life science
www pages	<a href="http://www.atlasventure.com">www.atlasventure.com</a>

**Benchmark Europe I L.P.**

Vintage Year	2000
Management company	Benchmark Europe Partners
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	<a href="http://www.benchmark.com">www.benchmark.com</a>

**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	3.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large European companies
www pages	<a href="http://www.charterhouse.co.uk">www.charterhouse.co.uk</a>

**EQT Finland**

Vintage Year	1999
Management company	EQT Partners
Total size of the Fund	73.3 MEUR
Initial commitment	4.5 MEUR
Financing state	Midmarket
Geographical focus	Finland
Industry focus	Middle-sized industrial companies
www pages	<a href="http://www.eqt.fi">www.eqt.fi</a>



**EQT II**

Vintage Year	1998
Management company	EQT Partners
Total size of the Fund	702.0 MEUR
Initial commitment	2.5 MEUR
Financing stage	Midmarket
Geographical focus	Europe
Industry focus	Middle-sized industrial companies
www pages	<a href="http://www.eqt.se">www.eqt.se</a>

**EQT IV**

Vintage Year	2004
Management company	EQT Partners
Total size of the Fund	2,500.0 MEUR
Initial commitment	3.0 MEUR
Financing stage	Midmarket
Geographical focus	Northern Europe
Industry focus	Middle-sized industrial companies
www pages	<a href="http://www.eqt.se">www.eqt.se</a>

**EQT V**

Vintage Year	2006
Management company	EQT Partners
Total size of the Fund	4,250.0 MEUR
Initial commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Northern Europe
Industry focus	Middle-sized and large companies
www pages	<a href="http://www.eqt.se">www.eqt.se</a>

**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	Midmarket
Geographical focus	Finland
Industry focus	Finnish middle-sized companies
www pages	<a href="http://www.fennomanagement.fi">www.fennomanagement.fi</a>

**Finnventure Rahasto V Ky**

Vintage Year	1999
Management company	CapMan Capital Management Oy
Total size of the Fund	170.0 MEUR
Initial commitment	4.2 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	237.0 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>

### Gresham Fund IV L.P.

Vintage Year	2006
Management company	Gresham LLP
Total size of the Fund	340.0 MEUR
Initial commitment	3.0 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	Mainly Nordic countries
Industry focus	Middle-sized and large companies
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	Middle-sized and large companies
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	Midmarket
Geographical focus	Finland
Industry focus	Finnish middle-sized 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, 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	2,260.0 MEUR
Initial commitment	5.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized European companies
www pages	<a href="http://www.montaguequity.com">www.montaguequity.com</a>

### Nexit Infocom 2000

Vintage Year	2000
Management company	Nexit Ventures Oy
Total size of the Fund	66.3 MEUR
Initial commitment	3.2 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	2,700.0 MEUR
Initial commitment	5.0 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	4.0 MEUR
Financing stage	Buyout
Geographical focus	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	5,075.0 MEUR
Initial commitment	3.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large European companies
www pages	<a href="http://www.permira.com">www.permira.com</a>

### Permira Europe IV

Vintage Year	2006
Management company	Permira Advisers Limited
Total size of the Fund	11,066.0 MEUR
Initial commitment	4.0 MEUR
Financing stage	Buyout
Geographical focus	Europe
Industry focus	Middle-sized and large European companies
www pages	<a href="http://www.permira.com">www.permira.com</a>

### Sponsor Fund I Ky

Vintage Year	1997
Management company	Sponsor Capital Oy
Total size of the Fund	100.0 MEUR
Initial commitment	3.5 MEUR
Financing stage	Midmarket
Geographical focus	Finland
Industry focus	Finnish middle-sized companies
www pages	<a href="http://www.sponsor.fi">www.sponsor.fi</a>

### Triton Fund II L.P.

Vintage Year	2006
Management company	Triton Advisers Limited
Total size of the Fund	1,050.0 MEUR
Initial commitment	5.0 MEUR
Financing stage	Midmarket
Geographical focus	Europe
Industry focus	Middle-sized European companies
www pages	<a href="http://www.triton-partners.com">www.triton-partners.com</a>