CANDOVER

Candover Investments plc
Interim financial statement

2013

Candover is a listed investment trust, focussed on optimising the long-term value of the underlying investments in its portfolio for its shareholders. We expect to achieve this via a progressive return of cash over time as portfolio realisations are achieved by the investment manager, Arle Capital LLP ('Arle').

Arle is an independent private equity partnership established in April 2011 via the sale of Candover Partners Limited (CPL) to some of its investment team. Arle is the manager of the Candover 2001, 2005 and 2008 Funds.

Key metrics

Net assets

£137.0m

Net assets were £137.0 million at 30th June 2013, an increase of 3% compared to £132.8 million at 31st December 2012

Loan-to-value covenant

23.9%

The loan-to-value covenant ratio was 23.9% at 30th June 2013. At 31st December 2012 this ratio stood at 18.1%

Net assets per share

627p

Net assets per share increased by 3% for the six months to 30th June 2013 compared to 608p at 31st December 2012

Outstanding commitments

£6.2m

Uncalled Candover 2005 Fund co-investment commitments were £6.2 million at 30th June 2013.

Net debt

£37.9m

Net debt was £37.9 million at 30th June 2013, compared to £26.7 million at 31st December 2012

References in this interim financial statement to Candover or the Company mean Candover Investments plc and/or, where appropriate, one or more of its subsidiaries

Dear Shareholder

Over the first six months, Candover's net assets per share increased by 3%.

Growth in net assets relies on upward valuation movements in the portfolio managed by Arle, which are needed to offset the costs of running the business. The value of the portfolio rose overall by nearly 8% which I am pleased to report offset these costs.

The uplift in valuation was aided considerably by favourable currency movements, but also by strong trading results at Expro International, which has regained its position as our largest portfolio company in terms of net asset value. With the exception of a writedown at Stork, all the other investments either increased in value or maintained their prior valuation.

There are, therefore, some encouraging signs of a recovery in value within parts of the portfolio, and Arle's task of positioning the companies for realisation is progressing steadily.

We will continue to track our manager's progress towards optimising and realising value over the course of the next three years.

Richard Stone
Chairman
28th August 2013

Business and financial review

Overview

Net assets per share increased by 3% or 9p per share during the six months to 30th June 2013 compared to an increase in the FTSE All-Share of 6% over the same period. NAV growth is dependent upon the valuation of the portfolio managed by Arle increasing, thereby offsetting the costs of running the business. Overall, the value of the portfolio increased by £12.7 million, with £7.5 million attributable to currency effects as the Euro and the US Dollar strengthened against Sterling. Particularly strong trading results led to enhanced valuations of Expro International ('Expro') and Innovia. Expro regained its position as Candover's largest portfolio company by NAV, with an increase in its valuation, before currency movements, of £13.9 million. The uplift reflected strong full year results, with Expro achieving significant increases in both headline revenues and profits. However, valuation uplifts were offset by a significant writedown of £12.0 million, before currency movements, at Stork which was due to weaker than expected trading at Stork Technical Services.

Candover's net debt increased to £37.9 million during the first six months, up from £26.7 million at the year end, due to a combination of interest charges, operating expenses and an adverse impact of exchange rate movements of £3.1 million during the period. The loan-to-value ratio of the Company's net debt increased correspondingly, from 18.1% at the year end to 23.9% at 30th June. As outlined in the results for the year ended 31st December 2012, the US private placement loan notes are due to be repaid from the end of 2014 onwards. Based on Arle's current realisation projections, we should have received sufficient cash by then to meet these repayments. However, a risk remains that there could be a shortfall if, for various reasons, these realisations do not materialise. Whilst we are not expecting a material change in the assumptions behind Arle's realisation projections, we have thought it sensible to begin to review a range of contingency plans such as refinancing the existing facilities, or obtaining new finance and this review continues to make good progress.

There were no realisations or follow-on investments during the first six months. After the period end, the Candover 2005 Fund drew down a proportion of its residual commitments, ahead of the follow-on investment period expiry date. The funds were drawn down for future investment in Parques Reunidos ('Parques') and Stork and are expected to be committed by the year-end. Candover's share of this equated to €5.7 million (£4.9 million) and our residual undrawn commitments of €1.6 million (£1.3 million) have now lapsed.

Over the course of the last year we have been progressively restructuring and liquidating subsidiary entities within the Candover Group, including a range of overseas entities, ahead of returning cash to shareholders. This process is drawing to a close, with the Group now comprising only two active legal entities: Candover Investments plc and Candover Services Limited.

Net asset value per share

Net assets per share increased by 3% from 608p to 627p over the six months to 30th June 2013. The increase of 19p per share was split between an increase in investment values before currency (24p), overall favourable currency movements (18p), and the adverse effect of ongoing business costs (23p). In the first half, these comprised the net interest costs associated with the loan notes and investment manager's fee, offset by interest income.

Table 1

	£m	p/share
Net asset value at 31st December 2012 as reported	**132.8**	**608**
Gain on financial instruments and other income[1]	5.2	24
Recurring administrative expenses	(2.3)	(10)
Finance costs	(3.0)	(14)
Other (including tax)	0.3	1
Currency impact:		
– Unrealised investments	7.5	34
– Retranslation of cash and cash equivalents	3.6	16
– Translation of loan and fair value hedge adjustment balances	(7.1)	(32)
Net asset value at 30th June 2013 as reported	**137.0**	**627**

1 Stated before favourable currency impact of £7.5 million

Investments

The valuation of investments at 30th June 2013, including carried interest and accrued loan note interest, was £176.2 million. Valuations increased in the period, before currency effects, by £5.2 million, representing an increase of 3.2% in the value of these investments over their 31st December 2012 value. The overall increase in the valuation of the portfolio in the period was £12.7 million representing an uplift of 7.8%.

Table 2

	£m
Investments at 31st December 2012	**163.5**
Disposals at valuation	–
Additions at cost	–
Investments adjusted for additions and disposals	**163.5**
Revaluation of investments:	
– Valuation movements before currency impact	5.2
– Currency impact on unrealised investments	7.5
Investments at 30th June 2013	**176.2**

Net debt position and loan-to-value covenant

Candover's net debt has increased from £26.7 million at 31st December 2012 to £37.9 million at 30th June 2013. This reflects cash interest charges of £5.0 million, operating expenses and adverse exchange rate movements of £3.1 million in the period. The loan-to-value ratio of the Company's net debt was 23.9% compared to 18.1% at the year end.

Table 3

	30th June 2013 £m	31st December 2012 £m
Loans and borrowings	**156.2**	151.0
Less fair value hedge adjustment	**(5.4)**	(7.0)
Deferred costs	**0.3**	0.4
Value of bonds	**151.1**	144.4
Cash	**(113.2)**	(117.7)
Net debt	**37.9**	26.7

The outstanding commitment to the Candover 2005 Fund was €7.3 million (£6.2 million) at 30th June 2013. Following the period end, Candover provided funding for follow-on investments in Stork and Parques. As a result the outstanding commitments were reduced to €1.6 million (£1.3 million). The follow-on investment period of the Candover 2005 Fund expired on 26th August 2013 and Candover's remaining commitments have now lapsed.

Profit before and after tax

Net revenue before exceptional items and tax was £nil compared to a loss of £7.6 million in the comparable period.

Including capitalised costs of £2.1 million, total administrative and finance costs in the period were £5.3 million (2012: £5.1 million), which included £1.2 million of management fees payable to Arle linked to the value of investments managed and £3.0 million of financing costs (2012: £2.6 million). The increase in financing costs reflects the weakness of Sterling against the US Dollar, increasing the reported cost of servicing the US Dollar denominated loan notes.

Exceptional costs relate to liquidation of subsidiaries.

Board

There were no changes to the Board during the period.

Dividend

The Board is not recommending a dividend payment, but the payments of dividends in the future will be reviewed in the context of our focus on delivering a progressive return of cash to shareholders over time.

Outlook

There are some encouraging signs of a recovery of value within parts of the portfolio, and Arle's task of positioning the companies for realisation is progressing steadily. Optimising the long-term value of the portfolio in order to return cash to shareholders as soon as is practical remains our overriding objective. We will therefore continue to track our manager's progress closely as it aims to both optimise value and realise the portfolio over the course of the next three years.

Manager's report

Ten largest investments

Analysis by value at 30th June 2013 (representing 94.4% of the portfolio)

By valuation method

Multiple of earnings 100%

By region

United Kingdom 40%
Spain 23%
Benelux 22%
Italy 10%
Nordic 5%

By sector

Industrials 44%
Energy & natural resources 29%
Services 27%

By age

4-5 years 10%
>5 years 90%

Arle Capital LLP

Arle is a London based independent private equity business that acts as General Partner of the Candover 2001 Fund and as Manager of the Candover 2005 Fund and Candover 2008 Fund (together 'the Funds'). Arle acts as investment manager for Candover which is a co-investor alongside the Funds. At 30th June 2013, the Funds comprised investments in the energy & natural resources, industrials and services sectors.

Portfolio overview

Across the Funds, the valuation of the Candover 2001 Fund increased by 4% in the first half of 2013, the Candover 2008 Fund increased by 30%, whilst the Candover 2005 Fund reported a 6% decline following a reduction in the value of Stork. This was due to the first half underperformance of STS. This writedown more than offset upward valuations of Expro, Innovia and Get. As a result, the combined value of the Funds fell by 1% to €1.9 billion compared to the valuation at 31st December 2012 on a constant currency basis.

With the exception of Stork, the Funds grew in value by €124.0 million or 9% over the period, with all of the other investments either increasing in value or maintaining their prior valuation. Of particular note, Expro (Candover 2005 and 2008 Funds) delivered an uplift of €92.0 million (30%).

Candover's portfolio increased in value by 8% or £12.7 million (58p per share) in the first six months of 2013 including a £7.5 million gain from foreign exchange movements in the period. The difference between Candover's valuation and the valuation of the Funds is partly due to the foreign currency translation between the Euro, the Funds' base currency, and Sterling, Candover's currency for reporting purposes. In addition, Candover holds a disproportionate interest in Expro compared to the Funds and so benefitted further from the uplift in the period, with a gain of £13.9 million (before currency impacts). These were offset by the reduction in value of Stork noted above.

More than 75% of the value in the Funds is concentrated in the largest four investments: Expro, Stork, Parques and Technogym which together have an average investment age of approximately five years.

The portfolio as a whole traded well in the first half of 2013, reporting a 3% increase in EBITDA compared to the prior six months. Excluding STS, EBITDA across the portfolio grew by 8% in the first half of 2013. This was driven predominantly by strong earnings growth at Expro and Innovia.

Stork
Stork comprises two discrete and separately financed entities: STS and Fokker Technologies.

Stork Technical Services
STS provides technical services to the energy, power and chemicals industries. Whilst reported revenues in the first half were slightly above last year, EBITDA was significantly weaker than expected in the first half of 2013, due to a combination of exceptional market and operational issues.

Trading in Benelux and Germany was negatively affected in the first quarter of the year, where the chemicals and power markets were particularly depressed. However trading improved in Q2, with this trend continuing in Q3.

Three subsidiary businesses: STS Core Services Europe, STS Solutions and Colombia all reported weaker first half trading due to one-off circumstances relating to contract terminations and customer strikes.

A new Chief Executive Officer, Arnold Steenbakker, has been appointed to drive rapid improvement in the performance of the business.

Fokker Technologies
Fokker Technologies is a specialist in aero structures, electrical systems, landing gear and services for the aerospace industry. It traded in line with expectations, winning a series of key new contracts with Boeing and Lockheed Martin. Looking ahead, Fokker's order book remains strong for the next two years.

Overall, the valuation of Stork has been marked down by £10.0 million (45p per share) after including a foreign currency gain of £2.0 million to reflect the weak first half performance at STS.

Expro International
Expro is an international oilfield services company with a significant focus on subsea. It continued to perform strongly in the first half of 2013 and as a result its valuation has been increased by £15.8 million (72p per share) including a £1.9 million foreign currency gain. Expro's results for the year ended 31st March 2013 showed that revenues increased by almost 20% to $1.2 billion and EBITDA grew by circa 45% to $291.0 million.

In July, Expro raised a further $100.0 million through a bond issuance of 8.5% secured senior notes. The proceeds will be re-invested in the business to support its strong growth plans.

Expro will continue to invest in its asset base, as well as to expand and develop its work force. With a strong order book and continued commitment to safe and effective service delivery, the business is confident of delivering sustained growth for the remainder of the year.

Parques Reunidos

Parques is a leading operator and owner of attraction parks around the world. In Europe, Parques had a quiet start to the year due to poor weather conditions and the impact of the economic crisis in Southern European countries. However, trading over the initial weeks of the summer has been positive, with better attendance and revenue figures compared to the prior year. This, coupled with the cost reductions implemented across the business, has reversed the initial decline in profit.

The US business is more seasonal with the larger theme parks and water parks opening in mid-May. The opening of the east coast US parks coincided with poor weather conditions which continued until the end of June. This has had a negative effect overall on US trading which has not been offset by the smaller west coast parks.

The valuation has been held constant before favourable currency movements of £1.6 million (7p per share).

Technogym

Technogym is the global leader in premium fitness equipment and wellness solutions. It traded in line with expectations during the first half of 2013 and while the valuation remained flat, Technogym benefitted from a £0.6 million foreign currency gain (3p per share).

Other

Innovia traded well in the first half of the year, resulting in a valuation uplift of £1.9 million (8p per share including currency). The company completed the acquisition of its 50% share in Securency International, from 50/50 joint venture partner the Reserve Bank of Australia. The acquisition was funded from Innovia's cash reserves.

The business, renamed Innovia Security, is a world leader in banknote counterfeit prevention through the manufacture and supply of its advanced Guardian® banknote substrate. This polymer-based substrate makes banknotes highly durable and among the safest and most secure in the world. Guardian® banknote substrate is currently in issue in 21 countries around the world including Australia, Canada and Mexico.

Candover's interest in the Candover 2001 Fund carried interest increased by £1.1 million (5p per share) to £9.1 million.

Realisations and investments

There were no realisations or follow on investments made in the portfolio during the first half of 2013.

Update on the Funds

Candover 2001 Fund

The Candover 2001 Fund lapsed in June 2013. Arle will continue to manage the Candover 2001 Fund's three remaining investments (Qioptiq, Innovia, and ONO) through to realisation.

Candover 2005 Fund

The Candover 2005 Fund is due to expire on 16th August 2015 but may be extended for up to two years in accordance with the terms of the Limited Partnership Agreement ('LPA'). The post-investment period of the Candover 2005 Fund expired on 26th August 2013, after which follow-on investments are not permitted.

Candover's remaining commitment to the Candover 2005 Fund at 30th June 2013 was €7.3 million (£6.2 million), of which €5.7 million (£4.9 million) was drawn down on 19th July 2013 and 26th August 2013, with no further draw down anticipated following the expiry of the post-investment period.

Candover 2008 Fund

The Candover 2008 Fund is due to expire on 26th August 2018 but may be extended for two years in accordance with the terms of the LPA. The follow-on investment period will terminate on 12th January 2015. Candover has no remaining commitment to the Candover 2008 Fund following the restructuring that took place on 12th January 2010.

Table 4 Portfolio valuations

Portfolio company	Residual cost[1] £m	Valuation at 31st Dec 2012 £m	Additions and disposals £m	Valuation movement excluding FX[2] £m	Valuation movement attributable to FX[2] £m	Valuation at 30th June 2013 £m	Valuation movement pence per share[2]
Expro International	92.1	31.6	–	13.9	1.9	47.4	72
Parques Reunidos	30.0	34.8	–	–	1.6	36.4	7
Stork	42.5	46.0	–	(12.0)	2.0	36.0	(45)
Technogym	29.2	16.0	–	–	0.6	16.6	3
Qioptiq	6.8	8.2	–	–	0.3	8.5	2
Innovia Films	2.7	6.6	–	1.5	0.4	8.5	8
Get	1.7	3.6	–	0.8	0.2	4.6	5
Hilding Anders	24.3	3.8	–	–	–	3.8	1
DX Group	21.4	2.7	–	–	–	2.7	–
ONO	2.2	1.7	–	0.2	0.2	2.1	1
Ten largest investments[3]	**252.9**	**155.0**	**–**	**4.4**	**7.2**	**166.6**	**53**
Candover 2001 Fund carried interest	–	8.0	–	0.7	0.4	9.1	5
Other	18.0	0.5	–	–	–	0.5	–
Other investments	**18.0**	**8.5**	**–**	**0.8**	**0.4**	**9.6**	**5**
Total	**270.9**	**163.5**	**–**	**5.2**	**7.5**	**176.2**	**58**

1 Residual cost is original cost less realisations to date
2 Compared to the valuation at 31st December 2012 or acquisition date, if later
3 Excluding Candover 2001 Fund carried interest

Valuations

The investments are largely based in Western Europe but their operations extend into more than 140 countries. The investments are in the energy and natural resources, industrial and services sectors with the principal exposure being to industrials via investments in Stork, Qioptiq, Innovia, Technogym and Hilding Anders.

The ten largest investments are shown in Table 4 above.

Outlook

During the remainder of 2013, Arle will continue to focus on maximising the growth of all investments, while continuing to prepare and execute realisations with a near-term focus on those investments in the Candover 2001 Fund. We will seek to realise the remaining investments in the Funds over the next three years.

Arle Capital Partners Limited
28th August 2013

Ten largest investments

at 30th June 2013

Investment	Residual cost of investment £m	Valuation at 31st December 2012 £m[1]	Valuation movement excluding FX £m
1.			
Expro International Oilfield services	92.1	31.6	13.9
2.			
Parques Reunidos Operator of attraction parks	30.0	34.8	–
3.			
Stork Engineering conglomerate	42.5	46.0	(12.0)
4.			
Technogym Premium fitness equipment and wellness products	29.2	16.0	–
5.			
Qioptiq Optical engineering	6.8	8.2	–
6.			
Innovia Films Transparent and coated films and polymer bank notes	2.7	6.6	1.5
7.			
Get Cable TV	1.7	3.6	0.8
8.			
Hilding Anders Bed and mattress manufacturer	24.3	3.8	–
9.			
DX Group Mail services	21.4	2.7	–
10.			
ONO Cable TV and internet services	2.2	1.7	0.2

1 Adjusted for additions and disposals in the period

Valuation movement attributable to FX £m	**Valuation at 30th June 2013 £m**	Effective equity interest (fully diluted)	% of net assets	Basis of valuation
1.9	**47.4**	4.7%	34.5%	Multiple of earnings
1.6	**36.4**	3.9%	26.6%	Multiple of earnings
2.0	**36.0**	4.6%	26.3%	Multiple of earnings
0.6	**16.6**	3.2%	12.1%	Multiple of earnings
0.3	**8.5**	5.4%	6.2%	Multiple of earnings
0.4	**8.5**	5.7%	6.1%	Multiple of earnings
0.2	**4.6**	0.5%	3.3%	Multiple of earnings
–	**3.8**	4.3%	2.7%	Multiple of earnings
–	**2.7**	4.0%	2.0%	Multiple of earnings
0.2	**2.1**	0.1%	1.5%	Multiple of earnings

Principal risks and uncertainties

Details of the principal risks and uncertainties facing the Group were set out in the Risk review on pages 44 to 46 of the 2012 Report and Accounts, a copy of which is available on our website (www.candoverinvestments.com).

The principal risks and uncertainties identified in the 2012 Report and Accounts, and the policies and procedures for minimising these risks and uncertainties, remain unchanged and each of them has the potential to affect the Group's results during the remainder of 2013. Our views on the current market conditions are reflected in the Business and financial review and the Manager's report.

Statement of Directors' responsibilities

The Directors of Candover Investments plc confirm that, to the best of their knowledge, the condensed set of financial statements in this interim report have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the EU, and give a fair view of the assets, liabilities, financial position and profit or loss of Candover Investments plc, and the undertakings included in the consolidation as a whole, and that the Manager's report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The Directors of Candover Investments plc are listed on the page entitled Further information in this Interim financial statement.

By order of the Board

Ipes (UK) Limited
Company Secretary
28th August 2013

Independent review report to Candover Investments plc

Introduction

We have reviewed the condensed set of financial statements in the half-yearly financial report of Candover Investments plc for the six months ended 30th June 2013 which comprises the Group statement of comprehensive income, Group statement of changes in equity, Group statement of financial position, Group cash flow statement and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company's members, as a body, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30th June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Grant Thornton UK LLP
Auditor
London
28th August 2013

Group statement of comprehensive income

for the period ended 30th June 2013

£ million Unaudited	Six months to 30th June 2013 Revenue	 Capital	 Total	Six months to 30th June 2012 Revenue	 Capital	 Total	Year to 31st December 2012 Revenue	 Capital	 Total
Gain/(loss) on financial instruments at fair value through profit and loss									
Realised gains	**–**	**–**	**–**	–	12.0	12.0	–	1.8	1.8
Unrealised gains/(losses)	**–**	**13.4**	**13.4**	–	(16.3)	(16.3)	–	(13.0)	(13.0)
	–	**13.4**	**13.4**	–	(4.3)	(4.3)	–	(11.2)	(11.2)
Revenue									
Investment and other income	**3.2**	**–**	**3.2**	(4.5)	–	(4.5)	(5.8)	–	(5.8)
Recurring administrative expenses	**(1.7)**	**(0.6)**	**(2.3)**	(1.8)	(0.7)	(2.5)	(4.0)	(1.3)	(5.3)
Exceptional non-recurring (losses)/gains	**(0.4)**	**–**	**(0.4)**	–	–	–	2.0	–	2.0
Profit/(loss) before finance costs and taxation	**1.1**	**12.8**	**13.9**	(6.3)	(5.0)	(11.3)	(7.8)	(12.5)	(20.3)
Finance costs	**(1.5)**	**(1.5)**	**(3.0)**	(1.3)	(1.3)	(2.6)	(2.8)	(2.8)	(5.6)
Exchange movements on borrowings	**–**	**(6.7)**	**(6.7)**	–	0.2	0.2	–	4.6	4.6
Profit/(loss) before taxation	**(0.4)**	**4.6**	**4.2**	(7.6)	(6.1)	(13.7)	(10.6)	(10.7)	(21.3)
Analysed between:									
Profit/(loss) before exceptional non-recurring costs	**–**	**4.6**	**4.6**	(7.6)	(6.1)	(13.7)	(12.6)	(10.7)	(23.3)
Exceptional non-recurring (losses)/gains	**(0.4)**	**–**	**(0.4)**	–	–	–	2.0	–	2.0
Taxation	**–**	**–**	**–**	(2.5)	–	(2.5)	(2.5)	–	(2.5)
Profit/(loss) after taxation	**(0.4)**	**4.6**	**4.2**	(10.1)	(6.1)	(16.2)	(13.1)	(10.7)	(23.8)
Total comprehensive income	**(0.4)**	**4.6**	**4.2**	(10.1)	(6.1)	(16.2)	(13.1)	(10.7)	(23.8)
Earnings per ordinary share:									
Total earnings per share – basic and diluted	**(2p)**	**21p**	**19p**	(46p)	(28p)	(74p)	(60p)	(49p)	(109p)
Dividends paid (£ millions)	**–**	**–**	**–**	–	–	–	–	–	–

The total column represents the Group statement of comprehensive income under IFRS. The supplementary revenue and capital columns are presented for information purposes as recommended by the Statement of Recommended Practice issued by the Association of Investment Companies

All of the gain for the period and the total comprehensive income for the period are attributable to the owners of the Company

No interim dividend is proposed

Group statement of changes in equity

for the period ended 30th June 2013

£ million Unaudited	Called up share capital	Share premium account	Other reserves	Capital reserve – realised	Capital reserve – unrealised	Revenue reserve	Total equity
Balance at 1st January 2013	**5.5**	**1.2**	**(0.1)**	**320.4**	**(182.5)**	**(11.7)**	**132.8**
Net revenue after tax	–	–	–	–	–	(0.4)	(0.4)
Unrealised gain on financial instruments	–	–	–	–	13.4	–	13.4
Realised gain/(loss) on financial instruments	–	–	–	0.3	(0.3)	–	–
Exchange movements on borrowing	–	–	–	–	(6.7)	–	(6.7)
Costs net of tax	–	–	–	(2.1)	–	–	(2.1)
Profit/(loss) after tax	–	–	–	(1.8)	6.4	(0.4)	4.2
Total comprehensive income	–	–	–	(1.8)	6.4	(0.4)	4.2
Balance at 30th June 2013	**5.5**	**1.2**	**(0.1)**	**318.6**	**(176.1)**	**(12.1)**	**137.0**

Unaudited							
Balance at 1st January 2012	**5.5**	**1.2**	**(0.1)**	**311.6**	**(163.0)**	**1.4**	**156.6**
Net revenue after tax	–	–	–	–	–	(10.1)	(10.1)
Unrealised loss on financial instruments	–	–	–	–	(6.1)	–	(6.1)
Realised gain/(loss) on financial instruments	–	–	–	12.0	(10.2)	–	1.8
Exchange movements on borrowing	–	–	–	–	0.2	–	0.2
Costs net of tax	–	–	–	(2.0)	–	–	(2.0)
Profit/(loss) after tax	–	–	–	10.0	(16.1)	(10.1)	(16.2)
Total comprehensive income	–	–	–	10.0	(16.1)	(10.1)	(16.2)
Balance at 30th June 2012	**5.5**	**1.2**	**(0.1)**	**321.6**	**(179.1)**	**(8.7)**	**140.4**

Audited							
Balance at 1st January 2012	**5.5**	**1.2**	**0.1**	**311.6**	**(163.0)**	**1.4**	**156.6**
Net revenue after tax	–	–	–	–	–	(13.1)	(13.1)
Unrealised loss on financial instruments	–	–	–	–	(13.0)	–	(13.0)
Realised gain/(loss) on financial instruments	–	–	–	12.9	(11.1)	–	1.8
Exchange movements on borrowing	–	–	–	–	4.6	–	4.6
Costs net of tax	–	–	–	(4.1)	–	–	(4.1)
Profit/(loss) after tax	–	–	–	8.8	(19.5)	(13.1)	(23.8)
Total comprehensive income	–	–	–	8.8	(19.5)	(13.1)	(23.8)
Balance at 31st December 2012	**5.5**	**1.2**	**(0.1)**	**320.4**	**(182.5)**	**(11.7)**	**132.8**

Group statement of financial position

at 30th June 2013

£ million Unaudited	Notes	30th June 2013		30th June 2012		31st December 2012	
Non-current assets							
Financial investments designated at fair value through profit and loss							
Investee companies	4	**166.6**		155.5		155.1	
Other financial investments	4	**9.6**		8.5		8.4	
			176.2		164.0		163.5
Trade and other receivables		**8.9**		7.6		8.5	
Deferred tax asset		**1.0**		1.0		1.0	
			186.1		172.6		173.0
Current assets							
Trade and other receivables		**0.3**		2.2		0.7	
Current tax asset		**0.1**		0.2		–	
Cash and cash equivalents		**113.2**		131.7		117.7	
			113.6		134.1		118.4
Current liabilities							
Trade and other payables		**(4.4)**		(3.5)		(5.0)	
Provisions		**(2.1)**		(5.7)		(2.6)	
			(6.5)		(9.2)		(7.6)
Net current assets			**107.1**		124.9		110.8
Total assets less current liabilities			**293.2**		297.5		283.8
Non-current liabilities							
Loans and borrowings			**(156.2)**		(157.1)		(151.0)
Net assets			**137.0**		140.4		132.8
Equity attributable to equity holders							
Called up share capital			**5.5**		5.5		5.5
Share premium account			**1.2**		1.2		1.2
Other reserves			**(0.1)**		(0.1)		(0.1)
Capital reserve – realised			**318.6**		321.6		320.4
Capital reserve – unrealised			**(176.1)**		(179.1)		(182.5)
Revenue reserve			**(12.1)**		(8.7)		(11.7)
Total equity			**137.0**		140.4		132.8
Net asset value per share							
Basic			**627p**		642p		608p
Diluted			**627p**		642p		608p

Group cash flow statement

for the period ended 30th June 2013

£ million Unaudited	Notes	**Six months to 30th June 2013**	Six months to 30th June 2012	Year to 31st December 2012
Cash flow from operating activities				
Cash flow from operations	3	**(3.1)**	7.5	3.8
Interest paid		**(5.0)**	(5.1)	(10.0)
Net cash (outflow)/inflow from operating activities		**(8.1)**	2.4	(6.2)
Cash flows from investing activities				
Purchase of financial investments		**–**	(0.5)	(8.3)
Sale of financial investments		**–**	19.5	23.1
Net cash inflow from investing activities		**–**	19.0	14.8
Cash flows from financing activities				
Loan notes repayment		**–**	(7.5)	(7.5)
Net cash outflow from financing activities		**–**	(7.5)	(7.5)
(Decrease)/increase in cash and cash equivalents		**(8.1)**	13.9	1.1
Opening cash and cash equivalents		**117.7**	118.1	118.1
Effect of exchange rates and revaluation on cash and cash equivalents		**3.6**	(0.3)	(1.5)
Closing cash and cash equivalents		**113.2**	131.7	117.7

Notes to the Financial statements

for the period ended 30th June 2013

Note 1 General information

This condensed consolidated half-year financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2012 were approved on 28th March 2013. These accounts, which contained an unqualified audit report under Section 495 of the Companies Act 2006 and which did not make any statements under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

Note 2 Basis of accounting

The Group financial statements are prepared under International Financial Reporting Standards ('IFRS') as adopted by the European Union. This statement has been prepared using accounting policies and presentation consistent with those applied in the preparation of the accounts for the Group for the year ended 31st December 2012, and in accordance with IAS 34 'Interim Financial Reporting' (Revised).

Note 3 Reconciliation of operating income to net cash flow from operating activities

£ million	Six months to 30th June 2013	Six months to 30th June 2012	Year to 31st December 2012
Total income	**3.2**	(4.5)	(5.8)
Administrative expenses	**(2.3)**	(2.5)	(5.3)
Operating profit	**0.9**	(7.0)	(11.1)
(Increase)/decrease in trade and other receivables	**(2.9)**	15.8	16.5
Decrease in trade and other payables	**(1.1)**	(1.3)	(1.6)
Net cash (outflow)/ inflow from operating activities	**(3.1)**	7.5	3.8

Note 4 Financial investments designated at fair value through profit and loss

£ million	Six months to 30th June 2013	Six months to 30th June 2012	Year to 31st December 2012
Opening valuation	**163.5**	204.0	204.0
Disposals at valuation	**–**	(29.2)	(29.2)
Additions at cost	**–**	0.5	8.3
Valuation movements	**12.7**	(11.3)	(19.6)
Closing valuation	**176.2**	164.0	163.5

Note 5 Related party transactions

The nature of the Company's interest in the Candover 1997, 2001, 2005 and 2008 Funds is disclosed in note 11 on page 74 of the 2012 Report and Accounts.

As at 30th June 2013, Candover's investments as a Special Limited Partner in the Candover 2001 and 2005 Funds were valued at £9.1 million and £0.4 million respectively (31st December 2012: Candover 2001 Fund £8.0 million, and Candover 2005 Fund £0.4 million). The movement in valuation of the Candover 2001 Fund is due mainly to movements in underlying investments.

Note 6 Outstanding commitments

At 30th June 2013, the Company had an outstanding commitment to fund investments alongside the Candover 2005 Fund of £6.2 million (31st December 2012: £5.9 million).

Note 7 Subsequent events

After the period end, Candover provided funding for follow-on investments in Stork and Parques. As a result the outstanding commitments reduced to £1.3 million. The follow-on investment period of the Candover 2005 Fund expired on 26th August 2013 and Candover's remaining commitments have now lapsed.

Further information

Share price
The Company's shares are listed on the London Stock Exchange under share code 'CDI'. The share price is available on our website at www.candoverinvestments.com

Website
For the latest information about Candover Investments plc, visit our website www.candoverinvestments.com

Registrars
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1 Calls cost 10p per minute plus network extras, lines are open 8.30am-5.30pm Mon-Fri

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Chairman

M J Fallen
Chief Executive Officer

Lord Jay of Ewelme GCMG§*†
Senior Independent Director, Nominations Committee Chairman

S R J Longhurst§*†
Non-Executive Director, Audit, Risk and Valuation Committee Chairman

J Oosterveld§*†
Non-Executive Director, Remuneration Committee Chairman

* Member of the Remuneration Committee
§ Member of the Audit, Risk and Valuation Committee
† Member of the Nominations Committee

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