Press release

For immediate release on 27th August 2014

Candover Investments plc
Interim results for the half year ended 30th June 2014

- Net assets per share of 722p (31st December 2013: 715p) a 1.0% increase over the six months to 30th June 2014.
- Candover's* investment portfolio increased in value by £1.2 million, an increase of 0.7% since the year end. Constant currency valuations increased by £7.8 million, offset by unfavourable currency movements on investments totalling £6.6 million.
- Disposal of Innovia and DX Group delivered total proceeds of £20.2 million in H1. Completion of Ono in H2 is expected to deliver £5.2 million of proceeds.
- Net debt reduced to £30.4 million at 30th June 2014 (31st December 2013: £47.7 million) reflecting the benefit of realisations offset by interest paid and operating expenses. Loan-to-value ratio improved to 17.2% compared to 24.9% at the year end.

Malcolm Fallen, Chief Executive Officer, said:

"The first half of the year has seen the successful realisation by Arle** of two investments, leading to a marked reduction in the Company's net debt, with a further disposal completing in July. Our growth in net assets has been muted by the strength of Sterling which may continue to create volatility in the future. The improvement in the trading performance of the portfolio is encouraging as Arle continues to focus on positioning the portfolio companies for realisation."

Ends.

* Candover means Candover Investments plc and/or one or more of its subsidiaries

** Arle means Arle Capital Partners Limited

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Business and financial review

Overview

Net assets per share increased by 1.0% or 7p per share during the six months to 30th June 2014 compared to a decrease in the FTSE All-Share of 0.3% 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 £7.8 million on a constant currency basis, offset by £6.6 million due to unfavourable currency effects as the Euro and the US Dollar weakened against Sterling. Improved trading at Parques Reunidos ("Parques") led to an uplift of £5.1 million, or 13.6%, on a constant currency basis.

Arle has been successful in progressing realisations during the first half of 2014. The disposals of Innovia and DX raised £20.2 million, including the carried interest crystallised by the Innovia transaction. The conditional sale of Ono to Vodafone was announced in March 2014, and completion has now occurred; proceeds of £5.2 million are expected to be received in the second half, including further carried interest. Expro has made an initial filing with the SEC as a first step towards a potential IPO in the United States.

Candover's net debt decreased to £30.4 million during the first six months, down from £47.7 million at the year end, following the realisation of Innovia and DX Group, offset by interest paid and operating expenses. The loan-to-value ratio of the Company's net debt decreased correspondingly, from 24.9% at the year end to 17.2% at 30th June 2014.

The Company successfully refinanced its 2007 US private placement loan notes in December 2013 with the issue of new US private placement loan notes maturing in December 2015. Based on the current realisation projections provided by Arle, the Company should have access to sufficient resources to meet the obligations under the terms of the new note purchase agreement. However, as the Company does not (and cannot) control the realisation process, there remains a risk that, if insufficient realisations are achieved by our investment manager over the next eighteen months, new sources of finance might be required to provide additional liquidity.

Following the refinancing, Candover's foreign currency exposure has been simplified. All of the Company's debt is now US dollar denominated, partially offsetting the currency exposure of Expro, a US dollar investment. The remaining investments, other than Get, are Euro denominated. As a consequence, this unhedged position, relative to Sterling, may continue to create volatility in Candover's NAV, as experienced over the first six months of 2014.

Net asset value per share

Net assets per share increased by 1.0% from 715p to 722p over the six months to 30th June 2014. The increase of 7p per share was split between the gain on disposal of investments (19p), an increase in constant currency investment values (36p), overall adverse currency movements (26p), and the impact of ongoing business costs (22p). In the first half, these costs comprised loan note interest, the investment manager's fee and general administration costs.

Table 1

	£m	p/share
Net asset value at 31st December 2013 as reported	**156.3**	**715**
Gain on financial instruments and other income[1]	11.8	55
Recurring administrative expenses	(2.1)	(10)
Finance costs	(2.4)	(11)
Others (including tax)	(0.3)	(1)
Currency impact:		
– Unrealised investments	(6.6)	(30)
– Retranslation of cash and cash equivalents	(0.4)	(2)
– Translation of loan	1.4	6
Net asset value at 30th June 2014 as reported	**157.7**	**722**

[1] Stated before unfavourable currency impact of £6.6million

Investments

The valuation of investments at 30th June 2014, including carried interest and accrued loan note interest, was £176.3 million. Valuations increased for the period by £7.8 million, before currency effects and after adjusting for disposals, representing an increase of 4.5% in the value of these investments over their 31st December 2013 value. The overall increase in the valuation of the portfolio in the period was £1.2 million representing an increase of 0.7% which included £6.6 million of unfavourable foreign currency movements.

Table 2

	£m
Investments at 31st December 2013	**191.2**
Disposals at valuation	(16.1)
Additions at cost	-
Investments adjusted for additions and disposals	**175.1**
Revaluation of investments:	
– Valuation movements before currency impact	7.8
– Currency impact on unrealised investments	(6.6)
Investments at 30th June 2014	**176.3**

Net debt position and loan-to-value covenant

Candover's net debt has decreased from £47.7 million as at 31st December 2013 to £30.4 million as at 30th June 2014. This reflects the benefit of the realisation of Innovia and DX Group together with favourable exchange rate movements of £1.0 million in the period, offset by interest paid of £2.0 million, and operating expenses. The loan-to-value ratio of the Company's net debt at 30th June 2014 improved to 17.2% compared to 24.9% at the year end.

Table 3

	30th June 2014 £m	31st December 2013 £m
Loans and borrowings	**47.8**	48.6
Deferred costs	**1.5**	2.1
Value of bonds	**49.3**	50.7
Cash	**(18.9)**	(3.0)
Net debt	**30.4**	47.7

Profit before and after tax

Net profit before tax and exceptional non-recurring costs for the period was £8.7 million compared to a profit of £nil in the comparable period.

Including capitalised costs of £1.8 million (2013: £2.1 million), total administrative and finance costs in the period were £4.5 million (2013: £5.3 million), which included £1.2 million (2013: £1.2 million) of management fees payable to Arle linked to the value of investments managed and £2.4 million of financing costs (2013: £3.0 million). The reduction in financing costs reflects the benefit of the refinancing of the US private placement loan notes completed in December 2013.

Exceptional non-recurring loss of £0.1 million comprises the effect of the unwinding of the discount applied to the property provision.

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

The combination of continuing improvement in the trading performance of the portfolio, together with the successful realisation of three investments since the start of 2014, offers encouragement, albeit tempered by the uncertainty created by recent global events. As Arle continues to focus on positioning the portfolio for realisation, our objective remains to optimise the long term value of our investments by returning cash to shareholders as soon as practical.

Manager’s report

Arle Capital Partners Limited

Arle is a private equity partnership with two distinct areas of focus. First, Arle is a diversified private equity asset manager, and in addition to acting as investment manager for the Candover Funds, manages special purpose vehicles. Second, Arle is a mid-market energy investor in buyouts, carve-outs and platform creations.

Portfolio overview

The first half of 2014 was busy both operationally and in terms of M&A activity. Two portfolio companies were realised during the period, generating total proceeds of £174.7 million (Candover’s share £20.2 million including carried interest). In February, DX Group floated on AIM at a market capitalisation of £200 million. The Candover Funds sold their full share allocation at listing. In April, Innovia was sold to a syndicate of international investors managed by Arle for an enterprise value of €498 million.

In March, the sale of Ono to Vodafone was announced with the transaction completing post the period end. Following the sale of Ono, all the portfolio companies in the Candover 2001 Fund will have been sold. In aggregate, the three sales are expected to generate proceeds of £216.7 million (Candover’s share: £25.4 million including carried interest), representing a 25% increase over the combined valuation at 31st December 2013.

Arle actively manages each of its portfolio companies, working closely with management to optimise performance. During the period, new CEO’s were appointed at Fokker Technologies, Hilding Anders and Parques Reunidos (“Parques”). In addition, Arle strengthened the capital structures of a number of portfolio companies as well as assisting management with a number of acquisitions and divestments.

The Candover Funds portfolio continued to perform well during the first half of 2014. The portfolio collectively reported a 1.5% increase in revenues and an 8.5% increase in EBITDA in the 12 months ended 30th June 2014. This was driven by strong earnings growth by Expro and Parques.

The continued improved performance has resulted in a 7% increase in the value of the Candover Funds’ portfolio managed by Arle compared to the valuation at 31st December 2013.

The value of Candover’s portfolio of co-investments remained flat, mostly due to negative foreign currency movement in the period as Candover reports in Sterling. As at 30th June 2014, the four largest investments in Candover’s portfolio, Expro, Stork Group, Parques and Technogym together represented 90.5% of the portfolio.

Expro International

Expro is an international oilfield services company with a significant focus on subsea. Expro continued to trade well in the year ended 31st March 2014. Revenues increased by 15% to $1.4 billion with EBITDA increasing by 32% to $385 million.

On 30th June 2014, Expro filed a registration statement with the Securities Exchange Commission (SEC). This was the first step in a potential IPO in the United States. While the registration statement is under review, in line with SEC requirements, no further public comment will be made on the registration process.

Candover’s valuation of Expro reduced by £0.4 million due to the dilution suffered of not following on part of its original investment made alongside the Candover 2008 Fund. This is before adverse currency movements of £2.2 million (total: 12p per share).

Parques Reunidos

Parques is a leading operator and owner of attraction parks around the world. In Europe, Parques made a strong start to the fiscal year due to successful campaigns over Halloween, Christmas and Easter driven by the continued recovery in Spain. The US business is more seasonal with the larger theme parks and water parks only opening in late-May.

In June, the company successfully amended and extended Parques' European debt facilities and an additional injection of shareholder capital, provided in mid-2013, was deployed to drive organic growth and enhance the customer experience. In January, Yann Caillère was appointed CEO. He has a long and successful international track record in senior hospitality and leisure industry roles at companies including the Accor Group, Disney and Louvre Hotels.

Post the period end, Parques acquired Miami Seaquarium, expanding further its portfolio of marine life parks. The acquisition was funded from existing cash reserves in its US business.

The valuation has been written up by £5.1 million before adverse currency movements of £1.6 million (total: 16p per share).

Stork Group

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

Stork (formerly Stork Technical Services)

Stork is a global provider of knowledge-based asset integrity services focussing on the oil & gas, chemical and power markets. Trading has improved significantly during the period with good progress being made on the initiatives put in place by the new management team in 2013. Consequently, EBITDA for the six months to 30th June 2014 was significantly ahead of prior year.

Fokker Technologies ("Fokker")

Fokker is an aerospace specialist which designs, develops and manufactures highly engineered aircraft systems and components for aircraft manufacturers and provides through-life aircraft fleet support services for the aerospace industry. Fokker has traded broadly in line with expectations. In April, Hans Büthker was appointed CEO. He has enjoyed a long career and has held a number of senior positions within Stork and Fokker, most recently as COO of Fokker Technologies.

Overall, the valuation of Stork was held flat before adverse foreign exchange movements of £1.4 million (total: 6p per share).

Technogym

Technogym is the global leader in premium fitness equipment and wellness solutions. It traded ahead of expectations during the first half of 2014. The valuation was held flat before adverse currency movements of £0.7 million (total: 3p per share).

Hilding Anders

Hilding Anders is Europe's largest bed and mattress manufacturer and is headquartered in Sweden. Hilding Anders performed well during the period, with sales and EBITDA ahead of prior year. In January, Alex Myers was appointed CEO. He has held a number of senior roles and prior to joining Hilding Anders was President & CEO of ArjoHuntleigh and EVP of Getinge Group.

The valuation was held flat before adverse foreign exchange movements of £0.2 million (total: 1p per share).

Other

Candover's interest in the Candover 2001 Fund carried interest increased by £1.0 million (5p per share) to £2.1 million.

Realisations

Two portfolio companies were realised during the first half of 2014, and agreement was reached to sell Ono, which completed post the period end.

In February, DX Group floated on AIM at a market capitalisation of £200 million. The Candover Funds sold their full share allocation at listing, generating proceeds of £34.4 million of which Candover’s share was £3.4 million.

The sale of Innovia to a syndicate of international investors managed by Arle in April for an enterprise value of €498 million generated proceeds of £140.3 million of which Candover’s share was £16.8 million including carried interest.

The sale of Ono to Vodafone completed in July 2014. The sale is expected to generate proceeds of £42.0 million of which Candover’s share is expected to be £5.2 million including carried interest.

Table 1

	Candover £m	Total Proceeds £m	Type
Portfolio Company			
DX Group	3.4	34.4	IPO
Innovia Group	10.5	115.3	Secondary sale
Candover 2001 Fund carried interest	6.3	25.0	Crystallisation of carried interest
Total realisations to 30 June 2014	**20.2**	**174.7**	
Ono[1]	3.4	34.6	Trade sale
Candover 2001 Fund[1] carried interest	1.8	7.4	Crystallisation of carried interest
Total realisations in 2014	**25.4**	**216.7**	

[1] Estimated proceeds; final amount will depend on €:£ exchange rate

Valuations

The investments are largely based in Western Europe but their operations extend into more than 150 countries. The investments are in the energy, services and industrial sectors, with the principal exposure being to the energy sector.

The co-investments managed by Arle on behalf of Candover are shown in Table 2.

Table 2 Portfolio valuations

Portfolio company	Residual cost[1] £m	Valuation at 31st December 2013 £m	Additions and disposals £m	Valuation movement excluding FX[2] £m	Valuation movement attributable to FX[2] £m	Valuation at 30th June 2014 £m	Valuation movement pence per share[2]
Expro International	92.1	72.6	-	(0.4)	(2.2)	70.0	(12)
Parques Reunidos	30.0	37.4	-	5.1	(1.6)	40.9	16
Stork Group	42.5	34.5	-	-	(1.4)	33.1	(6)
Technogym	29.2	16.2	-	-	(0.7)	15.5	(3)
Hilding Anders	24.3	5.7	-	-	(0.2)	5.5	(1)
GET	1.2	4.8	-	0.6	(0.2)	5.2	2
Ono	2.2	2.2		1.3	(0.1)	3.4	5
Alma	15.3	–		-	-	-	-
All investments[3]	**236.8**	**173.4**		**6.6**	**(6.4)**	**173.6**	**1**
Candover 2001 Fund carried interest	–	5.6	(4.5)	1.2	(0.2)	2.1	5
Other investments[4]	42.1	12.2	(11.6)	-	-	0.6	-
Total	**278.9**	**191.2**	**(16.1)**	**7.8**	**(6.6)**	**176.3**	**6**

1 Residual cost is original cost less realisations to date
2 Compared to the valuation at 31st December 2013 or acquisition date, if later
3 Excluding Candover 2001 Fund carried interest
4 Represents assets sold in H1 2014 and other co-investments

Outlook

During the remainder of 2014, Arle will continue to focus on optimising performance across the portfolio, ensuring that each business is well positioned to maximise growth. Arle will continue to work towards realising the remaining investments in the Funds at the appropriate time.

Arle Capital Partners Limited
27th August 2014

Candover portfolio
Analysis by value at 30th June 2014

By valuation method
1. Multiple of earnings 100%

By sector
1. Industrials 29%
2. Services 30%
3. Energy 41%

By region
1. United Kingdom 40%
2. Spain 26%
3. Benelux 19%
4. Italy 9%
5. Nordic 6%

By age
1. Greater than 5 years 100%

Candover portfolio

at 30th June 2014

Investment	Date of investment	Residual cost of investment £m	Directors' valuation £m	Movement from 31st Dec 2013[1] £m	Effective equity interest (fully diluted)	% of Candover's net assets	Basis of valuation
Expro International Oilfield services	Jul-08	92.1	70.0	(2.6)	4.7	44.4	Multiple of earnings
Parques Reunidos Operator of attraction parks	Mar-07	30.0	40.9	3.5	3.9	25.9	Multiple of earnings
Stork Group Engineering conglomerate	Jan-08	42.5	33.1	(1.4)	4.6	21.0	Multiple of earnings
Technogym Premium fitness equipment and wellness products	Aug-08	29.2	15.5	(0.7)	3.2	9.8	Multiple of earnings
Hilding Anders Bed and mattress manufacturer	Dec-06	24.3	5.5	(0.2)	4.3	3.5	Multiple of earnings
GET Norwegian cable network operator	Dec-07	1.2	5.2	0.4	0.5	3.3	Multiple of earnings
Ono Spanish cable operator	Nov-05	2.2	3.4	1.2	0.1	2.2	Multiple of earnings
Alma Consulting Group Cost consultancy	Dec-07	15.3	–	–	4.9	–	Multiple of earnings

[1] Adjusted for additions and disposals in the period

Principal risks and uncertainties

Details of the principal risks and uncertainties facing the Group were set out in the Risk review on pages 8 to 11 of the 2013 Report and Accounts, a copy of which is available on our website (www.candoverinvestments.com).

The principal risks and uncertainties identified in the 2013 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 2014. 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.

By order of the Board

Ipes (UK) Limited
Company Secretary
27th August 2014

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 2014 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 2014 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
27th August 2014

Group statement of comprehensive income
for the period ended 30th June 2014

£ million Unaudited	Six months to 30th June 2014 Revenue	 Capital	 Total	Six months to 30th June 2013 Revenue	 Capital	 Total	Year to 31st December 2013 Revenue	 Capital	 Total
Gain/(loss) on financial instruments at fair value through profit and loss									
Realised gains/(losses)	**-**	**3.5**	**3.5**	-	-	-	-	(1.6)	(1.6)
Unrealised (losses)/gains	**-**	**(10.3)**	**(10.3)**	-	13.4	13.4	-	27.7	27.7
	-	**(6.8)**	**(6.8)**	-	13.4	13.4	-	26.1	26.1
Revenue									
Investment and other income	**11.4**	**-**	**11.4**	3.2	-	3.2	10.2	-	10.2
Recurring administrative expenses	**(1.5)**	**(0.6)**	**(2.1)**	(1.7)	(0.6)	(2.3)	(3.7)	(1.2)	(4.9)
Exceptional non-recurring losses	**(0.1)**	**-**	**(0.1)**	(0.4)	-	(0.4)	(0.6)	-	(0.6)
Profit/(loss) before finance costs and taxation	**9.8**	**(7.4)**	**2.4**	1.1	12.8	13.9	5.9	24.9	30.8
Finance costs	**(1.2)**	**(1.2)**	**(2.4)**	(1.5)	(1.5)	(3.0)	(5.4)	(5.4)	(10.8)
Exchange movements on borrowings	**-**	**1.4**	**1.4**	-	(6.7)	(6.7)	-	1.5	1.5
Profit/(loss) before taxation	**8.6**	**(7.2)**	**1.4**	(0.4)	4.6	4.2	0.5	21.0	21.5
Analysed between:									
Profit/(loss) before exceptional non-recurring costs	**8.7**	**(7.2)**	**1.5**	-	4.6	4.6	1.1	21.0	22.1
Exceptional non-recurring losses	**(0.1)**	**-**	**(0.1)**	(0.4)	-	(0.4)	(0.6)	-	(0.6)
Taxation	**-**	**-**	**-**	-	-	-	2.0	-	2.0
Profit/(loss) after taxation	**8.6**	**(7.2)**	**1.4**	(0.4)	4.6	4.2	2.5	21.0	23.5
Total comprehensive income	**8.6**	**(7.2)**	**1.4**	(0.4)	4.6	4.2	2.5	21.0	23.5
Earnings per ordinary share:									
Total earnings per share – basic and diluted	**39p**	**(32p)**	**7p**	(2p)	21p	19p	11p	96p	107p
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 2014

Unaudited	Called up share capital £m	Share premium account £m	Other reserves £m	Capital reserves – realised £m	Capital reserves – unrealised £m	Revenue reserve £m	Total equity £m
Balance at 1st January 2014	**5.5**	**1.2**	**(0.1)**	**318.1**	**(159.2)**	**(9.2)**	**156.3**
Net revenue after tax	-	-	-	-	-	8.6	8.6
Unrealised loss on financial instruments	-	-	-	-	(10.3)	-	(10.3)
Realised (loss)/gain on financial instruments	-	-	-	(7.3)	10.8	-	3.5
Exchange movements on borrowing	-	-	-	-	1.4	-	1.4
Costs net of tax	-	-	-	(1.8)	-	-	(1.8)
Profit/(loss) after tax	-	-	-	(9.1)	1.9	8.6	1.4
Total comprehensive income	-	-	-	(9.1)	1.9	8.6	1.4
Balance at 30th June 2014	**5.5**	**1.2**	**(0.1)**	**309.0**	**(157.3)**	**(0.6)**	**157.7**
Unaudited							
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**
Audited							
Balance at 1st January 2013	**5.5**	**1.2**	**(0.1)**	**320.4**	**(182.5)**	**(11.7)**	**132.8**
Net revenue after tax	-	-	-	-	-	2.5	2.5
Unrealised gain on financial instruments	-	-	-	-	27.7	-	27.7
Realised gain/(loss) on financial instruments	-	-	-	4.3	(5.9)	-	(1.6)
Exchange movements on borrowing	-	-	-	-	1.5	-	1.5
Costs net of tax	-	-	-	(6.6)	-	-	(6.6)
Profit/(loss) after tax	-	-	-	(2.3)	23.3	2.5	23.5
Total comprehensive income	-	-	-	(2.3)	23.3	2.5	23.5
Balance at 31st December 2013	**5.5**	**1.2**	**(0.1)**	**318.1**	**(159.2)**	**(9.2)**	**156.3**

Group statement of financial position
at 30th June 2014

£ million Unaudited	Notes	30th June 2014		30th June 2013		31st December 2013	
Non-current assets							
Financial investments designated at fair value through profit and loss							
Investee companies	4	**173.8**		166.6		185.2	
Other financial investments	4	**2.5**		9.6		6.0	
			176.3		176.2		191.2
Trade and other receivables		**9.0**		8.9		9.0	
Deferred tax asset		**3.0**		1.0		3.0	
			188.3		186.1		203.2
Current assets							
Trade and other receivables		**0.2**		0.3		1.4	
Current tax asset		**0.1**		0.1		0.1	
Cash and cash equivalents		**18.9**		113.2		3.0	
			19.2		113.6		4.5
Current liabilities							
Trade and other payables		**(0.6)**		(4.4)		(1.2)	
Provisions		**(1.4)**		(2.1)		(1.6)	
			(2.0)		(6.5)		(2.8)
Net current assets			**17.2**		107.1		1.7
Total assets less current liabilities			**205.5**		293.2		204.9
Non-current liabilities							
Loans and borrowings			**(47.8)**		(156.2)		(48.6)
Net assets			**157.7**		137.0		156.3
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			**309.0**		318.6		318.1
Capital reserve – unrealised			**(157.3)**		(176.1)		(159.2)
Revenue reserve			**(0.6)**		(12.1)		(9.2)
Total equity			**157.7**		137.0		156.3
Net asset value per share							
Basic			**722p**		627p		715p
Diluted			**722p**		627p		715p

Group cash flow statement
for the period ended 30th June 2014

£ million **Unaudited**	**Notes**	**Six months to** **30th June 2014**	Six months to 30th June 2013	Year to 31st December 2013
Cash flows from operating activities				
Cash flow from operations	3	**0.4**	(3.1)	(4.5)
Interest paid		**(2.0)**	(5.0)	(12.2)
Net cash outflow from operating activities		**(1.6)**	(8.1)	(16.7)
Cash flows from investing activities				
Purchase of financial investments		**-**	-	(5.0)
Sale of financial investments		**17.9**	-	9.8
Net cash inflow from investing activities		**17.9**	-	4.8
Cash flows from financing activities				
Loan notes issued		**-**	-	49.2
Loan notes repaid		**-**	-	(150.7)
Net cash outflow from financing activities		**-**	-	(101.5)
Increase/(decrease) in cash and cash equivalents		**16.3**	(8.1)	(113.4)
Opening cash and cash equivalents		**3.0**	117.7	117.7
Effect of exchange rates and revaluation on cash and cash equivalents		**(0.4)**	3.6	(1.3)
Closing cash and cash equivalents		**18.9**	113.2	3.0

Notes to the financial statements
for the period ended 30th June 2014

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 2013 were approved on 27th March 2014. These accounts, which contained an unqualified audit report under Section 498 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 2013, 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 2014**	Six months to 30th June 2013	Year to 31st December 2013
Total income	**11.4**	3.2	10.2
Administrative expenses	**(2.3)**	(2.3)	(4.9)
Operating profit	**9.1**	0.9	5.3
Increase in trade and other receivables[1]	**(7.8)**	(2.9)	(6.4)
Decrease in trade and other payables	**(0.9)**	(1.1)	(3.4)
Net cash inflow/(outflow) from operating activities	**0.4**	(3.1)	(4.5)

[1] Includes accrued portfolio income recognised within Financial Investments shown under non-current assets on the Group statement of financial position.

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

£ million	**Six months to 30th June 2014**	Six months to 30th June 2013	Year to 31st December 2013
Opening valuation	**191.2**	163.5	163.5
Disposals at valuation	**(16.1)**	-	(12.1)
Additions at cost	**-**	-	5.0
Valuation movements	**1.2**	12.7	34.8
Closing valuation	**176.3**	176.2	191.2

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 9 on page 82 of the 2013 Report and Accounts.

As at 30th June 2014, Candover's investments as a Special Limited Partner in the Candover 2001 and 2005 Funds were valued at £2.1 million and £0.4 million respectively (31st December 2013: Candover 2001 Fund £5.6 million, and Candover 2005 Fund £0.4 million). The movement in valuation of the Candover 2001 Fund is due mainly to the carried interest received on disposal of the underlying investments.

Note 6 Outstanding commitments

At 30th June 2014, the Company had no outstanding commitment in the Candover 2005 Fund (31st December 2013: £nil million).

Note 7 Subsequent events

In March 2014, Vodafone announced that it would acquire Ono, subject to regulatory clearances. Subsequent to the period end, the regulatory clearances were received and the transaction completed. The disposal of Ono, the last investment held by the 2001 Fund, is expected to deliver proceeds of £5.2 million to Candover, including carried interest.