Press release

For immediate release on 26th February 2015

Candover* Investments plc
Preliminary unaudited results for the year ended 31st December 2014

- **NAV per share of 545p at 31st December 2014**, a 24% decrease (170p) compared to the prior year (31st December 2013: 715p).

- **Value of Expro International reduced by £35.2 million (161p) following falls in valuation multiples across the oil sector, partially offset by £4.4 million foreign currency gain (20p).**

- **Aggregate portfolio valuations down 19% over the year (144p) primarily driven by the fall in valuations (137p) as well as unfavourable foreign currency movements (7p)**.

- **Portfolio performance has improved with aggregate portfolio revenues rising 3.1% and EBITDA up 5.9% year on year**.

- **Investment inflows of £33.1 million following a number of realisations by Arle including Innovia, DX and minority positions in Ono and Get.** Aggregate uplift above 31st December 2013 valuation was 29%.

- **Net debt decreased to £27.3 million at 31st December 2014** (31st December 2013: £47.7 million). Decrease reflects investment inflows offset by the impact of operating and financing costs together with an adverse foreign currency movement of £3.5 million. Loan-to-value ratio improved to 20.1% (31st December 2013: 24.9%).

Malcolm Fallen, Chief Executive Officer, said:

"The progress made by Arle in realising a number of small investments during 2014, together with a broadly based improvement in the portfolio's trading, offer some encouragement as we enter the current year. However, this is tempered by the potential impact on Expro of the sharp reversal in the oil sector's outlook."

Ends.

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

For further information, please contact:

Candover Investments plc
Malcolm Fallen, CEO   +44 20 7489 9848

Candover Investments plc
34 Lime Street
London EC3M 7AT

T +44 (0) 20 7489 9848
E info@candover.com

Registered in England No. 1512178 at the address shown. VAT No. 788 4005 04.
An investment company within the meaning of part 23 of the Companies Act 2006.

Chairman’s statement

Our results for 2014 reflect the marked impact caused by the recent decline in the oil price on our largest investment, Expro International (“Expro”), the oil services company which represented 44% of Candover’s portfolio at the start of the year. Our NAV has declined by 170p per share to 545p per share, with the write-down of Expro accounting for 141p of the overall decline. Whilst the portfolio managed by Arle Capital Partners Limited (“Arle”) has, in aggregate, seen an improvement in profitability compared to the prior year, the decline in comparable valuation multiples across the oil sector has led to the drop in the valuation of Expro.

At the end of 2013, we refinanced our debt obligations, including extending the maturity to 31st December 2015, based on an expected profile of realisations by Arle. Over the course of the year, realisations from the portfolio have been in line with expectations, helping to reduce our net debt by over £20 million. The repayment of our debt is wholly linked to the continued successful realisation of the portfolio by Arle. The Board continues to track progress closely, whilst considering alternative sources of funding in the event that the level of cash inflows from realisations falls short of expectations or realisations are delayed.

The Board is not recommending a dividend payment but the payment 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, as realisations are achieved by the investment manager.

At the end of the year, Lord Jay of Ewelme GCMG retired from the Board. On behalf of the Board, I would like to thank him for the significant contribution which he made since his appointment in 2008 and recognise his support and guidance through some of the most challenging times faced by the Company. Given the strategy for the Company, we have concluded that it is not appropriate to replace Lord Jay. As a result, Jan Oosterveld has assumed the roles of Senior Independent Director and Chairman of the Nominations Committee, in addition to his role as Chairman of the Remuneration Committee.

In September 2014, the revised UK Code of Corporate Governance was published. The revised Code applies to accounting years commencing on or after 1st October 2014 and does not, therefore, require the Company to make any changes within this report or adopt any new policies. The Board continues to be committed to the highest standards of corporate governance and keeps the requirements under review, applying the aspects of the Code which are relevant to the business in the context of our strategy to return cash to shareholders.

Whilst 2014 has seen an improvement in the trading performance of the portfolio and a series of smaller realisations by Arle, the impact of the recent fall in oil prices has adversely impacted on the valuation of Expro, our largest investment, and potentially delayed its realisation in the near term. As the portfolio becomes ever more concentrated, it is this type of external systemic shock which can adversely impact on our sole objective to optimise the long term value of our investments by returning cash to shareholders as soon as is practical. We will continue to track Arle’s progress over the year ahead as it manages and prepares to realise the remainder of the portfolio.

Richard Stone
Chairman
26th February 2015

CEO's report

Our strategy is to achieve a progressive return of cash to shareholders over time. To support the delivery of this strategy, our focus remains twofold. First, we continue to ensure that the Company remains financially stable; and second, we actively review and monitor the performance of Arle, our investment manager, as it seeks to maximise and realise the value of the portfolio.

Net asset value
The Company's net assets per share of 545p at 31st December 2014 represented a 24% decrease over the year from 31st December 2013 (715p) with the decline occurring in the second half of 2014 following the stability seen over the first six months. The full year decrease compares to an increase in the FTSE All-Share Index of 1.2% over the same period.

Our operating model means that there are two clear components to NAV progression. These are the value of the portfolio assets and any changes therein; and the costs incurred in running the business, which are principally the fees we pay to Arle, and the interest costs associated with the US private placement loan notes. The impact of these costs on NAV will either be offset by increases in the valuation of the portfolio during any financial period or will exacerbate the impact of any reductions in portfolio value. NAV growth, therefore, is solely dependent on improvements in the valuation of the portfolio managed by Arle exceeding our costs.

The overall value of the portfolio decreased by £31.4 million (144p per share) over the year, comprising reductions in valuations of 137p per share together with adverse foreign currency movements of 7p per share. The principal movement within the portfolio was a £35.2 million decrease in the valuation of Expro, offset in part by a £4.4 million favourable foreign currency gain. The reduction reflected the rapid decline in the oil price feeding through to a drop in the comparable valuation multiples for companies in the oil services sector. The value of Parques increased by £4.9 million, before an adverse foreign currency movement of £2.4 million, reflecting improved underlying performance in the business.

During 2014, Candover's recurring administrative expenses reduced by a further 16%, helping to minimise the adverse impact of costs on NAV performance. Finance costs were also £6 million lower following the refinancing completed at the end of 2013. The movements are set out in Table 1 of the Financial review.

Net debt
Net debt during the year decreased by £20.4 million to £27.3 million at 31st December 2014 (31st December 2013: £47.7 million). Inflows from realisations of £33.1 million were offset by operating and financing costs, together with the adverse impact of foreign currency where the strength of the US Dollar relative to Sterling resulted in the Sterling value of the US Dollar denominated private placement loan notes increasing by £3.2 million.

Our loan-to-value ratio saw a corresponding improvement to 20.1% at 31st December 2014 down from 24.9% at 31st December 2013.

Loan note obligations
The Company successfully refinanced its 2007 US private placement loan notes in December 2013 with a new issue of US private placement loan notes maturing in December 2015. Based on Arle's current projections, the level of realisations in 2015 should provide the Company with access to sufficient resources to meet the repayment obligations under the terms of the new note purchase agreement.

However, the Company does not (and cannot) control the realisation process. Furthermore, given the uncertainties in any M&A or flotation process, there remains a risk that, if sufficient realisations are not achieved by our investment manager over the remainder of the year, new sources of finance might be required to provide additional liquidity to repay the US noteholders. The Company is actively exploring a range of options in the event that further funding were to be required.

Foreign currency
Candover's foreign currency exposure was simplified at the time of its refinancing in late 2013. At that time, all of the Company's debt was US Dollar denominated, offsetting the currency exposure of the investment in Expro, a US Dollar investment. Over the course of 2014, the relative strength of the US Dollar against Sterling has resulted in a net £1.2 million positive impact on NAV.

The remaining investments are Euro denominated. As a consequence, this unhedged position may continue to create volatility in Candover's NAV, as experienced over the course of 2014 when the weakness of the Euro relative to Sterling resulted in a £6.0 million adverse impact on the valuation of the portfolio.

Realisation activity
Arle has been successful in progressing realisations during 2014 with Candover receiving a total of £33.1 million from investment inflows.

The disposals of Innovia and DX raised £20.2 million, including the carried interest crystallised by the Innovia transaction, during the first half of the year. Over the course of the last six months, aggregate realisation proceeds of £12.9 million have been received from the disposal of minority interests in Ono and Get, including carried interest arising on the Ono transaction, along with a number of smaller receipts from past escrow and deferred consideration agreements.

Management of the Candover Funds
Following two extension periods to its original eight year life, the Candover 2001 Fund terminated on 12th June 2013 and, following the realisation of all its remaining investments during 2014, is now being liquidated by Arle. The Limited Partners of the Candover 2005 Fund have agreed to extend the original ten year term of this Fund by a further two years until March 2017.

Outlook
The progress made by Arle in realising a number of small investments during 2014, together with a broadly based improvement in the portfolio's trading, offer some encouragement as we enter the current year. However, this is tempered by the potential impact on Expro of the sharp reversal in the oil sector's outlook.

We will continue to keep a tight control on the costs of the business to minimise erosion of NAV, and Arle will continue with its stewardship of the portfolio to enhance the values of the portfolio companies prior to their realisation.

Malcolm Fallen
Chief Executive Officer
26th February 2015

CANDOVER

Financial review

Net asset value per share
Net asset value per share after exceptional non-recurring costs was 545p, representing a full year decrease of 24% since 31st December 2013 (715p) and a decrease of 25% since 30th June 2014 (722p).

The decrease of 170p per share was split between the gain on disposal of investments (+37p), a decrease in constant currency investment values (-137p), overall adverse currency movements (-23p), and the impact of ongoing and non-recurring business costs (-47p). 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	156.3	715
Loss on financial instruments and other income[1]	(21.8)	(100)
Recurring administrative expenses	(4.1)	(19)
Finance costs recurring	(4.8)	(22)
Others (including tax)	(1.0)	(5)
Currency impact:		
– Unrealised investments	(1.6)	(7)
– Restatement of cash and cash equivalents	(0.3)	(1)
– Translation of loan	(3.2)	(15)
Exceptional non-recurring losses: property provision unwind, partial release of property provision and provision against non-recoverable co-investment loans	(0.3)	(1)
Net asset value at 31st December 2014 as reported	119.2	545

[1] Stated before unfavourable currency impact of £1.6 million

Investments
The valuation of investments, including carried interest and accrued loan note interest, was £135.6 million at 31st December 2014 (31st December 2013: £191.2 million). Valuations decreased for the year by £29.8 million, before currency effects and after adjusting for disposals, representing a decrease of 18% on the value of these investments over their 31st December 2013 value. The overall decrease of 19% in the value of the portfolio was £31.4 million, which included £1.6 million of unfavourable foreign currency movements reflecting the relative strength of Sterling relative to the Euro offset in part by Sterling's weakness relative to the US Dollar.

Table 2

	£m
Investments at 31st December 2013	191.2
Disposals at valuation	(24.2)
Additions at cost	–
Investments adjusted for additions and disposals	167.0
Revaluation of investments:	
– Valuation movements before currency impact	(29.8)
– Currency impact on unrealised investments	(1.6)
Investments at 31st December 2014	135.6

Net debt and loan-to-value covenant

Candover's net debt decreased from £47.7 million at 31st December 2013 to £27.3 million at 31st December 2014. This reflects net investment inflows of £33.1 million including carried interest received, offset by interest paid of £3.9 million, and operating expenses. The loan-to-value ratio of the Company's net debt improved to 20.1% compared to 24.9% at 31st December 2013.

Table 3

Net debt	**31st December 2014 £m**	31st December 2013 £m
Loans and borrowings	**52.8**	48.6
Deferred costs	**1.1**	2.1
Value of bonds	**53.9**	50.7
Cash	**(26.6)**	(3.0)
Net debt	**27.3**	47.7

Profit before and after tax

Net revenue profit before tax and exceptional non-recurring losses from operations for the year was a profit of £6.1 million compared to a profit of £1.1 million in the prior year.

Exceptional non-recurring loss of £0.3 million (2013: £0.6 million) comprises the effect of the unwinding of the discount applied to the property provision and provision made against non-recoverable co-investment loans, offset in part by the partial release of the property provision.

Reported net revenue profit after taxation was £4.9 million compared to £2.5 million in the prior year.

CANDOVER

Manager's portfolio review

ARLE CAPITAL PARTNERS LIMITED

Introduction
Arle is a diversified private equity asset manager currently managing the Candover 2005 Fund and Candover 2008 Fund (together "the Candover Funds" or "Funds"), as well as special purpose vehicles.

Portfolio overview
The Candover Funds portfolio continued to perform well in 2014, and collectively the portfolio of investments reported a 3.1% increase in revenues and a 5.9% increase in EBITDA in the 12 months ended 31st December 2014. This was driven by strong earnings growth at Technogym and Stork. Despite improvement in earnings, geo-political volatility towards the end of the year and a dramatic fall in the oil price meant that the strong trading performance was not reflected in the combined valuation of the Funds. Whilst the performance of the Candover Funds managed by Arle was flat over the year, the valuation of the unrealised investments decreased by 5% compared to the valuation at 31st December 2013, whereas the valuation of Candover's unrealised portfolio fell by 19%. The main difference between Candover's performance and the performance of the Funds' unrealised investments reflects the combined effect of: (i) Expro representing a larger proportion of Candover's portfolio compared to the proportion held by the Funds; and (ii) the cumulative dilutive impact on Candover's holding in Expro as a result of Candover not providing follow-on investment in Expro alongside the Candover 2008 Fund since January 2010.

Arle made good progress in optimising the operational and financial performance of its portfolio companies in readiness for exit and sold four companies during the course of the year. DX Group was successfully floated on AIM at a market capitalisation of £200 million, with the Candover Funds selling their full share at listing. Innovia Group was acquired by an investor syndicate, managed by Arle, for €498 million. The Funds also saw exits of minority positions in Ono which was sold to Vodafone for an enterprise value of €7.2 billion and Get which was sold to TDC for NOK 13.8 billion. The portfolio is increasingly concentrated and at 31st December 2014, the four largest investments, Expro, Stork, Parques and Technogym together represented 96% of the overall value.

Expro International
Expro, the international oilfield services company, performed consistently in the first half of its financial year beginning 1 April 2014. In September, Expro issued a US$1.3 billion Term Loan, the proceeds of which were used to repay the outstanding senior secured notes as well as part of its mezzanine finance. Whilst Expro continues to win a number of valuable new contracts and maintains a strong position in a high growth niche market, the sharp fall in the price of Brent crude oil since June 2014 has impacted activity across the sector.

Parques Reunidos
Parques, a global operator of attraction and water parks, enjoyed strong trading during the year due to renewed consumer confidence in Spain and Italy as well as a good performance in the US. During the year, the shareholders invested €33 million in the group to drive organic growth within the existing portfolio, and upgrade some parks which have been earmarked for expansion. This continues to yield results, with the number of visitors increasing in Europe during the summer. Parques also won significant new management contracts, including an agreement with Dubai Parks and Resorts LLC to operate both Motiongate and Bollywood Parks in Dubai. In July, Parques acquired Miami Seaquarium and in September sold 14 US Family Entertainment Centres and one water park.

Stork BV
Stork BV comprises two discrete and separately financed entities: Stork (formerly STS) which provides knowledge-based asset integrity services to energy companies, and Fokker Technologies ("Fokker") which manufactures components and systems for the global aerospace industry. In January 2013, independent governance structures and boards were put in place, thereby completing the separation of the two businesses that began in 2012 and which is intended to lay the foundation for future exit scenarios.

Stork
Following a difficult year in 2013, the improvement plans put in place have resulted in a significantly improved trading performance in 2014, with sales and EBITDA well ahead of prior year. Trading has been positively impacted by both higher activity as well as the cost cutting initiatives that were implemented throughout the second half of 2013 and throughout 2014.

Fokker
Trading at Fokker in 2014 was strong with EBITDA ahead of prior year and budget. The EBITDA outperformance to prior year was driven by operational improvements on the Design & Build programmes and improved margins in the Services business.

Technogym
Technogym enjoyed significant growth in 2014, due to increased sales volumes of its latest product ranges and optimisation of internal processes. The underlying growth fundamentals for fitness and wellness remain strong and emerging economies such as Latin America and China present significant opportunities for Technogym. The company continues to expand its presence and operations in these regions.

Hilding Anders
Hilding Anders, the leading manufacturer of beds and mattresses in Europe, Russia and Asia, witnessed good trading across its regions during the year, with Russia outperforming. However, the significant depreciation of the Rouble has adversely impacted the company's earnings.

Realisations
Arle exited from four businesses during the year. In February, DX Group floated on AIM generating proceeds of £34.4 million (Candover's share £3.4 million). Innovia Group was acquired on behalf of an investor syndicate generating proceeds of £140.9 million (Candover's share £16.8 million including carried interest of £6.2 million). Ono was sold to Vodafone generating proceeds of £41.7 million (Candover's share £5.2 million including carried interest of £1.9 million), and Get was sold to TDC generating proceeds of £69.6 million (Candover's share £5.9 million).

The principal realisations during 2014 are set out in Table 1.

Table 1

	Candover £m	Total Proceeds £m	Type
Portfolio			
DX Group	3.4	34.4	IPO
Innovia Group	10.6	115.8	Private equity sale
Ono	3.3	34.3	Trade sale
Get	5.9	69.6	Trade sale
Other			
Candover 2001 Fund carried interest	8.1	32.5	Crystallisation of carried interest
Total realisations – 2014	**31.3**	**286.6**	

Portfolio composition
The portfolio is largely based in Western Europe. Whilst the UK represented 31% of the £135 million investments by value, the portfolio companies themselves are well diversified in the regions and sectors in which they trade.

Portfolio valuation review
Whilst the portfolio generated a 5.9% EBITDA improvement over the 12 months to 31st December 2014, the energy sector downgrade has impacted the trading comparables for Expro which has resulted in the valuation of the unrealised investments declining by 5%. The decrease in the value of Candover's co-investments in the portfolio of £31.4 million (144p per share) represented a 19% reduction on its value at the start of the year, after adjusting for additions and disposals. The main

difference between Candover's performance and the performance of the Funds reflects the combined effect of Expro representing a larger proportion of Candover's portfolio compared to the proportion held by the Funds, together with the cumulative dilutive impact on Candover's holding in Expro as a result of Candover not providing follow-on investment in Expro alongside the Candover 2008 Fund since January 2010.

Expro was written down reflecting the current turbulent market environment, which has seen the spot price of Brent crude oil fall from US$111 a barrel at 30th June 2014 to US$55 at 31st December 2014. However, the downward movement was partially offset by Parques which was written up to reflect its stronger trading performance.

Table 2 shows the valuation movement by reference to each portfolio company.

Table 2

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 31st December 2014 £m	Valuation movement pence per share[2]
Expro International	92.1	72.6	–	(35.2)	4.4	41.8	(141)
Parques Reunidos	30.0	37.4	–	4.9	(2.4)	39.9	11
Stork BV	42.5	34.5	–	(1.4)	(2.2)	30.9	(16)
Technogym	29.2	16.2	–	1.9	(1.0)	17.1	4
Hilding Anders	24.3	5.7	–	–	(0.4)	5.3	(2)
All investments[3]	**218.1**	**166.4**	**–**	**(29.8)**	**(1.6)**	**135.0**	**(144)**
Candover 2001 Fund carried interest	–	5.6	(5.6)	–	–	–	–
Other investments[4]	67.7	19.2	(18.6)	–	–	0.6	–
Total	**285.8**	**191.2**	**(24.2)**	**(29.8)**	**(1.6)**	**135.6**	**(144)**

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

The portfolio

1 Expro International

Industry sector:	Energy
Geography:	UK
Date of investment:	July 2008
Residual cost of investment £m:	92.1
Directors' valuation £m:	41.8
Change over prior valuation £m:	(30.8)
Effective equity interest (fully diluted):	4.7%
% of Candover's net assets:	35.1%
Basis of valuation:	Multiple of earnings
Dividends received £m:	–
Year end:	March 2014
Sales:	US$1,385m
Earnings[1]:	US$385m

Expro is a leading oilfield service provider specialising in well flow management. The company provides services and products that measure, improve, control and process flow from high-value oil and gas wells, from exploration and appraisal through to mature field production optimisation and enhancement.

Expro's vision is to be the market leader in well flow management, using the industry's best people to deliver the highest standards of safety, quality and personalised customer service. Expro's 40 years of experience and innovation empowers the company to offer tailor-made solutions for customers across the energy sector, including multinational oil majors, as well as state-owned national oil companies. With 5,000 employees across 50 countries, Expro offers a global service solution.

The company delivered a strong financial performance in FY 2014, with earnings 33% ahead of prior year. H1 2015 was operationally solid for Expro and the company has secured a number of new contracts.

In September 2014, Expro issued a US$1.3 billion Term Loan, the proceeds of which were used to repay the outstanding senior secured loan notes as well as part of its mezzanine finance.

However, since the end of June 2014, the spot price of Brent crude oil has fallen from US$111 a barrel to US$55 at 31st December 2014 which has impacted activity across the sector.

As a result of the sector downgrade, the valuation has been written down by £30.8million, a decrease of 141p per share after favourable currency movements of £4.4 million.

Company website
www.exprogroup.com

2 Parques Reunidos

Industry sector:	Services
Geography:	Spain
Date of investment:	March 2007
Residual cost of investment £m:	30.0
Directors' valuation £m:	39.9
Change over prior valuation £m:	2.5
Effective equity interest (fully diluted):	3.9%
% of Candover's net assets:	33.5%
Basis of valuation:	Multiple of earnings
Dividends received £m:	–
Year end:	September 2014
Sales:	€549.4m
Earnings[1]:	€172.1m

Parques is one of the world's leading operators of attraction parks. The company enjoys strong positions in all its key markets and the majority of its parks are the leading family attractions in their respective surrounding areas. Parques operates 56 sites across 12 countries, attracting around 22 million visitors each year. These include theme or amusement parks, nature and animal parks, water parks, family entertainment centres and cable cars.

Parques traded well in the year to September 2014, reporting year-on-year EBITDA growth for the first time since the global financial crisis. Trading was positively impacted by the improved economic environment in Southern Europe, which resulted in renewed consumer confidence which drove a strong trading performance in Spain and Italy, both of which reported an increase in the number of visitors. In addition, trading in the US was significantly better than in the prior financial year. The company continued to make good progress in driving organic growth through the successful roll-out of marketing and yield management initiatives.

In addition to the organic growth initiatives, the company acquired Miami Seaquarium and sold a number of its Family Entertainment Centers in the US. Going forwards, Parques will continue to make selective acquisitions.

In 2015, Parques will continue to focus on developing and implementing the organic growth initiatives, integrating Miami Seaquarium into the group and identifying new management contracts.

The investment was written up by £2.5 million (11p per share) after an adverse foreign exchange movement of £2.4 million.

Company website
www.parquesreunidos.com

3 Stork BV

Industry sector:	Industrials
Geography:	The Netherlands
Date of investment:	January 2008
Residual cost of investment £m:	42.5
Directors' valuation £m:	30.9
Change over prior valuation £m:	(3.6)
Effective equity interest (fully diluted):	4.6%
% of Candover's net assets:	25.9%
Basis of valuation:	Multiple of earnings
Dividends received £m:	–
Year end:	December 2013
Sales:	€2,208m
Earnings[1]:	€134m

Stork BV, the Dutch engineering conglomerate, separated its two subsidiaries, Fokker and Stork (formerly STS), during 2012. Stork BV, in aggregate, was valued at £30.9 million at the end of 2014, a reduction of £3.6 million (16p per share) after an adverse foreign exchange movement of £2.2 million.

Stork
Stork is a global provider of knowledge-based asset integrity services for the oil and gas, power and chemical sectors and employs 16,500 people across the UK & Africa, Continental Europe, the Middle East, Asia Pacific and the Americas. Stork helps customers reduce risk, assure safety and improve asset performance. Customers' profits are enhanced through innovative services and solutions during the lifecycle of the asset. Core activities include maintenance, modification and overhaul (MMO), asset integrity (optimize performance and efficiencies), inspection and testing.

Stork traded well during 2014 due to the initiatives put in place by the new management team in 2013. This progress, combined with volume improvements and good cost control, resulted in Stork reporting sales and EBITDA significantly ahead of prior year and budget. The order book remains strong and ahead of prior year.

In 2015, given its exposure to the more fixed operating expenditure of the oil and gas market, Stork will focus on controlled revenue and margin growth through increasing value added services and continued risk management and cost control.

Fokker Technologies
Fokker is active in the civil, defence and service sectors of Aerospace spread over 75 different aircraft types. Fokker designs and builds business units (aerostructures, wiring, landing gear) and produces over 7,000 advanced components for the global aerospace industry. The company also supplies integrated parts availability services and MRO (maintenance, repair and overhaul) services to aircraft owners and operators worldwide. R&D and production and service facilities are located in Europe as well as the Americas and Asia.

2014 EBITDA was ahead of prior year. The Design and Build businesses traded ahead of prior year driven by strong performances by the majority of its programmes. The Services business stepped up significantly from a disappointing 2013 result due to improved margins and restructuring measures. Fokker's order book remains strong as customers continue to seek innovative solutions applying advanced technologies and programmes which Fokker is presently moving from development into the commercial/volume phase.

In 2015, Fokker will continue to drive through the operational improvements identified during the strategic review in early 2014.

Company website
www.stork.com
www.fokker.com

4 Technogym

Industry sector:	Industrials
Geography:	Italy
Date of investment:	August 2008
Residual cost of investment £m:	29.2
Directors' valuation £m:	17.1
Change over prior valuation £m:	0.9
Effective equity interest (fully diluted):	3.2%
% of Candover's net assets:	14.3%
Basis of valuation:	Multiple of earnings
Dividends received £m:	–
Year end:	December 2013
Sales:	€411m
Earnings[1]:	€37m

Technogym is a global leader in the design and manufacture of premium branded fitness equipment and wellness solutions and enjoys strong brand recognition internationally. The group serves major fitness club chains, as well as professional customers in the hospitality, corporate, education, medical and military markets.

In 2014, the company enjoyed significant growth due to an improved trading environment resulting from the strength of the US Dollar against the Euro, the launch of new equipment as well as the implementation of internal optimisation programmes.

In 2015, Technogym will continue to focus on delivering growth through increased penetration of its new product range, geographical expansion and internal process efficiencies.

The investment was written up by £0.9 million (4p per share) after an adverse exchange rate movement of £1.0 million.

Company website
www.technogym.com

5 Hilding Anders

Industry sector:	Industrials
Geography:	Sweden
Date of investment:	December 2006
Residual cost of investment £m:	24.3
Directors' valuation £m:	5.3
Change over prior valuation £m:	(0.4)
Effective equity interest (fully diluted):	4.3%

% of Candover's net assets:	4.4%
Basis of valuation:	Multiple of earnings
Dividends received £m:	–
Year end:	December 2013
Sales:	SEK 7,496m
Earnings[1]:	SEK 737m

Hilding Anders is Europe's largest bed and mattress manufacturer and is headquartered in Sweden. It operates in more than 40 countries in Europe and Asia, has 24 manufacturing facilities and circa 9,000 employees. Hilding Anders offers an innovative and diverse portfolio of beds and mattresses sold mainly to major furniture retailers and bedding specialists in Western Europe and through own retail outlets in Russia, Croatia and China. The company has a balanced portfolio of private label and branded products. It has grown both organically and through 14 acquisitions and, in more recent years, has significantly reinforced its presence in emerging markets and grown together as one company.

Hilding Anders traded well in 2014 reporting like-for-like sales and profitability ahead of prior year. Europe returned to growth in nearly all markets. France and Benelux, in particular, experienced double digit growth while trading in Northern Europe continued to be strong. Russia remains the outperformer reporting significant year-on-year growth of over 30%. However, despite the strong trading performance, profitability has been impacted by the significant translation effect from the depreciation of the Rouble during the course of the year.

In 2015, Hilding Anders will continue to focus on its operational excellence strategy encompassing four key strategic areas and 14 projects where improvements are monitored continuously. The four key areas of focus include enhancing its sales approach and supply chain, streamlining and improving the portfolio offering and safeguarding growth in emerging markets.

The value of the investment was written down by £0.4 million due to adverse foreign exchange movements (2p per share).

Company website
www.hildinganders.com

Update on Fund terms
Following two extensions to the original eight year life, the Candover 2001 Fund terminated on 12th June 2013. The final two companies were sold during the year and the 2001 Fund is now in liquidation.

Following a two year extension, the follow on investment period for the Candover 2005 Fund terminated on 26th August 2013. No further amounts can be called down for investment in the Fund. The ten year term of the Fund would have come to an end on 26th August 2015, but consent has been granted by the Limited Partners to extend the Fund to March 2017.

The investment period for the Candover 2008 Fund terminated on 12th January 2010. Follow on investments can be made until 12th January 2017 with €42 million available for follow on investment in Expro. Candover has no remaining commitment in respect of the 2008 Fund.

Outlook for 2015
Arle continues to work with the portfolio management teams to optimise the operational and financial performance of each portfolio company and to prepare the businesses for exit. As and when Arle and management consider market and trading conditions to be favourable, we will seek to execute realisations.

Arle Capital Partners Limited
26th February 2015

Note:
1 Earnings figures are taken from the portfolio company's most recent audited accounts or financial statements filed with regulatory bodies. The figures shown are the total earnings on ordinary activities before exceptional items, depreciation, goodwill amortisation, interest and tax for the period

The portfolio

Analysis by value at 31st December 2014 (representing 100% of the Arle managed portfolio)

By valuation method

1. Multiple of earnings 100%

By sector

1. Energy & Natural Resources 31%
2. Industrials 39%
3. Services 30%

By region

1. United Kingdom 31%
2. Spain 30%
3. Benelux 23%
4. Italy 12%
5. Scandinavia 4%

By age

1. Greater than 5 years 100%

Group statement of comprehensive income

for the year ended 31st December 2014

	Notes	Unaudited Year to 31st December 2014 Revenue £m	Capital £m	Total[1] £m	Audited Year to 31st December 2013 Revenue £m	Capital £m	Total[1] £m
Gains/(losses) on financial instruments at fair value through profit and loss							
Realised gains/(losses)		**–**	**4.8**	**4.8**	–	(1.6)	(1.6)
Unrealised (losses)/gains		**–**	**(39.9)**	**(39.9)**	–	27.7	27.7
Total		**–**	**(35.1)**	**(35.1)**	–	26.1	26.1
Revenue/(expense)							
Investment and other income		**11.3**	**–**	**11.3**	10.2	–	10.2
Total		**11.3**	**–**	**11.3**	10.2	–	10.2
Recurring administrative expenses		**(2.8)**	**(1.3)**	**(4.1)**	(3.7)	(1.2)	(4.9)
Exceptional non-recurring costs	2	**(0.3)**	**–**	**(0.3)**	(0.6)	–	(0.6)
Profit/(loss) before finance costs and taxation		**8.2**	**(36.4)**	**(28.2)**	5.9	24.9	30.8
Finance costs		**(2.4)**	**(2.4)**	**(4.8)**	(5.4)	(5.4)	(10.8)
Exchange movements on borrowings		**–**	**(3.2)**	**(3.2)**	–	1.5	1.5
Profit/(loss) before taxation		**5.8**	**(42.0)**	**(36.2)**	0.5	21.0	21.5
Analysed between:							
Profit/(loss) before exceptional non-recurring costs		**6.1**	**(42.0)**	**(35.9)**	1.1	21.0	22.1
Exceptional non-recurring costs		**(0.3)**	**–**	**(0.3)**	(0.6)	–	(0.6)
Taxation		**(0.9)**	**–**	**(0.9)**	2.0	–	2.0
Profit/(loss) after taxation		**4.9**	**(42.0)**	**(37.1)**	2.5	21.0	23.5
Total comprehensive income/(loss)		**4.9**	**(42.0)**	**(37.1)**	2.5	21.0	23.5
Earnings/(loss) per ordinary share:							
Total earnings/(loss) per share – basic and diluted		**22p**	**(192p)**	**(170p)**	11p	96p	107p

[1] The total column represents the Group statement of comprehensive income under IFRS
i All of the gain/(loss) for the year and the total comprehensive income/(loss) for the year are attributable to the owners of the Company
ii 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

Group statement of changes in equity
for the year ended 31st December 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	–	–	–	–	–	4.9	4.9
Unrealised loss on financial instruments	–	–	–	–	(39.9)	–	(39.9)
Realised gain/(loss) on financial instruments	–	–	–	(4.0)	8.8	–	4.8
Exchange movements on borrowing	–	–	–	–	(3.2)	–	(3.2)
Costs net of tax	–	–	–	(3.7)	–	–	(3.7)
Loss after tax	–	–	–	(7.7)	(34.3)	4.9	(37.1)
Total comprehensive income	–	–	–	(7.7)	(34.3)	4.9	(37.1)
Balance at 31st December 2014	**5.5**	**1.2**	**(0.1)**	**310.4**	**(193.5)**	**(4.3)**	**119.2**

Audited	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 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 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 31st December 2014

	Unaudited 31st December 2014		Audited 31st December 2013	
	£m	£m	£m	£m
Non-current assets				
Financial investments designated at fair value through profit and loss				
Portfolio companies	**135.2**		185.2	
Other financial investments	**0.4**		6.0	
		135.6		191.2
Trade and other receivables		**8.5**		9.0
Deferred tax asset		**2.1**		3.0
		146.2		203.2
Current assets				
Trade and other receivables	**0.1**		1.4	
Current tax asset	**0.1**		0.1	
Cash and cash equivalents	**26.6**		3.0	
		26.8		4.5
Current liabilities				
Other payables	**(0.5)**		(1.2)	
Provisions	**(0.5)**		(1.6)	
Loans and borrowings	**(52.8)**		–	
		(53.8)		(2.8)
Net current (liabilities)/assets		**(27.0)**		1.7
Total assets less current liabilities		**119.2**		204.9
Non-current liabilities				
Loans and borrowings		**–**		(48.6)
Net assets		**119.2**		156.3
Equity attributable to equity holders				
Called up share capital		**5.5**		5.5
Share premium account		**1.2**		1.2
Other reserves		**(0.1)**		(0.1)
Capital reserve – realised		**310.4**		318.1
Capital reserve – unrealised		**(193.5)**		(159.2)
Revenue reserve		**(4.3)**		(9.2)
Total equity		**119.2**		156.3
Net asset value per share				
Basic		**545p**		715p
Diluted		**545p**		715p

Group cash flow statement
for the year ended 31st December 2014

	Unaudited Year to 31st December 2014		Audited Year to 31st December 2013	
	£m	**£m**	£m	£m
Cash flows from operating activities				
Cash flow from operations		**3.6**		(4.5)
Interest paid		**(3.9)**		(12.2)
Tax received		**–**		–
Net cash outflow from operating activities		**(0.3)**		(16.7)
Cash flows from investing activities				
Purchase of financial investments	**–**		(5.0)	
Sale of financial investments	**24.2**		9.8	
Net cash inflow from investing activities		**24.2**		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		**23.9**		(113.4)
Opening cash and cash equivalents		**3.0**		117.7
Effect of exchange rates and revaluation on cash and cash equivalents		**(0.3)**		(1.3)
Closing cash and cash equivalents		**26.6**		3.0

Notes to the financial statements

Note 1
The preliminary results for the year ended 31st December 2014 are unaudited. The financial information included in this statement does not constitute the Group's statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2014 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.

The information given as comparative figures for the year ended 31st December 2013 does not constitute the Company's statutory accounts for those financial periods. Statutory accounts for the year ended 31st December 2013, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under Section 498 (2) or (3) of Companies Act 2006.

Note 2
Exceptional non-recurring losses for the Group.

There were exceptional non-recurring losses for the Group in the year of £0.3 million (2013: loss £0.6 million).