

# Press release

For immediate release on 12<sup>th</sup> May 2016

## **Candover\* Investments plc – Trading update**

Candover Investments plc ('Candover' or the 'Company') today issued the following trading update at its Annual General Meeting. The statement, as is usual, is unaudited, and relates to the period from 1 January 2016 to the date of this announcement.

Candover's investment portfolio was last valued as of 31 December 2015, with a net asset value per share of 243p. The next valuation of the Company's assets will be conducted as of 30 June 2016. Over the course of the first quarter of 2016, the net effect of currency movements on the value of the portfolio has been to increase its value by approximately £4.9 million, as a result of the weakness of Sterling relative to the Euro.

In late April 2016, Candover announced that both Parques Reunidos ("Parques") and Technogym had been partially realised following Initial Public Offerings ("IPO") in Spain and Italy respectively. The proceeds of these partial realisations, together with the Stork sale proceeds received in March 2016, would reduce net debt, on a pro-forma basis, to £11.2 million as of the end of April.

Candover's remaining indirect interests in both Parques and Technogym are subject to 180 day lock up periods expiring towards the end of October 2016. Since their respective IPOs, the share price of Parques has declined by 9%, valuing Candover's remaining investment at £30.4 million, whilst the share price of Technogym has increased by 15%, valuing Candover's remaining investment at £8.8 million. Both IPOs included greenshoe options.

Under the terms of the debt facility a prepayment of €19.4 million is allowed, subject to delivering to the lender a minimum return of 1.15x on the principal repaid. If this payment was delayed until after 12 August 2016, the minimum return rises to 1.4x principal, diluting net assets by £3.85 million.

The Board has therefore concluded that, given both the length of the lock up period and the structure of Candover's debt arrangements, the best use of current cash balances is to make this initial repayment of debt rather than make a distribution to shareholders as permitted by the debt facility.

## **Portfolio update and trading**

At Hilding Anders, trading in Russia has come to a more normalised level in 2016 whilst the Group's performance in Europe is slightly ahead of last year. Trading at Expro has continued to be challenging as a result of the sustained oil industry downturn. As the largest two portfolio assets, Parques and Technogym, are now publicly quoted companies, trading updates will be made by the investee companies themselves in discharging their obligations as listed entities.

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

Ends.

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