Press release

For immediate release on 24th February 2017

Candover* Investments plc
Preliminary unaudited results for the year ended 31st December 2016

- **NAV per share of 163p at 31st December 2016** representing a 10% increase (15p) over the second half, but a 33% decrease (80p) compared to the prior year (31st December 2015: 243p)

- **Aggregate losses on disposals and portfolio valuation declines were £13.7 million (63p)**

- **Sterling weakness relative to the Euro benefitted NAV by 26p per share**

- **Proceeds from realisations during the year were £30.1 million,** with a further £16.7 million of realisations announced post year end

- **Net debt decreased to £13.7 million at year end (2015: £33.2 million)** reflecting realisation proceeds, offset by accrued financing costs together with an adverse foreign currency movement of £2.5 million

Malcolm Fallen, Chief Executive Officer, said:

"Following the portfolio realisations in 2016 and in the first months of this year, we have entered a new phase. For the first time since 2007, the Company is no longer indebted. The timing of the disposal of the Parques investment, the pay down of our current debt facilities and the potential distribution of value to shareholders are the key matters under consideration. In addition, we are exploring whether Candover's accumulated tax losses represent a future realisable asset. Over the coming months, we will ensure this next phase of the run-off is completed in a timely and efficient way."

Ends.

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

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Chairman's statement

The first half of 2016 was a period of greater realisation activity, albeit in volatile markets, that generated significant cash inflows for the Company totalling approximately £30 million. Following this, the Board concluded in June that an early partial repayment of the Company's debt was in shareholders' interest given the structure and cost of the debt facility.

Over the year, the valuation of our retained investment portfolio reduced by 4.7% which, together with the loss on asset disposals and financing costs, led to a 33% reduction in NAV per share to 163p. The loss on asset disposals reflected the impact of the partial realisation by Arle, our third party investment manager, of Parques Reunidos ("Parques") and Technogym S.p.A. ("Technogym"), by way of Initial Public Offerings ("IPO") in late April, which both occurred below their 31st December 2015 valuations.

Candover's remaining indirect interests in both Parques and Technogym were subject to lock up periods which expired in late October and early November 2016 respectively. Both companies had differing fortunes following their IPOs; through to the year end the share price of Parques declined by 1.5% from the IPO price, whilst the share price of Technogym increased by 36.4%. Following the end of the year, Arle then completed both the realisation of the remaining shares in Technogym and a further block of Parques shares was sold, leaving Candover's indirect interest at approximately 2.5%.

The profile of Candover following these post year end realisations is quite different to that at the start of 2016. The portfolio is no longer a private equity portfolio with over 90% of the portfolio value, after adjusting for the post year end disposals, being listed shares in Parques. In addition, the realisation proceeds received post year end means that Candover now has net cash, rather than net debt, for the first time since 2007.

Furthermore, the impending termination of the Candover Funds, and ensuing voluntary liquidation of Arle at the end of the first quarter of 2017, will result in Candover being able to self-manage the final run-off of its portfolio. In particular, it is anticipated that when the Candover 2005 Fund terminates, our indirect interest in Parques will be exchanged for a direct interest in its listed shares.

The Board has, over the course of the second half of 2016, been giving thought to the options that the Company faces after the end of the first quarter. In particular, the timing of the disposal of the Parques investment, the pay down of our current debt facilities and the potential distribution of value to shareholders are key matters under consideration along with the cost of managing through this phase of the run-off process. In addition, Candover has accumulated substantial income tax losses and we are exploring whether this, in any way, constitutes a future realisable asset.

The Board is not recommending a dividend payment.

The Board continues to be committed to the highest standards of corporate governance. However, given the significant change in our overall position, we have concluded that a Board of two members, rather than four, is sufficient to complete this phase of the run-off. Whilst it is our intention to adhere to as much of the governance requirements as is practical, we will simplify our approach wherever possible to reduce costs.

It is, therefore, the current intention that both Jan Oosterveld and I will not be seeking re-election at this year's AGM.

Richard Stone
Chairman
24th February 2017

CEO's report

When Candover announced in late 2010 that it would no longer make new investments but instead go in to run off, we set our strategy to achieve a return of cash to shareholders over time. To support the delivery of this strategy, our focus has been twofold: first, to ensure that the Company remained financially stable; and second, to actively review and monitor the performance of Arle, our investment manager, as it set out to maximise and realise the value of the portfolio.

Net asset value

The Company's net assets per share of 163p at 31st December 2016 decreased 33% over the prior year (243p) reflecting the impact of the partial realisation of Parques and Technogym occurring below their valuations at the start of the year together with the impact of debt financing costs.

During the first half of the year, NAV declined 95p per share split between losses on financial instruments in the portfolio (86p), overall favourable currency movements (16p), the impact of financing costs (20p) and operating costs (5p). During the second half, NAV increased by 15p per share with gains on financial instruments in the portfolio (23p) together with favourable foreign currency movements (10p) offset by financing costs (13p) and operating costs (5p).

The retained portfolio's aggregate value decreased by £10.4 million, on a constant currency basis, which reflects principally a write down in the value of Parques of £12.3 million offset by a £2.0 million increase in the valuation of Technogym. The impact of foreign currency movements had a positive impact of £8.1 million on the portfolio valuation, reflecting the weakness of Sterling relative to the Euro.

During 2016, Candover's recurring administrative expenses reduced by 40%, helping to minimise the adverse impact of costs on NAV performance. Finance costs increased following the refinancing of the US PP Notes in August 2015. The rise reflects the higher interest charge associated with the new loan facility. The movements are set out in Table 1 of the Financial review.

Net debt and funding facilities

Net debt during the year decreased by £19.5 million to £13.7 million at 31st December 2016 (31st December 2015: £33.2 million). This comprised gross cash balances of £21.3 million and gross debt of £35.0 million, including accrued interest charges. The decrease in net debt reflected the receipt of aggregate realisation proceeds of £30.1 million from the Parques and Technogym IPOs together with proceeds from completion of the sale of the balance of Stork BV. This was offset by accrued interest charges, operating expenses and adverse foreign currency movements.

In May 2016, the Company announced that the Board had concluded that, given both the length of the lock up period and the structure of Candover's debt arrangements, the best use of cash balances was to make an initial repayment of debt rather than make a distribution to shareholders as permitted by the debt facility. This decision reflected the fact that under the terms of the debt facility a prepayment of up to €19.4 million is allowed, subject to the lender receiving a minimum return of 1.15x on the principal repaid. If this payment had been delayed until after 12th August 2016, the minimum return would have increased to 1.4x principal, diluting net assets by £3.85 million. The repayment was completed in late June.

Following the year end, further realisations generated proceeds of approximately £16.7million, resulting in Candover, on a pro-forma basis, holding a net cash balance of approximately £2.3 million.

Realisation activity
In late April 2016, Candover announced the partial realisation by Arle of its investments in Parques and Technogym, following the IPOs of Parques in Spain and Technogym in Italy. In the IPO of Parques, Candover sold 7.7% of its interest in Parques for net cash proceeds of €3.5 million with the remaining interest in Parques valued at €42.1 million at the IPO price. Dealings in the shares of Parques commenced on 29th April 2016, following which the share price declined by 1.5% up to 31st December 2016. The retained interest in Parques represented approximately 3.3% of its share capital.

In the IPO of Technogym, Candover sold 71.9% of its interest in Technogym for net cash proceeds of €17.3 million, after the exercise of the greenshoe option. Candover's remaining interest in Technogym was valued at €7.3 million at the IPO price. Dealings in the shares of Technogym commenced on 3rd May 2016, following which the share price increased by 36.4% up to 31st December 2016. The retained interest in Technogym represented approximately 0.89% of its share capital.

Following the respective IPOs, both shareholdings were subject to lock ups of 180 days from the date when shares commenced trading. These lock ups expired before the year end.

Subsequent to the year end, Candover announced on 5th January 2017 a further partial realisation of its investment in Parques disposing of 26% of its interest in Parques for cash proceeds of approximately €9.9 million (£8.4 million). The remaining interest in Parques is valued at €30.4 million (£25.9 million) at the closing price of Parques on 4th January 2017 and is subject to a new 90 day lock up. Candover's interest in Parques was valued at £35.3 million at 31st December 2016. Candover retains an interest in Parques of approximately 2.5%.

Candover also announced on 10th January 2017 the realisation of its remaining investment in Technogym for cash proceeds of approximately €9.5 million (£8.2 million). Candover's interest in Technogym was valued at £8.2 million at 31st December 2016.

Foreign currency
Candover’s foreign currency exposure was simplified at the time of its refinancing in August 2015. The debt facilities are denominated in Euros which partly offsets the portfolio assets and cash balances which are Euro denominated.

Management of the Candover Funds
The Limited Partners of the Candover 2005 Fund agreed in August 2014 to extend the original ten-year term of the Fund until March 2017 to enable Arle to complete the realisation of the portfolio. In the light of the forthcoming termination of the 2005 Fund, Arle have confirmed that they intend to undertake a solvent, members’ voluntary liquidation of Arle, which will trigger the termination of the Candover 2008 Fund at the same time.

As a result of the termination of the Funds, Candover will no longer be required to have its co-investments managed alongside the Funds. Given the small number of remaining interests, with the significant majority of their value being the listed interest in Parques, Candover intends to self-manage the final run off of its portfolio.

Outlook
The profile of Candover following the realisations announced post year end is quite different to that at the start of 2016. The portfolio is no longer a private equity portfolio, with over 90% of the portfolio value after adjusting for the post year end disposals, being listed shares in Parques. In addition, the realisation proceeds received post year end means Candover now has net cash, rather than net debt, for the first time since 2007.

Furthermore, the impending termination of the Candover Funds, and ensuing voluntary liquidation of Arle at the end of the first quarter of 2017 will result in Candover being able to self-manage its remaining portfolio.

Over the coming months, we will ensure this phase of the run-off is completed in a timely and efficient way. In particular, the focus will be on the timing and options to achieve the disposal of the Parques investment, the pay down of our current debt facilities and the potential distribution of value to shareholders along with the cost of managing through this phase of the run-off process.

Malcolm Fallen
Chief Executive Officer
24th February 2017

Financial review

Net asset value per share
Net asset value per share after exceptional non-recurring costs was 163p, representing a full year decrease of 33% since 31st December 2015 (243p) and an increase of 10% since 30th June 2016 (148p).

The decrease of 80p per share was split between the loss on disposal of investments (-15p), a decrease in constant currency investment values (-48p), overall favourable currency movements (26p), and the impact of ongoing costs (-43p). These costs comprised loan note interest, our investment manager's fee and general administration costs.

Table 1

	£m	p/share
Net asset value at 31st December 2015	53.2	243
Loss on financial instruments and other income[1]	(13.7)	(63)
Recurring administrative expenses	(2.1)	(10)
Finance costs recurring	(7.4)	(33)
Currency impact:		
– Unrealised investments	8.1	37
– Re-translation of cash and cash equivalents	3.5	16
– Translation of loan	(6.0)	(27)
Net asset value at 31st December 2016 as reported	35.6	163

[1] Stated before favourable currency impact of £8.1 million

Investments
The valuation of investments, including carried interest and accrued loan note interest, was £46.7 million at 31st December 2016 (31st December 2015: £82.6 million). Valuations decreased for the year by £10.4 million, before currency effects and after adjusting for disposals, representing a decrease of 21% on the value of these investments over their 31st December 2015 value. The overall decrease of 5% in the value of the portfolio was £2.3 million which included £8.1 million of favourable foreign currency movements reflecting the weakening of Sterling relative to the Euro and the US Dollar.

Table 2

	£m
Investments at 31st December 2015	82.6
Disposals at valuation	(33.6)
Additions at cost	–
Investments adjusted for additions and disposals	49.0
Revaluation of investments:	
– Valuation movements before currency impact	(10.4)
– Currency impact on unrealised investments	8.1
Investments at 31st December 2016	46.7

Net debt
Candover's net debt decreased from £33.2 million at 31st December 2015 to £13.7 million at 31st December 2016. This reflects the cash inflow from realisations offset by the impact of interest accrued on borrowings, operating expenses and adverse foreign currency movements in the period.

Table 3

Net debt	**31st December 2016 £m**	31st December 2015 £m
Loans and borrowings	**34.7**	39.4
Deferred costs	**0.3**	0.3
Value of loan/bonds	**35.0**	39.7
Cash	**(21.3)**	(6.5)
Net debt	**13.7**	33.2

Profit before and after tax
Net revenue loss before tax and exceptional non-recurring gains and losses from operations for the year was a loss of £15.5 million compared to a profit of £0.6 million in the prior year.

Including capital costs of £4.1 million (2015: £4.1 million), total administrative and finance costs in the year were £9.5 million (2015: £9.9 million), which included £0.8 million (2015: £1.8 million) of management fees paid to Arle, linked to the value of investments managed, and £7.4 million of financing costs (2015: £6.4 million).

There was no exceptional non-recurring gain or loss in the year (2015: loss £5.1 million).

Reported net revenue loss after taxation was £15.5 million compared to £6.6 million loss in the prior year.

Manager's portfolio review

ARLE CAPITAL PARTNERS LIMITED

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

Termination of the Candover Funds
Contractually the Candover 2005 Fund is due to terminate on 31st March 2017. As a result, and recognising that Arle and the Candover Funds have been in wind-down for a number of years, Arle has informed investors in the Candover Funds that it intends to enter a solvent voluntary liquidation at or around that date, with the Candover 2008 Fund also being terminated on 31st March 2017.

This will allow an orderly wind up of the Candover Funds. Discussions have taken place with the Advisory Boards of the Candover Funds, together with their legal and financial advisers, and the Financial Conduct Authority.

Plans for Remaining Investments
Arle intends to realise the investment in Hilding Anders pre-31st March 2017, and then post the termination of the Candover Funds return cash to investors and distribute in specie the residual interests in Expro International ("Expro") and Parques.

Over the past year, Arle has partially realised its investment in Parques, via an initial IPO in Spain and a subsequent placing of additional shares. The remaining equity stake in Parques is subject to a lock-up until early April 2017. It is therefore proposed that these shares will be distributed directly to investors, in specie, in early April.

In respect of the Funds' investment in Expro, a new holding vehicle will be created and managed by Arle to ensure continuity under Expro's banking arrangements. The current interests in Expro will be transferred to this holding vehicle prior to 31st March 2017. Investors will then become shareholders in the new holding vehicle for Expro. This vehicle will be the entity reporting on Expro and will enable Arle to materially reduce the complexity of the holding structure of the investment. The Expro investment remains subject to lock-up until June 2020, although earlier sale opportunities may be considered and pursued.

The purpose of these steps is to enable an orderly wind-up of the Candover Funds and related investment vehicles, as well as to reduce on-going costs post the termination period. Once the Parques and Expro interests are distributed, there will be no remaining assets in the Candover Funds, such that those funds can be fully liquidated, and investors will no longer hold any interests through the Candover Funds.

2016 Portfolio Overview
In 2016, the Candover Funds' portfolio continued to be readied for exit by optimising the operational and financial performance of its residual companies. At the year end, the portfolio comprised Parques Technogym, Expro and Hilding Anders.

During the twelve month period to 31st December 2016, Arle successfully launched the public listings of two investee companies. In April 2016, Parques was listed in Spain and Technogym was listed in Italy. In both IPOs, Arle retained an equity stake with a lock-in period of 180 days.

During the year, Arle also undertook a capital restructuring of Expro and a sale was agreed to exchange the equity in Hilding Anders for a more liquid interest in a debt instrument. This transaction is expected to complete, subject to the customary competition clearances, in Q1 2017.

In early 2017, Arle sold its remaining equity stake in Technogym via an accelerated share placing in Italy and placed a further 10% of the share capital in Parques.

The overall valuation of the Candover Funds' portfolio on 31st December 2016 was €555 million, compared to €485 million in June 2016 and €1,229 million on 31st December 2015 with realisation proceeds in the first half of the year of €489 million.

Realisations

The IPO of Parques generated cash proceeds of £2.7 million for Candover with a valuation of the residual listed shares as at 31st December 2016 of £35.3 million. This gave a combined value of £38.0 million compared to the value at 31st December 2015 of £43.4 million.

The IPO of Technogym generated cash proceeds of £13.1 million for Candover with a valuation of the residual listed shares as at 31st December 2016 of £8.2 million. This gave a combined value of £21.3 million compared to the value at 31st December 2015 of £22.5 million.

Post year end, the sale of further shares in Parques and the disposal of Arle's residual stake in Technogym, generated cash proceeds for Candover of circa £8.4 million and £8.3 million respectively.

Portfolio composition

The residual portfolio is almost entirely based in Western Europe. Whilst Spain represented 75.6% of the investments by value, the portfolio companies themselves are well diversified in the regions in which they trade. The portfolio was exposed mostly to the services and industrial sector.

Portfolio valuation review

The Candover Funds' portfolio valuation decreased by 15.0% year-on-year with the decrease in value of Candover's co-investments in the portfolio of £6.6 million (30.0 pence per share) representing a 12.3% reduction on its value at the start of 2016, after adjusting for additions and disposals.

Table 1 shows the valuation movement by reference to each portfolio company.

Table 1

Portfolio company	Residual cost[1] £m	Valuation at 31st December 2015 £m	Additions and disposals £m	Valuation movement excluding FX[2] £m	Valuation movement attributable to FX[2] £m	Valuation at 31st December 2016 £m	Valuation movement pence per share
Parques Reunidos	30.3	43.4	(2.6)	(12.3)	6.8	35.3	(25.0)
Technogym [3]	8.3	22.5	(13.1)	(2.1)	0.9	8.2	(5.0)
Expro International	94.4	0.5	0.0	0.0	0.1	0.6	0.0
Hilding Anders	24.3	1.5	0.0	(0.1)	0.2	1.6	1.0
Stork	5.0	14.1	(13.7)	(0.1)	0.0	0.3	0.0
Total investments	**162.3**	**82.0**	(29.4)	(14.6)	8.0	46.0	(30.0)
Other[4]	18.1	0.6	0.0	(0.0)	0.1	0.7	0.0
Other investments	**180.4**	**82.6**	(29.4)	(14.6)	8.1	46.7	(30.0)

1 Residual cost is original cost less realisations to date

2 Compared to the valuation at 31st December 2015 or acquisition date, if later

3 During the period a partial realisation of Technogym generated proceeds of £13.1 million. Taking into account the discount to the year-end valuation on IPO and subsequent upward movement in the value of the investment retained, the overall value of the investment in Technogym decreased by £2.1 million in the period (excluding FX). From an accounting perspective this movement was treated as a realised loss on IPO of the investment of £3.9 million with a subsequent uplift in the investment retained from the date of the IPO to 31st December 2016 of £2.0 m

4 Represents other co-investments

The portfolio

1 Parques Reunidos

Industry sector:	Services
Geography:	Spain
Date of investment:	March 2007
Residual cost of investment £m:	30.3
Directors' valuation £m:	35.3
Change over prior valuation £m:	(5.5)
Effective equity interest (fully diluted):	3.4%
% of Candover's net assets:	99.2%
Basis of valuation:	Listed price
Dividends received £m:	–
Year end:	September 2016
Sales:	€584m
Earnings[1]:	€188m

Parques is a leading global operator of regional leisure parks and one of the three truly global leisure park operators. It operates a well-diversified portfolio of 57 different attraction parks, animal parks, water parks, family entertainment centres and other attractions which attract approximately 20 million visitors each year.

On 29th April 2016, Arle announced a partial exit as part of the IPO of Parques on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and on the Automated Quotation System or Mercado Continuo of the Spanish Stock Exchanges at €15.50 per share, a discount of 23% to the valuation at 31st December 2015. Net proceeds from the IPO of €35.0 million were raised through a sale of 7.7% of the Candover Fund's investment. On listing, an interest of 33.9% of the ordinary share capital was retained and was subject to a lock-up period of 180 days.

In January 2017, Arle announced a 10% placement of shares in Parques at €14.20 per share through an accelerated book building exercise. This represented a 6.9% discount to the prior day's closing price. The placement was launched following a positive trading performance which had been reported in its financial results. Post the sale, Arle retains circa 23 million shares representing 25.1% of the company's share capital, a reduction of 26% since IPO. This will be subject to a 90 day lock-up.

On 8th February 2017, Parques reported a first quarter revenue increase of 7.2% (12.4% like-for-like) to €70.5m compared to the prior year and a 45% improvement in EBITDA (86% like-for-like). Strategic initiatives to extend the season with off-season events during Q1 delivered positive results. In particular, Christmas and Halloween campaigns in the parks resulted in a 14% uplift in sales compared to the prior year.

In Q1 2016/17, Parques delivered positive trading results in all its markets. However Spain was a key contributor with revenues reaching €22.2m, a 15.9% like-for-like increase compared to the prior year. Revenue in the rest of Europe grew by 14% on a like-for-like basis. The United States recorded positive results, with a like-for-like growth of 1.6% and an increase in pre-sales of 25%.

On 31st December 2016, the Candover Funds' residual stake in the listed shares, which is held via an intermediate holding company, was valued at €415 million. Candover's valuation reduced by £12.3 million, before positive currency movements of £6.8 million (total: -25p per share).

Company website
www.parquesreunidos.com

2 Technogym

Industry sector:	Industrials
Geography:	Italy
Date of investment:	August 2008
Residual cost of investment £m:	8.3

Directors' valuation £m:	8.2
Change over prior valuation £m:	(1.2)
Effective equity interest (fully diluted):	1.1%
% of Candover's net assets:	23.0%
Basis of valuation:	Listed price
Dividends received £m:	–
Year end:	December 2015
Sales:	€512m
Earnings[1]:	€87m

Technogym is a world-leading supplier of technology and design-driven products and services in the Wellness and Fitness industry. Founded in 1983, Technogym provides a complete range of cardio, strength and functional equipment alongside a cloud-based digital platform enabling consumers to connect with their personal wellness experience anywhere, both on Technogym equipment and via mobile apps on any device. Technogym targets four specific market segments: Fitness Clubs; Hospitality & Residential; Health, Corporate & Public; and Consumer.

At the end of April 2016, Arle announced the IPO of Technogym on the Mercato Telematico Azionario (MTA), organised and managed by the Borsa Italiana S.p.A. at €3.25 per share, a discount of 19% to 31st December 2015 valuation, resulting in a market capitalisation of €650 million. Gross proceeds of €186.9 million were raised by Arle by listing 25% of Technogym's share capital and a further 3.75% from the greenshoe option. A 15% stake was retained by Arle but this reduced to 11.25% after the greenshoe option was fully utilised.

Technogym's shares performed strongly during the second half of the year and on 4th August 2016, the company reported strong maiden results for the six months to 30th June 2016. Technogym reported double digit revenue growth of 10.5% to €250 million compared to the same period in 2015. Excluding the foreign exchange impact, revenue growth was 12.4%. EBITDA growth was also strong with a 22.9% improvement to €35.2 million in the first half of 2016. At constant exchange rates, this was a 30.1% rise.

At the start of 2017, the shares reached a record high post IPO and a share placement was launched on 9th January 2017, facilitating the sale of Arle's remaining shareholding in the business, through an accelerated book building offer. The placement, corresponding to 11.25% of the company's share capital was priced at €4.45 per share, a 1.3% premium to the prior month volume weighted average price and a 37% premium to the April 2016 IPO price. Demand for the shares was in excess of three times the offer size.

On 31st December 2016, the Candover Funds' residual stake in the listed shares, which is held via an intermediate holding company, was valued at €96.9 million. Candover's interests in Technogym was valued at the year-end at £8.2 million, a decrease of £2.1 million, before positive foreign currency movements of £0.9 million (total: -5p per share).

The full exit from Arle's investment in Technogym generated cash proceeds of £8.2 million for Candover which is in line with the December valuation.

Company website
www.technogym.com

3 Hilding Anders

Industry sector:	Industrials
Geography:	Sweden
Date of investment:	December 2006
Residual cost of investment £m:	24.3
Directors' valuation £m:	1.6
Change over prior valuation £m:	0.2
Effective equity interest (fully diluted):	4.3%

% of Candover's net assets:	4.5%
Basis of valuation:	Multiple of earnings
Dividends received £m:	–
Year end:	December 2015
Sales:	SEK8,578m
Earnings[1]:	SEK1,196m

Founded in 1939, Hilding Anders has grown to become the leading bed manufacturer in Europe, Russia and Asia. The company has 9,500 employees at 23 sites across 19 countries, and sells products in 65 local markets, generating revenues of €917 million in 2015.

In 2016, Hilding Anders delivered a good trading performance in Europe and Asia while Russia's performance was below plan, driven by more difficult market conditions. As planned, in Q2 2016 the business successfully exercised a call option to increase its stake in the Russian subsidiary.

Hilding Anders also successfully extended the maturities of its debt facilities by 2.5 years in an Amend & Extend process, providing the business with flexibility and time to execute on the European cost initiative programme, and to capitalise on the Asian and Russian growth.

On 29th November 2016, an agreement was made to sell Arle's equity interests in Hilding Anders to KKR in return for a more liquid debt instrument, subject to regulatory clearances.

Candover's valuation was written down by £0.1 million, before positive exchange movements of £0.2 million.

Company website
www.hildinganders.com

4. Expro International

Industry sector:	Energy
Geography:	UK
Date of investment:	July 2008
Residual cost of investment £m:	94.4
Directors' valuation £m:	0.6
Change over prior valuation £m:	0.1
Effective equity interest (fully diluted):	0.3%
% of Candover's net assets:	1.7%
Basis of valuation:	Multiple of earnings
Dividends received £m:	–
Year end:	March 2016
Sales:	US$915m
Earnings[1]:	US$228m

Expro is a leading oilfield services 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 over 4,500 employees across 50 countries, Expro offers a global service solution.

On 25th October 2016, it was announced that an agreement had been reached between Expro's shareholders and lenders representing approximately 98% of the borrowings under its Mezzanine

Facility Agreement ("Consenting Lenders") to implement a capital restructuring. This restructuring eliminated virtually all of the company's Mezzanine Facility (approximately $784m of $800m).

Consenting Lenders exchanged their entire outstanding principal and accrued PIK interest for equity in Expro International Group Holdings Ltd, Expro's ultimate parent company. This significantly reduced the Company's leverage, removed all of the financial maintenance covenants under the Mezzanine Facility and will save approximately $40m annually in cash interest. Under the Credit Agreement, the exchange did not result in a change of control.

The successful restructuring of Expro's capital provides a strong foundation from which to grow the Company as it positions itself for the next upturn in the oil and gas industry.

Expro's strategy remains on course and the business will continue to focus on its strengths of investing in differentiated technology and delivering the highest standards of safety, technology and service quality to our customers.

Candover's valuation was unchanged with a positive foreign exchange movement of £0.1 million.

Company website
www.exprogroup.com

Arle Capital Partners Limited
24th February 2017

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 2016 (representing 100% of the Arle managed portfolio)

By valuation method

1. Listed price 95%
2. Multiple of earnings 5%

By sector

1. Services 77%
2. Industrials 22%
3. Energy & Natural Resources 1%

By region

1. Spain 77%
2. Italy 18%
3. Nordic 4%
4. United Kingdom 1%

By age

1. Greater than 5 years 100%

Group statement of comprehensive income

for the year ended 31st December 2016

	Notes	Unaudited Year to 31st December 2016 Revenue £m	Capital £m	Total[1] £m	Audited Year to 31st December 2015 Revenue £m	Capital £m	Total[1] £m
Gains/(losses) on financial instruments							
Realised (loss)/gain		**–**	**(3.4)**	**(3.4)**	–	0.6	0.6
Unrealised (loss)/gain		**(10.3)**	**11.4**	**1.1**	–	(54.4)	(54.4)
Total		**(10.3)**	**8.0**	**(2.3)**	–	(53.8)	(53.8)
Revenue/(expense)							
Investment and other income		**0.2**	**–**	**0.2**	6.4	–	6.4
Total		**0.2**	**–**	**0.2**	6.4	–	6.4
Recurring administrative expenses		**(1.7)**	**(0.4)**	**(2.1)**	(2.6)	(0.9)	(3.5)
Exceptional non-recurring costs	2	**–**	**–**	**–**	(5.1)	–	(5.1)
(Loss)/gain before finance costs and taxation		**(11.8)**	**7.6**	**(4.2)**	(1.3)	(54.7)	(56.0)
Finance costs		**(3.7)**	**(3.7)**	**(7.4)**	(3.2)	(3.2)	(6.4)
Exchange movements on borrowings		**–**	**(6.0)**	**(6.0)**	–	(1.5)	(1.5)
Loss before taxation		**(15.5)**	**(2.1)**	**(17.6)**	(4.5)	(59.4)	(63.9)
Analysed between:							
(Loss)/profit before exceptional non-recurring costs		**(15.5)**	**(2.1)**	**(17.6)**	0.6	(59.4)	(58.8)
Exceptional non-recurring costs		**–**	**–**	**–**	(5.1)	–	(5.1)
Taxation		**–**	**–**	**–**	(2.1)	–	(2.1)
Loss after taxation		**(15.5)**	**(2.1)**	**(17.6)**	(6.6)	(59.4)	(66.0)
Total comprehensive loss		**(15.5)**	**(2.1)**	**(17.6)**	(6.6)	(59.4)	(66.0)
Loss per ordinary share:							
Total loss per share – basic and diluted		**(70p)**	**(10p)**	**(80p)**	(30p)	(272p)	(302p)

[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 and updated in November 2014

Group statement of changes in equity

for the year ended 31st December 2016

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 2016	**5.5**	**1.2**	**(0.1)**	**309.9**	**(252.4)**	**(10.9)**	**53.2**
Net revenue after tax	–	–	–	–	–	(5.2)	(5.2)
Unrealised gain/(loss) on financial instruments	–	–	–	–	11.4	(10.3)	1.1
Realised (loss)/gain on financial instruments	–	–	–	(114.3)	110.9	–	(3.4)
Exchange movements on borrowing	–	–	–	–	(6.0)	–	(6.0)
Costs net of tax	–	–	–	(4.1)	–	–	(4.1)
(Loss)/profit after tax	–	–	–	(118.4)	116.3	(15.5)	(17.6)
Total comprehensive income	–	–	–	(118.4)	116.3	(15.5)	(17.6)
Balance at 31st December 2016	**5.5**	**1.2**	**(0.1)**	**191.5**	**(136.1)**	**(26.4)**	**35.6**

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 2015	**5.5**	**1.2**	**(0.1)**	**310.4**	**(193.5)**	**(4.3)**	**119.2**
Net revenue after tax	–	–	–	–	–	(6.6)	(6.6)
Unrealised loss on financial instruments	–	–	–	–	(54.4)	–	(54.4)
Realised gain/(loss) on financial instruments	–	–	–	3.6	(3.0)	–	0.6
Exchange movements on borrowing	–	–	–	–	(1.5)	–	(1.5)
Costs net of tax	–	–	–	(4.1)	–	–	(4.1)
Loss after tax	–	–	–	(0.5)	(58.9)	(6.6)	(66.0)
Total comprehensive income	–	–	–	(0.5)	(58.9)	(6.6)	(66.0)
Balance at 31st December 2015	**5.5**	**1.2**	**(0.1)**	**309.9**	**(252.4)**	**(10.9)**	**53.2**

Group statement of financial position

at 31st December 2016

	Unaudited 31st December 2016		Audited 31st December 2015	
	£m	**£m**	£m	£m
Non-current assets				
Financial investments designated at fair value through profit and loss				
Portfolio companies	**46.0**		82.0	
Other financial investments	**0.7**		0.6	
		46.7		82.6
Trade and other receivables		**2.4**		3.5
Current assets				
Current tax asset	**–**		0.2	
Cash and cash equivalents	**21.3**		6.5	
		21.3		6.7
Current liabilities				
Other payables	**(0.1)**		(0.2)	
		(0.1)		(0.2)
Net current assets		**21.2**		6.5
Total assets less current liabilities		**70.3**		92.6
Non-current liabilities				
Loans and borrowings		**(34.7)**		(39.4)
Net assets		**35.6**		53.2
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		**191.5**		309.9
Capital reserve – unrealised		**(136.1)**		(252.4)
Revenue reserve		**(26.4)**		(10.9)
Total equity		**35.6**		53.2
Net asset value per share				
Basic		**163p**		243p
Diluted		**163p**		243p

Group cash flow statement
for the year ended 31st December 2016

	Unaudited Year to 31st December 2016		Audited Year to 31st December 2015	
	£m	**£m**	£m	£m
Cash flows from operating activities				
Cash flow from operations		**(0.6)**		(4.1)
Interest paid		**(2.4)**		(2.3)
Tax received		**–**		–
Net cash outflow from operating activities		**(3.0)**		(6.4)
Cash flows from investing activities				
Purchase of financial investments	**–**		(2.3)	
Sale of financial investments	**30.1**		8.2	
Net cash inflow from investing activities		**30.1**		5.9
Cash flows from financing activities				
Loan notes repaid	**–**		(54.0)	
Loan facility (repaid)/utilised	**(15.8)**		35.0	
Net cash outflow from financing activities		**(15.8)**		(19.0)
Increase/(decrease) in cash and cash equivalents		**11.3**		(19.5)
Opening cash and cash equivalents		**6.5**		26.6
Effect of exchange rates and revaluation on cash and cash equivalents		**3.5**		(0.6)
Closing cash and cash equivalents		**21.3**		6.5

Notes to the financial statements

Note 1
The preliminary results for the year ended 31st December 2016 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 2016 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 2015 does not constitute the Company's statutory accounts for those financial periods. Statutory accounts for the year ended 31st December 2015, 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 no exceptional non-recurring gain or loss for the group in the year (2015: loss £5.1 million).