



**Candover
Investments plc**

Interim financial
statement 2009

09

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About Candover

Candover was founded in 1980 and listed on the London Stock Exchange in 1984. It invests in buyouts across Europe via funds managed by its wholly-owned subsidiary, Candover Partners Limited, which has raised ten funds to date from investors around the globe. These include pension funds, insurance companies, endowments, foundations and other professional investors.

Key financials

Total net assets

£197.2m

Total net assets (after currency movements and exceptional non-recurring costs) were £197.2 million, a decrease of 12.1% for the six months to 30th June 2009

Net assets per share

902p

Net assets per share (after currency movements and exceptional non-recurring costs) decreased by 12.1% to 902p for the six months to 30th June 2009

Net revenue before exceptional non-recurring costs

£5.2m

Compares to net revenue of £9.5 million in 2008 and stated before exceptional non-recurring costs of £15.4 million incurred on undertaking the strategic review, restructuring costs and the costs of discontinued operations in Asia and Eastern Europe

References in this Interim Report to Candover or the Company mean Candover Investments plc and/or, where appropriate, one or more of its subsidiaries, and references to Candover Partners means Candover Partners Limited.

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Gerry Grimstone
Chairman



Chairman's statement

Introduction

I am pleased to be able to report that the financial position of Candover has strengthened markedly in the last six months. Your Board is confident that the Company has made good progress in dealing with the challenges that face it and in achieving greater financial stability.

In our preliminary announcement in March, I reported to you that Candover was facing its most challenging period since its foundation in 1980. The financial position of the Company had weakened significantly during the latter part of 2008, reflecting a combination of external factors, structural aspects unique to our business model, and the changes to the Company's balance sheet that were made in 2006 and 2007. I informed you that, in the wake of our decision to withdraw from our commitment to the Candover 2008 Fund, the Board was considering a range of strategic options to reinforce our financial position and maximise value for shareholders.

The challenges we faced included how to deal with a rapid fall in the value of our assets and how to ensure that the Company had access to sufficient cash and liquidity to fund both its ongoing operations and to meet its commitments to invest in the Funds raised and managed by Candover Partners.

Achieving stabilisation

The review of strategic options we undertook was focused on how to put Candover on a firm footing for the future.

During the review, Candover received a number of expressions of interest covering a range of options for the business, including potential offers for the Company. Together with our advisors, we entered into detailed discussions with a number of parties to establish whether a bid for the entire Company would deliver superior value for shareholders

compared with a realisation of our underlying portfolio. After careful consideration of all of the options available and taking into account the progress made in stabilising the overall financial position of the Company, the Board concluded that none of the proposals had sufficient certainty of creating enhanced value for shareholders. These discussions terminated at the end of June.

Various proposals were also made to us that would have resulted in substantial dilution for existing shareholders but we found none of these appropriate.

We concluded that a reduction in the cost base was essential in the light of the changed economic situation that we faced, including the suspension of the Candover 2008 Fund. This meant that we had to make a number of our investment executives and support staff redundant. This was not an easy process and I would like to thank all our colleagues for their efforts and support for Candover. In addition, we have closed our nascent Asian and Eastern European operations where the efforts by these teams to become self-financing had sadly not made enough progress.

Asset sales have made a major contribution to our stabilisation. We sold our interests in three French buyout funds for £5.3 million. The major contribution to our much firmer financial footing, however, came from the sale of Wood Mackenzie by Candover Partners for an enterprise value of £553 million. This generated cash proceeds for the Company of £36.4 million – £19.6 million from the sale itself and a further £16.8 million as a result of the crystallisation of carried interest payments from the Candover 2001 Fund. The value of our carried interest entitlements have increased from £19.6 million to £25.7 million. This reflects the increased certainty as to the crystallisation of the carry into incremental cash flow, as and when the Candover 2001 Fund achieves further realisations.

Chairman's statement

continued

The overall positive impact of these events is reflected in both the reduction in net debt at 30th June 2009 to £19.2 million from £54.5 million at 31st December 2008; as well our ability to meet the covenant obligations attached to our loan notes. As at 30th June 2009, our loan to value ratio as calculated in accordance with our loan note agreement was 24.8% compared to 33.6% at 31st December 2008, and was well within the required threshold of 40%. In addition, the Board is satisfied that Candover continues to have adequate capital to meet its follow-on commitments to the 2005 Fund which amount to £78.4 million compared to cash and cash equivalents of £151.9 million.

Two interlinked strategic issues remain – the future of the Candover 2008 Fund and the ownership structure of Candover Partners.

The Candover 2008 Fund

The Company has always been a cornerstone investor in the funds raised by Candover Partners. However, because of the issues faced by Candover Investments plc, we withdrew from our commitment to the Candover 2008 Fund, leading to the Fund's suspension for up to six months from 6th April 2009. As a result of Candover's decision not to make any further commitment, discussions began between Candover, Candover Partners (as manager of the Fund) and the Fund's Limited Partners regarding the options for the future of the Fund. These talks are ongoing and we expect them to conclude within the weeks ahead. We hope that they will lead to the emergence of a smaller Fund but we do not yet know that this will be the case. In any event, Candover Investments plc will not be an investor in a new Candover 2008 Fund.

Candover Partners

Our long-standing business model – a listed plc which invests, realises and recycles profits through an independent but wholly owned private equity fund manager, Candover Partners – has been severely tested by the global financial and economic crisis. The stresses that have resulted from this have made it clear that our ownership of Candover Partners and our co-investing alongside funds raised by them, have created a set of arrangements that are not necessarily optimal from the point of view of our shareholders. The fiduciary duty owed by Candover Partners to the Limited Partners in its funds has the potential for creating an undesirable conflict between the interests of the Limited Partners and the shareholders of Candover Investments plc.

The strategic review has therefore focused our minds on whether an alternative ownership model for Candover Partners (or some other arrangements) may be merited in the future. This is closely linked to the discussions concerning the future of the Candover 2008 Fund and we will be concluding our review of this once the future of that Fund has been settled.

Management

The restructuring of our business team has provided Candover Partners with the opportunity to bring forward some changes to the senior management of the business that were envisaged as part of a long-term succession plan. John Arney, who has been with Candover Partners since 2002, has taken on the newly-created role of Managing Partner, responsible for both the strategy and management of Candover Partners. Marek Gumienny has become Chairman of Candover Partners. Colin Buffin, who has been a driving force in the firm's evolution since he joined Candover in 1985, will leave the Company once discussions on the Candover 2008 Fund

have concluded. Likewise, Tian Tan, the Finance Director of Candover Partners, has retired and Matthew Harrison has assumed that role. I would like again to thank all our departing colleagues for their hard work and efforts over the years.

I am pleased to say that Malcolm Fallen, who led the strategic review process on behalf of the Board since joining on an interim basis in March 2009, has been confirmed as CEO of Candover Investments plc and he will be joining your board from 9th September. I am confident that Malcolm will continue to drive the affairs of the Company forward as he has so successfully done over the last few months.

Our performance

We have seen stabilisation in the underlying value of our investment portfolio. Whilst unaudited net assets fell over the six months by £27.1 million, this was after providing for exceptional non-recurring costs of £15.4 million, and net currency losses of £29.8 million due to the adverse translation impact on our non-sterling denominated investments and cash balances, offset by translation gains on the loan notes and related swaps. Excluding these items net assets would have increased by £18.1 million (8.1%), reflecting a steadying in the valuations of the portfolio companies in constant currency terms.

Net revenue before tax and exceptional non-recurring costs was £5.2 million, compared to net revenue before tax of £9.5 million in 2008. The reduced revenue is a result of the impact of lower fee income offset by the benefits of restructuring our cost base.

Most significantly during the period under review, our net debt has reduced to £19.2 million from £54.5 million at 31st December 2008, principally due to realisation proceeds of £41.6 million.

Realisation proceeds crystallised in the first half of 2008 were £31.7 million.

Dividend

At this point in time the Board does not feel it would be appropriate to recommence paying dividends to shareholders. However, as and when further clarity arises on the remaining strategic issues, and future realisations enhance our balance sheet further, the Board would seek to recommence the process of returning value to shareholders.

Outlook

During the last six months we have made significant progress in terms of achieving financial stability for Candover. We are now in a much stronger position due to recent asset realisations and the lowering of the cost base. We continue to focus on enhancing our stability further and resolving the organisational and structural issues that remain.

In the short term, our portfolio companies continue to operate in a challenging economic climate although we see some stability returning. Our priority remains to ensure that these companies and their management teams have the resources and expertise to trade through the downturn and are well positioned to take advantage of growth opportunities when conditions improve. We continue to believe that there is considerable long-term value within many of Candover's portfolio companies which, when realised over time, should provide a substantial enhancement of value for our shareholders.

Gerry Grimstone

Chairman
21st August 2009

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Interim management report

Activity in the European buyout market continues to be muted and our focus in the near term is very much on protecting and growing value in the existing portfolio. The most significant event in the first half of the year was the realisation of Wood Mackenzie.

Investments

The European buyout market suffered in the first half of the year from the difficult market conditions and a lack of availability of debt, with activity reaching lows not seen for ten years in terms of both volume and value. We made no new investments during the period due to a lack of investment opportunities in the first quarter, and, from April onwards, the suspension of the Candover 2008 Fund.

Realisations

Candover and its managed funds achieved realisation proceeds totalling £218.5 million during the period. Candover's share was £41.6 million.

In May we realised our direct holdings in Ciclad 2, 3 and 4, which the strategic review had identified as non-core assets. The sale of these three investments generated proceeds of £5.3 million.

In June, we realised our holding in Wood Mackenzie. The sale generated proceeds of £36.4 million for Candover (including loan note interest of £0.7 million), of which £16.8 million resulted from the crystallisation of the carried interest. The Candover 2001 Fund achieved a return of £173.6 million (including loan note interest of £5.0 million), bringing the overall investment multiple to 2.7 times the original investment.

Date of exit	Company	Capital proceeds		Exit route
		Candover £m	Funds £m	
May	Ciclad 2, 3 and 4	5.3	–	Private equity sale
June	Wood Mackenzie	18.9	168.6	Private equity sale
	Candover 2001 Fund			Crystallisation of carried interest
	Carried Interest	16.8	–	
	Other	0.6	2.6	
		41.6	171.2	

Valuations

Over the period under review the portfolio has shown signs of stabilisation. Of our top ten investments, seven are trading ahead of prior year at the earnings level on a twelve month basis.

The portfolio is well diversified by region and sector. Whilst the UK represents 39% of our investments by value, the companies themselves are well diversified in the regions in which they trade. Industrials remain our largest sector by exposure, due to our investments in Stork, Qioptiq and Capital Safety.

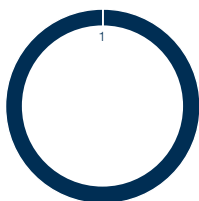
The slow down in the private equity markets over the past year has affected our ability to achieve realisations, and a significant part of our portfolio by value has now been held for over five years. These investments, Springer, Ontex and Equity Trust, have all now shown positive growth under our ownership and we feel they are well positioned to prosper further when the current climate changes.

The 10 largest companies represent 87% of the portfolio, with the 2001 Fund Carried Interest representing a further 10%.

Top 10 investments

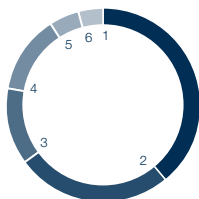
Analysis by value as at 30th June 2009

By valuation method



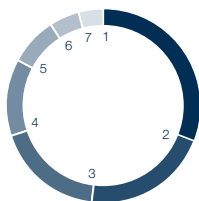
1. Multiple of earnings **100%**

By region



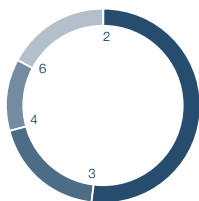
1. United Kingdom **39%**
2. Benelux **26%**
3. Spain **13%**
4. France **13%**
5. Switzerland **5%**
6. Germany **4%**

By sector



1. Industrials **31%**
2. Energy **21%**
3. Financials **18%**
4. Leisure **13%**
5. Health **8%**
6. Support services **5%**
7. Media **4%**

By age



1. <1 year **nil%**
2. 1-2 years **52%**
3. 2-3 years **19%**
4. 3-4 years **12%**
5. 4-5 years **nil%**
6. >5 years **17%**

Outlook

As part of the ongoing strategic review, we are currently exploring possible changes to the ownership structure between Candover Investments plc and Candover Partners. Any change to this structure will depend on the progress of discussions concerning the future of the 2008 Fund.

Under the terms of the suspension of the Candover 2008 Fund, no new investments will be made until at least October 2009. However, whilst there are early indications that the buyout market is starting to recover, we believe that buyout activity in the second half of 2009 will remain relatively quiet. It is our view there will be a number of interesting opportunities in 2010 as developed economies emerge from the recession.

Our focus therefore remains on managing the portfolio through this difficult economic period, and ensuring that the long-term value of each company is maximised.

John Arney
Managing Partner
Candover Partners Limited
21st August 2009

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10 largest investments

as at 30th June, 2009

Investment	Geography	Date of investment
Expro International Oilfield services	UK	Apr-08
Stork Engineering conglomerate	Netherlands	Jan-08
Parques Reunidos Operator of attraction parks	Spain	Mar-07
Alma Consulting Group Cost reduction and tax recovery services	France	Dec-07
Ontex Hygienic disposables	Belgium	Jan-03/ Jul-07
Qioptiq Optical engineering	UK	Dec-05
Capital Safety Group Fall protection equipment	UK	Jun-07
Equity Trust Trust services	UK	May-03
EurotaxGlass's Automotive data intelligence	Switzerland	Jun-06
Springer Science + Business Media Academic publisher	Germany	Jan/ Sep-03

Note 1 – Candover's final investment amount, and therefore its effective equity interest, will depend on the level of syndication

Residual cost of investment £m	Directors' valuation £m	Effective equity interest (fully diluted)	% of Candover's net assets	Basis of valuation
69.5	46.3	See note 1	23.5%	Multiple of earnings
48.9	41.3	6.4%	20.9%	Multiple of earnings
25.7	29.8	5.6%	15.1%	Multiple of earnings
20.5	28.9	5.4%	14.7%	Multiple of earnings
22.1	17.3	6.3%	8.8%	Multiple of earnings
9.6	15.0	7.2%	7.6%	Multiple of earnings
11.8	13.2	6.4%	6.7%	Multiple of earnings
8.3	11.9	5.6%	6.0%	Multiple of earnings
17.4	10.8	8.0%	5.5%	Multiple of earnings
0.6	9.0	3.6%	4.5%	Multiple of earnings

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Financial review

Net asset value per share

Net assets per share after currency movements and exceptional items were 902p, a decrease of 12.1% since 31st December 2008. Candover currently manages its currency exposure in order to mitigate any adverse impact on its loan to value covenant through the denomination of its cash balances and swaps. As a result, currency fluctuations can have a material impact on net assets. See Table 1.

At 30th June 2009, net assets per share before currency movements and exceptional non-recurring costs were 1109p compared to 1026p at 31st December 2008. The increase of 8.1% over the six month period compares with a fall in the FTSE All-Share of 1.7% over the same period, reflecting the growing stabilisation of the portfolio.

Table 1

	£m	£m p/share	p/share
Net asset value at 31st December 2008 as reported	224.3		1026
Investment movements (before currency)	22.1		101
Net revenue before exceptional non-recurring costs	5.2		24
Capitalised expenses net of tax	(7.7)		(35)
Others	(1.5)		(7)
	242.4		1109
Currency impact:			
– Realised and unrealised investments	(39.6)		(181)
– Restatement of cash and cash equivalents	(15.9)		(73)
– Translation of loan and swap balances	25.7		118
	(29.8)		(136)
Exceptional non-recurring costs	(15.4)		(71)
Net asset value at 30th June 2009 as reported	197.2		902

Investments

The valuation of investments, including accrued loan note interest, at 30th June 2009 was £256.6 million (31st December 2008: £313.9 million). See Table 2.

Table 2

	£m	£m
Investments at 31st December 2008		313.9
Disposals at valuation		(46.5)
Additions		0.1
Revaluation of investments:		
– Valuation movements before currency	26.1	
– Currency impact on unrealised investments	(37.0)	
		(10.9)
Investments at 30th June 2009		256.6

Net debt position

Candover's net debt has fallen from £54.5 million at 31st December 2008 to £19.2 million as at 30th June 2009, principally due to realisation proceeds of £41.6 million. Realisation proceeds crystallised in the first half of 2008 were £31.7 million. See Table 3.

Table 3

£ million	30th June 2009	31st December 2008
Loans and borrowings	187.1	217.5
Fair value hedge adjustment	(12.0)	(21.0)
Deferred costs	1.4	1.6
Value of bonds	176.5	198.1
Value of related swaps	(5.4)	(10.4)
Cash	(151.9)	(133.2)
Net debt	19.2	54.5

The outstanding commitment to the Candover 2005 Fund fell to £78.4 million over the period from £90.4 million at the year end, largely due to currency.

As disclosed at the year end, Candover has guaranteed an additional €43.2 million investment in Expro, pending its syndication.

Net revenue before tax

For the six month period net revenue before exceptional items and tax was £5.2 million compared to £9.5 million in the comparative period. This resulted from the impact of lower fee income offset by the benefits of restructuring our cost base.

Exceptional non-recurring costs of £15.4 million were incurred on undertaking the strategic review, restructuring costs and the costs of discontinued operations in Asia and Eastern Europe.

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Principal risks and uncertainties

Details of the principal risks and uncertainties facing the Group were set out on pages 53 to 59 of the 2008 Annual Report and Accounts, a copy of which is available on the website. In summary, those risks and uncertainties were as follows: market risk, currency risk (in particular the euro and US dollar), interest rate risk, other price risk, liquidity risk, credit risk, fair values of financial assets and financial liabilities and capital management policies and procedures.

The principal risks and uncertainties identified in the 2008 Annual Report remain unchanged and each of them has the potential to affect the Group's results during the remainder of 2009.

Candover aims to minimise risk by:

- Diversifying the portfolio by size, sector and geography;
- Monitoring the Group's exposure to foreign currencies and fixed interest securities;

- Using foreign currency borrowing and derivative financial instruments to reduce the Group's exposure to future exchange rate movements;
- Ensuring full and timely access to relevant information from the investee companies and attending board meetings;
- Managing cash and non-cash equivalents in such a way that they are readily realisable to meet investment and operating needs;
- Monitoring and reviewing the broad structure of the Group's capital on an ongoing basis; and
- Hedging market movements where appropriate.

Our views on the current market conditions are reflected in the Chairman's statement and interim management 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 on pages 12 to 16 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the EU, and that the interim management report on pages 4 and 5 includes a fair review of the information required by DTR 4.2.4, DTR 4.2.7 and DTR 4.2.8.

The directors of Candover Investments plc are listed on page 17.

By order of the Board

Philip Price
Company Secretary
21st August 2009

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Independent review report to Candover Investments plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30th June 2009 which comprises the statement of comprehensive income, statement of changes in equity, 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 in accordance with guidance contained in ISRE (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 those matters we are required to state to them in a 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, 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 Services Authority.

As disclosed in Note 2, the annual financial statements of the Group are prepared in accordance with IFRSs 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 to the Company 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' issued by the Auditing Practices Board for use in the United Kingdom. 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 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Grant Thornton UK LLP

Registered Auditor
London
21st August 2009

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Statement of comprehensive income

for the period ended 30th June 2009

£ million Unaudited	Six months to 30th June 2009			Six months to 30th June 2008			Year to 31st December 2008			
	Notes	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Gain/(loss) on financial instruments at fair value through profit and loss										
Realised gains and losses		-	(12.4)	(12.4)	-	15.1	15.1	-	34.3	34.3
Unrealised gains and losses		-	(0.4)	(0.4)	-	6.6	6.6	-	(224.9)	(224.9)
		-	(12.8)	(12.8)	-	21.7	21.7	-	(190.6)	(190.6)
Revenue										
Management fees from managed funds		9.8	-	9.8	20.0	-	20.0	46.4	-	46.4
Investment and other income		6.5	-	6.5	12.0	-	12.0	(5.2)	-	(5.2)
		16.3	-	16.3	32.0	-	32.0	41.2	-	41.2
Recurring administrative expenses		(10.1)	(3.6)	(13.7)	(21.4)	(5.8)	(27.2)	(33.2)	(9.0)	(42.2)
Exceptional non-recurring costs	3	(15.4)	-	(15.4)	-	-	-	-	-	-
Profit/(loss) before finance costs and taxation		(9.2)	(16.4)	(25.6)	10.6	15.9	26.5	8.0	(199.6)	(191.6)
Finance costs		(1.0)	(4.1)	(5.1)	(1.1)	(4.7)	(5.8)	(2.8)	(11.1)	(13.9)
Movement in the fair value of derivatives		-	(1.0)	(1.0)	-	(14.8)	(14.8)	-	2.2	2.2
Exchange movements on borrowings		-	5.8	5.8	-	(1.4)	(1.4)	-	(11.8)	(11.8)
Profit/(loss) before taxation and other comprehensive income		(10.2)	(15.7)	(25.9)	9.5	(5.0)	4.5	5.2	(220.3)	(215.1)
Analysed between:										
Profit/(loss) before exceptional non-recurring costs		5.2	(15.7)	(10.5)	9.5	(5.0)	4.5	5.2	(220.3)	(215.1)
Exceptional non-recurring costs		(15.4)	-	(15.4)	-	-	-	-	-	-
Taxation		(0.8)	-	(0.8)	(2.8)	3.0	0.2	(1.4)	3.9	2.5
Other comprehensive income:										
Exchange differences on translation of foreign operations		(0.4)	-	(0.4)	(0.2)	-	(0.2)	(0.2)	-	(0.2)
Profit/(loss) attributable to equity shareholders		(11.4)	(15.7)	(27.1)	6.5	(2.0)	4.5	3.6	(216.4)	(212.8)
Earnings per ordinary share:										
Before exceptional non-recurring costs		18p	(72)p	(54)p	30p	(9)p	21p	16p	(990)p	(974)p
Basic and diluted		18p	(72)p	(54)p	30p	(9)p	21p	16p	(990)p	(974)p
After exceptional non-recurring costs		(52)p	(72)p	(124)p	30p	(9)p	21p	16p	(990)p	(974)p
Basic and diluted		(52)p	(72)p	(124)p	30p	(9)p	21p	16p	(990)p	(974)p
Dividends paid (£ millions)		-	-	-	8.7	-	8.7	13.6	-	13.6

All of the profit for the year and the total comprehensive income for the year is attributable to the owners of the Company.

The total column of the statement is the Statement of Comprehensive Income of the Company prepared in accordance with 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 items in the above Statement derive from continuing operations. No operations were acquired or discontinued in the year.

No interim dividend is proposed.

Exceptional non-recurring costs are outlined in Note 3.

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Statement of changes in equity

for the period ended 30th June 2009

£ million Unaudited	Called up share capital	Share premium account	Other reserves	Capital reserve – realised	Capital reserve – unrealised	Revenue reserve	Total equity
Balance at 1st January 2009	5.5	1.2	(0.2)	369.8	(182.1)	30.1	224.3
Net revenue	–	–	–	–	–	(11.4)	(11.4)
Unrealised loss on financial instruments	–	–	–	–	(0.4)	–	(0.4)
Realised gain on financial instruments	–	–	–	24.1	(36.5)	–	(12.4)
Movement in fair value of derivatives	–	–	–	–	(1.0)	–	(1.0)
Exchange movements on borrowing	–	–	–	–	5.8	–	5.8
Costs net of tax	–	–	–	(7.7)	–	–	(7.7)
Exchange differences on translation of foreign operations	–	–	(0.4)	–	–	0.4	–
Balance at 30th June 2009	5.5	1.2	(0.6)	386.2	(214.2)	19.1	197.2
Unaudited							
Balance at 1st January 2008	5.5	1.2	0.6	326.6	77.5	39.9	451.3
Dividends	–	–	–	–	–	(8.7)	(8.7)
Share based payments	–	–	1.2	–	–	–	1.2
Transactions with equity holders	–	–	1.2	–	–	(8.7)	(7.5)
Net revenue	–	–	–	–	–	6.5	6.5
Unrealised loss on financial instruments	–	–	–	–	6.6	–	6.6
Realised gain on financial instruments	–	–	–	40.0	(24.9)	–	15.1
Movement in fair value of derivatives	–	–	–	–	(14.8)	–	(14.8)
Exchange movements on borrowing	–	–	–	–	(1.4)	–	(1.4)
Costs net of tax	–	–	–	(7.5)	–	–	(7.5)
Exchange differences on translation of foreign operations	–	–	(0.1)	–	–	0.1	–
Balance at 30th June 2008	5.5	1.2	1.7	359.1	43.0	37.8	448.3
Audited							
Balance at 1st January 2008	5.5	1.2	0.6	326.6	77.5	39.9	451.3
Dividends	–	–	–	–	–	(13.6)	(13.6)
Share based payments	–	–	(0.2)	–	–	–	(0.2)
Share buy-backs	–	–	(0.6)	–	–	–	(0.6)
Transactions with equity holders	–	–	(0.8)	–	–	(13.6)	(14.4)
Net revenue	–	–	–	–	–	3.8	3.8
Unrealised loss on financial instruments	–	–	–	–	(224.9)	–	(224.9)
Realised gain on financial instruments	–	–	–	59.3	(25.0)	–	34.3
Movement in fair value of derivatives	–	–	–	–	2.2	–	2.2
Exchange movements on borrowing	–	–	–	–	(11.9)	–	(11.9)
Costs net of tax	–	–	–	(16.1)	–	–	(16.1)
Balance at 31st December 2008	5.5	1.2	(0.2)	369.8	(182.1)	30.1	224.3

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Statement of financial position

at 30th June 2009

£ million Unaudited	Notes	30th June 2009	30th June 2008	31st December 2008
Non-current assets				
Property, plant and equipment		3.5	3.9	4.0
Financial investments designated at fair value through profit and loss				
Investee companies	4	230.9	425.4	294.3
Other financial investments	4	25.7	24.8	19.6
		256.6	450.2	313.9
Trade and other receivables		2.9	–	7.1
Deferred tax asset		5.9	6.1	6.5
		268.9	460.2	331.5
Current assets				
Trade and other receivables		7.7	7.1	14.1
Derivative financial instruments		32.9	7.3	58.7
Current tax asset		–	–	3.9
Cash and cash equivalents		151.9	183.1	133.2
		192.5	197.5	209.9
Current liabilities				
Trade and other payables		(22.0)	(26.3)	(20.3)
Financial liability on equity commitments		(27.3)	–	(31.1)
Derivative financial instruments		(27.6)	(24.1)	(48.2)
Current tax liabilities		(0.2)	(0.9)	–
		(77.1)	(51.3)	(99.6)
Net current assets		115.4	146.2	110.3
Total assets less current liabilities		384.3	606.4	441.8
Non-current liabilities				
Loans and borrowings		(187.1)	(158.1)	(217.5)
Net assets		197.2	448.3	224.3
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		(0.6)	1.7	(0.2)
Capital reserve – realised		386.2	359.1	369.8
Capital reserve – unrealised		(214.2)	43.0	(182.1)
Revenue reserve		19.1	37.8	30.1
Total equity		197.2	448.3	224.3
Net asset value per share				
Basic		902p	2051p	1026p
Diluted		902p	1996p	1026p

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Group cash flow statement

for the period ended 30th June 2009

£ million Unaudited	Six months to 30th June 2009	Six months to 30th June 2008	Year to 31st December 2008
Cash flow from operating activities			
Cash flow from operations	(3.6)	(16.9)	(22.9)
Interest paid	(7.2)	(4.8)	(11.7)
Tax reclaimed/(paid)	3.9	(1.7)	(4.7)
Net cash from operating activities	(6.9)	(23.4)	(39.3)
Cash flows from investing activities			
Purchase of property, plant and equipment	–	(0.3)	(0.9)
Purchase of financial investments	(0.1)	(103.5)	(168.8)
Sale of financial investments*	41.6	31.7	47.4
Net cash inflow/(outflow) from investing activities	41.5	(72.1)	(122.3)
Cash flows from financing activities			
Equity dividends paid	–	(8.7)	(13.6)
Purchase of own shares	–	–	(0.6)
Advances of loans	–	33.0	33.2
Net cash from financing activities	–	24.3	19.0
Increase/(decrease) in cash and cash equivalents	34.6	(71.2)	(142.6)
Opening cash and cash equivalents	133.2	240.3	240.3
Effect of exchange rates and revaluation on cash and cash equivalents	(15.9)	14.0	35.5
Closing cash and cash equivalents	151.9	183.1	133.2

*Whilst rolled-up loan note interest is disclosed within "Financial investments designated at fair value through profit and loss" on the balance sheet, any interest received or receivable is shown within the revenue column of the "Statement of comprehensive income" and so included in cash flow from operating activities above.

01	Chairman's statement	04	Interim management report	11	Independent review report
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Notes to the financial statements

Note 1 – General information

The information for the year ended 31st December 2008 does not constitute statutory accounts as defined in Section 240 of the United Kingdom Companies Act 1985. Comparative figures for 31st December 2008 are taken from the full accounts, which have been delivered to the Registrar of Companies and contain an unqualified audit report and do not contain a statement under Section 237(2) or Section 237(3) of the Companies Act 1985.

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 2008, and in accordance with IAS 34 'Interim Financial Reporting', with the exception of:

- IAS 1 'Presentation of financial statements'. This revised standard affects the presentation of changes in equity and the introduction of a Statement of Comprehensive Income.

Note 3 – Exceptional costs

Exceptional costs are those items that are one-off in nature and create significant volatility in reported earnings and are therefore reported separately in the income statement. These include non-recurring costs relating to the strategic review and restructuring costs that are not regular running costs of the underlying business.

£ million	Western European Buyout Team	Asia and Central European Team	Total
Redundancy costs	6.8	1.6	8.4
Advisor costs	2.7	–	2.7
Placing agents' fees written off	1.7	–	1.7
Discontinued operations	–	2.6	2.6
Total costs	11.2	4.2	15.4

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

£ million	Six months to 30th June 2009	Six months to 30th June 2008	Year to 31st December 2008
Opening valuation	313.9	364.4	364.4
Additions at cost	0.1	103.5	168.8
Disposals	(46.8)	(29.6)	(30.1)
Valuation movements	(10.6)	11.9	(189.2)
Closing valuation	256.6	450.2	313.9

'Other financial investments' comprise the Company's valuation of its investment as a Special Limited Partner in managed funds.

The value of rolled-up loan note interest recognised has been reclassified within "Financial investments designated at fair value through profit and loss" rather than in accrued income, as the value recognised is based of the overall value of the investment.

Note 5 – Related party transactions

The Company's interest in the Candover 1997, 2001, 2005 and 2008 Funds is disclosed in note 10 on page 44 of the 2008 Annual Report and Accounts.

As at 30th June 2009, Candover's investments as a Special Limited Partner in the Candover 2001, 2005 and 2008 Funds were valued at £25.3 million, £0.3 million and £0.1 million respectively (31st December 2008: Candover 2001 Fund £19.2 million, Candover 2005 Fund £0.3 million, and Candover 2008 Fund £0.1 million).

The Company's subsidiaries are listed in note 11 on page 46 of the 2008 Annual Report, which includes a description of the nature of their business.

During the period the Company undertook transactions with Candover Services Limited which provided investment and administration services to the Company, for which the Company was charged £3.3 million (2008: £6.7 million).

Note 6 – Outstanding commitments

At 30th June 2009, the Company had an outstanding commitment to fund investments alongside the Candover 2005 Fund of £78.4 million (31st December 2008: £90.4 million). The reduction in the period was mainly due to currency movements. As previously communicated, because of the issues faced by the Company, it withdrew from its commitment to the Candover 2008 Fund, leading to that Fund's suspension for up to six months from 6th April 2009.

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Information for shareholders

Share price

The Company's shares are listed on the London Stock Exchange under share code 'CDI'. The share price is quoted daily in the Financial Times, The Daily Telegraph, The Times, The Independent and the Evening Standard and is also available on our website at www.candoverinvestments.com/ and www.candoverinvestments.com/investor-info/price-graph.

ISA status

The Board has considered the ISA status of Candover's shares and for the time being considers that a decision to make Candover's shares eligible for inclusion in an ISA will impose constraints on the Company's investment criteria that will not be in the overall interests of shareholders.

Website

For the latest information about Candover Investments plc visit our website:

Home page:

www.candoverinvestments.com

Latest plc news

www.candoverinvestments.com/media/latest-plc-news

Dividend History

www.candoverinvestments.com/financial-performance/dividend-history



Registrars

Enquiries concerning registered shareholdings, including changes of address, should be referred to: Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield West Yorkshire HD8 0GA Telephone +44 (0)871 664 0300* Facsimile +44 (0)1484 600911 Email ssd@capitaregistrars.com

* Calls cost 10p per minute plus network extras

Board of directors

G E Grimstone *†
Non-executive Chairman

A P Hichens MBA \$*†
Non-executive, nominations committee chairman
Senior Independent Director

Lord Jay of Ewelme GCMG \$*†
Non-executive

N M H Jones FCA \$*
Non-executive

J Oosterveld \$*
Non-executive

C Russell FSIP FCA \$*
Non-executive, audit committee chairman

R A Stone FCA \$*†
Non-executive, remuneration committee chairman

* Member of the remuneration committee

\$ Member of the audit committee

† Member of the nominations committee

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