

A close-up, artistic photograph of mechanical gears. The gears are made of a light-colored metal, possibly brass or aluminum, and are partially obscured by a white, translucent paper strip that is wrapped around one of the gears. The lighting is soft and directional, creating highlights and shadows that emphasize the textures and curves of the machinery. The background is a blurred, light blue-grey color.

 **SVG Capital**  
Interim Report 2009

## Company overview

### Our business

#### Private equity investment

**SVG Capital** invests in a portfolio of private equity funds, the majority of which are advised by Permira, a leading international private equity specialist.

Information on our investment portfolio is included on pages 7 to 17.

#### Fund management

SVG Capital's fund management business, **SVG Advisers**, structures, markets, manages and advises products for investment in private and public equity using private equity techniques.

More information on this area of our business can be found in the Chief Executive's statement on page 5.

## Company profile

**SVG Capital is a private equity investor and fund management business listed on the London Stock Exchange.**

### Our investment objective

**SVG Capital's investment objective is to achieve capital appreciation by investing principally in private equity funds that are managed or advised by Permira, a leading international private equity specialist.**

In addition, the Company invests in private equity funds that invest in Japan, North America, Asia and the life sciences sectors, and in unquoted and quoted businesses through specialist funds and co-investments alongside these funds. The Company may also invest in other private equity related assets and alternative asset classes.

To complement this investment objective and create capital and income for the Company, its fund management business structures, markets, manages and advises products for investment in private equity, private equity related assets, alternative asset classes and in public equity using private equity techniques.

## Contents

Welcome to SVG Capital plc	20 largest underlying companies	12	Company income statement	21	Consolidated cash flow statement	27
<b>Overview</b>	List of investments (Group)	15	Consolidated statement of comprehensive income	22	Company cash flow statement	28
Financial and operating highlights	<b>Corporate information</b>		Company statement of comprehensive income	22	Notes to the accounts	29
Chairman's statement	Statement of Directors' responsibilities	18	Consolidated statement of changes in equity	23	<b>Company information</b>	
Chief Executive's statement	<b>Financial information</b>		Company statement of changes in equity	24	Company summary & E-communications for shareholders	42
Financial review	Independent auditors' report	19	Consolidated balance sheet	25	Advisers	43
<b>Investment overview</b>	Consolidated income statement	20	Company balance sheet	26		
Portfolio overview						

## Group balance sheet

**£895.9m**

Total assets

**£662.7m**

Total investments

1. £524.2 million in private equity funds (79.0%)
2. £82.5 million in private equity funds of funds (12.5%)
3. £29.5 million in public equity funds and co-investments (4.5%)
4. £9.9 million in other investments (1.5%)
5. £16.6 million in warehoused funds (2.5%)

**171.0p**

Net assets per share

Net assets per share of 171.0p (including the 31 December 2008 unaudited Directors' valuation of SVG Advisers of 18.0p) with Shareholders' funds of 153.0p per share.

	As at 30 June 2009 £'000 (unaudited)	As at 30 June 2008 £'000 (unaudited)	As at 31 December 2008 £'000 (audited)
Non-current assets	650,276	1,203,930	744,834
Current assets	245,624	300,147	157,580
Total assets	895,900	1,504,077	902,414
Liabilities and minority interest	(418,375)	(382,831)	(468,241)
Shareholders' funds	477,525	1,121,246	434,173

SVG Advisers<sup>1</sup>**€4.2bn**

Funds and commitments under management

Since 2001 SVG Advisers has grown its funds and commitments under management to €4.2 billion and now advises:

1. Eight diversified private equity fund of funds, investing in Europe, US and Asia
2. Five single manager funds (all investing in Permira Funds)
3. Five public equity funds using private equity techniques investing in European listed companies that are considered to be undervalued or could benefit from strategic, operational or management initiatives
4. Two collateralised loan obligation equity funds

**£14.4m**

Recurring external revenue

The fund management business reported recurring external revenue of £14.4 million in the first half of 2009.

**£16.3m**

Total revenue

Including fees paid by SVG Capital, total revenue was £16.3 million.

<sup>1</sup> Investment management and advisory companies including SVG Advisers, SVG Investment Managers and SVG Managers

The start of this year saw continued economic deterioration globally and by the first quarter many countries fell into recession. Global equity markets, which suffered a period of severe disruption following the collapse of Lehman Brothers in the fourth quarter, have remained unsettled. However, the scale of the volatility has narrowed and we have seen a stock market rally in recent months. We now appear to have entered a phase of comparative calm; that said, widespread uncertainty persists as visibility on the economy remains opaque. We have recently seen some improved economic data, but as yet there is no clear confirmation that the world economy is on its way to a sustained recovery.

Permira is seeing signs of stabilisation in performance across the portfolio. A number of the more defensive companies traded well through a difficult period, however, softness in earnings at some of the more cyclical companies led to the valuation of the portfolio declining by approximately 5%<sup>2</sup> in local currency. This, combined with the significant negative impact of foreign exchange on translation into sterling, resulted in valuations falling by approximately 15% in total and re-based<sup>3</sup> net assets per share declining by 18% to 171p (including the 31 December 2008 unaudited Directors' valuation of SVG Advisers of 18p<sup>4</sup>). Shareholders' funds fell to 153p per share.

Since the close of last year, significant progress has been made at SVG Capital. In the first half of 2009 we completed the remaining key tasks which followed on from the very difficult second half of 2008. It had been our view that the economic environment would deteriorate further and having undertaken the actions necessary to manage this and strengthen our balance sheet we are now in a much stronger financial position. Furthermore, following consultation with our major shareholders, we announced the results of the Board's strategic review, whereby we confirmed that we remain committed to private equity and set out the following key objectives:

- In the near to medium term to seek to maximise shareholder value.
- To maintain and improve the strength of our balance sheet.
- Over the longer term, to offer our shareholders the choice between reinvestment and return of capital once sufficient distributions are received.

As part of the strategic review, the Board also decided to separate the management structure of SVG Capital and SVG Advisers, our wholly owned fund management and advisory company, and in May we announced two new appointments. First, Lynn Fordham, who was formerly Finance Director, became CEO of SVG Capital and second, Tony Dalwood, who was formerly the head of our public equities team, became CEO of SVG Advisers. I am also delighted that Andrew Sykes, a former non-executive Director of SVG Capital and Director of Schroders plc, has agreed to become Chairman of SVG Advisers.

In April 2009 we announced that Anthony Habgood would step down from the Board at the May AGM to enable him to concentrate on his Chairmanship of Whitbread plc and his new appointment as Chairman of Reed Elsevier. Anthony had been a Board member since our listing in 1996. It was also announced that, after serving four years on the Board, Damon Buffini would step down at the same time. We remain a large investor in Permira's private equity funds. On behalf of the Board I would like to thank both Anthony and Damon very warmly for their important contributions to the Board over the years. Charles Sinclair has replaced Anthony as the Senior Independent Director and Gary Steinberg has succeeded Charles as Chairman of the Audit Committee.

**Since the close of last year, significant progress has been made at SVG Capital.**

**Permira is seeing signs of stabilisation in performance across the portfolio. A number of the more defensive companies traded well through a difficult period, however, softness in earnings at some of the more cyclical companies led to the valuation of the portfolio declining by approximately 5%<sup>2</sup> in local currency.**

<sup>2</sup> FX estimate based on reanalysing fund currency movements in sterling, with further adjustments for material underlying UK portfolio companies

<sup>3</sup> For comparative purposes the opening NAV per share of 348p has been adjusted on a pro-forma basis to 208.5p to reflect the impact of the subsequent Rights Issue and Placing. This is a non-GAAP measure and is described in more detail in the Financial Review

<sup>4</sup> Equivalent to the previously reported value of 40.0p at 31 December 2008, prior to the Rights Issue and Placing

The impact of last year's economic events has resulted in a much quieter period for private equity in terms of both new investments and disposals. Deal flow in the near term is likely to remain slow given the limited visibility in the economic environment and reluctance by private equity managers to make new investments until there is a firmer indication we have neared the 'bottom' of the cycle and the availability of credit improves. However, the fundamentals of the private equity asset class, which focuses on turning around and creating value within businesses, mean it is well placed to play an integral role in the economic recovery.

Exits in this market also remain difficult, in part due to the dislocation between vendor and buyer price expectations. There are few opportunities for public market listings, though commentators are now suggesting that IPO windows may start to open. Trade buyers are still selectively active and may provide opportunities for portfolio company sales, especially where they add strategic value.

Most sectors and companies have felt the impact of events in the wider economy and uncertainties still remain in the markets, so we remain cautious. SVG Capital's renewed stability comes at a time where there has been a slow but steady improvement in confidence, as reflected in both equity and debt markets. We remain committed to restoring shareholder value and the team at SVG Capital, under the stewardship of our new CEO, is dedicated to creating that value for shareholders.



Nicholas Ferguson  
Chairman  
28 August 2009

The Company has recently faced one of its most challenging periods and has had to make some difficult decisions. However, I am pleased to say that following the restructuring of the Company's balance sheet, we are now in a much stronger financial position to weather any further deterioration in the economy. My priorities in my new role as Chief Executive of the Company are to ensure we maintain the strength of the balance sheet in order to preserve our financial position and to ensure that we have the best strategy in place to create value across the business for our shareholders in the future.

**Capital raisings and strategy**

At the end of 2008 SVG Capital took decisive action to strengthen its balance sheet to pre-empt what it believed would be a deteriorating economic and banking environment. The Company moved quickly to create a much more solid position to navigate through the financial crisis. We completed the Rights Issue and Placing in the first half of this year raising gross proceeds of £171 million. We would like to thank our existing and new investors for their support and we can now look to the future to ensure that we maximise shareholder value.

The first half of this year also saw the completion of a strategic review of SVG Capital's business, with the clear objective of improving share price performance and liquidity. This was undertaken in close consultation with our shareholders and we announced the results of our strategic review in April with the following outcome:

**Shareholders' funds (£ million)**

Undiluted excluding SVGA

700		Portfolio valuation movements					
600	595	(80)		12			
500			(36)		(16)	3	478
400							
300							
200							
100							
0	Adjusted Shareholders' funds Dec 08*	Investment losses (FX movement)	Investment losses (valuation)	FX gain on financing and cash	Net operating loss after tax	Other reserve movements	Shareholders' funds June 09

\*Adjusted for the effect of the Rights Issue and Placing

- SVG Capital will remain a listed investment trust focused on private equity.
- In the near to medium term the Board will seek to maximise shareholder value by focusing on maintaining and improving the strength of the balance sheet.
- Over the longer term the Company will offer investors flexibility between reinvestment and return of capital, once sufficient distributions are received.
- No new commitments will be made to third-party funds until the Company is in a position to offer shareholders a return of capital.
- Relationship with Permira continues; Permira fund holdings currently represent 72% of the Company's investment portfolio and in the short term this is not expected to change materially.
- Company to further improve the efficiency and scalability of SVG Advisers.
- A separate management structure for each of SVG Capital and SVG Advisers.

**Investment portfolio**

The largest contributor to the negative return on the valuation of the portfolio was foreign exchange. The performance of the investment portfolio itself has been mixed and the approximate 5% decline in valuations in local currency was predominantly driven by some downward earnings adjustments, which outweighed the positive impact of public markets and a number of underlying portfolio company write-ups.

The decline in valuations over the last 12 months has led to a rebalancing of the investment portfolio with many of the cyclical companies having now been written down significantly. The portfolio is now more concentrated on relatively mature investments, such as Acromas (AA Saga), TDC and Birds Eye iglo, many of which have defensive qualities in the current market environment. Whilst Permira IV remains SVG Capital's largest investment, and in the longer term should be a key driver of shareholder returns, in the short to medium term returns are likely to be driven by the investments of Permira Europe III.



Lynn Fordham  
Chief Executive  
28 August 2009

## SVG Advisers

We have not revalued our fund management business at 30 June 2009, nor does its valuation appear in the balance sheet.

SVG Advisers' funds and commitments under management remain unchanged at €4.2 billion with no new funds raised in the period. The first half of 2008 has been one of significant management change and reorganisation within the group as the business adjusts to the current market environment and the need to protect profitability.

Recurring external revenues of £14.4 million were in-line with the first half of 2008. Including fees paid by SVG Capital total income stood at £16.3 million for the six months, a decline on the same period last year. SVG Capital's fee is based on gross assets and this fall in revenue is predominantly a reflection of the reduction of SVG Capital's assets. The business reported a profit before tax and exceptional costs of £6.1 million and the full impact of the significant cost saving initiatives will feed through to the bottom line in 2010.

## Outlook

Although the overall mood of the economy appears to have lifted from the end of last year, there is no doubt that in the near term uncertainty prevails. Looking forward, we believe the next six to 12 months will remain fairly quiet in terms of private equity deal activity.

Despite a strengthened balance sheet SVG Capital, will, in the near term, be impacted by several other elements out of its control. In particular, the operating environment remains difficult for many of the underlying portfolio companies. There are signs, however, of stabilisation in performance across the portfolio

companies, reflecting the considerable action taken by Permira and the underlying company management teams to mitigate the impact of the downturn. That said, despite a portfolio of strategically attractive assets, exit windows are likely to remain limited and we do not expect to receive major distributions over the next 12 to 18 months.

The immediate and continuing priority for our underlying managers is to work closely with their portfolio companies and to adapt their strategies to suit the current climate. The core focus across most companies has been cost savings programmes, changing and/or strengthening management teams, promoting operational change, and addressing capital structures to ensure the companies are well positioned to steer through the ever changing economic environment. We anticipate that further capital may be called to inject equity into some of our existing investments as part of controlled programmes or newly implemented strategies.

While the economic outlook is still unsure and the operating environment is likely to remain challenging in the near term, portfolio managers are working hard to effect change and create value within the underlying portfolio companies to ensure they are ready to take advantage of an improved market and economic environment. In turn, with a stronger balance sheet underpinning SVG Capital, we are now looking to the future to ensure we maximise shareholder value. I look forward to working with the team in my new role and to refining the Company's strategy, maintaining a close relationship with our stakeholders and managers and leading SVG Capital through what has been a difficult period for the industry and into the next phase of the Company's development.

**The Company moved quickly to create a much more solid position to navigate through the financial crisis.**

**I look forward to working with the team in my new role and to refining the Company's strategy, maintaining a close relationship with our stakeholders and managers and leading SVG Capital through what has been a difficult period for the industry and into the next phase of the Company's development.**

The performance for the six months ended 30 June 2009 needs to be considered with respect to the Rights Issue and Placing, which had a material impact on the net assets per share as the issue price of 100p was at a significant discount to the prevailing NAV per share. An analysis of the performance during the period is set out below:

	£'000	Shares in issue (dilutive – '000s)	Diluted NAV/share
Shareholders' funds b/f (dilutive basis)	434,893	141,333	308.1p
Unaudited valuation of SVG Advisers	56,400	141,333	40.0p
	491,293	141,333	348.1p
Rights Issue and Placing (net proceeds)	160,564	171,338	93.7p
<b>Opening balances adjusted for share issue</b>	<b>651,857</b>	<b>312,671</b>	<b>208.5p</b>
Loss attributable to equity shareholders	(120,951)	312,671	(38.7p) <sup>5</sup>
Other reserve movements	3,739	312,671	1.2p
<b>30 June 2009 NAV</b>	<b>534,645<sup>6</sup></b>	<b>312,671</b>	<b>171.0p<sup>7</sup></b>

The rebased NAV per share therefore fell by 18% during the period from 208.5p to 171.0p. The portfolio performance is analysed in more depth in the investment portfolio review.

### Cash balances and uncalled commitments

The Group's cash balances increased from £131 million at the year-end to £216 million at 30 June 2009. The increase was mainly a result of the share issue net proceeds of £161 million and a drawdown of €100 million from the Company's loan facility. Set against this was an £88 million buy-back of Senior Notes, net investment cash flows of £23 million, finance costs of £20 million and the significant negative impact of foreign exchange movements.

The Company made no new commitments during the period. Uncalled commitments fell from £493 million to £407 million, largely due to the appreciation of sterling. There were no calls for follow-on investments from Permira IV, so the uncalled commitment remained at €202 million, falling in sterling terms from £196 million to £172 million.

### Borrowings

The leveraged position improved significantly following the Rights Issue and Placing with net borrowing falling by £120 million from £304 million to £184 million.

The Company drew down €100 million from its loan facility which provided a partial currency hedge against the investment portfolio. This cash was held in US dollars as an offset against the US dollar-denominated

Senior Note liabilities. The Company's revolving credit facility expires in March 2011 and we are in discussions with the banks with regards to the renewal of this facility.

In March the Company purchased £5 million nominal of its convertible bonds for cancellation at a significant discount to par value. This represented 4.2% of the outstanding principal amount of the convertible bonds.

### Foreign exchange

The appreciation of sterling against all currencies in which the Company held investments was a significant driver of the negative movement of the investment portfolio with circa. 70% of the movement in valuations attributable to sterling's movement against the underlying funds' currencies<sup>8</sup>.

### Risks

A full discussion of the Group's principal risks and its risk management process was included in the audited annual report and accounts for the year ended 31 December 2008. For full details please refer to the audited annual report pages 20 to 23 of the business review, as well as note 33 to the accounts on pages 77 to 81. The principal risks facing the Group have not changed in any material respect in the intervening period.

<sup>5</sup> Compares to diluted earnings per share ("EPS") of (46.3p). EPS is calculated based on the weighted average number of shares in issue

<sup>6</sup> Includes unaudited valuation of SVG Advisers of £56.4 million

<sup>7</sup> Includes unaudited valuation of SVG Advisers of 18.0 pence per share

<sup>8</sup> FX estimate based on reanalysing fund currency movements in sterling, with further adjustments for material underlying UK portfolio companies

## Portfolio overview

20 largest underlying companies  
by value at 30 June 2009

Company	Country	Cost £000's	Value £000's
Arysta LifeScience	Japan	151,400	88,764
TDC	Denmark	40,317	63,053
Valentino Fashion Group/Hugo Boss	Italy	161,381	51,094
Acromas (The AA Saga)	UK	41,461	41,557
Birds Eye iglo	UK	32,258	37,693
Provimi	The Netherlands	52,306	34,653
Freenet/debitel	Germany	171	28,528
Legico	Luxembourg	50,388	25,346
Galaxy	Greater China	109,168	24,606
New Look	UK	472	20,390
Freescale	USA	144,920	19,680
Telepizza	Spain	12,165	16,874
All3Media	UK	11,989	12,297
Cognis Group	Germany	1,831	10,624
Sisal	Italy	16,797	10,586
Marazzi	Italy	41,853	7,690
NDS	UK	7,608	7,384
Maxeda	The Netherlands	525	6,100
Strides Arcolab	India	3,239	6,094
Seat Pagine Gialle	Italy	25,912	5,707

In local currency the investment portfolio reported a negative return of approximately 5% in the six months. Including the significant negative impact of foreign exchange valuations fell by approximately 15% in total.

Of the £662.7 million total investments, £524.1 million (79%) is represented by the private equity funds portfolio, with the remainder made up of private equity fund of funds (£82.5 million – 12%); public equity funds (£29.5 million – 4%); warehoused assets (£16.6 million – 3%); and other investments (£10.0 million – 2%).

### Private equity funds portfolio – £524.1 million

The underlying private equity portfolio companies have been impacted by the challenging operating environment. Permira continues to work closely with management teams in addressing the challenges caused by this downturn, with many already reporting the benefits of strategic and cost saving initiatives, in addition to a number taking market share from competitors.

A number of more defensive holdings have performed well in a difficult market, reporting steady or increasing earnings. However, some of the more cyclical businesses have seen a fall in earnings, which, coupled with the leverage in the capital structures, has resulted in the overall valuation write-downs outweighing positive movements in valuations elsewhere in the portfolio. That said, Permira is beginning to see encouraging signs across the portfolio that the performance of businesses has started to stabilise.

Permira, together with the various management teams, continues to closely monitor capital structures. In many cases this involves proactively reviewing and restructuring balance sheets and financing arrangements with the objective of reducing leverage levels in portfolio companies. The range of options available to Permira and the underlying management teams include buying back debt below par (Galaxy, TDC and Cognis), debt exchanges (Freescale which reduced net debt by US\$1.9 billion) and restructurings. Where necessary, proactive discussions with lenders are taking place to renegotiate covenants, such as in the case of Cortefiel, which successfully completed a combined debt buy-back and covenant amendment.

The current portfolio is made up of 112 companies, the vast majority<sup>11</sup> of which operate on a global scale. The shift in valuations over the last 12 months has resulted in a rebalancing of the portfolio and the mix of the 20 largest companies, which represent 90% of the private equity funds portfolio, is more evenly split (by value) between investments made pre-2007 and more recent investments.

Total private equity portfolio losses of £76.9 million (24.6p per share<sup>12</sup>) were net of increases in the share prices of quoted holdings, such as Galaxy and Freenet, and a number of small write-ups in the unquoted portfolio. The most notable of these was New Look, which was written up by £8.7 million (2.8p per share) to £20.4 million on the back of an increase in both earnings and public company comparable earnings multiples used in the valuation.

The write-downs of Valentino Fashion Group, DinoSol Supermercados and Marazzi were the largest contributors to the total portfolio losses. All three companies have, to varying degrees, been affected by the decline in consumer spending.

### Major portfolio movements

Company	30 June 2009 valuation <sup>(1)</sup> £'000	Proceeds in six months £'000	31 December 2008 valuation <sup>(2)</sup> £'000	Change in the six months <sup>(3)</sup> £'000
Galaxy	24,606	–	14,645	9,961
New Look	20,390	–	11,650	8,740
Freenet/debitel	28,528	–	24,978	3,550
Marazzi	7,690	–	20,424	(12,734)
DinoSol	1,700	–	20,427	(18,727)
Valentino/Hugo Boss	51,094	–	78,646	(27,552)

<sup>(1)</sup> Including Permira feeder vehicles

<sup>(2)</sup> Gross of any carried interest provision

### New investments

Through its holdings in P1234, SVG Sapphire IV and SVG Diamond I, II and III, SVG Capital participated in the acquisition of NDS, the world's leading provider of media content security and enabling technologies for pay-TV operators. The value of this new investment for SVG Capital is £7.4 million (2.4p per share).

### Realisations

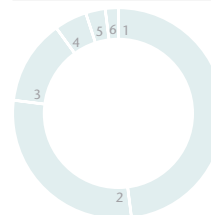
There were a total of five realisations in the six months, the largest of which was the sale of the minority stake in Britvic, the UK quoted soft drinks business, at a small premium to the December 2008 valuation of the holding.

### Valuation basis

Almost 90% of the portfolio is valued with reference to public markets (either comparable earnings multiples or quoted).

### Valuation analysis

30 June 2009 % by value



	30 June 2009 % change	30 June 2009 % (by value)
Written down – earnings*	–3	48
Earnings*	+1	29
Quoted	+3	13
Written down	–1	5
Cost	+2	3
Third-party	–2	2

\* Both December 2008 earnings and written down earnings valuation basis have been restated

The weighted average multiple used to value the portfolio increased by 11% to 10.2x from 9.2x. The weighted average illiquidity discount was 17.2%.

<sup>11</sup> By value.

<sup>12</sup> Based on 30 June 2009 fully diluted shares in issue of 312,670,661.



## Arysta LifeScience

Arysta LifeScience (Arysta) is an agrochemicals and pharmaceuticals company that produces a range of insecticides, fungicides and herbicides as well as a number of products for the healthcare and veterinary medicine markets. Created through the consolidation of the life-science divisions of Tomen Corporation and Nichimen Corporation, Arysta is the world's largest, privately-held agrochemical business, marketing a portfolio of more than 150 crop protection products in over 125 countries.

Arysta operates through two units – 'Agriscience' and 'Lifescience'. The 'Agriscience' unit produces a range of over 60 products, which include market-leading insecticides, fungicides and herbicides such as SELECT®, EVEREST® and DINAMIC®.

Arysta's 'Lifescience' unit produces more than 100 different products including: pharmaceutical additives and health food products; veterinary medicines; and animal feed additives.

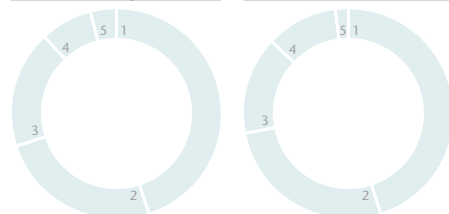
## Geographical and sector distribution (by value)

The geographical mix of the portfolio remains largely unchanged with a slight increase in its weighting to Asia, a result of the rise in the share price of Galaxy Entertainment.

### Geographical analysis

30 June 2009 % by value

\*Cost



	30 June 2009 % change	30 June 2009 % (by value)	30 June 2009 % *Cost
Global	-3	45	45
Continental			
Europe	-3	25	27
UK	+3	18	15
Asia	+3	8	11
North America	-	4	2

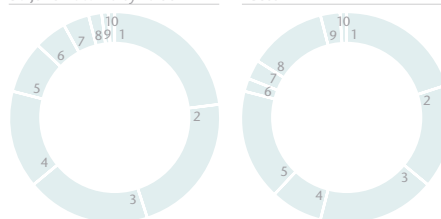
\* Fund reported local currency costs translated at 30 June 2009 foreign exchange rates.

The portfolio's largest exposure is to the chemicals sector on a value and cost basis – representing 23% of the portfolio at June 2009 (by value) and 20% on a cost basis. The remainder of the portfolio is broadly split between electronics and communications, retail and consumer companies at June 2009. On a cost basis the portfolio also has a notable exposure to the leisure and media sectors.

### Sector analysis

30 June 2009 % by value

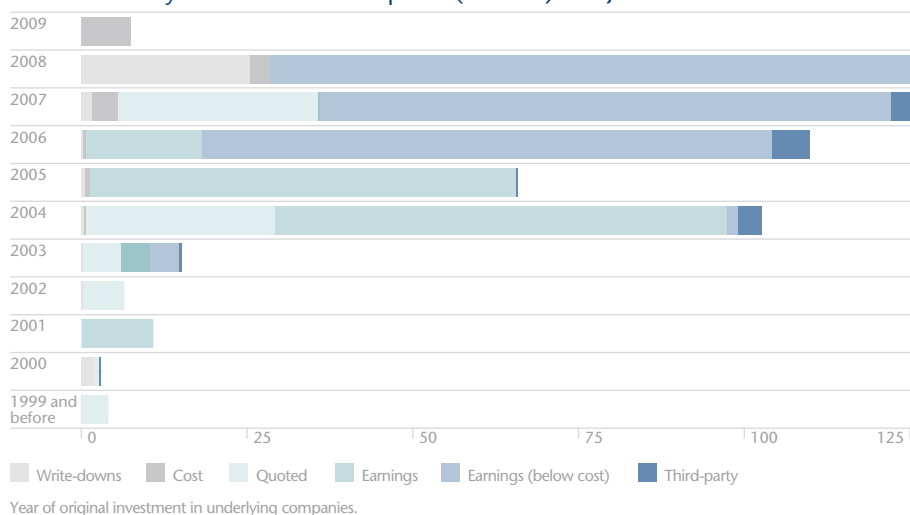
\*Cost



	30 June 2009 % change	30 June 2009 % (by value)	30 June 2009 % *Cost
Chemicals	+2	23	20
Electronics and communications	+2	22	16
Retail	-7	19	18
Consumer	-	15	8
Leisure	+3	8	17
Medical/health	+1	5	2
Financial	-1	4	3
Media	-	2	12
Other services	-1	1	3
Other manufacturing	+1	1	1

\* Fund reported local currency costs translated at 30 June 2009 foreign exchange rates.

### Portfolio maturity – investments in companies (£ million) – 30 June 2009



Arysta was acquired by an international investment company owned by the Permira funds, in March 2008. Permira has since supported Arysta's management in their goal of creating an integrated multi-national organisation from a loosely-integrated group formed from 14 product and company acquisitions since 2001.

Arysta is a truly global business; it is diversified with exposure to all agrochemical markets with balanced distribution over North America, South America, Europe/Africa/Middle East and Asia.

The company is also diversified by crop types. Arysta is achieving significant operational improvement by putting in place world class supply chain management. This process is being driven forward by a newly established programme management office (PMO).

The management team has been strengthened through the appointments of a new COO and CEO designate, and heads of Supply Chain, Europe and PMO initiatives. The current CEO is moving to full time Chairman in the Spring of 2010. The rapid appreciation of the Japanese

Yen in late 2008 and 2009 has adversely affected reported earnings. The company is actively pursuing add-on opportunities and industry consolidation via larger acquisitions/mergers, as well as seeking out cross-region product sales opportunities. The company also plans to enter new geographies with its strong existing product portfolio. As a distributor of agrochemicals, Arysta's products are registered with all relevant regional, national and international regulatory bodies. The company is also focused on developing environmentally friendly products.

**Deal type**

Management buy-outs/ins and development capital transactions represent 93% of the portfolio.

**Portfolio concentration**

The number of portfolio companies decreased to 112 from 116 in the six months.

**Other assets****Private equity funds of funds portfolio – £82.5 million**

SVG Capital's investments in private equity funds of funds declined by 34% over the six months. Much like at the year end, the fall in value of these investments is a reflection of decreases in the net assets of some of the funds of funds, which have also been impacted by leverage in the fund structure.

Six months to 30 June 2009	£ million
Opening valuation	111.5
Calls paid	14.2
Distributions received	(0.9)
Decrease in value of portfolio	(42.3)
Closing portfolio	82.5

**Public equity funds portfolio – £29.5 million**

The recent rally in equity markets had a positive impact of the valuation of SVG Capital's holdings in funds managed by its public equity team, which increased in value by 32% over the six months. At 30 June 2009, these holdings were valued at £29.5 million, a £7.2 million (2.3p per share) increase on the opening valuation or attributable cost.

Six months to 30 June 2009	£ million
Opening valuation	19.5
Calls paid	2.8
Distributions received	–
Increase in value of portfolio	7.2
Closing portfolio	29.5

**Warehoused assets – £16.6 million**

The value of SVG Capital's holdings in the private equity funds that it is warehousing on behalf of SVG Advisers declined by 7% (£1.3 million – 0.4p per share) to £16.6 million. The warehoused assets are made up of nine private equity funds investing in the US and Europe.

Six months to 30 June 2009	£ million
Opening valuation	15.0
Calls paid	3.2
Distributions received	(0.3)
Decrease in value of portfolio	(1.3)
Closing portfolio	16.6

**Other investments – £10.0 million**

The value of SVG Capital's holdings in India declined by 34% in the six months. At 30 June 2009, the value of these holdings, together with the Company's investment in Key Capital, a Dublin based corporate finance boutique, was £10.0 million, which represents a £4.4 million (1.4p per share) decrease to the opening valuation or attributable cost.

Six months to 30 June 2009	£ million
Opening valuation	14.3
Calls paid	0.1
Distributions received	–
Decrease in value of portfolio	(4.4)
Closing portfolio	10.0

**TDC**

TDC is a provider of communications solutions in Denmark and the second-largest full scale telecoms operator in Switzerland. TDC has around 11.9 million customers, including nearly 8 million customer accounts in Denmark. It also has a significant presence in markets across the Nordic region and in Central Europe.

A holding company, backed by a consortium of financial sponsors, including the Permira funds, acquired TDC in December 2005. The company has, since the acquisition, implemented an ambitious value creation programme and has significantly deleveraged the capital structure. The management team has been significantly strengthened, with new appointments in almost all senior positions.

## Fund commitments

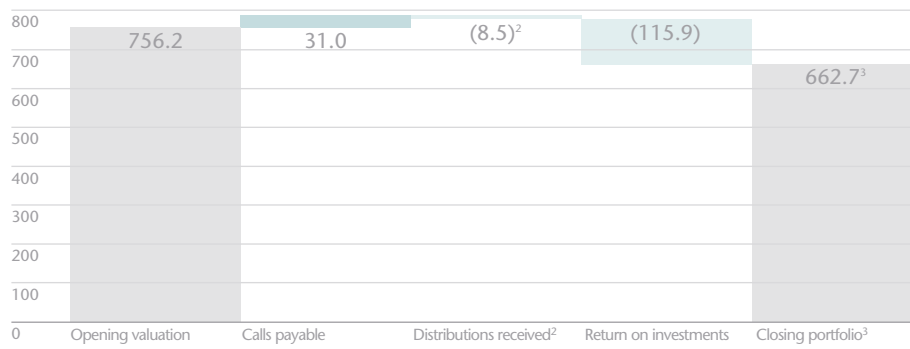
Uncalled commitments	Amount called (local currency) millions	Amount uncalled (local currency) millions	Uncalled commitment* £ millions
<b>Permira funds</b>			
Permira Europe III	€328.7	€29.8	25.4
Permira IV	€1,242.2	€202.2	172.2
P1234	€30.8	€7.7	6.6
P25	€75.4	€6.6	5.6
SVG Sapphire IV	€10.2	€3.8	3.2
			213.0
<b>Other private equity funds</b>			
The Japan Fund IV	¥4,601.5	¥1,071.4	6.7
SV Investments Fund I	US\$43.4	US\$4.0	2.4
SV Life Sciences Fund III	US\$13.3	US\$1.7	1.0
SV Life Sciences Fund IV	US\$24.8	US\$25.3	15.4
			25.5
<b>Private equity fund of funds</b>			
SVG Diamond III	€40.4	€24.8	21.1
SVG Asia Fund of Funds	US\$4.1	US\$36.8	22.3
Vintage I	€11.2	€28.8	24.5
Schroder Private Equity Fund of Funds III	€0.6	€0.4	0.3
			68.2
<b>CLO equity funds</b>			
Key Capital SVG CLO Equity Fund II	€13.0	€7.0	6.0
<b>Public equity funds</b>			
Strategic Recovery Fund II	£17.5	£10.8	10.8
<b>Other investments</b>			
SVG India	US\$31.5	US\$0.6	0.4
Gaja Fund	US\$0.8	US\$4.3	2.6
			3.0
<b>Warehoused private equity fund investments</b>			
– €-denominated	€28.5	€81.5	69.4
– \$-denominated	US\$11.5	US\$18.5	11.2
			80.6
<b>Total</b>			407.1

\* Based on exchange rates at 30 June 2009

## Total investment cash flows

A total of £31.0 million of calls were paid and £8.5 million<sup>1</sup> of distributions received in the period.

## Return on investments



<sup>1</sup> Including £1.2 million of income

<sup>2</sup> including £1.2 million of income

<sup>3</sup> including £16.6 million of warehoused funds (2008: £15.0 million)

TDC's new leadership has substantially changed the corporate culture into being more collaborative and fast paced. The company has also adopted a more customer-centric and cost focused organisation which enables it to compete effectively.

TDC has focused its operations on the key Nordic and Swiss markets by disposing of non-core international assets including Bité, One, Talkline, Polkomtel and by carrying out a real estate sale and leaseback. TDC has also been reorganised to facilitate greater cross-selling of products across business units.

## 20 largest underlying companies

In the following pages we show the 20 largest investments of the private equity funds' portfolio, by value, as at 30 June 2009. The valuations of these companies have been presented in accordance with IFRS. Following the decision by the Company to cap its commitment to Permira IV in December 2008, the valuations of all of the Permira IV investments made prior to 2009 include a provision against the value of the investments.

## 1 Arysta LifeScience

Japan		
		£'000
Cost	151,400	
Value	88,764	
Date of acquisition	February 2008	
% of Shareholders' funds	18.6%	
Underlying fund	Permira IV	

Arysta LifeScience is the world's largest privately-held agrochemical company. The company markets a portfolio of over 150 products in more than 125 countries worldwide and focuses on two main business lines: conventional crop protection (agriscience) and animal care products (life science). The valuation basis is earnings.

## 2 TDC

Denmark		
		£'000
Cost	40,317	
Value	63,053	
Date of acquisition	December 2005	
% of Shareholders' funds	13.2%	
Underlying funds	Permira Europe II & III	

TDC is a leading Danish-based provider of communications solutions and the second largest telecoms provider in the Swiss market. It also has significant presence in markets in the other Nordic countries and Hungary. The valuation basis is earnings.

3 Valentino Fashion Group/  
Hugo Boss

Italy		
		£'000
Cost	161,381	
Value	51,094	
Date of acquisition	May 2007	
% of Shareholders' funds	10.7%	
Underlying fund	Permira IV	

The Valentino Fashion Group and Hugo Boss operate in over 100 countries, with more than 1,500 single-brand boutiques and 345 directly-managed shops. The group's activities are broken down into three business units, covering the entire luxury and fashion sector: Valentino, Hugo Boss and licensed brands including M Missoni, in addition to its own brand Lebole. The valuation basis is earnings.

## 4 Acromas (The AA Saga)

UK		
		£'000
Cost	41,461	
Value	41,557	
Date of acquisition	September 2004	
% of Shareholders' funds	8.7%	
Underlying fund	Permira Europe III	

Acromas was formed in September 2007 by the merger financing of the AA and Saga, bringing together the two brands to create the UK's leading affinity organisation, providing motoring, travel, media and financial services to the UK motorist and people aged over 50. The initial investment in the AA was made in September 2004. The valuation basis is earnings.

## 5 Birds Eye iglo

UK		
		£'000
Cost	32,258	
Value	37,693	
Date of acquisition	November 2006	
% of Shareholders' funds	7.9%	
Underlying fund	Permira Europe III	

Birds Eye iglo is a leader in the European frozen food market, operating mainly in the UK and Ireland under the 'Birds Eye' brand and in Continental Europe under the 'iglo' brand. The company's main products include fish, vegetable, poultry and ready meals, in addition to iconic products such as fish fingers and Schlemmer Filets. The valuation basis is earnings.

## 6 Provimi

The Netherlands		
		£'000
Cost	52,306	
Value	34,653	
Date of acquisition	April 2007	
% of Shareholders' funds	7.3%	
Underlying fund	Permira IV	

Provimi is a diversified leader in animal nutrition solutions with c.8% global market share. The company operates 87 plants in 30 countries specialising in innovative products serving the nutritional and health needs of all animals. The valuation basis is earnings.

## 7 Freenet/debitel

Germany		£'000
Cost		171
Value		28,528
Date of acquisition	June 2004	
% of Shareholders' funds		6.0%
Underlying fund	Permira Europe III	

Funds advised by Permira sold their holding in debitel to Freenet AG in July 2008. Freenet is the third largest mobile phone provider in Germany and the acquisition of the debitel Group by Freenet has resulted in the leading distribution platform in the German mobile telephony market. The valuation basis is third-party and quoted.

## 8 Legico

Luxembourg		£'000
Cost		50,388
Value		25,346
Date of acquisition	January 2008	
% of Shareholders' funds		5.3%
Underlying fund	Permira IV	

Legico is taking advantage of the current credit dislocation by investing in senior, second lien, mezzanine and PIK opportunities in both the primary and secondary markets. The company's main geographical focus is the UK and Europe, although it does have the flexibility to invest worldwide. The valuation basis is write-down.

## 9 Galaxy

Greater China		£'000
Cost		109,168
Value		24,606
Date of acquisition	November 2007	
% of Shareholders' funds		5.2%
Underlying fund	Permira IV	


Galaxy Entertainment Group is one of the largest casino and hotel operators in Macau SAR, China. It is one of only six gaming concessionaires licensed to operate casinos in Macau SAR, the only legal gaming location in China and the world's largest gaming market. Galaxy operates the flagship hotel casino, StarWorld, four 'City Club' casinos and owns a construction materials business. The valuation basis is quoted.

## 10 New Look

UK		£'000
Cost		472
Value		20,390
Date of acquisition	April 2004	
% of Shareholders' funds		4.3%
Underlying fund	Permira Europe II	

New Look is a leading European fast fashion retailer with a value proposition aimed at targeting the young female market. Although the company's broad product offering focuses on womenswear, it also includes footwear, accessories and is expanding into menswear. New Look's broad network is comprised of 612 stores in the UK and Ireland, 23 stores in France and Belgium and 23 franchise stores in the Middle East. In addition, in France and Belgium, the company also operates 297 stores which trade under the MIM fascia. The valuation basis is earnings.

## 11 Freescale

USA		£'000
Cost		144,920
Value		19,680
Date of acquisition	November 2006	
% of Shareholders' funds		4.1%
Underlying fund	Permira IV	

Freescale is a global leader in the design and manufacture of embedded semiconductors for wireless, networking, automotive, consumer and industrial markets. Based in Texas, Freescale has No.1 positions in microcontrollers, sensors and networking. The company has a broad portfolio of more than 14,000 products serving over 10,000 customers. The valuation basis is earnings.

## 12 Telepizza

Spain		£'000
Cost		12,165
Value		16,874
Date of acquisition	September 2006	
% of Shareholders' funds		3.5%
Underlying fund	Permira Europe III	


Telepizza is currently the leading player in the Spanish home delivery and take-away pizza business operating about 650 owned and franchised outlets. The company has an international presence in Portugal, Chile, Central America and Poland where it has over 400 outlets, and also operates seven dough and cheese factories in Spain, Poland, Portugal and Chile for its own products. The valuation basis is earnings.

## 13 All3Media

UK		£'000
Cost		11,989
Value		12,297
Date of acquisition	September 2006	
% of Shareholders' funds		2.6%
Underlying fund	Permira Europe III	

All3Media is the largest UK independent TV production business, comprising a group of production companies in the UK, Germany, The Netherlands, New Zealand, the USA and Australia. The group also includes a digital media producer, a next generation advertising agency, an international distribution company and a talent management business. Key programmes include Hollyoaks, Midsomer Murders and Shameless. The valuation basis is earnings.

## 14 Cognis Group

Germany		£'000
Cost		1,831
Value		10,624
Date of acquisition	November 2001	
% of Shareholders' funds		2.2%
Underlying fund	Permira Europe II	

Cognis is a global supplier of innovative speciality chemicals and nutritional ingredients, with a particular focus on the areas of wellness and sustainability. The majority of Cognis' products are manufactured from sustainable sources such as coconut and palm kernel oil. With production sites and service centres in around 30 countries, Cognis has three strategic business units; Care Chemicals, Nutrition & Health and Functional Chemicals. The valuation basis is earnings.

## 15 Sisal

Italy		£'000
Cost		16,797
Value		10,586
Date of acquisition	October 2006	
% of Shareholders' funds		2.2%
Underlying fund	Permira Europe III	

Sisal is Italy's second largest player in the gaming sector. The group has four main activities: traditional games (lotteries), sports and horse racing betting, slot machines and payment services, mobile phones and satellite pay-TV prepaid card top ups. The group is headquartered in Milan, operates about 30,000 points of sales and owns over 120 shops. The valuation basis is earnings.

## 16 Marazzi

Italy		£'000
Cost		41,853
Value		7,690
Date of acquisition	July 2008	
% of Shareholders' funds		1.6%
Underlying fund	Permira IV	

Marazzi Group is the world leader in the design, manufacturing and distribution of ceramic tiles with a growing presence in sanitary fixtures. It has a strong international footprint with production facilities in France, Italy, Russia, Spain and the USA and sells in over 130 countries with direct distribution in the USA and Russia. The valuation basis is earnings.

## 17 NDS

UK		£'000
Cost		7,608
Value		7,384
Date of acquisition	February 2009	
% of Shareholders' funds		1.5%
Underlying fund	Permira IV	

NDS is a world leading provider of media content security and enabling technologies for pay-TV. It has a longstanding relationship with leading pay-TV operators and offers solutions for the satellite, cable, IPTV and mobile TV markets. The valuation basis is cost.

## 18 Maxeda

The Netherlands		£'000
Cost		525
Value		6,100
Date of acquisition	September 2004	
% of Shareholders' funds		1.3%
Underlying fund	Permira Europe III	

Maxeda is the largest non-food retailer in The Netherlands. It has market leading positions in department stores, DIY and fashion markets. In total, the group trades 11 different brand formats and operates around 1,400 stores in seven European countries. The valuation basis is earnings.

## 19 Strides Arcolab

India		£'000
Cost		3,239
Value		6,094
Date of acquisition	January 2002	
% of Shareholders' funds		1.3%
Underlying fund	SV Asia Pacific Fund	

Strides Arcolab manufactures a range of generic drugs and tablets for supply to Western and developing markets. The valuation basis is quoted.

## 20 Seat Pagine Gialle

Italy		£'000
Cost		25,912
Value		5,707
Date of acquisition	July 2003	
% of Shareholders' funds		1.2%
Underlying fund	Permira Europe II	

SEAT Pagine Gialle, is a provider of yellow pages and directory information services. It publishes printed and online yellow and white pages directories in Italy, where it has a 95% market share. It also provides voice directory assistance services in Italy, Germany, France and Spain. The company also owns the 'Thomson Local' directories in the UK. The valuation basis is quoted.

	Year formed	Original life (years)	SVG Capital's holding in the fund† %	Value of SVG Capital's holding £'000	% of total investments
<b>Europe</b>					
<b>Permira Europe I</b>					
The first US\$1 billion fund raised for private equity investment in Europe focusing on large and medium-sized leveraged buy-out opportunities.	1997	10*	13.5	2,295	0.4
<b>Permira Europe II</b>					
Formed as the successor to Permira Europe I, the fund focuses on European buy-outs and buy-ins, in addition to growth capital investments.	2000	10	15.2	62,506	9.4
<b>Permira Europe III</b>					
Formed as the successor to Permira Europe II, the fund focuses on buy-outs/ins and growth capital investments in European businesses or of global businesses with a strong European presence.	2003	10	7.2	88,967	13.4
<b>Permira IV</b>					
Formed as a successor fund to Permira Europe III, the fund focuses on buy-outs/ins and growth capital investments in businesses which have or intend to have significant activities in Europe. The fund may invest up to 30% of its committed capital in businesses which do not have or intend to have significant activities in Europe.	2006	10	22.2**	228,928	34.5
<b>P123</b>					
A fund of Permira pan-European buy-out funds, with interests in Permira Europe I, II and III.	2003	15	24.8	32,956	5.0
<b>P1234</b>					
A fund of Permira buy-out funds, with interests in P123 and Permira IV.	2006	15	42.8	36,390	5.5
<b>P25</b>					
A fund of Permira buy-out funds, with interests in Permira Europe III and Permira IV.	2006	15	47.7	22,970	3.5
<b>SVG Sapphire IV</b>					
A feeder fund that invests solely in Permira IV.	2006	15	34.2	1,216	0.2
<b>Permira Italy II</b>					
Established to make equity and near-equity investments in buy-outs and buy-ins, including development capital businesses, principally in Italy.	1993	10*	21.0	912	0.1
<b>Permira UK III</b>					
Established as Permira's third buy-out fund in the United Kingdom to invest in equity and near-equity investments in buy-outs, buy-ins, development capital businesses and turnarounds.	1993	10*	0.3	65	–
<b>Permira UK Venture III</b>					
Established to invest in a diversified portfolio of venture or development capital businesses and buy-outs principally in the United Kingdom.	1990	10*	8.7	125	–
<b>Permira UK Venture IV</b>					
Established to follow the policies of the fully invested Permira UK Venture III.	1995	10*	4.2	183	–
<b>Total Europe</b>				<b>477,513</b>	<b>72.0</b>

† Direct interest in the fund.

\* The lives of these funds have been extended.

\*\* Interest in existing portfolio companies as at the date of the Permira IV reorganisation in 2008.

	Year formed	Original life (years)	SVG Capital's holding in the fund† %	Value of SVG Capital's holding £'000	% of total investments
<b>Asia</b>					
<b>Asia Pacific Trust</b>					
Formed to invest in equity and near-equity investments in the high growth economies of the Asia Pacific region. This trust has been in liquidation since 1998.	1990	8*	6.4	59	–
<b>Asia Pacific Fund II</b>					
Established to make equity or near-equity investments in buy-outs, buy-ins, development capital businesses and turnarounds, principally in the Asia Pacific region with an emphasis on Australia, China, Hong Kong, India, Indonesia, Malaysia, Singapore and Thailand.	1994	10*	14.0	1,369	0.2
<b>Schroder Ventures Asia Pacific Fund</b>					
Established to make equity or near-equity investments in companies that have significant exposure to the Asia Pacific region. The fund focuses principally on management buy-outs and buy-ins, financial acquisitions and larger development capital opportunities.	1999	10	29.9	7,682	1.2
<b>The Japan Fund IV</b>					
Established to invest in buy-out transactions in Japan across a range of industries and sectors.	2004	10	27.2	9,385	1.4
<b>Total Asia</b>				<b>18,495</b>	<b>2.8</b>

† Direct interest in the fund.

\* The lives of these funds have been extended.

	Year formed	Original life (years)	SVG Capital's holding in the fund† %	Value of SVG Capital's holding £'000	% of total investments
<b>North America</b>					
<b>Schroder Canadian Buy-Out Fund III</b>					
Established to invest principally in buy-outs, buy-ins, leveraged build-ups and development capital opportunities in Canada.	2000	10	26.6	345	0.1
<b>Co-investments with Schroder Canadian Buy-Out Funds III and SV Investments Fund I</b>					
				904	0.1
<b>SV Life Sciences Fund III</b>					
Formerly known as International Life Sciences Fund III. The successor to SV Life Sciences Fund II, established to invest in a diversified portfolio of life sciences companies principally in the United States and Europe. The majority of these investments will be in early-stage opportunities.	2002	10	19.1	5,861	0.9
<b>SV Life Sciences Fund IV</b>					
Formed as a successor fund to SV Life Sciences Fund III, to invest in a diversified portfolio of life sciences companies principally in the United States and Europe. The majority of these investments will be in early-stage opportunities.	2006	10	9.0	13,528	2.0
<b>SV Investments Fund I</b>					
Established to invest in larger development capital and mid-size buy-outs in the United States, with a particular focus on media, telecommunications and technology sectors.	1999	10	25.9	7,508	1.1
<b>Total North America</b>				<b>28,146</b>	<b>4.2</b>
<b>Total core private equity fund portfolio</b>				<b>524,154</b>	<b>79.0</b>
<b>Private equity funds of funds:</b>					
SVG Diamond I				33,922	5.3
SVG Diamond I (F Notes)				4,770	0.7
SVG Diamond II				14,621	2.2
SVG Diamond II (F Notes)				2,024	0.3
SVG Diamond III				11,429	1.7
Vintage I				14,039	2.1
Schroder Private Equity Fund of Funds III				325	–
SVG Asia Fund of Funds				1,349	0.2
<b>Total private equity funds of funds</b>				<b>82,479</b>	<b>12.5</b>
<b>Public equity funds:</b>					
Strategic Equity Capital				5,800	0.9
Strategic Recovery Fund II – co-investment				11,092	1.7
SVG UK Focus Fund				5,144	0.8
SVG UK Alpha Fund				2,985	0.4
SVG European Fund				4,471	0.7
<b>Total public equity funds</b>				<b>29,492</b>	<b>4.5</b>
<b>Other investments:</b>					
CLO Funds				–	–
SVG India				7,597	1.1
Gaja Fund				336	0.1
Other				2,046	0.3
<b>Total other investments</b>				<b>9,979</b>	<b>1.5</b>
<b>Total investment portfolio</b>				<b>646,104</b>	<b>97.5</b>
Warehoused funds				16,620	2.5
<b>Total investments</b>				<b>662,724</b>	<b>100.0</b>
Other assets less total liabilities				(185,068)	
<b>Total Shareholders' funds</b>				<b>477,656</b>	

† Direct interest in the fund.

The Directors confirm to the best of their knowledge that:

- (a) the condensed set of financial statements have been prepared in accordance with IAS 34 as adopted by the European Union; and
- (b) the interim report includes a fair review of the information as required by the FSA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

The Directors of SVG Capital plc and their functions are listed below.

By order of the Board:

Nicholas Ferguson, Chairman  
Lynn Fordham, Chief Executive  
Francis Finlay, Non-executive Director  
Edgar Koning, Non-executive Director  
Denis Raeburn, Non-executive Director  
Charles Sinclair, Non-executive Director  
Gary Steinberg, Non-executive Director

## 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 30 June 2009 which comprises Consolidated and Company Income Statement, Consolidated and Company Statement of Comprehensive Income, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Balance Sheet, Consolidated and Company Cash Flow Statement and the related notes 1 to 17. 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" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions 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 1, the annual financial statements of the Group are prepared in accordance with IFRS 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 30 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.

## Ernst & Young LLP

London

3 September 2009

	Notes	For the six months ended 30 June 2009 (unaudited)			For the six months ended 30 June 2008 (unaudited)			For the year ended 31 December 2008 (audited)		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Losses on investments – at fair value through profit and loss		–	(117,046)	(117,046)	–	(194,095)	(194,095)	–	(814,016)	(814,016)
Exchange gains/(losses) on other items		35	12,219	12,254	49	12,045	12,094	403	(39,224)	(38,821)
		<b>35</b>	<b>(104,827)</b>	<b>(104,792)</b>	<b>49</b>	<b>(182,050)</b>	<b>(182,001)</b>	<b>403</b>	<b>(853,240)</b>	<b>(852,837)</b>
<b>Operating income</b>										
Investment income		1,714	–	1,714	5,251	–	5,251	11,191	–	11,191
Income from investment advisory services		14,398	–	14,398	–	–	–	28,448	–	28,448
Other operating income		56	–	56	14,557	–	14,557	1,236	–	1,236
Total operating income	4	<b>16,168</b>	–	<b>16,168</b>	<b>19,808</b>	–	<b>19,808</b>	<b>40,875</b>	–	<b>40,875</b>
<b>Operating expenses</b>										
Administrative expenses	5	(13,574)	–	(13,574)	(12,708)	–	(12,708)	(17,743)	–	(17,743)
Other operating expenses		–	28	28	–	(255)	(255)	–	(481)	(481)
Total expenses		<b>(13,574)</b>	<b>28</b>	<b>(13,546)</b>	<b>(12,708)</b>	<b>(255)</b>	<b>(12,963)</b>	<b>(17,743)</b>	<b>(481)</b>	<b>(18,224)</b>
<b>Operating profit/(loss)</b>		<b>2,594</b>	<b>28</b>	<b>2,622</b>	<b>7,100</b>	<b>(255)</b>	<b>6,845</b>	<b>23,132</b>	<b>(481)</b>	<b>22,651</b>
Finance costs	6	(20,649)	1,943	(18,706)	(11,578)	–	(11,578)	(32,277)	–	(32,277)
<b>Loss before tax</b>	3	<b>(18,020)</b>	<b>(102,856)</b>	<b>(120,876)</b>	<b>(4,429)</b>	<b>(182,305)</b>	<b>(186,734)</b>	<b>(8,742)</b>	<b>(853,721)</b>	<b>(862,463)</b>
Tax		(361)	294	(67)	(419)	(35)	(454)	(1,659)	(239)	(1,898)
<b>Loss for the period</b>		<b>(18,381)</b>	<b>(102,562)</b>	<b>(120,943)</b>	<b>(4,848)</b>	<b>(182,340)</b>	<b>(187,188)</b>	<b>(10,401)</b>	<b>(853,960)</b>	<b>(864,361)</b>
Attributable to:										
Equity holders of the parent		(18,389)	(102,562)	(120,951)	(4,850)	(182,340)	(187,190)	(10,404)	(853,959)	(864,363)
Minority interest		8	–	8	2	–	2	3	(1)	2
<b>Earnings per share</b>										
From continuing activities										
Basic	8		(46.3p)			(134.6p)			(621.5p)	
Diluted	8		(46.3p)			(134.6p)			(621.5p)	

The total column of this statement represents the Company's income statement, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Trust Companies. All items in the above statement derive from continuing operations.

The notes on pages 29 to 41 form an integral part of these accounts.

	For the six months ended 30 June 2009 (unaudited)			For the six months ended 30 June 2008 (unaudited)			For the year ended 31 December 2008 (audited)		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Losses on investments – at fair value through profit and loss	–	(117,108)	(117,108)	–	(193,970)	(193,970)	–	(813,758)	(813,758)
Exchange gains/(losses) on other items	–	13,342	13,342	–	11,127	11,127	–	(39,280)	(39,280)
	–	<b>(103,766)</b>	<b>(103,766)</b>	–	<b>(182,843)</b>	<b>(182,843)</b>	–	<b>(853,038)</b>	<b>(853,038)</b>
<b>Operating income</b>									
Investment income	1,664	–	1,664	4,877	–	4,877	25,547	–	25,547
Other operating income	60	–	60	833	–	833	1,092	–	1,092
Total operating income	<b>1,724</b>	–	<b>1,724</b>	<b>5,710</b>	–	<b>5,710</b>	<b>26,639</b>	–	<b>26,639</b>
<b>Operating expenses</b>									
Administrative expenses	(3,439)	–	(3,439)	(5,231)	–	(5,231)	(7,444)	–	(7,444)
Other operating expenses	–	28	28	–	(255)	(255)	–	(481)	(481)
Total expenses	<b>(3,439)</b>	<b>28</b>	<b>(3,411)</b>	<b>(5,231)</b>	<b>(255)</b>	<b>(5,486)</b>	<b>(7,444)</b>	<b>(481)</b>	<b>(7,925)</b>
<b>Operating (loss)/profit</b>	<b>(1,715)</b>	<b>28</b>	<b>(1,687)</b>	<b>479</b>	<b>(255)</b>	<b>224</b>	<b>19,195</b>	<b>(481)</b>	<b>18,714</b>
Finance costs (note 6)	(20,962)	1,943	(19,019)	(11,594)	–	(11,594)	(34,115)	–	(34,115)
<b>Loss before tax</b>	<b>(22,677)</b>	<b>(101,795)</b>	<b>(124,472)</b>	<b>(11,115)</b>	<b>(183,098)</b>	<b>(194,213)</b>	<b>(14,920)</b>	<b>(853,519)</b>	<b>(868,439)</b>
Tax	1,040	–	1,040	2,967	(35)	2,932	6,406	(35)	6,371
<b>Loss for the period</b>	<b>(21,637)</b>	<b>(101,795)</b>	<b>(123,432)</b>	<b>(8,148)</b>	<b>(183,133)</b>	<b>(191,281)</b>	<b>(8,514)</b>	<b>(853,554)</b>	<b>(862,068)</b>
<b>Earnings per share</b>									
From continuing activities									
Basic			(47.2p)			(137.5p)			(619.9p)
Diluted			(47.2p)			(137.5p)			(619.9p)

The total column of this statement represents the Company's income statement, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Trust Companies. All items in the above statement derive from continuing operations.

The notes on pages 29 to 41 form an integral part of these accounts.

	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
<b>Loss for the period</b>	<b>(120,943)</b>	<b>(187,188)</b>	<b>(864,361)</b>
Net gain/(loss) on cash flow hedges	3,739	366	(4,960)
<b>Other comprehensive income/(loss), net of tax</b>	<b>3,739</b>	<b>366</b>	<b>(4,960)</b>
<b>Total comprehensive income, net of tax</b>	<b>(117,204)</b>	<b>(186,822)</b>	<b>(869,321)</b>
Attributable to:			
Equity holders of the parent	(117,212)	(186,824)	(869,323)
Minority interests	8	2	2
	<b>(117,204)</b>	<b>(186,822)</b>	<b>(869,321)</b>

## Company statement of comprehensive income

	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
<b>Loss for the period</b>	<b>(123,432)</b>	<b>(191,281)</b>	<b>(862,068)</b>
Net gain/(loss) on cash flow hedges	(41)	366	(879)
<b>Other comprehensive income/(loss), net of tax</b>	<b>(41)</b>	<b>366</b>	<b>(879)</b>
<b>Total comprehensive income, net of tax</b>	<b>(123,473)</b>	<b>(190,915)</b>	<b>(862,947)</b>

The notes on pages 29 to 41 form an integral part of these accounts.

	Share capital £'000	Share premium £'000	Revenue reserve £'000	Capital reserve £'000	P/L cash flow hedges £'000	Share option reserve £'000	Other reserves £'000	Total equity holders £'000	Minority interest £'000	Total £'000
<b>For the six months ended 30 June 2009 (unaudited)</b>										
<b>At 31 December 2008</b>	139,070	142,001	10,187	32,410	(4,927)	5,448	109,984	434,173	130	434,303
Loss for the period	–	–	(18,389)	(102,562)	–	–	–	(120,951)	8	(120,943)
Other comprehensive income	–	–	–	–	3,739	–	–	3,739	–	3,739
	139,070	142,001	(8,202)	(70,152)	(1,188)	5,448	109,984	316,961	138	317,099
Dividends (note 7)	–	–	–	–	–	–	–	–	(7)	(7)
Issue of shares (note 13)	171,338	(10,774)	–	–	–	–	–	160,564	–	160,564
Redemption of convertible loan notes	–	–	–	620	–	–	(620)	–	–	–
<b>At 30 June 2009</b>	<b>310,408</b>	<b>131,227</b>	<b>(8,202)</b>	<b>(69,532)</b>	<b>(1,188)</b>	<b>5,448</b>	<b>109,364</b>	<b>477,525</b>	<b>131</b>	<b>477,656</b>
<b>For the six months ended 30 June 2008 (unaudited)</b>										
<b>At 31 December 2007</b>	139,064	141,980	29,630	886,369	33	7,267	95,258	1,299,601	104	1,299,705
Loss for the period	–	–	(4,850)	(182,340)	–	–	–	(187,190)	2	(187,188)
Other comprehensive income	–	–	–	–	366	–	–	366	–	366
	139,064	141,980	24,780	704,029	399	7,267	95,258	1,112,777	106	1,112,883
Dividends	–	–	(9,039)	–	–	–	–	(9,039)	(2)	(9,041)
Issue of share options/LTIP's	–	–	–	–	–	1,749	–	1,749	–	1,749
Deferred tax on share options/LTIP's	–	–	–	–	–	1,006	–	1,006	–	1,006
Issue of shares on exercise of options	6	21	–	–	–	–	–	27	–	27
Issue of subsidiaries shares	–	–	–	–	–	–	–	–	25	25
Issue of convertible loan notes	–	–	–	–	–	–	14,726	14,726	–	14,726
<b>At 30 June 2008</b>	<b>139,070</b>	<b>142,001</b>	<b>15,741</b>	<b>704,029</b>	<b>399</b>	<b>10,022</b>	<b>109,984</b>	<b>1,121,246</b>	<b>129</b>	<b>1,121,375</b>
<b>For the year ended 31 December 2008 (audited)</b>										
<b>At 31 December 2007</b>	139,064	141,980	29,630	886,369	33	7,267	95,258	1,299,601	104	1,299,705
Loss for the year	–	–	(10,404)	(853,959)	–	–	–	(864,363)	2	(864,361)
Other comprehensive income	–	–	–	–	(4,960)	–	–	(4,960)	–	(4,960)
	139,064	141,980	19,226	32,410	(4,927)	7,267	95,258	430,278	106	430,384
Dividends	–	–	(9,039)	–	–	–	–	(9,039)	(1)	(9,040)
Issue of share options and performance shares	–	–	–	–	–	(1,868)	–	(1,868)	–	(1,868)
Tax on share options and performance shares	–	–	–	–	–	49	–	49	–	49
Issue of shares on exercise of share options	6	21	–	–	–	–	–	27	–	27
Issue of shares in subsidiary	–	–	–	–	–	–	–	–	25	25
Issue of convertible loan notes	–	–	–	–	–	–	14,726	14,726	–	14,726
<b>At 31 December 2008</b>	<b>139,070</b>	<b>142,001</b>	<b>10,187</b>	<b>32,410</b>	<b>(4,927)</b>	<b>5,448</b>	<b>109,984</b>	<b>434,173</b>	<b>130</b>	<b>434,303</b>

	Share capital £'000	Share premium £'000	Revenue reserve £'000	Capital reserve £'000	P/L on cash flow hedges £'000	Share option reserve £'000	Other reserves £'000	Total £'000
<b>For the six months ended 30 June 2009 (unaudited)</b>								
<b>At 31 December 2008</b>	139,070	142,001	(3,153)	31,919	(846)	5,175	109,984	424,150
Loss for the period	–	–	(21,637)	(101,795)	–	–	–	(123,432)
Other comprehensive income	–	–	–	–	(41)	–	–	(41)
	139,070	142,001	(24,790)	(69,876)	(887)	5,175	109,984	300,677
Issue of shares (note 13)	171,338	(10,774)	–	–	–	–	–	160,564
Redemption of convertible loan notes	–	–	–	620	–	–	(620)	–
<b>At 30 June 2009</b>	<b>310,408</b>	<b>131,227</b>	<b>(24,790)</b>	<b>(69,256)</b>	<b>(887)</b>	<b>5,175</b>	<b>109,364</b>	<b>461,241</b>
<b>For the six months ended 30 June 2008 (unaudited)</b>								
<b>At 31 December 2007</b>	139,064	141,980	14,400	885,473	33	7,043	95,258	1,283,251
Loss for the period	–	–	(8,148)	(183,133)	–	–	–	(191,281)
Other comprehensive income	–	–	–	–	366	–	–	366
	139,064	141,980	6,252	702,340	399	7,043	95,258	1,092,336
Dividends	–	–	(9,039)	–	–	–	–	(9,039)
Issue of share options/LTIP's	–	–	–	–	–	1,749	–	1,749
Issue of shares on exercise of options	6	21	–	–	–	–	–	27
Issue of convertible loan notes	–	–	–	–	–	–	14,726	14,726
<b>At 30 June 2008</b>	<b>139,070</b>	<b>142,001</b>	<b>(2,787)</b>	<b>702,340</b>	<b>399</b>	<b>8,792</b>	<b>109,984</b>	<b>1,099,799</b>
<b>For the year ended 31 December 2008 (audited)</b>								
<b>At 31 December 2007</b>	139,064	141,980	14,400	885,473	33	7,043	95,258	1,283,251
Loss for the year	–	–	(8,514)	(853,554)	–	–	–	(862,068)
Other comprehensive income	–	–	–	–	(879)	–	–	(879)
	139,064	141,980	5,886	31,919	(846)	7,043	95,258	420,304
Dividends (note 7)	–	–	(9,039)	–	–	–	–	(9,039)
Issue of share options and performance shares	–	–	–	–	–	(1,868)	–	(1,868)
Issue of shares on exercise of options	6	21	–	–	–	–	–	27
Issue of convertibles	–	–	–	–	–	–	14,726	14,726
<b>At 31 December 2008</b>	<b>139,070</b>	<b>142,001</b>	<b>(3,153)</b>	<b>31,919</b>	<b>(846)</b>	<b>5,175</b>	<b>109,984</b>	<b>424,150</b>

	Notes	As at 30 June 2009 £'000 (unaudited)	As at 30 June 2008 £'000 (unaudited)	As at 31 December 2008 £'000 (audited)
<b>Non-current assets</b>				
Property, plant and equipment		2,462	1,418	1,139
Investments designated as fair value through profit and loss		646,104	1,198,766	741,112
Deferred tax asset		1,710	3,746	2,583
		<b>650,276</b>	<b>1,203,930</b>	<b>744,834</b>
<b>Current assets</b>				
Financial assets		16,620	24,725	15,039
Other receivables		11,527	110,036	10,914
Tax recoverable		1,465	–	1,000
Cash and cash equivalents		216,012	165,386	130,627
		<b>245,624</b>	<b>300,147</b>	<b>157,580</b>
<b>Total assets</b>		<b>895,900</b>	<b>1,504,077</b>	<b>902,414</b>
<b>Current liabilities</b>				
Other payables	9	(102,902)	(18,255)	(32,372)
Tax payable		–	(1,783)	–
		<b>(102,902)</b>	<b>(20,038)</b>	<b>(32,372)</b>
<b>Total assets less current liabilities</b>		<b>792,998</b>	<b>1,484,039</b>	<b>870,042</b>
<b>Non-current liabilities</b>				
Senior Notes	10	(216,043)	(260,115)	(332,239)
Convertible bonds	10	(99,283)	(101,839)	(102,595)
Deferred staff compensation		–	(682)	(628)
Deferred tax liability		(16)	(28)	(277)
		<b>(315,342)</b>	<b>(362,664)</b>	<b>(435,739)</b>
<b>Net assets</b>		<b>477,656</b>	<b>1,121,375</b>	<b>434,303</b>
<b>Equity</b>				
Called up share capital	12	310,408	139,070	139,070
Share premium account		131,227	142,001	142,001
Capital redemption reserve		3,204	3,204	3,204
Share purchase reserve		92,054	92,054	92,054
Share option reserve		5,448	10,022	5,448
Convertible bonds – equity		14,106	14,726	14,726
Hedge reserves		(1,188)	399	(4,927)
Capital reserve		(69,532)	704,029	32,410
Revenue reserve		(8,202)	15,741	10,187
<b>Shareholders' funds</b>		<b>477,525</b>	<b>1,121,246</b>	<b>434,173</b>
Minority interest		131	129	130
<b>Total equity</b>	3	<b>477,656</b>	<b>1,121,375</b>	<b>434,303</b>
<b>Net asset value per ordinary share ("Shareholders' funds")</b>				
– undiluted	13	<b>153.8p</b>	806.2p	312.2p
– diluted	13	<b>153.0p</b>	776.3p	308.1p

The notes on pages 29 to 41 form an integral part of these accounts.

The Group's financial statements were authorised for issue by the Board of Directors on 3 September 2009 and the balance sheets were signed on behalf of the Board by:

**Lynn Fordham**

	Notes	As at 30 June 2009 £'000 (unaudited)	As at 30 June 2008 £'000 (unaudited)	As at 31 December 2008 £'000 (audited)
<b>Non-current assets</b>				
Investments designated as fair value through profit and loss		638,234	1,188,248	729,269
Investments in subsidiaries		19,055	24,339	22,983
		<b>657,289</b>	<b>1,212,587</b>	<b>752,252</b>
<b>Current assets</b>				
Financial assets		16,620	23,690	15,039
Other receivables		4,500	107,744	5,862
Cash and cash equivalents		204,805	150,610	113,576
		<b>225,925</b>	<b>282,044</b>	<b>134,477</b>
<b>Total assets</b>		<b>883,214</b>	<b>1,494,631</b>	<b>886,729</b>
<b>Current liabilities</b>				
Other payables	9	(106,647)	(32,878)	(27,745)
		<b>(106,647)</b>	<b>(32,878)</b>	<b>(27,745)</b>
<b>Total assets less current liabilities</b>		<b>776,567</b>	<b>1,461,753</b>	<b>858,984</b>
<b>Non-current liabilities</b>				
Senior Notes	10	(216,043)	(260,115)	(332,239)
Convertible loan notes	10	(99,283)	(101,839)	(102,595)
		<b>(315,326)</b>	<b>(361,954)</b>	<b>(434,834)</b>
<b>Net assets</b>		<b>461,241</b>	<b>1,099,799</b>	<b>424,150</b>
<b>Equity</b>				
Called up share capital	12	310,408	139,070	139,070
Share premium account		131,227	142,001	142,001
Capital redemption reserve		3,204	3,204	3,204
Share purchase reserve		92,054	92,054	92,054
Share option reserve		5,175	8,792	5,175
Convertible loan notes – equity		14,106	14,726	14,726
Hedge reserves		(887)	399	(846)
Capital reserve		(69,256)	702,340	31,919
Revenue reserve		(24,790)	(2,787)	(3,153)
<b>Shareholders' funds</b>		<b>461,241</b>	<b>1,099,799</b>	<b>424,150</b>
<b>Net asset value per ordinary share ("Shareholders' funds")</b>				
– undiluted		148.6p	790.8p	305.0p
– diluted		147.7p	761.8p	301.0p

The Company's financial statements were authorised for issue by the Board of Directors on 3 September 2009 and the balance sheets were signed on behalf of the Board by:

**Lynn Fordham**

	Notes	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
<b>Operating activities</b>				
Investment management and advisory fee income		12,110	15,080	30,749
Interest income		1,341	5,787	13,104
Other income		565	560	1,684
Expenses of the management and advisory group		(12,857)	(10,777)	(23,070)
Other expenses		(1,266)	(1,990)	(3,034)
Interest paid		(22,245)	(8,920)	(24,420)
Tax paid		(449)	(178)	(109)
<b>Net cash used in operating activities</b>	16	<b>(22,801)</b>	<b>(438)</b>	<b>(5,096)</b>
<b>Investing activities</b>				
Capital distributions from core private equity fund portfolio		5,594	97,566	319,774
Capital distribution from other investments		1,380	2,582	5,760
Receipts in respect of warehoused funds		305	10,240	15,639
Calls paid to core private equity fund portfolio		(10,829)	(258,328)	(412,927)
Payments in respect of other investments		(16,278)	(22,873)	(143,421)
Payments in respect of warehoused funds		(3,147)	(7,185)	(18,360)
Purchases of property, plant and equipment		(1,669)	(135)	(533)
<b>Net cash used in investing activities</b>		<b>(24,644)</b>	<b>(178,133)</b>	<b>(234,068)</b>
<b>Financing</b>				
Drawdown on loan facility		92,533	–	–
Proceeds from share issues		171,338	52	52
Issue costs on ordinary share issue		(10,774)	–	–
(Buy-back)/issue of Senior Notes		(88,451)	40,000	40,000
Costs of buy-back/issue of Senior Notes		(1,356)	(545)	(2,210)
(Buy-back)/issue of convertible bonds		(2,487)	120,000	120,000
Issue costs of convertible bonds		–	(3,533)	(3,545)
Dividends paid		(7)	(9,041)	(9,041)
<b>Net cash from financing activities</b>		<b>160,796</b>	<b>146,933</b>	<b>145,256</b>
<b>Net decrease in cash and cash equivalents</b>		<b>113,351</b>	<b>(31,638)</b>	<b>(93,908)</b>
Cash and cash equivalents at beginning of year		130,627	183,487	183,487
Effect of foreign exchange rates on cash and cash equivalents		(27,966)	13,537	41,048
<b>Cash and cash equivalents at end of period</b>		<b>216,012</b>	<b>165,386</b>	<b>130,627</b>

	Notes	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
<b>Operating activities</b>				
Interest income		1,142	4,863	11,275
Other income		565	1,012	17,136
Expenses		(2,337)	(5,597)	(10,542)
Interest paid		(22,244)	(8,921)	(25,649)
Tax received/(paid)		3,304	981	3,120
<b>Net cash used in operating activities</b>	16	<b>(19,570)</b>	<b>(7,662)</b>	<b>(4,660)</b>
<b>Investing activities</b>				
Capital distributions from core private equity funds' portfolio		5,593	96,938	319,126
Capital distributions from other investments		1,380	2,582	5,760
Receipts in respect of warehoused funds		305	9,913	15,056
Calls paid to core private equity fund portfolio		(10,827)	(258,319)	(412,908)
Payments in respect of other investments		(16,278)	(15,673)	(135,676)
Payments in respect of warehoused funds		(3,147)	(6,926)	(18,360)
Loans from/(to) subsidiaries		–	25,068	16,443
Investment in subsidiaries		(109)	(7,874)	(8,118)
<b>Net cash used in investing activities</b>		<b>(23,083)</b>	<b>(154,291)</b>	<b>(218,677)</b>
<b>Financing</b>				
Drawdowns/(repayments) on loan facility		92,533	–	–
Proceeds on issue of ordinary shares		171,338	27	27
Issue costs on ordinary share issue		(10,774)	–	–
(Buy-back)/issue of Senior Notes		(88,451)	40,000	40,000
Costs of buy-back/issue of Senior Notes		(1,356)	(545)	(2,210)
(Buy-back)/issue of convertible bonds		(2,487)	120,000	120,000
Issue costs of convertible bonds		–	(3,533)	(3,545)
Dividends paid		–	(9,039)	(9,039)
<b>Net cash from financing activities</b>		<b>160,803</b>	<b>146,910</b>	<b>145,233</b>
<b>Net decrease in cash and cash equivalents</b>		<b>118,150</b>	<b>(15,043)</b>	<b>(78,104)</b>
Cash and cash equivalents at beginning of period		113,576	152,416	152,416
Effect of foreign exchange rates on cash and cash equivalents		(26,921)	13,237	39,264
<b>Cash and cash equivalents at end of period</b>		<b>204,805</b>	<b>150,610</b>	<b>113,576</b>

## 1 General information

The information contained within these financial statements does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2008, 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 237 (2) or (3) of the Companies Act 1985. A copy of the statutory accounts for the year ended 31 December 2008 has been delivered to the Registrar of Companies.

The Directors have assessed the risks facing the Group and consider that it has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim report and financial statements.

## 2 Accounting policies

### Basis of accounting

The interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting' and the Listing Rules of the Financial Services Authority.

The accounting policies applied in these interim financial statements are consistent with those applied in the Group's most recent annual financial statements.

Income tax expense for the interim period has been determined on the best estimate of the weighted-average annual income tax rate for the Group expected for the full accounting year.

## 3 Operating segments

For management purposes, the Group is currently organised into the following principal activities:

### Investing activities

SVG Capital's investment objective is to achieve capital appreciation by investing principally in private equity funds that are managed or advised by Permira, a leading international private equity specialist. In addition, the Company invests in private equity funds that invest in Japan, North America, Asia and the life sciences sectors, and in unquoted and quoted businesses through specialist funds and co-investments alongside these funds. The Company may also invest in other private equity related assets and alternative asset classes. Investing activities are undertaken by SVG Capital plc, SVG India LP and The Platinum Trust.

### Investment management and advisory services

To complement this investment objective and create capital and income for the Company, its fund advisory business structures, markets, manages and advises products for investment in private equity, private equity related assets, alternative asset classes and in public equity using private equity techniques.

These activities are undertaken by SVG Advisers Limited, SVG Managers Limited, SVG Investment Managers Limited, SVG Advisers (Singapore) Pte. Limited, SVG Advisers Inc. and SVG North America Inc. Segmental information showing the performance of these business segments is presented below.

Group	Investing activities £'000 (unaudited)	Investment management and advisory services £'000 (unaudited)	Eliminations £'000 (unaudited)	Consolidated £'000 (unaudited)
Six months ended 30 June 2009				
Income from investment advisory services	–	14,398	–	14,398
Other operating income	1,401	369	–	1,770
Intra-group income	17	2,153	(2,170)	–
	<b>1,418</b>	<b>16,920</b>	<b>(2,170)</b>	<b>16,168</b>
Performance shares and options fair value charge	–	–	–	–
Other administrative costs	(1,740)	(11,834)	–	(13,574)
Intra-group expenses	(1,840)	–	1,840	–
Other operating expenses	28	–	–	28
	<b>(3,552)</b>	<b>(11,834)</b>	<b>1,840</b>	<b>(13,546)</b>
Operating profit/(loss)	(2,134)	5,086	(330)	2,622
Finance costs	(18,706)	–	–	(18,706)
Intra-group finance costs	(313)	(17)	330	–
Losses on fair value through profit and loss	(117,041)	(5)	–	(117,046)
Exchange gains/(losses)	13,413	(1,159)	–	12,254
(Loss)/profit before tax	<b>(124,781)</b>	<b>3,905</b>	<b>–</b>	<b>(120,876)</b>
Total assets	861,268	34,632	–	895,900
Total liabilities	(409,871)	(8,373)	–	(418,244)
Intra-group (liabilities)/assets	(10,676)	10,676	–	–
Net assets	<b>440,721</b>	<b>36,935</b>	<b>–</b>	<b>477,656</b>

## 4 Revenue

Group	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
Income from investments:			
Income from money market instruments	507	4,356	8,111
Interest from funds and co-investments	642	335	984
Other income from funds and co-investments	565	560	1,684
Interest on warehoused funds	–	249	412
Other operating income:			
Income from investment advisory services	14,398	13,661	28,448
Interest receivable and other income	56	647	1,236
	<b>16,168</b>	<b>19,808</b>	<b>40,875</b>
Represented by:			
Interest	1,205	5,525	10,605
Income from investment advisory services	14,398	13,661	28,448
Other income from funds and co-investments	565	560	1,684
Other income	–	62	138
	<b>16,168</b>	<b>19,808</b>	<b>40,875</b>

## 5 Administrative expenses

Group	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
Fees payable to Schroder Investment Management Limited	149	149	349
Directors' remuneration	1,232	832	1,142
Performance shares and options fair value charge	–	1,749	(1,520)
N.I. on performance shares and options	–	(345)	(2,087)
Staff costs	6,712	6,368	9,836
Depreciation	343	159	795
General expenses	5,000	3,740	9,047
Auditors' remuneration			
– Statutory audit fees	71	50	78
– Statutory audit fees: subsidiaries	49	–	90
– Regulatory reporting	15	–	–
– Other services	3	6	13
	<b>13,574</b>	<b>12,708</b>	<b>17,743</b>

## 6 Finance costs

	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
Convertible loan note finance costs	4,854	688	5,665
Amortisation of issue and listing costs plus premium to redemption re convertibles	1,119	98	866
Convertible loan note redemptions below par	(1,943)	–	–
Senior note interest	9,677	8,596	20,318
Amortisation of issue costs re Senior Notes	474	201	386
Interest rate swap payments/(receipts)	108	(6)	(53)
Loan facility finance costs	3,664	1,694	4,429
Amortisation of loan facility issue costs	741	274	551
Other interest	12	33	115
	<b>18,706</b>	<b>11,578</b>	<b>32,277</b>

The Company's finance costs of £19,019,000 includes an additional £313,000 of interest due to subsidiary undertakings.

## 7 Dividends

Group	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
Amounts recognised as distributions in the period:			
Dividend of nil (2008: 6.5p)	–	–	9,039

In order to maintain investment trust status, the Company must not retain more than 15% of its income from shares and securities. The total dividend payable in respect of the financial year and which will be taken into account in determining the amount of net revenue retained under the requirements of Section 842 of the Income and Corporation Taxes Act 1988, is set out below.

	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
Dividend of nil (2008: nil)	–	–	–

## 8 Earnings per share

The calculation of the basic and diluted earnings per share, in accordance with IAS 33, is based on the following data:

Group	For the six months ended 30 June 2009 £'000 (unaudited)	For the six months ended 30 June 2008 £'000 (unaudited)	For the year ended 31 December 2008 £'000 (audited)
	Loss for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	(120,951)	(187,190)
Effect of dilutive potential ordinary shares	n/a	n/a	n/a
Loss for the purposes of diluted earnings per share	(120,951)	(187,190)	(864,363)
	Number	Number	Number
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per shares	261,469,384	139,064,584	139,067,257
Effect of dilutive potential ordinary shares:			
Share options and performance shares	n/a	n/a	n/a
Convertible loan notes	n/a	n/a	n/a
Weighted-average number of ordinary shares for the purposes of diluted earnings per share	261,469,384	139,064,584	139,067,257
Earnings per share			
Basic	(46.3p)	(134.6p)	(621.5p)
Diluted	(46.3p)	(134.6p)	(621.5p)

As the Group made losses in the period there is no dilution from the issuance of potential ordinary shares.

## 9 Other payables

Group	30 June 2009 £'000	31 December 2008 £'000
Loan Facility	85,172	–
Interest payable and similar charges	8,522	11,710
Other creditors and accruals	6,887	6,729
Fair value of currency contracts	1,434	13,087
Fair value of interest rate swaps	887	846
	102,902	32,372

Company	30 June 2009 £'000	31 December 2008 £'000
Loan Facility	85,172	–
Amounts owed to Group undertakings	11,394	7,602
Interest payable and similar charges	8,522	11,710
Other creditors and accruals	672	969
Fair value of currency contracts	–	6,618
Fair value of interest rate swaps	887	846
	106,647	27,745

## 10 Borrowings

	30 June 2009 £'000	31 December 2008 £'000
Loan Facility (note 9)	85,172	–
Senior Notes	216,043	332,239
Convertible Bonds	99,283	102,595
	400,498	434,834

## 10 Borrowings continued

### Loan Facility

In December 2008, the Company reduced its loan facility with The Royal Bank of Scotland plc, The Bank of Scotland plc and Bayerische Hypo- und Vereinsbank AG from €750 million to €550 million (£531.7 million). Under the terms of the renegotiations, the financial covenant was increased from a maximum loan to value test of 40% to 50% (inclusive of the unaudited Directors' valuation of SVG Advisers Limited). A drawdown of €100 million was made under the facility during the period ended 30 June 2009 for currency hedging purposes. The term of the loan facility expires in March 2011.

### Senior Notes

Non-current liabilities include £216.0 million of Senior Unsecured Loan Notes. Further details of the Notes are provided in the following table:

Group	Amount (local currency 000's)	30 June 2009 £'000 (unaudited)	31 December 2008 £'000 (audited)
9.10% Fixed Rate Series A Senior Notes due 18 July 2013	US\$124,610	75,663	118,236
7.57% Fixed Rate Series B Senior Notes due 18 July 2013	€14,660	12,486	19,335
Floating Rate Series C Senior Notes due 18 July 2013	£5,131	5,131	7,000
8.49% Fixed Rate Series A Senior Notes due 18 July 2014	US\$128,275	77,889	121,714
7.72% Fixed Rate Series B Senior Notes due 18 July 2014	€10,995	9,365	14,501
Floating Rate Series C Senior Notes due 18 July 2014	€3,665	3,122	4,834
9.10% Fixed Rate Series D Senior Notes due 18 July 2015	€36,650	36,650	50,000
		<b>220,306</b>	335,620
Unamortised issue costs		<b>(4,263)</b>	(3,381)
		<b>216,043</b>	332,239

\* Based on exchange rates at 30 June 2009.

On 18 July 2006, the Company entered into an interest rate swap agreement with The Royal Bank of Scotland plc ("RBS") to effectively fix the interest payments under the Series C 2013 Notes at a rate of 6.65% per annum (effectively 8.65% following the debt renegotiations in December 2008).

With effect from 2 August 2007, the Company entered into an interest rate swap agreement with RBS to effectively fix the interest payments under the Series C 2014 Notes at a rate of 5.86% per annum (effectively 7.86% following the debt renegotiation in December 2008).

Issue costs are charged to the revenue account over the term of the Senior Notes.

As part of the debt renegotiations in December 2008, the Company agreed to repurchase 26.7% of each class of the Senior Notes in issue in January 2009 at a cost of £88 million. The financial covenants were also amended, increasing the loan to value threshold from 40% to 55% (not including the valuation of SVG Advisers).

### Convertible Bonds

Non-current liabilities include £99.3 million of 8.25% Convertible Bonds redeeming on 5 June 2016. Further details of the Convertibles are provided in the following table:

	30 June 2009 £'000	31 December 2008 £'000
8.25% Subordinated Convertible Bonds 2016 – nominal	114,950	120,000
Unamortised premium, issue and listing costs	<b>(15,667)</b>	(17,405)
	<b>99,283</b>	102,595

During the period the Company purchased £5.05 million nominal of Convertible Bonds for cancellation at a discount of 50.75% to par value.

As the Bonds are subordinated to the Senior Notes and the loan facility, they are not counted as debt for the purposes of calculating the loan to value covenants for the Senior Notes and loan facility.

The Bonds were issued with a Conversion Price of £10.00. As a result of the Rights Issue, the Conversion Price was amended to £7.28 on 4 February 2009, in accordance with the Terms and Conditions of the Bonds. As a further result of the Placing, the Conversion Price was amended to £6.48 on 10 February 2009.

**11 Capital commitments and contingencies**

	Uncalled commitment (local currency)	Uncalled commitment* £'million
<b>Permira funds</b>		
Permira Europe III	€29.8m	25.4
Permira IV	€202.2m	172.2
P1234	€7.7m	6.6
P25	€6.6m	5.6
SVG Sapphire IV	€3.8m	3.2
		213.0
<b>Other private equity funds</b>		
SV Investments Fund I	\$4.0m	2.4
SV Life Sciences Fund III	\$1.7m	1.0
SV Life Sciences Fund IV	\$25.3m	15.4
The Japan Fund IV	¥1.1bn	6.7
		25.5
<b>Public equity funds</b>		
The Strategic Recovery Fund II	£10.8m	10.8
<b>CLO funds</b>		
Key Capital SVG CLO Equity Fund II	€7.0m	6.0
<b>Private equity funds of funds</b>		
SVG Diamond Private Equity III	€24.8m	21.1
Vintage I	€28.8m	24.5
SVG Asia Fund of Funds	\$36.8m	22.3
Schroder Private Equity Fund of Funds III	€0.4m	0.3
		68.2
<b>Other investments</b>		
SVG India	\$0.6m	0.4
Gaja Fund	\$4.3m	2.6
Warehoused Private Equity Funds		80.6
		83.6
Total		407.1

\* Based on exchange rates at 30 June 2009.

In December 2008 the Company opted to cap its commitment to Permira IV at 60% of the original amount committed, leaving an uncalled commitment of 8.4% (€202 million). Commitments are payable at short notice.

**12 Share capital**

	30 June 2009 £'000	31 December 2008 £'000
Authorised shares of £1.00 each	600,000	200,000
Allotted, called up and fully paid:		
Opening balance	139,070	139,064
Placing	70,000	–
Rights issue	101,338	–
Issue of ordinary shares on exercise of options	–	6
Closing balance	310,408	139,070

During the period the Company issued 171,338,022 ordinary shares following a rights issue and placing. The shares were issued at a price of 100p per share. At 30 June 2009, 310,407,923 (2008: 139,069,901) ordinary shares were in issue.

During the period, no options were granted (2008: nil), no options were exercised (2008: 5,467) and none lapsed (2008: 718,090). At 30 June 2009, 7,555,836 (2008: 7,555,836) options to subscribe for ordinary shares were outstanding.

During the period, no performance shares were granted (2008: 1,318,501), none vested or were exercised (2008: nil) and none lapsed (2008: nil). At 30 June 2009, 2,262,738 (2008: 2,262,738) performance shares to subscribe for ordinary shares were outstanding.

**13 Net asset value per ordinary share ("Shareholders' funds")**

Group	30 June 2009 (unaudited)	30 June 2008 (unaudited)	31 December 2008 (audited)
Basic	153.8p	806.2p	312.2p
Diluted	153.0p	776.3p	308.1p
<b>Company</b>			
Basic	148.6p	790.8p	305.0p
Diluted	147.7p	761.8p	301.0p

Calculation of the net asset values per share are based on Group net assets attributable to equity shareholders of the parent of £477,525,000 (30 June 2008: £1,121,246,000; 31 December 2008: £434,173,000), Company net assets of £461,241,000 (30 June 2008: £1,099,799,000; 31 December 2008: £424,150,000) and on 310,407,923 (30 June 2008: 139,069,901; 31 December 2008: 139,069,901) ordinary shares in issue at the period end.

The consolidated diluted net asset values per share assume that share options and performance shares with a strike price lower than the undiluted net asset value per share are exercised at the balance sheet date. This would result in the issue of 2,262,738 ordinary shares (30 June 2008: 9,640,660; 31 December 2008: 2,262,738) for consideration of £720,000 (30 June 2008: £33,131,000; 31 December 2008: £720,000).

The convertible bonds 2016 are exercisable at a strike price of 648p (2008: 1000p) and are therefore not dilutive.

Therefore, the calculation of the diluted net asset value per share of the Group is based on Group net assets attributable to equity shareholders of £478,245,000 (30 June 2008: £1,154,377,000; 31 December 2008: £434,893,000), Company net assets of £461,961,000 (30 June 2008: £1,132,930,000; 31 December 2008: £424,870,000) and on 312,670,661 (30 June 2008: 148,710,561; 31 December 2008: 141,332,639) ordinary shares in issue at the period end.

**Reconciliation of NAV per share adjusting for the share issue**

The opening NAV per share is not directly comparable to the closing NAV per share because of the significant share issue during the period at a discount to the prevailing NAV per share. The following table illustrates the impact of the share issue on the opening NAV per share:

Group	£'000	Shares in issue	Undiluted NAV per share
Opening shareholders' funds	434,173	139,069,901	312.2p
Net proceeds from rights issue and placing	160,564	171,338,022	93.7p
Opening shareholders' funds adjusted for share issue	594,737	310,407,923	191.6p
Loss attributable to equity shareholders of the parent company	(120,951)	310,407,923	(39.0p)
Other reserve movements during the period (hedging)	3,739	310,407,923	1.2p
Closing shareholders' funds	477,525	310,407,923	153.8p

Group	£'000	Shares in issue	Diluted NAV per share
Opening shareholders' funds – dilutive basis	434,893	141,332,639	308.1p
Unaudited Directors' valuation of SVG Advisers ("SVGA")	56,400	141,332,639	40.0p
	491,293	141,332,639	348.1p
Net proceeds from rights issue and placing	160,564	171,338,022	93.7p
Opening shareholders' funds (incl. SVGA valuation) adjusted for share issue	651,857	312,670,661	208.5p
Loss attributable to equity shareholders of the parent company	(120,951)	312,670,661	(38.7p)
Other reserve movements during the period (hedging)	3,739	312,670,661	1.2p
Closing shareholders' funds (incl. SVGA valuation) – dilutive basis	534,645	312,670,661	171.0p

Analysed as:

Closing shareholders' funds – dilutive basis	478,245	312,670,661	153.0p
Unaudited Directors' valuation of SVG Advisers ("SVGA")	56,400	312,670,661	18.0p
Closing shareholders' funds (incl. SVGA valuation) – dilutive basis	534,645	312,670,661	171.0p

The inclusion of the unaudited Directors' valuation of SVGA is a non-GAAP measure. The SVGA valuation of £56.4 million equates to a diluted NAV per share of 18.0p (2008: 40.0p).

#### 14 Related party transactions

During the period, Nicholas Ferguson, Andrew Williams and Lynn Fordham were members of the Advisory Committees of certain of the Permira funds in which the Company invests. They do not receive fees for these services.

Mr Williams resigned as a Director of the Company on 8 May 2009. Nicholas Ferguson and members of his family and Andrew Williams have an interest in the Carried Interest in respect of certain private equity funds. With the introduction of the Executive Share Option Plan in May 2001, Nicholas Ferguson and Andrew Williams gave up a portion of their entitlement to Carried Interest on existing private equity funds and any entitlement they may have to Carried Interest on certain private equity funds launched after 2001 in return for share options granted by the Company under the Executive Share Option Plan. Nicholas Ferguson and Andrew Williams also participate in the Schroder Ventures Co-Investment Scheme and Schroder Ventures Investments Limited. They have received no new carried interest allocations and made no new commitments since they joined SVG Capital in 2001.

Mr Buffini resigned as a Director of the Company on 6 May 2009. Damon Buffini had an interest in 12,450,000 SVG Capital shares since he has an interest in Permira Holdings Limited, the parent of Permira Capital Limited which owns 12,000,000 SVG Capital shares. In addition Mr Buffini participated directly in the Placing, applying for 450,000 shares. Further, Permira Holdings Limited is a party to an operating agreement with the Company dated 21 March 2005 (more particularly described in a Circular to shareholders dated 24 March 2005) pursuant to which (a) the SVG Capital Group has committed to be the major investor in future funds designed, managed or advised by entities in the Permira Group and during the term of that agreement is entitled to access to such funds; and (b) SVG Capital Group has agreed not to commit to any private equity fund or product for direct investment, other than agreed commitments to other private equity funds and Japan funds, which are not designed, managed or advised by entities in the Permira Group. As a result of Mr Buffini's interest in the Permira entities described above, Mr Buffini did not participate in any decisions relating to commitments made, or which may be made, by the SVG Capital Group to any funds or products designed, managed or advised by entities in the Permira Group.

No other Director has any material interest in any other contract that is significant to the Company's business.

The Company invests in a number of funds for which its subsidiary companies, SVG Advisers Limited ("SVG A") or SVG Investment Managers Limited ("SVG IM"), act as either investment adviser or investment manager and receive fees for their services. The following table details funds managed or advised by SVG IM or SVG A that are also part of SVG Capital's investment portfolio.

Investment	Manager/Adviser	Uncalled commitment £ million	Valuation £ million
<b>Permira feeder vehicles:</b>			
P123	SVG IM/ SVG A	–	33.0
P1234	SVG A	6.6	36.4
P25	SVG A	5.6	23.0
SVG Sapphire IV	SVG A	3.2	1.2
<b>Generalist funds of funds:</b>			
SVG Diamond Holdings	SVG A	–	38.7
SVG Diamond Holdings II	SVG A	–	16.6
SVG Diamond Holdings III	SVG M/ SVG A	21.1	11.4
SVG Asia Fund of Funds	SVG M	22.3	1.3
Schroder PE Fund of Funds III	Schroders/ SVG A	0.3	0.3
Key Capital SVG CLO Equity Fund	Key Capital/ SVG A	–	–
Key Capital SVG CLO Equity Fund II	Key Capital/ SVG A	6.0	–
<b>Other investments:</b>			
SVG India LP	PEIAL*	0.4	7.6
<b>Public equity vehicles:</b>			
SVG UK Focus Fund	SVG IM	–	5.1
SVG Alpha Fund	SVG IM	–	3.0
SVG European Fund	SVG IM	–	4.5
Strategic Equity Capital plc	SVG IM	–	5.8
Strategic Recovery Fund II co-investment	SVG IM	10.8	11.1

\* Private Equity Investment Advisers Limited ("PEIAL") is a joint venture investment advisory company based in Mauritius in which SVG A holds a 50% interest in the equity shares.

At 30 June 2009 the Company had made primary commitments to nine private equity funds that are being warehoused for future product launches. The total net cost of these investments at the period end was £30.2 million, with unfunded commitments of £80.6 million. The assets are held in the balance sheet at £16.6 million.

During the period SVG A received €0.8 million of Diamond I Loan Notes and €0.5 million of Diamond II Loan Notes, as part of its ongoing investment advisory fee arrangements. These Notes were purchased from SVG A by SVG Capital plc at par value on the date of issue, as the holding of investments is the main activity of the parent Company.

In 2007 the Company advanced a loan of £624,000 to SVG Investment Managers Limited which remains outstanding. Interest of 5% per annum is payable on the loan.

SVG Capital receives certain advisory and administrative services from SVG A in return for a fee of 0.5% p.a. of gross assets. The fees payable in respect of these services for the period ended 30 June 2009 amounted to £1.8 million (30 June 2008: £3.6 million).

## 14 Related party transactions continued

SVGA has provided a loan to SVG Capital which amounted to £15.0 million at 30 June 2009 (2008: £15.0 million). A partial repayment of £2.0 million was made in July 2009.

The Company has an investment in KC II, a Dublin-based corporate finance company holding 29.9% of its issued shares of KC II (24.9% on a diluted basis).

The 'Diamond Investment Scheme' was formally executed in 2007. This enabled external Diamond Advisory Committee Members to purchase shares in Diamond I & II from SVG Capital. Likewise, Diamond II shares were made available to SVGA staff. A total of 1,035,000 Diamond I shares were sold at NAV to the Diamond Advisory Committee, of which 285,000 were paid-up and transferred to Committee members by 30 June 2009. A further 3,090,000 Diamond II shares were sold at NAV to staff and Diamond Advisory Committee members, of which 285,000 were paid-up and transferred to Committee members by 30 June 2009. The total amounts receivable by the Company under their Scheme was £3.3 million at 30 June 2009.

During the period the Company received dividends of nil from SVGIM (30 June 2008: £0.4 million) and nil from the Platinum Trust (30 June 2008: £0.02 million). There were no other distributions paid by subsidiaries during the period.

Related party transactions during the period were made on terms equivalent to those that prevail in arm's length transactions.

## 15 Risk

### Financial instruments and risk profile

The Company's primary investment objective is to achieve capital appreciation by investing principally in private equity funds which are managed or advised by Permira, a leading international private equity specialist. These investments are typically illiquid. In addition, the Company holds money market instruments, cash and short-term deposits and various items such as debtors and creditors that arise directly from its operations. These financial instruments held by the Company are generally liquid.

The holding of securities, investing activities and associated financing undertaken pursuant to this objective involves certain inherent risks. Events may occur that would result in either a reduction in the Company's net assets or a reduction of revenue profits available for dividend.

As an investment trust, the Company invests in securities for the long term. The Company has not taken out any derivatives contracts for speculative purposes to date. The Company has entered into interest rate swap agreements referred to in note 10, which are used to hedge against fluctuations in interest rates with respect to the floating rate Senior Notes in issue. In addition, SVG Advisers has entered into forward foreign exchange rate agreements to partially hedge its projected fee stream, which is primarily denominated in euros.

### Financial instruments

#### (a) Financial assets

Group	Floating rate £'000	Fixed rate £'000	Non-interest bearing £'000	Total £'000
Currency denomination of assets at 30 June 2009 (unaudited):				
Sterling	74,666	–	144,784	219,450
Euro	733	4,259	338,768	343,760
US dollar	136,354	–	89,447	225,801
Japanese yen	–	–	53,767	53,767
Singapore dollar	–	–	679	679
Hong Kong dollar	–	–	24,606	24,606
Indian rupee	–	–	22,550	22,550
Canadian dollar	–	–	1,115	1,115
	<b>211,753</b>	<b>4,259</b>	<b>675,716</b>	<b>891,728</b>

Group	Floating rate £'000	Fixed rate £'000	Non-interest bearing £'000	Total £'000
Currency denomination of assets at 31 December 2008 (audited):				
Sterling	17,923	–	98,811	116,734
Euro	3,832	–	451,052	454,884
US dollar	108,872	–	132,861	241,733
Japanese yen	–	–	4,820	4,820
Singapore dollar	–	–	1,695	1,695
Hong Kong dollar	–	–	56,779	56,779
Indian rupee	–	–	18,634	18,634
Canadian dollar	–	–	1,567	1,567
	<b>130,627</b>	<b>–</b>	<b>766,219</b>	<b>896,846</b>

## 15 Risk continued

Non-interest bearing assets represent non-monetary items such as the Group's investment portfolio, warehoused assets and other short-term debtors. Floating rate financial assets consist of cash at bank, short-term deposits and AAA-rated money market funds. Fixed rate financial assets comprise euro-denominated fixed deposits. All financial assets are included at fair value.

### (b) Financial liabilities

The Company repurchased 26.7% of the Senior Notes in issue January 2009 and has £216 million of Notes outstanding at 30 June 2009.

The Company issued £120 million of subordinated convertible bonds in June 2008. During the period the Company repurchased £5 million nominal of the convertibles leaving £115 million nominal outstanding at the balance sheet date.

The Company also has a loan facility of €550 million with The Royal Bank of Scotland plc, The Bank of Scotland plc and Bayerische Hypo-und Vereinsbank AG. At 30 June 2009 the loan facility was €100 million (£85 million) drawn. In addition to financial liabilities, the Company also has uncalled fund commitments of £407 million as at 30 June 2009, which are discussed below as part of commitment risk.

Financial liabilities also included the fair value of currency contracts and interest rate swaps that are 'out of the money'.

The level of borrowing will impact on the Group's performance by amplifying the effect of movements in the valuation of the investment portfolio.

It should also be noted that fund investments and underlying investee companies may also utilise borrowings to varying degrees. This is particularly the case with respect to collateralised loan obligation ("CLO") funds and structured private equity funds of funds, which are highly leveraged vehicles.

Currency denomination of financial liabilities of the Group:

	30 June 2009 £'000 (unaudited)	31 December 2008 £'000 (audited)
Sterling	143,213	159,021
Euro	111,451	38,280
US dollar	156,740	237,533
	<b>411,404</b>	<b>434,834</b>

Gross contractual cash flows\* (cumulative interest and principal amounts) payable on the long-term liabilities of the Company and Group are as follows:

	30 June 2009 £'000 (unaudited)	31 December 2008 £'000 (audited)
Loan facility – current	85,172	–
Senior Notes due 18 July 2013	126,378	186,886
Senior Notes due 18 July 2014	128,280	188,753
Senior Notes due 18 July 2015	56,661	71,678
Convertible Bonds due 5 June 2016	181,334	194,250
	<b>577,825</b>	<b>641,567</b>

\* Based on exchange rates at each period-end and allowing for interest rate swaps.

## Risks

The main risks arising from the Company's financial instruments are considered to be commitment risk and valuation risk. The Board reviews and agrees policy for managing these and other risks as summarised below. The Directors consider that the risks faced by the Group are primarily those faced by the Company.

### Commitment/liquidity risk

The nature of investing in buy-out and development capital funds entails making significant financial commitments. At 30 June 2009, the Group had significant uncalled commitments of £407.1 million (2008: £492.8 million), compared to Shareholders' funds of £477.5 million (2008: £434.2 million).

It is anticipated that over the longer term, and in normal circumstances, commitments would be financed by available cash resources and distributions received on the realisation of existing investments, although in the current market environment it is not anticipated that there will be significant realisations from the investment portfolio in the short term. In addition, the Group has a €550 million loan facility at 30 June 2009, of which €100 million has been drawn, that could be drawn on to meet commitments as they fall due. It should be noted that the loan facility is subject to financial covenants and therefore the ability to access the facility could be restricted if asset values are insufficient to ensure compliance with the 50% loan to value threshold (including the unaudited value of SVG Advisers). Hence, a residual risk remains that the Group could be unable to meet its future commitments in full. If as a consequence of a failure to pay a call, the Company is treated as a defaulting investor to the relevant Fund, it will suffer a resultant dilution in interest and possibly the compulsory sale of its interest. In December 2008 the Company agreed to reduce its commitment to Permira IV. The total direct commitment by the Company to Permira IV was €2.4 billion, of which 51.6% had been called. The Company elected to cap its commitment at 60% of the total, resulting in an uncalled commitment of €202 million which will only be called to finance follow-on investments and fees. The terms of these arrangements require that future distributions from the realisation of portfolio companies receivable by those investors in Permira IV that elected to cap their commitments will be reduced by 25%, such benefit to accrue to the Limited Partners that did not elect to cap their uncalled commitments.

The Company's loan facility expires in March 2011 and there is a risk that it might not be extended or replaced by an alternative facility. The Senior Notes in issue mature between July 2013 to July 2015 (see note 11). The Convertible Bonds are repayable in 2016 (see note 11).

The Board manages liquidity risk by regularly and rigorously reviewing cash flow forecasts and available funding options. Commitments to fund investments are reviewed by the Investment Committee and approved by the Board.

## 15 Risk continued

### Valuation/market price risk

The Company's exposure to valuation risk comprises mainly movements in the value of its underlying investments. A breakdown of the Fund portfolio is given on pages 15 and 17 and a detailed analysis of the 20 largest underlying companies is given on pages 12 to 14. In accordance with the Company's accounting policies, all underlying investments are valued at fair value by the Directors in accordance with the current International Private Equity and Venture Capital ("IPEVC") Valuation Guidelines. The IPEVC Guidelines contain detailed methodology setting out best practice with respect to valuing unquoted investments. It should be noted that a large proportion of the Company's underlying investee companies are expected to be unquoted and therefore the valuation of such companies involves exercising judgement. The Company does not hedge against movements in the value of these investments. Uncertainty arises as a result of future changes in the valuation of the Company's underlying investments, the majority of which are unquoted, and the effect changes in exchange rates may have in the sterling value of these investments. Development-stage equity investments and early-stage equity investments, by their nature, involve uncertainty as to the ultimate value likely to be realised on the disposal of those investments, particularly as their unquoted nature means that a ready market may not exist for them. As an indication of the valuation risk facing the Company, at 30 June 2009 the Group suffered losses on its investment portfolio totalling £117.0 million (2008: loss of £814.0 million).

The Company's sensitivity to valuation risk will be affected by changes in the Company's levels of borrowing and liquidity, as approved by the Board. It will also be affected by leverage in the funds in which we invest and the local currency denomination of such funds, which is considered separately under currency risk.

At 30 June 2009, a 10% movement in the valuation of the Group's aggregate investments designated as fair value through profit and loss would result in a 13.5% change in Shareholders' funds (31 December 2008: 17.3%).

Valuation risk will be affected by leverage in the underlying investee companies. A sensitivity analysis has been performed on the valuations of the 20 largest underlying investee companies, which had an aggregate valuation (before providing for carried interest) of £518.7 million or 90.0% of the gross private equity portfolio valuation (2008: £568.9 million or 91.3%), the results of which are set out in the table below.

	Fair value £'million	Hypothetical fair value (10% uplift)* £'million	Hypothetical fair value (10% write – down)* £'million
<b>30 June 2009 (unaudited)</b>			
<b>Gross valuation of 20 largest investee companies</b>	518.7	678.1	360.9
<b>Change in valuation/effect on income</b>		+30.7%	–30.4%
31 December 2008 (audited)			
Gross valuation of 20 largest investee companies	568.9	754.0	388.8
Change in valuation/effect on income		+32.6%	–31.6%

\* All investments are included in the balance sheet at fair value. Quoted companies are valued based on market prices and recently acquired unquoted investments may be carried at cost. For such investments, a 10% movement in the valuation basis will have a 10% impact on fair value. For unquoted investments valued on a different basis, such as earnings-related, a 10% movement in the earnings of the investee company will not necessarily result in a 10% change in fair value because of other factors such as the level of debt utilised by the investee companies.

The Board manages valuation risk by reviewing and approving the valuation of the private equity fund portfolio.

### Holdings risk

In certain circumstances, the Company may wish to transfer its holdings in particular funds. In a majority of the funds in which the Company will invest, the general partner, trustee or manager has the ultimate right, similar to that exercisable by a board of a private company, to refuse to register the transfer of an interest. While the Company has no reason to believe that any request for the transfer of an interest would be refused, it is of course conceivable that the general partner's, trustee's or manager's overriding fiduciary duty could result in its refusing to register a particular transfer proposed by the Company.

### Concentration risk

The Directors believe that the diversified nature of the underlying investments in the Company's private equity fund portfolio reduces the risks normally associated with making investments in the buy-out and development capital markets. However, it should be noted that, in accordance with its stated investment objective, the Company intends to focus its investments principally in private equity funds that are managed or advised by Permira.

There is a large degree of uncertainty and risk involved in investing in private equity and the Group's results are primarily dependent on the performance of its private equity fund investments. During the six months ended 30 June 2009, Group losses on investments amounted to £117.0 million. The Company has previously announced that it will focus its future investments mainly on Permira Funds. As such, and given that our largest exposures currently are to Permira Funds, we expect that the future performance of the Company will be largely dependent on the future performance of the Permira Funds in which we invest. Investors should be aware that greater concentration of the investment portfolio presents a risk as well as an opportunity.

## 15 Risk continued

### Interest rate risk

The Company's revenue will be affected by changes in prevailing interest rates since a large portion of its income ordinarily derives from money market instruments and bank deposit interest. It also pays interest on its Senior Notes, Convertible Bonds and drawings on the loan facility that may be taken out from time to time.

The Company's primary objective is to achieve capital returns from its investments and, as such, the main exposure to interest rate risk is indirect, through its impact on the valuation of the private equity funds, although it is not possible to quantify such effects. Interest rates are one of the key determinants of economic growth. At a more specific level, interest rates and credit spreads also have an important role in the ability of private equity funds to secure profitable deals, as many transactions are partly financed by debt. The effect of interest rate changes on the valuation of investments and debt forms part of valuation risk, which is considered separately.

At 30 June 2009, the Company held investments in AAA-rated money market funds valued at £199.0 million (2008: £111.4 million), earning interest at market rates. The money market funds are redeemable on less than 24 hours' notice. Other floating rate financial assets comprised cash at bank or short-term deposits.

At 30 June 2009, the Company had £216.0 million of Senior Notes in issue, £99.3 million of Convertible Bonds and drawings on the loan facility amounting to £85.2 million. Interest rate risk on the Senior Notes and the Bonds is mitigated as the Bonds and most of the Notes pay fixed rates of interest and swap agreements have been taken out with respect to the floating rate notes. Taking account of changes to interest costs following the debt renegotiations in December 2008, the weighted average interest rate payable on the Notes and the swaps amounted to 8.7% at 30 June 2009. The timing of the cash flows in respect of the interest rate swaps exactly matches those of the floating rate notes that are being hedged. All interest payments on the Senior Notes are effectively fixed and the Company considers that the swaps are effective in providing a hedge against interest rate risk. The fair value of the interest rate swaps included in the balance sheet amount to a liability of £887,000 at 30 June 2009 (2008: liability of £846,000) and have been valued by The Royal Bank of Scotland plc, the swap counterparty. A sensitivity analysis has not been included as a majority of interest costs are at fixed rates and interest income is not a material contributor to returns.

### Credit risk

There are no significant concentrations of credit risk within the Group unless otherwise disclosed. The Group is subject to credit risk on its cash and cash equivalents. The maximum credit risk exposure relating to cash and cash equivalents is represented by carrying value as at the balance sheet date. The Company's cash and deposits are held with a variety of counterparties with a credit rating of AA or better. Cash equivalents at the period end comprised money market funds with a variety of counterparties, each fund having a credit rating of AAA.

The Company has a loan facility of €550 million with The Royal Bank of Scotland plc, The Bank of Scotland plc and Bayerische Hypo-und Vereinsbank AG. At 30 June 2009 the loan facility was €100 million drawn. The ability of the Company to make drawings on the facility depends on the credit-worthiness of the banks providing the facility.

The Group is also subject to counterparty risk with respect to its interest rate swaps and forward foreign exchange rate agreements.

### Currency risk

The Company is exposed to currency risk directly since the majority of its assets and liabilities are denominated in foreign currency and their sterling value can be significantly affected by movements in foreign exchange rates. The Company does not normally hedge against foreign currency movements affecting the value of its investments, but takes account of this risk when making investment decisions. The Company has a €550 million loan facility which, if drawn, would act as a hedge against the currency risk on the value of its euro-denominated assets. The facility was €100 million drawn at 30 June 2009. The Company also has Senior Notes of US\$253 million and €29 million, respectively, which act as a partial hedge against assets denominated in those currencies. At 30 June 2009 the Company held cash equivalents of US\$224 million, which partially offset the US dollar exposure to the Senior Notes. The Group has also entered into forward foreign exchange contracts to mitigate against movements in exchange rates. These contracts are primarily to provide a cash flow hedge against euro-denominated investment management and advisory fees receivable by subsidiary companies in 2009 and 2010. The total outstanding under such contracts at 30 June 2009 amounted to a sale of €31 million in exchange for £25 million. A fair value gain for the period of £3.8 million was taken to equity in respect of these contracts as a result of the depreciation of euro against sterling.

A sensitivity analysis has been performed on the portfolio valuations on the effect of exchange rate fluctuations on the value of shareholders' funds, the results of which are set out in the table below.

	Equity shareholders' funds £ million	Hypothetical value (10% £ depreciation) £ million	Hypothetical value (10% £ appreciation) £ million
<b>30 June 2009 (unaudited)</b>			
<b>Equity shareholders' funds</b>	477.5	518.3	436.7
<b>Change in shareholders' funds/effect on income</b>		+8.5%	-8.5%
<b>31 December 2008 (audited)</b>			
Equity shareholders' funds	432.4	482.5	382.2
Change in shareholders' funds/effect on income		+11.6%	-11.6%

**16 Reconciliation of operating profit to net cash inflow from operating activities**

Group	As at 30 June 2009 £'000 (unaudited)	As at 30 June 2008 £'000 (unaudited)	Year ended 31 December 2008 £'000 (audited)
<b>Loss before tax</b>	<b>(120,876)</b>	<b>(186,734)</b>	<b>(862,463)</b>
Adjustments for:			
Losses on investments	117,046	194,095	814,016
Exchange losses/(gains) on other items	(12,254)	(12,069)	38,821
Finance costs	18,706	11,630	32,277
Depreciation of property, plant and equipment	342	180	795
Share option expense	–	1,749	(1,868)
Operating cash flows before movements in working capital	2,964	8,851	21,578
(Increase)/decrease in receivables	(2,008)	(1,483)	29,266
(Decrease)/increase in payables	(1,063)	1,292	(31,411)
Cash generated by operations	(107)	8,660	19,433
Taxes paid	(449)	(178)	(109)
Interest paid	(22,245)	(8,920)	(24,420)
<b>Net cash (used in)/from operating activities</b>	<b>(22,801)</b>	<b>(438)</b>	<b>(5,096)</b>

## Company

<b>Loss before tax</b>	<b>(124,472)</b>	<b>(194,213)</b>	<b>(868,439)</b>
Adjustments for:			
Losses on investments	117,108	193,970	813,758
Exchange losses/(gains) on other items	(13,342)	(11,127)	39,280
Finance costs	19,019	11,594	34,115
Operating cash flows before movements in working capital	(1,687)	224	18,714
(Increase)/decrease in receivables	(35)	120	1,795
(Decrease)/increase in payables	1,092	(66)	(2,640)
Cash generated by operations	(630)	278	17,869
Interest paid	(22,244)	(8,921)	(25,649)
Taxes recovered	3,304	981	3,120
<b>Net cash (used in)/from operating activities</b>	<b>(19,570)</b>	<b>(7,662)</b>	<b>(4,660)</b>

Purchases and sales of investments are considered to be investing activities rather than operating activities.

**17 Ten largest fund investments (by value)**

	Manager/Adviser	2009 £'000	2008 £'000
Permira IV	Permira	228,928	282,632
Permira Europe III	Permira	88,967	99,974
Permira Europe II	Permira	62,506	61,938
SVG Diamond	SVGA	38,692	50,806
P1234	SVGA	36,390	42,002
P123	SVGA	32,956	37,142
P25	SVGA	22,970	30,948
SVG Diamond II	SVGA	16,645	29,967
Vintage I	Mizuho	14,039	21,822
SV Life Sciences Fund IV	SV Life Sciences Advisers	13,528	12,111
		<b>555,621</b>	<b>669,342</b>

## The Company

SVG Capital plc is a private equity investor and fund management business listed on the London Stock Exchange. SVG Capital plc carries on business as an investment trust. Investment trust companies are able to switch investments without liability for capital gains tax. This, together with the advantages of professional management and spread of risk, makes investment trusts a valuable investment medium.

The Company carries on business as an investment company within the meaning of Section 833 of the Companies Act 2006.

In order to obtain exemption from capital gains tax the Company conducts itself with a view to continuing as an approved investment trust for the purposes of Section 842 of the United Kingdom Income and Corporation Taxes Act 1988 (as amended). The Company is not a close company for taxation purposes.

## Information for shareholders

The Company's shares are listed on the London Stock Exchange. The stock exchange code for the shares is SVI. The price of the shares is quoted daily in the Financial Times, the Daily Telegraph and The Times.

The net asset value is calculated at 30 June and 31 December each year following an extensive valuation procedure. Due to the nature of the Company's investments, it is not practical to publish the net asset value on a more frequent basis.

A factsheet containing information including the diversification of the portfolio and the Company's largest investments is published quarterly and is available on request from the Company Secretary.

## Capital gains tax information

For disposals of shares in the 2009/2010 tax year, the annual capital gains (after adjusting for indexation and taper relief) of private individuals in excess of £10,100 are assessed for capital gains tax at the individual's marginal tax rate. Capital gains on shares disposed of by individuals may be eligible for taper relief. The taper reduces the amount of a chargeable gain according to how long the asset has been held for periods after 5 April 1998. Where shares were acquired before 6 April 1998, the capital gain will also be reduced by indexation allowance for the period up to April 1998, but not thereafter.

For the benefit of those shareholders who acquired their holdings in exchange for their interests in Schroder Ventures' funds, the acquisition cost of the shares for capital gains tax purposes based upon initial dealings on 23 May 1996 was as follows:

Each ordinary share of £1.00: £1.915

## Registrar services and E-communications for shareholders

Communications with shareholders are mailed to the address held on the share register. Any notifications and enquiries relating to registered share holdings, including a change of address or other amendment should be directed to Equiniti Registrars at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The helpline telephone number of Equiniti Registrars is 0871 384 2776 (calls to this number are charged at 8p per minute from a BT landline. Other telephone providers' charges may vary).

SVG Capital would like to encourage shareholders to receive shareholder documents electronically, via our website or by email notification instead of hard copy format.

This is a faster and more environmentally friendly way of receiving shareholder documents.

The online 'Shareview' service from our registrar, Equiniti, provides all the information required regarding your shares.

Its features include:

The option to receive shareholder communications electronically instead of by post

Direct access to data held for you on the share register including recent share movements and dividend details

The ability to change your address or dividend payment instructions online

To receive shareholder communications electronically in future, including all reports and notices of meetings, you just need the 'shareholder reference' printed on your proxy form or dividend notices, and knowledge of your registered address.

Please register your details free on:  
[www.shareview.co.uk/0870 601 5366](http://www.shareview.co.uk/0870 601 5366)

Should you require further information, please visit:  
[www.svgcapital.com/investors/ecommunications](http://www.svgcapital.com/investors/ecommunications)  
or contact [investorrelations@svgcapital.com](mailto:investorrelations@svgcapital.com)/020 7010 8900

**Head office**

61 Aldwych  
London WC2B 4AE  
Telephone 020 7010 8900  
Fax 020 7010 8950  
www.svgcapital.com

**Secretary and registered office**

Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA  
Telephone 020 7658 3206

**Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**Bankers**

The Royal Bank of Scotland plc  
Corporate Banking Office  
5–10 Great Tower Street  
London EC3P 3HX

Bank of Scotland  
Level 7  
Bishopsgate Building  
155 Bishopsgate  
London EC2M 3YB

**Registrar for ordinary shares**

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
Telephone 0871 384 2776\*

\*Calls to this number are charged at 8p per minute from a BT landline.  
Other telephone providers' costs may vary.  
website [www.shareview.co.uk](http://www.shareview.co.uk)

**Solicitors**

Slaughter and May  
One Bunhill Row  
London EC1Y 8YY

**Brokers and financial advisers**

J.P. Morgan Cazenove  
20 Moorgate  
London EC2R 6DA

Numis Securities  
The London Stock Exchange Building  
10 Paternoster Square  
London EC4M 7LT

SVG Capital plc  
Head office  
61 Aldwych  
London WC2B 4AE  
Telephone 020 7010 8900  
Fax 020 7010 8950  
[www.svgcapital.com](http://www.svgcapital.com)



This report has been printed on paper which contains 50% recycled fibres, the balance being FSC certified pulp. It is manufactured to ISO14001 standards and uses the ECF process.  
Designed and produced by Radley Yeldar (London) [www.ry.com](http://www.ry.com)