

---

## Press Release

For immediate release 28 August 2009

### **Interim results for the six months ended 30 June 2009**

---

#### **Signs of stabilisation in underlying portfolio performance**

##### Highlights:

- Underlying portfolio performance stabilising - valuation of the portfolio down by approximately 5% in local currency. Positive impact of write-ups and public markets outweighed by some softness in earnings - especially in the more cyclical businesses
- Overall valuation of investments impacted by the significant negative effect of foreign exchange on translation to sterling, which accounted for approximately £80 million of the £116 million decline
- 30 June 2009 NAV of £534.6 million – 171p per share – a fall of 18%\* (including the 31 December 2008 unaudited Directors' valuation of SVG Advisers)
- Shareholders' funds declined to £477.5 million – 153p per share (excluding the 31 December 2008 unaudited Directors' valuation of SVG Advisers)
- Permira continues to work closely with management teams in addressing the challenges caused by the downturn, with many already reporting the benefits of strategic and cost saving initiatives in addition to a number taking market share from competitors
- Balance sheet strengthened significantly with the successful closing of the Rights Issue and Placing
- Strategic review completed – near to medium term goal of maximising shareholder value by focusing on maintaining and improving the strength of the balance sheet:
  - Longer term will offer investors flexibility between reinvestment and return of capital, once sufficient distributions received
  - No new commitments will be made to third-party funds until SVG Capital is in a position to offer shareholders a return of capital
  - Permira relationship continues; Permira fund holdings currently represent 72% of total investments
  - Company to further improve the efficiency and scalability of SVG Advisers
  - Separate management structure for SVG Capital and SVG Advisers – Lynn Fordham appointed CEO of SVG Capital and Tony Dalwood CEO of SVG Advisers

- SVG Advisers' funds and commitments under management unchanged at €4.2 billion. Profit before tax and exceptional costs of £6.1 million - full impact of significant cost saving initiatives implemented in the first half will feed through to the bottom line in 2010

Lynn Fordham, CEO of SVG Capital, commented: "A rebalancing of our investment portfolio towards more mature investments has occurred over the last 12 months as a result of the decline in valuations in some of our larger investments. Many of the more mature investments have performed well, demonstrating their defensive qualities despite the difficult market environment. More generally, we are encouraged by the fact Permira is starting to see some signs of stabilisation in its underlying portfolios.

"With a stronger balance sheet underpinning SVG Capital, we are now looking to the future to ensure that we deliver on our strategy and maximise shareholder value. I look forward to working with the team and our advisers in refining the Company's strategy, maintaining close relationships 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."

**For further information, please contact:**

**SVG Capital plc**  
Lynn Fordham  
Alice Kain  
Charlotte Edgar

**020 7010 8900**

**Penrose**  
Andrew Nicolls  
Leone Lewis

**020 7786 4888**

Copies of the press release and other corporate information can be found on the company website at:  
<http://www.svgcapital.com>

This unaudited preliminary announcement does not constitute the full Interim Report for 2009. The Interim Report will be posted to shareholders in October 2009.

Forward-looking statements - The preliminary announcement contains certain forward-looking statements with respect to the portfolio of investments of SVG Capital and the operation of its subsidiaries. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this announcement should be construed as a profit forecast.

\*For comparative purposes the opening NAV per share of 348.1p 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

## Chairman's statement – June 2009

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>1</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>2</sup> net assets per share declining by 18% to 171p (including the 31 December 2008 unaudited Directors' valuation of SVG Advisers of 18p<sup>3</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

---

<sup>1</sup> FX estimate based on reanalysing fund currency movements in sterling, with further adjustments for material underlying UK portfolio companies

<sup>2</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>3</sup> Equivalent to the previously reported value of 40.0p at 31 December 2008, prior to the Rights Issue and Placing

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.

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.

## **Chief Executive's statement - June 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:

- 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.

## **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.

## Financial review

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>4</sup>
Other reserve movements	3,739	312,671	1.2p
<b>30 June 2009 NAV</b>	<b>534,645<sup>5</sup></b>	<b>312,671</b>	<b>171.0p<sup>6</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 £22.5 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, we held this cash 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.

<sup>4</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>5</sup> Includes unaudited valuation of SVG Advisers of £56.4 million.

<sup>6</sup> Includes unaudited valuation of SVG Advisers of 18.0 pence per share.

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>7</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 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>7</sup> FX estimate based on reanalysing fund currency movements in sterling, with further adjustments for material underlying UK portfolio companies

## Portfolio review – June 2009

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>8</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>9</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.

---

<sup>8</sup> By value

<sup>9</sup> Based on 30 June 2009 fully diluted shares in issue of 312,670,661

## Major portfolio movements

Company	30 June 2009 valuation (ii)£'000	Proceeds in six months £'000	31 December 2008 valuation (ii)£'000	Change in the six months (i)£'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	51,094	-	78,646	(27,552)

(i) including Permira feeder vehicles

(ii) 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)	31 December 2008 % (by value)
Written down – earnings*	48	51
Earnings	29	28
Quoted	13	10
Written down	5	6
Cost	3	1
Third-party	2	4

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

The weighted average multiple used to value the portfolio increased by 10% to 10.2x from 9.2x. The weighted average illiquidity discount was 17.2%.

## 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)	31 Dec 2008 % (by value)	*Cost
Global	45	48	45
Continental Europe	25	28	27
UK	18	15	15
Asia	8	5	11
North America	4	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)	31 Dec 2008 % (by value)	*Cost
Chemicals	23	21	20
Electronics and communications	22	20	16
Retail	19	26	18
Consumer	15	15	8
Leisure	8	5	17
Medical/health	5	4	2
Financial	4	5	3
Media	2	2	12
Other services	1	2	3
Other manufacturing	1	-	1

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

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

	Write-downs	Cost	Quoted	Earnings	Earnings (below cost)	Third party	TOTAL
1999 & before	-	-	4.0	-	-	-	4.0
2000	1.9	-	0.7	-	-	0.3	2.9
2001	-	-	0.1	10.7	-	-	10.8
2002	0.3	-	6.1	-	-	-	6.4
2003	0.3	-	5.7	4.3	4.4	0.4	15.1
2004	0.4	0.3	28.5	68.1	1.7	3.7	102.7
2005	0.6	0.7	-	64.2	-	0.4	65.9
2006	0.2	0.5	-	17.4	86.1	5.7	109.9
2007	1.6	3.9	30.2	0.3	86.1	3.2	125.3
2008	25.4	3.0	-	-	96.5	0.8	125.7
2009	-	7.4	-	-	-	-	7.4
TOTAL	30.7	15.8	75.3	165.0	274.8	14.5	576.1

Year of original investment in underlying companies

### *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.

#### *Private equity funds of funds portfolio*

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

### **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.

#### *Public equity funds portfolio*

<b>Six months to 30 June 2009</b>	<b>£ million</b>
Opening valuation	19.5
Calls paid	2.8
Distributions received	-
Increase in value of portfolio	<u>7.2</u>
Closing portfolio	<u>29.5</u>

### **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.

#### *Warehoused assets*

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

### 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.

#### Other investments

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

### 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
			<hr/> 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
			<hr/> 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
			<hr/> 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

### Warehoused private equity fund investments

- €-denominated	€28.5	€81.5	69.4
- \$-denominated	US\$11.5	US\$18.5	11.2

### Total

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>10</sup> of distributions received in the period.

### Return on investments

	Six months to 30 June 2009 £ millions	12 months to 31 December 2008 £ millions
Opening valuation	756.2	1,347.1
Calls payable	31.0	570.1
Distributions received	** (8.5)	* (348.8)
	<u>778.7</u>	<u>1,568.4</u>
Return on investments	(115.9)	(812.2)
Closing portfolio***	<u>662.7</u>	<u>756.2</u>

\* including £2.7 million of income

\*\* including £1.2 million of income

\*\*\* including £16.6 million of warehoused funds (2008: £15.0 million)

<sup>10</sup> Including £1.2 million of income

## 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.

### Arysta LifeScience (Japan)

Company	£000's
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.

### TDC (Denmark)

Company	£000's
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.

### **Valentino Fashion Group/Hugo Boss (Italy)**

Company	£000's
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.

### **Acromas (The AA & Saga) (UK)**

Company	£000's
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.

### **Birds Eye iglo (UK)**

Company	£000's
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.

### **Provimi (The Netherlands)**

Company	£000's
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.

### **Freenet/debitel (Germany)**

Company	£000's
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.

### **Legico (Luxembourg)**

Company	£000's
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.

### **Galaxy (Greater China)**

Company	£000's
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.

### **New Look (UK)**

Company	£'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.

### **Freescale (USA)**

Company	£000's
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.

### **Telepizza (Spain)**

Company	£000's
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.

### **All3Media (UK)**

Company	£000's
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.

### **Cognis Group (Germany)**

Company	£'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.

**Sisal (Italy)**

Company	£'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.

**Marazzi (Italy)**

Company	£000's
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.

### **NDS (UK)**

Company	£'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.

### **Maxeda (The Netherlands)**

Company	£'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.

### **Strides Arcolab (India)**

Company	£'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.

### **Seat Pagine Gialle (Italy)**

Company	£'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.

## Consolidated income statement (unaudited)

	For the six months ended 30 June 2009			For the year ended 31 December 2008			
	Notes	Revenue return £'000	Capital return £'000 (unaudited)	Total £'000	Revenue return £'000	Capital return £'000 (audited)	Total £'000
Losses on investments - at fair value through profit and loss		-	(117,046)	(117,046)	-	(814,016)	(814,016)
Exchange gains/(losses) on other items		35	12,219	12,254	403	(39,224)	(38,821)
		<b>35</b>	<b>(104,827)</b>	<b>(104,792)</b>	<b>403</b>	<b>(853,240)</b>	<b>(852,837)</b>
<b>Operating income</b>							
Income from investment advisory services		14,398	-	14,398	28,448	-	28,448
Investment income		1,714	-	1,714	11,191	-	11,191
Other operating income		56	-	56	1,236	-	1,236
Total operating income	4	<b>16,168</b>	-	<b>16,168</b>	<b>40,875</b>	-	<b>40,875</b>
<b>Operating expenses</b>							
Administrative expenses		(13,574)	-	(13,574)	(17,743)	-	(17,743)
Other operating expenses		-	28	28	-	(481)	(481)
Total expenses	4	<b>(13,574)</b>	<b>28</b>	<b>(13,546)</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>23,132</b>	<b>(481)</b>	<b>22,651</b>
Finance costs	5	(20,649)	1,943	(18,706)	(32,277)	-	(32,277)
<b>Loss before tax</b>	4	<b>(18,020)</b>	<b>(102,856)</b>	<b>(120,876)</b>	<b>(8,742)</b>	<b>(853,721)</b>	<b>(862,463)</b>
Tax		(361)	294	(67)	(1,659)	(239)	(1,898)
<b>Loss for the period</b>		<b>(18,381)</b>	<b>(102,562)</b>	<b>(120,943)</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)	(10,404)	(853,959)	(864,363)
Minority interest		8	-	8	3	(1)	2
<b>Earnings per share</b>							
From continuing activities							
Basic	6			<b>(46.3p)</b>			(621.5)p
Diluted	6			<b>(46.3p)</b>			(621.5)p

## Consolidated statement of comprehensive income (unaudited)

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

## Consolidated statement of changes in equity (unaudited)

	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</b>										
<b>30 June 2009</b>										
<b>(unaudited)</b>										
<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>
Loss for the period	-	-	(18,389)	(102,562)	-	-	-	(120,951)	8	(120,943)
Other comprehensive income	-	-	-	-	3,739	-	-	3,739	-	3,739
<b>Total comprehensive income</b>	<b>139,070</b>	<b>142,001</b>	<b>(8,202)</b>	<b>(70,152)</b>	<b>(1,188)</b>	<b>5,448</b>	<b>109,984</b>	<b>316,961</b>	<b>138</b>	<b>317,099</b>
Dividends	-	-	-	-	-	-	-	-	(7)	(7)
Issue of shares	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>

## For the year ended 31 December 2008 (audited)

<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)
<b>Total comprehensive income</b>	<b>139,064</b>	<b>141,980</b>	<b>19,226</b>	<b>32,410</b>	<b>(4,927)</b>	<b>7,267</b>	<b>95,258</b>	<b>430,278</b>	<b>106</b>	<b>430,384</b>
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>

## Consolidated balance sheet (unaudited)

	Notes	As at 30 June 2009 (unaudited) £'000	As at 31 December 2008 (audited) £'000
<b>Non-current assets</b>			
Property, plant and equipment		2,462	1,139
Investments designated as fair value through profit and loss		646,104	741,112
Deferred tax asset		1,710	2,583
		<b>650,276</b>	<b>744,834</b>
<b>Current assets</b>			
Financial assets		16,620	15,039
Other receivables		11,527	10,914
Tax recoverable		1,465	1,000
Cash and cash equivalents		216,012	130,627
		<b>245,624</b>	<b>157,580</b>
<b>Total assets</b>		<b>895,900</b>	<b>902,414</b>
<b>Current liabilities</b>			
Other payables		(102,902)	(32,372)
Tax payable		-	-
		<b>(102,902)</b>	<b>(32,372)</b>
<b>Total assets less current liabilities</b>		<b>792,998</b>	<b>870,042</b>
<b>Non-current liabilities</b>			
Senior Notes	7	(216,043)	(332,239)
Convertible bonds	7	(99,283)	(102,595)
Deferred staff compensation		-	(628)
Deferred tax liability		(16)	(277)
		<b>(315,342)</b>	<b>(435,739)</b>
<b>Net assets</b>		<b>477,656</b>	<b>434,303</b>
<b>Equity</b>			
Called up share capital	8	310,408	139,070
Share premium account		131,227	142,001
Capital redemption reserve		3,204	3,204
Share purchase reserve		92,054	92,054
Share option reserve		5,448	5,448
Convertible bonds - equity		14,106	14,726
Hedge reserves		(1,188)	(4,927)
Capital reserve		(69,532)	32,410
Revenue reserve		(8,202)	10,187
<b>Shareholders' funds</b>		<b>477,525</b>	<b>434,173</b>
Minority interest		131	130
<b>Total equity</b>	4	<b>477,656</b>	<b>434,303</b>
<b>Net asset value per ordinary share</b>			
- undiluted	9	<b>153.8p</b>	312.2p
- diluted	9	<b>153.0p</b>	308.1p

## Consolidated cash flow statement (unaudited)

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

## Notes

### 1 General information

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 preliminary results for the six months ended 30 June 2009 are unaudited. The financial information included in this statement does not constitute the Group's statutory accounts within the meaning of Section 435 of the Companies Act 2006.

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

The information given as comparative figures for the year ended 31 December 2008 does not constitute the Company's statutory accounts for that financial year. 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 498 (2) or (3) of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2008 has been delivered to the Registrar of Companies.

This statement was approved by the Board of Directors on 27 August 2009.

### 2 Accounting policies

In preparing the financial information included in this statement the Group has applied policies which are consistent with those applied in the Group's most recent annual financial statements.

### 3 Dividends

	<b>For the year ended 30 June 2009 (unaudited) £'000</b>	<b>For the year ended 31 December 2008 (audited) £'000</b>
Amounts recognised as distributions in the period:		
Dividend of 0.0p (2008: 6.5p)	-	9,039

#### 4 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, an 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. 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 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.

<b>Six months ended 30 June 2009 (unaudited)</b>	<b>Investing activities £'000</b>	<b>Investment management and advisory services £'000</b>	<b>Eliminations £'000</b>	<b>Consolidated £'000</b>
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)	<b>(2,134)</b>	<b>5,086</b>	<b>(330)</b>	<b>2,622</b>
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	<b>861,268</b>	<b>34,632</b>	<b>-</b>	<b>895,900</b>
Total liabilities	<b>(409,871)</b>	<b>(8,373)</b>	<b>-</b>	<b>(418,244)</b>
Intra-group (liabilities)/assets	<b>(10,676)</b>	<b>10,676</b>	<b>-</b>	<b>-</b>
Net assets	<b>440,721</b>	<b>36,935</b>	<b>-</b>	<b>477,656</b>

## 5 Finance costs

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

## 6 Earnings per share

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

	For the six months ended 30 June 2009 (unaudited) £'000	For the year ended 31 December 2008 (audited) £'000
Loss for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	<b>(120,951)</b>	(864,363)
Effect of dilutive potential ordinary shares	n/a	n/a
Loss for the purposes of diluted earnings per share	<b>(120,951)</b>	(864,363)
	<b>Number</b>	<b>Number</b>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>261,469,384</b>	139,067,257
Effect of dilutive potential ordinary shares	n/a	n/a
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>261,469,384</b>	139,067,257
Earnings per share		
Basic	<b>(46.3p)</b>	(621.5p)
Diluted	<b>(46.3p)</b>	(621.5p)

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

## 7 Borrowings

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 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. At 30 June 2009 the balance outstanding on the loan facility amounted to £85.2 million and is included in the balance sheet under current liabilities. The term of the loan facility expires in March 2011.

Borrowings include £216.0 million of Senior Unsecured Loan Notes. Further details are provided in the following table:

	Amount (local currency)	30 June 2009 (unaudited) £'000	31 December 2008 (audited) £'000
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
		220,306	335,620
Unamortised issue costs		(4,263)	(3,381)
		216,043	332,239

On 18 July 2006, the Company also entered into an interest rate swap agreement with The Royal Bank of Scotland plc 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).

As part of the debt renegotiations in December 2008, the Company agreed to repurchase 26.7% of the Notes in issue in January 2009. The financial covenants were also amended, increasing the loan to value test from 40% to 55% (not including the valuation of SVG Advisers).

Non-current liabilities also include £99.3 million of Bonds. Further details are provided in the following table:

	30 June 2009 (unaudited) £'000	31 December 2008 (audited) £'000
8.25% Subordinated Convertible Bonds 2016 – nominal	114,950	120,000
Unamortised premium, issue and listing costs	(15,667)	(17,405)
	99,283	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.

## 8 Share capital

	<b>30 June 2009 £'000</b>	31 December 2008 £'000
Authorised shares of £1.00 each	<b>600,000</b>	200,000
Allotted, called up and fully paid:		
Opening balance	<b>139,070</b>	139,064
Placing	<b>70,000</b>	-
Rights issue	<b>101,338</b>	-
Issue of ordinary shares on exercise of options	-	6
Closing balance	<b>310,408</b>	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 100 pence 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.

## 9 Net asset value per ordinary share

	<b>30 June 2009</b>	31 December 2008
Basic	<b>153.8p</b>	312.2p
Diluted	<b>153.0p</b>	308.1p

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 (31 December 2008: £434,173,000) and on 310,407,923 (31 December 2008: 139,069,901) ordinary shares in issue at the period end.

The Group 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 (31 December 2008: 2,262,738) for consideration of £720,000 (31 December 2008: £720,000).

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 (31 December 2008: £434,893,000), and on 312,670,661 (31 December 2008: 141,332,639) ordinary shares in issue at the year end.

## 10 Capital commitments

	2009 Uncalled commitment (local currency)	2009 Uncalled commitment* £m
<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
<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
<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
Schroder Private Equity Fund of Funds III	€0.4m	0.3
SVG Asia Fund of Funds	\$36.8m	22.3
<b>Other investments</b>		
Gaja Fund	\$4.3m	2.6
SVG India	\$0.6m	0.4
Warehoused private equity funds		80.6
<b>Total</b>		<b>407.1</b>

\* 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.

## 11 Related party transactions

Nicholas Ferguson and Andrew Williams are members of the Advisory Committees of certain of the Permira funds in which the Company invests. They do not receive fees for these services.

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 Williams resigned as a Director of the Company on 8 May 2009.

At 30 June 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. Mr Buffini resigned as a Director of the Company on 6 May 2009.

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 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 SVGA 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).

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.