OAKLEY
CAPITAL

OAKLEY CAPITAL INVESTMENTS LIMITED
ANNUAL REPORT AND ACCOUNTS 2010

CONTENTS

Chairman's statement

"NAV rose from £1.41 to £1.68, an improvement of 19%"

CHAIRMAN'S STATEMENT

I am pleased to report that 2010 was another strong year for the Company. The Oakley Capital Private Equity L.P.'s ("Limited Partnership") portfolio businesses continued to perform well and the Limited Partnership made its first full realisation with the sale of Host Europe Corporation Limited ("Host Europe"). The result of these developments was the lifting of the Company's net asset value per share from £1.41 at 31 December 2009 to £1.68 at 31 December 2010, an improvement of 19%. Following the disposal of Host Europe, on 10 November 2010 the Limited Partnership distributed £72.7 million of proceeds to the Company representing 45% of total commitments and 140% of the funded commitment at the time of disposal. In addition, the mezzanine loan of £16.9 million plus interest of £3.0 million, due to the Company by Host Europe was repaid in full. As a consequence of the disposal, the Company received £92.6 million in cash generating a money multiple return on its total investment in Host Europe of 1.9x.

Also in November 2010, the Limited Partnership issued a capital call of €13.1 million representing 7% of the Company's total commitments of €187 million. The total funded commitment to 31 December 2010 was €77.6 million representing 41.5% of the Company's total commitments.

The Company's investment in the Limited Partnership at 31 December 2010 has been reduced following the sale of Host Europe and the subsequent cash distribution. The investment value at the end of 2009 was £104.4 million and this compares to £74.0 million for 2010. Adding back the distribution received, of £72.7 million, to the 31 December 2010 net asset value ("NAV") produces an adjusted NAV of £146.7 million, an increase of 41% in the year.

The Limited Partnership's focus on driving operational improvements reported in 2009 has continued in 2010. This has been reflected in increasing EBITDA in its portfolio companies resulting in an attractive return derived from the sale of Host Europe and an increase in net asset values of the remaining portfolio investments. As well as the strong performance in the underlying investments, the Limited Partnership continues to employ low levels of leverage in its businesses which has meant that the Limited Partnership has been well positioned in the face of tight credit markets.

The Limited Partnership made two direct investments during 2010, both taking place in the last quarter. In the first, the Limited Partnership acquired 84.4% of Fitzwilliam Holdings Limited ("BDO Wealth Management"), the UK-wide independent provider of investment advice and solutions to private individuals and corporates, from BDO LLP, a leading firm of accountants in the UK. The transaction valued BDO Wealth Management at £14.2 million with the Limited Partnership providing equity of £6.95 million and the Company providing £6.0 million in mezzanine loans. The second investment was the acquisition of 50% of Time Out Group Limited ("Time Out"), the international and iconic multi channel publisher. The transaction valued Time Out at £13.4 million, with the Limited Partnership providing equity of £4.7 million and the Company providing £5.0 million in senior loan notes and £5.7 million in mezzanine loans.

In early 2010 the Limited Partnership's Investment Adviser reported a significant improvement in both the quantity and quality of investment opportunities it was investigating. This led to the acquisitions made in the fourth quarter of 2010 and a further investment completed in the post balance sheet period with the acquisition of Emesa B.V., a leading e-commerce company active in the Dutch online leisure market.

PERFORMANCE

Net asset value in the year, increased by £34.8 million to £214.9 million as at 31 December 2010. Of this increase, £74.4 million was in cash as a result of the proceeds of £92.6 million received following the sale of Host Europe. At 31 December 2010, the Company had cash and cash equivalents of £120.9 million.

The cash distribution gave rise to a corresponding decrease in the value of the Company's investment in the Limited Partnership, which fell by £30.4 million, mitigated by an unrealised gain on the revaluation of Verivox Holdings Limited ("Verivox") and a capital call.

Of the total net asset value of £214.9 million, £74.0 million represents investments made by the Company into the Limited Partnership and £19.7 million made directly to the Limited Partnership's portfolio companies. The Limited Partnership had total commitments of €288 million at 31 December 2010 of which the Company's commitment was €187 million or 65% of the total amount raised; 41.5% of commitments had been drawn down.

Whilst the Company does not generally invest directly in the Limited Partnership's portfolio companies, it is possible to "see through" the Limited Partnership to understand the impact of the performance of those portfolio companies on the investment value attributed to the Limited Partnership in the Company.

The total value of the portfolio company investments have seen an increase in their fair value both from inception and within the year, approximately 65% of which gets reflected in the Company (through its investment in the Limited Partnership). Fair values as at 31 December 2010 have been established in accordance with The International Private Equity and Venture Capital Valuation Guidelines.

The Limited Partnership's previous largest portfolio company, Host Europe, was sold on 28 October 2010 to Montagu Private Equity after a holding period of 31 months. Total consideration for the sale was £222.0 million. The consideration was used to repay third party debt and to meet the costs of the transaction and to repay debt due to the Company of £19.9 million, leaving net proceeds of £111.9 million. Of this, £72.7 million was distributed to the Company, excluding the repayment debt. This represents a money multiple on the investment through the Limited Partnership of 2.3x.

Prior to the sale of Host Europe, the shares it held in Daisy Group plc ("Daisy") were extracted and continue to be held by the Limited Partnership. These 36.25 million shares, representing 14% of Daisy, were acquired as part of the consideration for the disposal of Vialtus in July 2009. Including the value of Daisy retained, the money multiple in the Limited Partnership on the Host Europe disposal is 3x.

A 51% interest in Verivox was acquired by the Limited Partnership on 4 December 2009. There has been an impressive unrealised gain attributable to the Company from the investment in Verivox since 31 December 2009 of £24.4 million which has arisen from a combination of acquiring the business on an attractive multiple and a strong trading performance by Verivox in 2010.

In addition to its investments in the Limited Partnership, the Company has provided debt finance directly to a number of the Limited Partnership's portfolio companies. These typically take the form of mezzanine loans with fixed interest rates in the range 15% to 15.25%. The Company occasionally provides secured senior debt to the portfolio companies at interest rates around 8.5%. The investments in loan instruments reduced by £8.7 million from £28.5 million as at 31 December 2009 to £19.7 million due to the Host Europe mezzanine loan of £16.9 million and a loan of £4.4 million to Verivox both being repaid in full. Three new loans were issued in 2010 with a total value of £16.7 million.

The increase in net asset value is reflected in an improvement in net asset value per share, of 27 pence over the 12 month period to £1.68.

The Company held cash and cash equivalents of £120.9 million at 31 December 2010. On 28 October 2010, the Company made a capital commitment in the amount of £86.0 million in a successor fund to the Limited Partnership. To date there have been no capital calls in respect of this commitment.

INVESTMENTS

The Limited Partnership undertook two direct acquisitions in the year; acquiring 50% of Time Out Group Limited ("Time Out") and 84.4% in Fitzwilliam Holdings Limited ("BDO Wealth Management"), both transactions taking place in November. In addition one of the Limited Partnership's portfolio companies, Headland Media Limited ("Headland Media") invested in Newslink Services Limited ("Newslink") in April 2010. In the post balance sheet period the Limited Partnership acquired 68% of Emesa BV ("Emesa"), a Dutch e-commerce business.

Time Out

On 25 November 2010, it was announced that the Limited Partnership had acquired 50% of Time Out, the international multi channel publisher at an enterprise value of £13.4 million.

Time Out was founded in 1968 and publishes in over 30 countries around the world. With its incredible brand heritage, Time Out is uniquely positioned to provide services across traditional print, digital channels and live events. The Time Out brand currently delivers entertainment, cultural guidance and information to people through a distribution network which incorporates city magazines, a comprehensive online presence, mobile, travel guides, events and partnerships. Time Out has a worldwide audience of over 17.0 million per annum across all these channels and continues to grow its digital presence, with global unique users up 38% year on year to 7.5 million, of which 2.0 million are in London.

BDO Wealth Management

On 4 November 2010, the Limited Partnership announced that it had acquired 84.4% of BDO Wealth Management, the UK-wide independent provider of investment advice and solutions to private individuals and corporates, from BDO LLP. The transaction values BDO Wealth Management at an enterprise value of £14.2 million.

With offices throughout the UK, BDO Wealth Management has over £2 billion of funds under management and advice and employs approximately 200 people. BDO Wealth Management has two main divisions; corporate pensions and benefits, and private clients. David Pitman, who was the former CEO of Close Wealth Management, has taken on the CEO role at BDO Wealth Management along with a new CFO and COO.

Headland Media

On 30 April 2010 Headland Media acquired Newslink. Newslink primarily provides news digest services to the maritime industry. The acquisition was funded through an equity investment of $2.4 million provided by the Limited Partnership.

2011 Acquisition

On 25 March 2011, the Limited Partnership announced its acquisition of a significant majority stake in Emesa B.V. ("Emesa"), a leading e-commerce company active in the Dutch online leisure market.

Emesa was ranked as the fourth fastest growing technology company in the Netherlands in the Deloitte Technology Fast 50. It is a leading online consumer auction platform in the European leisure industry which enables online customers to find and book leisure deals. The Limited Partnership believes Emesa is well-positioned to achieve further growth in the Netherlands and expand into other European markets.

OUTLOOK

The Limited Partnership's Investment Adviser continues to source opportunities from its own network of contacts including corporates looking to divest non-core assets, accountants, corporate finance practitioners, industry sources, lawyers and banks seeking to restructure underperforming assets. The Limited Partnership's focus continues to be on the turnaround of underperforming assets in consolidating or growth industries or within sectors which are subject to structural change and high growth. During 2010 the Investment Adviser reported an improvement in its prospects pipeline which is manifested in the three investments made by the Limited Partnership over the last two quarters and which provides a positive backdrop for the remainder of 2011.

It is expected that, in aggregate, the established portfolio companies will continue with their strong operational performance in 2011 and the Limited Partnership may contemplate further realisations if the Investment Adviser judges that the conditions are conducive for an exit from an investment. The newly acquired businesses provide exciting opportunities for the future.

James Keyes
Chairman
19 April 2011

Manager's Report

MANAGER'S REPORT

THE COMPANY AND THE LIMITED PARTNERSHIP

The Company provides investors with exposure to Oakley Capital Private Equity L.P. (the "Limited Partnership"), an unlisted UK and European mid-market private equity fund with the aim of providing investors with significant long term capital appreciation.

Oakley Capital (Bermuda) Limited (the "Manager"), a Bermudian company, has been appointed manager to the Company and the Limited Partnership. The Manager has appointed Oakley Capital Limited (the "Investment Adviser") as the investment adviser to the Manager. The Investment Adviser is primarily responsible for advising the Manager on the investment of the assets of the Limited Partnership and the Company.

The Limited Partnership's investment strategy is to invest in sectors that are growing or where consolidation is taking place. Within the core sector interests, the Limited Partnership invests in both performing and under-performing companies, supporting buy and build strategies, businesses encountering rapid growth, or businesses undergoing significant operational or strategic change. Investing in a diverse range of portfolio companies, the Limited Partnership's objective is to work proactively with the portfolio companies' management teams, together with other stakeholders, in order to create substantial shareholder value.

The Limited Partnership looks to acquire a controlling interest in companies with an enterprise value of between £20.0 million and £150.0 million, though companies with a lower enterprise value are considered where the Manager believes that anticipated returns justify the investment. The Limited Partnership aims to deliver in excess of 25% gross internal rate of return (IRR) per annum on investments. The life of the Limited Partnership is expected to be approximately 10 years, which includes a five year investment period.

MARKET BACKGROUND

The European economic recovery in 2010 has been at best, patchy. In the UK, following four quarters of positive growth this fell back in the fourth quarter by 0.6%. Sharp rises in global commodity prices towards the end of the year have raised concerns that, against a background of ultra-accommodative monetary policies, cost increases could set off an inflationary spiral. Assuming that the recent increase in oil prices is semi-permanent rather than a temporary spike there must be adverse consequences for the global economy. Higher fuel prices are likely to squeeze business profitability and add to the already considerable pressures on debt-laden households.

Against this backdrop the Investment Adviser has seen a significant improvement in the number and quality of opportunities presented to it and is therefore positive in its sentiment towards 2011 whilst remaining cautious in its review and analysis of these opportunities.

FINANCIAL HIGHLIGHTS

Assets at:	31.12.07	31.12.08	31.12.09	31.12.10	% change 2010/2007
Net assets (£m)	99.4	99.9	180.1	214.9	116%
Net assets per share (£)	0.99	1.08	1.41	1.68	69%
Share price (mid-market) (p)	101.6	63.5	95.0	145.5	43%
FTSE AIM Index	3,287	2,209	2,751	3,063	(7%)
FTSE Small-Cap Index	3,418	1,854	2,777	3,229	(6%)
Operational performance					
Increase in net assets resulting from operations (£m)	(0.6)	5.1	55.0	34.8	
Net gain per share (£)	(0.01)	0.06	0.47	0.27	

ANALYSIS OF MOVEMENTS IN NET ASSET VALUE FOR THE YEAR ENDED 31 DECEMBER 2010

	£m
Opening net asset value as at 1 January 2010	180.1
Gross revenue	4.8
Other expenditure	(1.4)
Realised gain on investments	31.3
Net unrealised appreciation of investments (excluding accrued interest)	0.1
Closing net asset value as at 31 December 2010	214.9

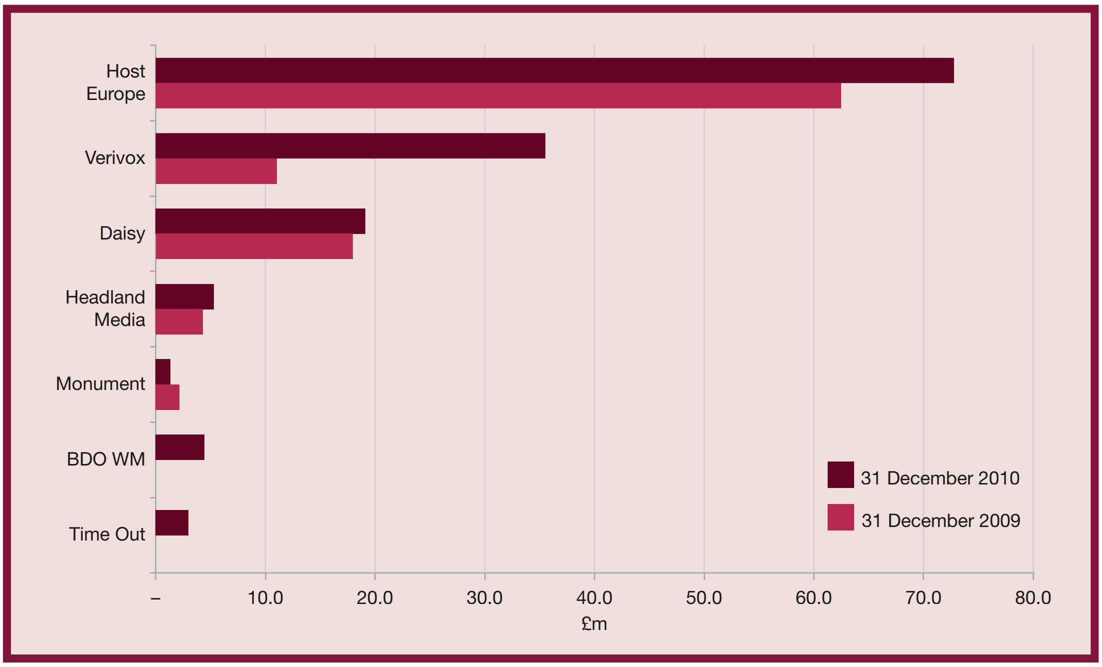
PERFORMANCE

The Company's net asset value increased in the year from £180.1 million to £214.9 million, an increase of £34.8 million. The Manager follows The International Private Equity and Venture Capital Valuation Guidelines in establishing fair value. The Limited Partnership's Investment Adviser appointed a third party valuer to help determine the fair value of certain investments taking account of financial information provided by the Investment Adviser. In considering valuation, the Limited Partnership's Investment Adviser used a combination of the market approach and the income approach. The market approach ascribes a value to a business interest or shareholding by comparing it to similar businesses, using the principle of substitution: that is, that a prudent purchaser would pay no more for an asset than it would cost to acquire a substitute asset with the same utility and income earning potential. In the income approach, an economic benefit stream from the business interest is selected, generally based on historic or forecast cash flows and generally a derivative of profits. The cash flow is then discounted to present value using a risk-adjusted discount rate.

The net asset value at 31 December 2010 is equivalent to 168 pence per share, up from 141 pence in 2009, an improvement of 27 pence, or 19%. In the same period the Company's share price has moved from 95 pence at 31 December 2009 to 145.5 pence at 31 December 2010. This represents a significant narrowing of the discount from net asset value from 33% in 2009 to 13% at the end of 2010.

The primary contributor to the increase in net asset value in the year was the realised gain on investment in the Limited Partnership. This amounted to £31.3 million and was attributable to the sale of Host Europe.

MOVEMENTS IN INVESTMENT PORTFOLIO VALUES FOR THE YEAR ENDING 31 DECEMBER 2010



As the above chart indicates, the total increase in the year in the investment value of the portfolio companies attributable to the Company was £43.0 million, including Host Europe at its realisation value, representing an increase over the period of 44%. This was driven largely by an improvement in the underlying operating performance of the portfolio businesses, together with ratings expansion and £8.9 million contributed by the 2010 acquisitions.

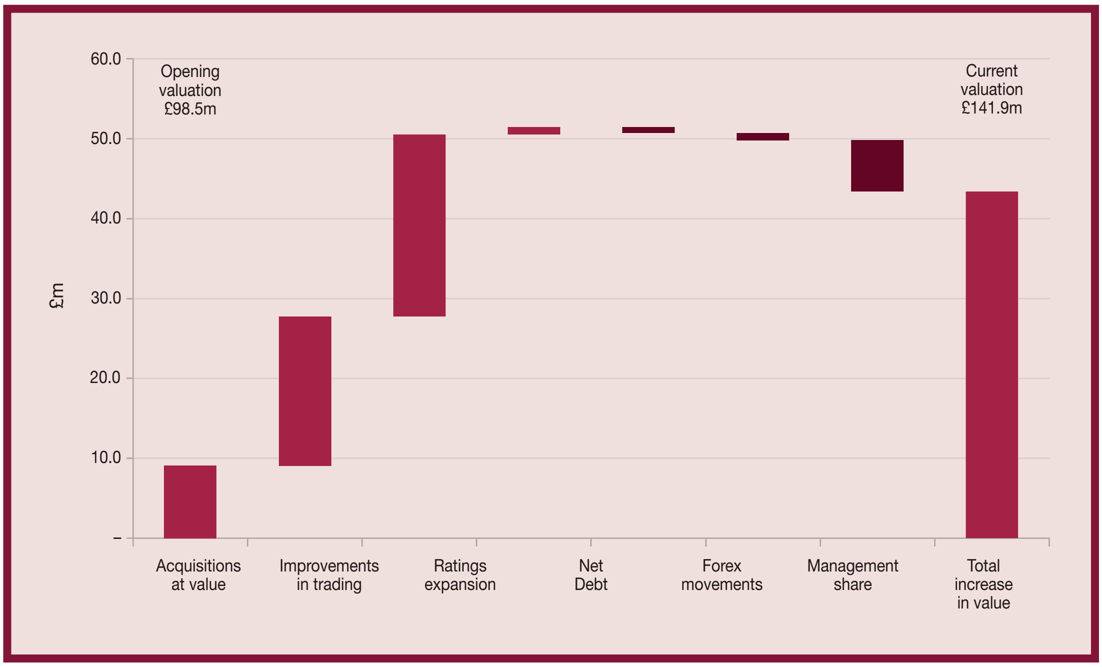
Host Europe's attributable fair value increased by £10.1 million from 31 December 2009 up to realisation, at a value of £72.7 million.

Daisy's fair value increased from £18.1 million to £19.2 million. The share price increased from 97 pence at 31 December 2009 (less a discount to reflect a lock-in prohibiting the transfer or disposal of the shares before September 2010) to 100 pence (with no discount) at 31 December 2010.

The Limited Partnership owns 36.25 million shares in Daisy, representing 14% of Daisy, having transferred ownership from Host Europe prior to its sale.

Verivox has continued to outperform the Limited Partnership's expectations resulting in a significant unrealised appreciation in its value. The gain attributable to the Company in 2010 is £24.4 million, after a holding period of less than 13 months, an improvement of nearly 250% over the period.

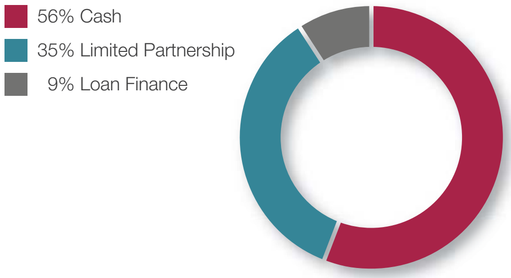
PORTFOLIO INVESTMENT GROWTH 2010 BY SOURCE



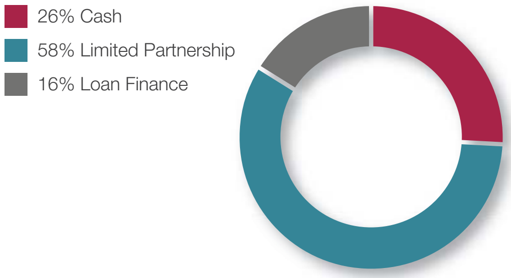
The above chart shows the growth in 2010 of the investment portfolio attributed to its source. The fair value of the investment in the Limited Partnership grew from £104.4 million to £146.7 million (including Host Europe at its realisation value), an increase of £42.3 million. The dominant influences on this growth were trading and rating expansion, both of these being driven by the impact of the overall improvement in the underlying performance of the portfolio businesses on their assessed fair value. The most significant contributor to the growth from improvements in trading was Verivox which, following a very strong performance in 2010, added £24.4 million to investment growth attributable to the Company. Both Host Europe and Verivox contributed to rating expansion, the former reflecting the excess that the distribution represented over its 2009 attributed fair value and for Verivox, recognition that improved ratings amongst its peer group and the company's record of strong growth warranted a modest improvement in multiple.

The performance improvement achieved in the portfolio businesses would, on exit, give rise to a percentage of that improvement being earned by the management teams in those businesses. The Manager believes that direct participation by key managers in the portfolio businesses is an essential component in driving performance. In addition, any increase in fair value adds to the founding partner's performance fee accrual, and there is the charge for management fees. The founding partner's performance fee is dependent upon the Limited Partnership achieving a hurdle rate of 8% per annum and is only paid on the successful realisation of an investment.

ASSET TYPES 2010

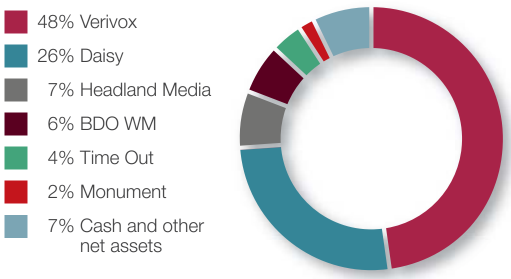


ASSET TYPES 2009

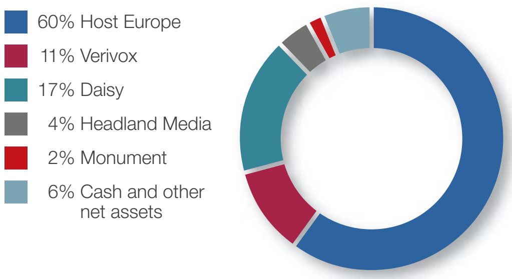


At 31 December 2010 the Company's assets were divided between its investment in the Limited Partnership (35%), cash and cash equivalents (56%) and loans provided directly to portfolio companies (9%). These loans generally take the form of mezzanine and senior finance, ensuring that uncalled cash continues to work for the Company earning a positive return. At 31 December 2010 the total value of loans outstanding was £19.7 million (2009: £28.5 million). The significant increase in cash reflects the distribution received by the Company following the sale of Host Europe.

SPLIT OF INVESTMENTS IN LIMITED PARTNERSHIP 2010



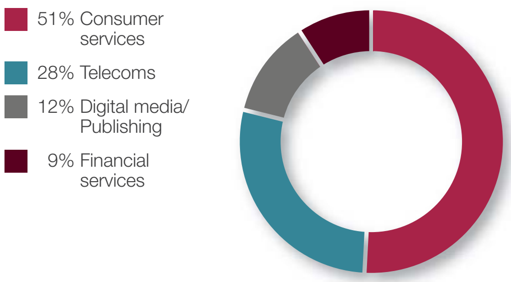
SPLIT OF INVESTMENTS IN LIMITED PARTNERSHIP 2009



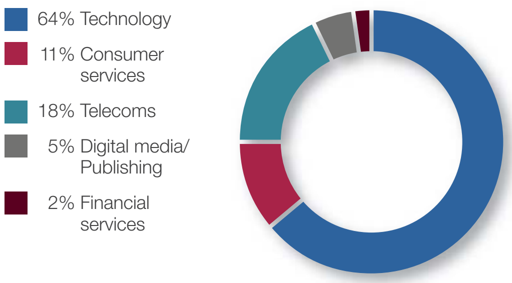
Looking geographically, the portfolio in 2010 has lost its strong UK bias (at the end of 2009 the UK represented 63% of the Limited Partnership) and is now divided between the UK, with a 47% of value, and Germany with 53%.

The distribution of the portfolio by sector is also better balanced at the end of 2010. The sale of Host Europe has eliminated the Limited Partnership's previous heavy reliance on the technology sector.
The strongest bias is towards consumer services because of the influence of Verivox. Verivox is Germany's leading consumer energy and telecoms price comparison website and has seen very high growth in consumer switching. This is expected to continue to grow driven by increased competition, higher internet penetration and growing consumer awareness of the ability to switch to save on energy costs. Daisy provides interest in the telecom's sector and the recent acquisitions of Time Out and BDO Wealth Management provide diversification into digital media/publishing and financial services, respectively, and in the opinion of the Limited Partnership's Investment Adviser, offer significant potential for the future. Headland Media and Monument add further limited diversification.

PORTFOLIO DISTRIBUTION BY SECTOR 2010



PORTFOLIO DISTRIBUTION BY SECTOR 2009



Directors' Report

DIRECTORS' REPORT

DIRECTORS' FUNCTIONS

The Directors are responsible for the overall management and control of the Company.
The Directors review the operations of the Company at regular meetings and meet at least quarterly. For this purpose, the Directors receive periodic reports from the Manager detailing the Company's performance, and receive from the Manager such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

The Limited Partnership is managed by the Manager, and the Directors do not make investment decisions on behalf of the Limited Partnership, nor do they have any role or involvement in selecting or implementing transactions by the Limited Partnership.

DIRECTORS

The Directors of the Company are:

JAMES KEYES

James Keyes has been a Managing Director of Renaissance Capital since 1 October 2008.
He established the Bermuda office, for which he has responsibility, of Renaissance in 2008. He was previously a partner of Appleby, the offshore law firm, for 11 years. James joined Appleby in 1993 and was team leader of the Funds and Investment Services Team. Prior to Appleby, he was employed in the corporate department of Freshfields law firm, and worked in the London, New York and Hong Kong offices. James attended Oxford University in England as a Rhodes Scholar and graduated with a degree in Politics, Philosophy and Economics (MA with Honours) in 1985. He was admitted as a solicitor in England and Wales in 1991 and called to the Bermuda Bar in 1993. He became a Notary Public in 1998. James is a resident of Bermuda.

TINA BURNS

Tina Burns is the Tax Director for Alterra Capital Holdings Limited. Prior to joining Alterra, Tina was tax consultant with Schroders Private Equity Services ("Schroders") in Bermuda. From 1996 to 2006, Tina was a Director in the tax services practice of KPMG in Bermuda. Tina joined KPMG in Bermuda in 1995. Prior to joining KPMG in Bermuda, she was a tax senior with KPMG in Atlanta, Georgia. Tina graduated from the University of North Carolina with a Masters of Accounting in 1994, and is a member of the American Institute of Certified Public Accountants and the Georgia Society of Certified Public Accountants. Tina is a resident of Bermuda.

PETER DUBENS

Peter Dubens is the founder of Oakley Capital, a privately owned asset management and advisory group comprising private equity, fund of funds, corporate finance, capital introduction and venture capital operations managing over US$750 million that was founded in 2002. Peter is the Managing Partner of Oakley Capital Limited, the investment adviser to Oakley Capital Private Equity L.P., a European mid-market private equity fund that invests in performing and under-performing companies, supports buy and build strategies, rapid growth, or businesses undergoing significant operational or strategic change. During the last 22 years Peter has acquired, restructured and consolidated public and private companies. As Executive Chairman, he led the formation of two public companies, being 365 Media Group plc and Pipex Communications plc (now Daisy Group plc). The 365 Media platform consolidated 12 businesses within the online sports information and gambling industry and the Pipex platform consolidated 14 businesses within the telecoms and internet industries. 365 Media was sold for over £102.0 million to BSkyB and the main operating divisions of Pipex were sold for approximately £370.0 million.

LAURENCE BLACKALL

Laurence Blackall has had a 30 year career in the information, media and communication industries. After an early career that included Virgin and the SEMA Group, Laurence was appointed a director of Frost & Sullivan and a vice-president of McGraw Hill. He was also CEO of AIM listed Internet Technology Group, which was founded in 1995, and Chairman of Boat International Publications. Laurence was also instrumental in the creation of Pipex Communications plc. He has an MA in marketing and currently holds a number of directorships in public and private UK companies. Laurence is a United Kingdom resident.

IAN PILGRIM

Ian Pilgrim is Chief Executive Officer of the Administrator, Mayflower Management Services (Bermuda) Limited, a corporation which provides consultancy and other services to hedge funds and is the administrator to the Company and the Limited Partnership. Prior to founding the Administrator in January 2006, he was the Managing Director of Citco Fund Services (Bermuda) Limited and also served as General Counsel to Citco Fund Services from January 2001 until December 2005. Before joining Citco, Ian practiced from January 1997 until December 2000 as a Barrister and Attorney with M.L.H. Quin & Co. (now Wakefield Quin) in Bermuda. From 1994 to 1996, he practiced as a solicitor with Allen & Overy in Hong Kong where he was involved primarily in banking and project finance, and prior to that from 1991 to 1994 with Deacons in Hong Kong. Ian was admitted to practice as a solicitor in England and Wales in 1989 and in Hong Kong in 1992. He was admitted to the Bar in Bermuda in 1998. He is a director of Palmer Capital Associates (International) Limited, Oakley Absolute Return Limited (formerly Oakley Multi Manager Funds Limited) and Oakley Capital Management (Bermuda) Limited, the manager of Oakley Absolute Return Limited. Ian is a resident of Bermuda.

CHRISTOPHER WETHERHILL

Christopher Wetherhill founded and was Chief Executive Officer of Hemisphere Management Limited (now known as Citi Hedge Fund Services Limited), a financial services company in Bermuda, from 1981 until 2000. Since 2000, he has served as a board member of, and a consultant to, a number of investment companies. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Canadian and Bermudian Institutes of Chartered Accountants, a Fellow of the Institute of Directors and a Freeman of the City of London. Christopher is a resident of Bermuda.

MANAGER

Oakley Capital (Bermuda) Limited was incorporated in Bermuda on 18 June 2007 under the Bermuda Companies Act. The Manager is responsible for the day to day management of the assets of the Company pursuant to the Management Agreement. Under the Management Agreement, the Manager has full discretion, subject to the review by the Directors, to invest the assets of the Company in a manner consistent with the investment objective, approach and restrictions described in the admission document. Oakley Capital (Bermuda) Limited is also manager of the Limited Partnership.

Peter Dubens and Ian Pilgrim are directors of both the Manager and the Company, and cannot vote on any Board decision relating to the Management Agreement whilst they have an interest.

INVESTMENT ADVISER

Oakley Capital Limited was incorporated in England and Wales on 12 October 2000 under the Companies Act 1985. The Company and the Manager have appointed the Investment Adviser as investment adviser to the Company and the Manager has appointed the Investment Adviser as investment adviser to the Limited Partnership.

The Investment Adviser is authorised and regulated by the FSA. The Investment Adviser is not registered as an "investment adviser" under the US Investment Advisors Act, but may in the future seek to register.

Peter Dubens and David Till (who are both Directors of the Investment Adviser) with a team of seven investment professionals will together be primarily responsible for performing the investment advisory obligations of the Investment Adviser.

CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and have adopted policies and procedures which reflect those principles of Good Governance and Code of Best Practice as published by the Committee on Corporate Governance (commonly known as the "Combined Code") as are appropriate to the Company's size and AIM listing. The Directors note that Bermuda, the country of incorporation of the Company, has no specific corporate governance regime.

The Company has established an audit committee and a remuneration committee, each with formally delegated duties and responsibilities. The audit committee and the remuneration committee are each comprised of all the Independent Directors. The audit committee is chaired by Tina Burns and the remuneration committee is chaired by James Keyes.

The audit committee determines the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. The audit committee receives and reviews reports from management and the Company's auditors relating to the annual accounts and the accounting and internal control systems in the Company. The audit committee has unrestricted access to and oversees the relationship with the Company's auditors.

The remuneration committee reviews the scale and structure of the Directors' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements if any. The remuneration and terms and conditions of the non executive Directors are set by the Board. No Director or manager of the Company may participate in any meeting at which discussion or any decision regarding his own remuneration takes place.

In addition to establishing an audit committee and a remuneration committee, the Company has established a fund committee, comprising all of the Independent Directors. The fund committee receives and reviews all matters and contracts where there are potential conflicts of interest between the Company and the Limited Partnership. No Director, other than the Independent Directors, may participate in any meeting of the fund committee. The fund committee is chaired by James Keyes.

The Board complies with Rule 21 of the AIM Rules relating to Directors' dealings as applicable to AIM companies and also takes all reasonable steps to ensure compliance by the Company's applicable employees (if any) and has adopted a share dealing code for this purpose.

DIRECTORS' INTERESTS

Christopher Wetherhill is the beneficial owner of 70,000 shares of the Company, otherwise none of the Directors nor any member of their respective immediate families, nor any person connected with a Director, has any interest whether beneficial or non beneficial in the share capital of the Company.

DIRECTORS' REMUNERATION

The emoluments of the individual Directors for the year were as follows:

James Keyes	£30,000
Tina Burns	£30,000
Peter Dubens	£nil
Laurence Blackall	£30,000
Ian Pilgrim	£30,000
Christopher Wetherhill	£30,000

The above fees do not include reimbursed expenses.

SUBSTANTIAL SHAREHOLDINGS

As at 8 April 2011, the Company has been notified by the following that they have a disclosable beneficial interest in 3% or more of the issued ordinary share capital of the Company:

AS A PERCENTAGE OF VOTING RIGHTS

Invesco Asset Management	29.90%
Schroder & Co	13.75%
Blackrock Investment Management	13.00%
Ruffer LLP	12.00%
Gartmore Investments	9.14%
GAM International	6.97%
Lloyds Banking Group	6.41%
Cazenove Capital Management	4.93%
Fidelity Investments	4.88%
GAM UK Hedge	3.07%

Review of investments

REVIEW OF INVESTMENTS

SUMMARY

Assets at fair value	2010 £m	2009 £m
Investment in Limited Partnership	74.0	104.4
Mezzanine loans:		
Host Europe	–	16.9 [1]
Verivox	1.4	7.1 [2]
Headland Media	1.6	–
BDO Wealth Management	6.0	–
Time Out	5.7	–
Senior loans:		
Verivox	–	4.4 [1]
Time Out	5.0	–
Total investments	93.7	132.9

[1] Repaid to the Company in full in 2010
[2] Part repayment to the Company in 2010

The Company invests principally in the Limited Partnership. The primary objective of the Limited Partnership is to invest in a diverse portfolio of private mid-market UK and European businesses, aiming to provide investors with significant long-term capital appreciation.

By 31 December 2010, the Company had invested a total of £62.9 million in the Limited Partnership since inception. This investment together with the Limited Partnership's own cash resources were invested in portfolio companies such that the investment by the Company represents approximately 65% of the total amount invested. The above summary shows the values attributed to the Company by virtue of its direct holding through the Limited Partnership of its interest in the portfolio businesses. The fall in the value of investments in 2010 reflects the cash distribution received by the Company from the Limited Partnership following the sale of Host Europe, amounting to £72.7 million and the repayment of loans at the time of the sale, amounting to a further £16.9 million plus accrued interest. At 31 December 2010, the Limited Partnership's Investment Adviser appointed a third party valuer to determine fair value taking account of financial information provided by the Investment Adviser. As a result of this assessment, the fair value of investments made in the Limited Partnership at 31 December 2010 stands at £74.0 million.

In addition to its investments in the Limited Partnership, the Company has provided loans directly to a number of the portfolio companies.
At 31 December 2010, the Company had outstanding mezzanine finance provided to Headland Media of £1.6 million carrying an annual interest rate of 15.0% and with a maturity date of December 2014, but repayable at any time before this date.
At 31 December 2009, Verivox had a mezzanine loan from the Company of £7.1 million with a fixed interest rate of 15% and maturing no later than December 2019. All but £1.4 million of this loan was repaid by Verivox in December 2010, and the remaining balance was repaid in March 2011. Verivox's senior debt finance bridge loan of £4.4 million was repaid in full in December 2010. With the acquisition of BDO Wealth Management the Company provided mezzanine finance of £6.0 million with an interest rate of 15.0% per annum maturing no later than November 2015.
Alongside the Limited Partnership's own investment, the Company provided both mezzanine finance and senior debt finance to Time Out. The mezzanine finance was £5.7 million with an interest rate of 15.0% per annum maturing no later than November 2015.
The senior loan notes amounted to £5.0 million and have an annual interest rate of 8.5% and are due to be repaid by no later than March 2013.

HOST EUROPE

Sector:
Technology

Location:
United Kingdom

Investment date:
2 April 2008

Website:
www.hosteurope.com

BUSINESS UPDATE

On 15 September 2010 the Limited Partnership announced the disposal of Host Europe to Montagu Private Equity, subject to approval by Germany's Federal Cartel Office (Bundeskartellamt). Having received this approval, the sale was completed on 28 October 2010.

Total consideration for the sale was £222 million. The consideration was used to repay third party debt; to pay Host Europe management in respect of their interests; to meet transaction costs; and to repay debt due to the Company of £16.9 million plus accrued interest. As a result of the disposal, on 10 November 2010, the Limited Partnership distributed £111.9 million of proceeds to the Limited Partners, including £72.7 million to the Company.

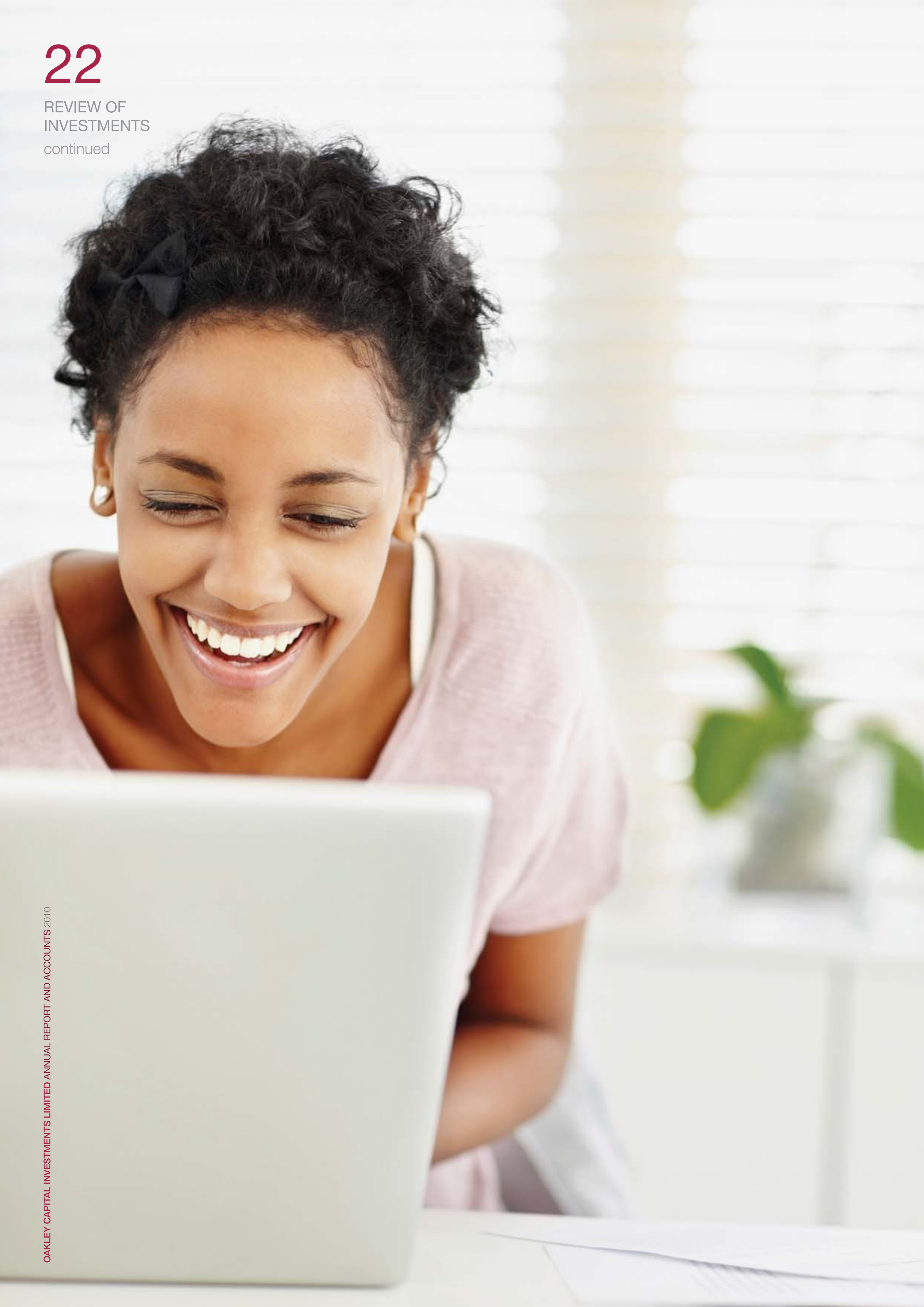
Prior to the sale of Host Europe, the shares it held in Daisy Group plc ("Daisy") were extracted and continue to be held by the Limited Partnership. These 36.25 million shares, representing 14% of Daisy were acquired as part of the consideration for the disposal of Host Europe's Vialtus division in July 2009.

PERFORMANCE

Host Europe continued to perform well in 2010. The exit value of the investment in Host Europe was £111.9 million against an invested cost of £48.0 million, generating a money multiple of 2.3x and an IRR of 48% to the Limited Partners.

HOST EUROPE

Value of Host Europe at acquisition	Total equity held	Exit value of the Company's interest
£128m	83%	£92.6m



Sector:
Telecoms

Location:
United Kingdom

Investment date:
21 July 2009

Website:
www.daisyplc.com

TRANSACTION DETAILS

On 21 July 2009, Host Europe sold Vialtus, one of its three operating divisions, for £42.0 million to Daisy Group plc ("Daisy"). In consideration for the disposal of Vialtus, Host Europe received £13.0 million of cash and £29.0 million worth of ordinary shares in Daisy representing 36.26 million Daisy ordinary shares. Daisy is listed on the London Stock Exchange under AIM.

BUSINESS OVERVIEW

Daisy is a leading provider of integrated voice and data services to small and medium sized businesses providing customers with access to a combined product set from a single platform.

Daisy's strategic objective is to consolidate the fragmented mid-market telecommunications sector with the aim of building a business of considerable scale. Following the acquisition of Vialtus Solutions, Daisy has completed a further 12 acquisitions.

The Daisy share price on 31 December 2010 was 100.0 pence and this was used to establish the fair value of the investment.

DAISY GROUP PLC

Value of Daisy Group plc at acquisition	Total equity held	Fair value of the Company's interest
N/A	14%	£19m

Sector:
Online consumer

Location:
Germany

Investment date:
4 December 2009

Website:
www.verivox.de

TRANSACTION DETAILS

On 4 December 2009, the Limited Partnership acquired 51% of Verivox, Germany's largest independent online consumer energy price comparison site, funded using a combination of debt and preferred equity. The Limited Partnerships' contribution was €5.3 million.

The Company's investment in Verivox via the Limited Partnership is held in preferred shares. In addition, the Company provided €13.0 million in the form of mezzanine finance and bridging loan. Of these loans, at 31 December 2010 €1.65 million was outstanding but was fully repaid on 11 March 2011.

In accordance with management performance, at exit, following repayment of the loans and preferred equity, including accrued interest, the economic gain is to be divided between the Limited Partnership and management in the ratio 40.5 : 59.5.

BUSINESS OVERVIEW

Verivox, which has been established more than 10 years, is Germany's leading energy price comparison website. Verivox receives commissions from energy suppliers when consumers elect to switch their provider, using the company's website www.verivox.de. Verivox's commission is based on a typical household bill of €700 to €1,300 per annum.

In contrast to the UK energy market, Germany has historically experienced relatively low levels of consumer switching due primarily to the slower introduction of effective competition into the market. However, with recent deregulation of the energy market the level of consumer switching is growing, driven by increasing consumer awareness and by increased competition and higher internet penetration. In 2010, Verivox handled 80 million price enquiries leading to 1 million customer switches.

PERFORMANCE

Verivox enjoyed a strong performance in 2010 with EBITDA of €27.4 million compared to €11.4 million in 2009, an increase of 140%.

VERIVOX

Value of Verivox at acquisition	Total equity held	Fair value of the Company's interest
£17.0m	51%	£37.0m


Time Out
London
AROUND TOWN
Exclusive! We nose around the 'Doctor Who' exhibition p50
FILM SPECIAL
The 100 best ever British films – did your favourite make the cut? p84
ROMANTIC RESTAURANTS!
COSY HOTELS!
Last minute
VALENTINE'S DAY IDEAS
It's not too late to make this your best one ever
SEXY HIDEAWAYS!
PLUS
Win a romantic break for two!


Time Out
London
MARCH 4 – 10 2010
TIMEOUT.COM/LONDON
WORLD EXCLUSIVE: BANKSY
Banksy designs Time Out's cover PLUS his ONLY interview


INTERNATIONAL MAGAZINE OF THE YEAR
Time Out
London
Amy Winehouse
Exclusive interview as she plans her big comeback
Know more. Do more.
timeout.com/london
October 14 – 20 2010
London Film Festival guide
Every movie previewed inside
THE ART ISSUE!
MARINA ABRAMOVIC
As the art world descends on the capital for Frieze, we hand over this issue to the world's best performance artists


Time Out
London
HOT TABLES!
Our round-up of 2011's best new restaurants
Le Gateau Chocolat
Let the
CABARET
begin!
Meet the stars of the edgiest, rudest, most talked about scene in town
NEW IN STORE...
What to wear this spring


Time Out
London
KNOW MORE. DO MORE.
THEATRE
Danny Boyle's eagerly awaited 'Frankenstein' p118
FOOD & DRINK
Where to find London's finest cupcakes p38
MUSIC
Paloma Faith meets Annie Lennox – and, luckily, they get on p98
As she returns to the London stage...
Sienna
EXCLUSIVE On her split with Jude, the rumours about her co-star – and her run-ins with the tabloid press

Sector:
Digital Media/Publishing

Location:
United Kingdom

Investment date:
25 November 2010

Website:
www.timeout.com

TRANSACTION DETAILS

In November 2010 the Limited Partnership acquired 50% of Time Out, the international multi channel publisher. The Limited Partnership subscribed for equity of £4.7 million and the Company provided loans in the form of mezzanine finance of £5.7 million and senior debt of £5.0 million.

On 18 January 2010, the Company increased the mezzanine loan to Time Out by another £0.5m taking the total to £6.2 million.

BUSINESS OVERVIEW

Time Out was established in 1968 by Tony Elliott and today is a globally recognised brand in the publishing industry that publishes city-based magazines and travel guides and is beginning to build an online presence. The development of the internet has presented Time Out with an opportunity to transition the business from a magazine listings business to a real-time digital provider of entertainment information and qualified editorial opinions, with an added transactional capability.

INVESTMENT RATIONALE

The company is positioned to transition a well known brand from a listings business to a real-time, location-based content provider, capitalising on the rapid growth and acceptance of digital content. Time Out's digital and mobile offering can be developed to provide an easy platform for transactions and a one-stop-shop for entertainment. Further, geographic growth can be achieved through brand extensions by leveraging Time Out's reputation built through the guides business.

PERFORMANCE

Revenue for the year to 31 December 2010 was £16.9 million with an EBITDA of £1.7 million.

TIME OUT

Value of Time Out at acquisition	Total equity held	Fair value of the Company's interest
£13.4m	50%	£13.8m

BDO WEALTH MANAGEMENT

Sector:
Financial services

Location:
United Kingdom

Investment date:
4 November 2010

Website:
www.bdo.uk.com

TRANSACTION DETAILS

On 4 November 2010, the Limited Partnership announced that it had acquired 84.4% of BDO Wealth Management, the UK-wide independent provider of investment advice and solutions to private individuals and corporates, from BDO LLP. The transaction valued BDO Wealth Management at an enterprise value of £14.2 million. The Limited Partnership provided equity of £7.0 million and the Company a mezzanine loan of £6.0 million. As anticipated, in the first quarter of 2011, an additional £2.5 million was injected by way of equity in order to provide working capital and to fund regulatory capital.

BUSINESS OVERVIEW

Formed by BDO LLP in 1989, BDO Wealth Management has grown to become a leading UK mid-market independent wealth manager and investment advisory firm with £2.0 billion under management and advice. The Company operates two principal divisions; private client services; and corporate pensions and benefits. BDO Wealth Management's main source of revenues is time-based fees, with commissions and performance fees accounting for less than 10% of annual revenues.

INVESTMENT RATIONALE

This was an opportunity to acquire a top 40 UK wealth manager with high quality clients. The business employs a highly qualified base of advisors, and is Retail Distribution Review ready. BDO Wealth Management's centralised investment processes provide the opportunity to grow a profitable business with scale; forming the basis for consolidation opportunities.

PERFORMANCE

Revenue for the year to 31 December 2010 was £16.7 million with an EBITDA loss of £1.4 million.

BDO WEALTH MANAGEMENT

Value of BDO WM at acquisition	Total equity held	Fair value of the Company's interest
£14.2m	84%	£10.5m

Headland Media

Sector:
Digital media

Location:
United Kingdom

Investment date:
25 January 2008

Website:
www.headlandmedia.com

BUSINESS OVERVIEW

Headland Media is a business-to-business media content provider with offices in the UK, Europe and the US. It is the leading provider of news digest services to the hotel and shipping sectors and is a provider of entertainment and training services to offshore industries and other remote locations.

Headland Media distributes media content to around 6,500 destinations using proprietary channels and has an audience of approximately 20 million listeners and 250,000 readers.

BUSINESS UPDATE

On 30 April 2010 Headland Media acquired Newslink Services Limited ("Newslink"). Newslink primarily provides news digest services to the maritime industry. The acquisition provided access to Newslink's customer base into which Headland Media expects to cross sell additional products and the acquisition will help Headland Media to increase its market share with access to a further 4,700 vessels. The acquisition was financed through an investment of £2.0 million resulting in Headland Media drawing a further £1.6 million of mezzanine debt from the Company.

PERFORMANCE

Headland Media's financial performance in the year to 31 December 2010 was in line with expectations. Revenue for the year to 31 December 2010 was £7.8 million with an EBITDA of £2.0 million.

HEADLAND MEDIA

Value of Headland Media at acquisition	Total equity held	Fair value of the Company's interest
£6.3m	80%	£7.0m

MONUMENT
SECURITIES LTD

Sector:
Financial services

Location:
United Kingdom

Investment date:
31 March 2008

Website:
www.monumentsecurities.com

BUSINESS OVERVIEW

Monument Securities Limited ("Monument") is an independent equity, derivatives and fixed income broker with an 18 year history. The company provides services to institutions, fund managers, market professionals, corporates and hedge funds. Monument Securities is a member of the NYSE, Euronext, LIFFE, Eurex, the London Stock Exchange and the International Capital Markets Association and is regulated by the Financial Services Authority.

BUSINESS UPDATE

The Limited Partnership's ownership of Monument has coincided with difficult economic and market conditions. Equity trading volumes have remained low in 2010 and this has again been reflected in brokering commissions which ended the year lower than in 2009. Monument's balance sheet remains strong. Monument's performance has been reflected in a reduction in the Company's assessed fair value, from £2.2 million at the end of 2009 to £1.4 million at 31 December 2010.

PERFORMANCE

Revenue for the year was £6.2 million, which is 17% down from the previous year. Cost savings of around 15% have ensured that the business finished 2010 with EBITDA close to break-even.

MONUMENT SECURITIES

Value of Monument at acquisition	Total equity held	Fair value of the Company's interest
£5.5m	51%	£1.4m

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

to the Board of Directors and Shareholders of Oakley Capital Investments Limited

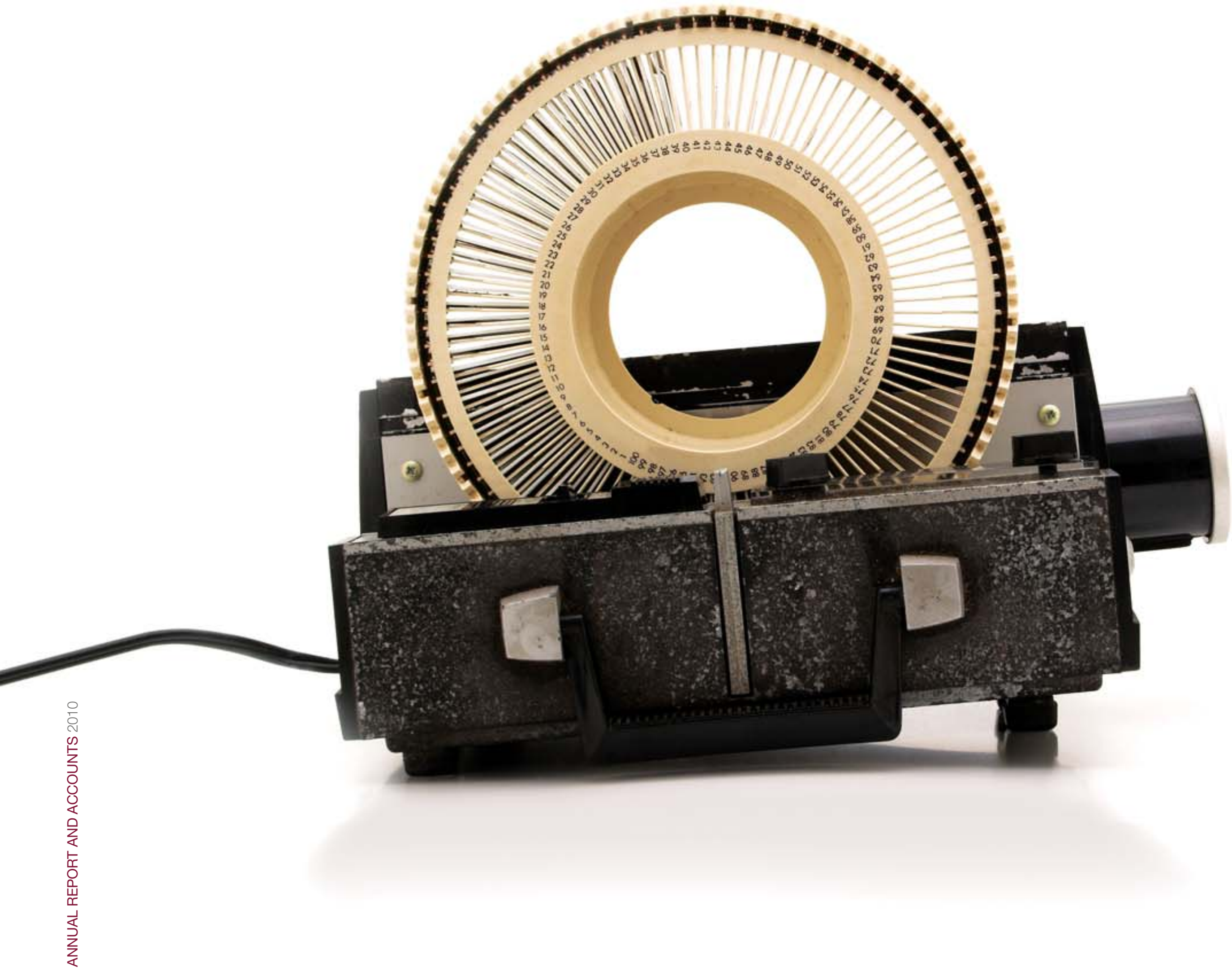
We have audited the accompanying statements of assets and liabilities of Oakley Capital Investments Limited (the "Company"), including the schedules of investments, as of 31 December 2010 and 2009 and the related statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oakley Capital Investments Limited as of 31 December 2010 and 2009 and the results of its operations, changes in its net assets and cash flows for the years then ended in conformity with US generally accepted accounting principles.

KPMG
Chartered Accountants
Hamilton, Bermuda
18 April 2011

Financial Statements



FINANCIAL STATEMENTS

STATEMENTS OF ASSETS AND LIABILITIES
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Expressed in British Pounds)

	notes	2010 £	2009 £
Assets			
Investments (cost 2010: £42,127,743; 2009: £81,356,297)	5, 7	93,708,239	132,883,058
Cash and cash equivalents	3	120,915,727	46,511,535
Accrued interest receivable		814,139	781,118
Other receivables		29,553	41,394
Total assets		215,467,658	180,217,105
Liabilities			
Accounts payable and accrued expenses	4, 6	520,316	106,747
Total liabilities		520,316	106,747
Net assets attributable to shareholders		214,947,342	180,110,358
Represented by:			
Share capital		1,281,250	1,281,250
Share premium		119,276,094	119,276,094
Retained earnings		94,389,998	59,553,014
		214,947,342	180,110,358
Number of shares outstanding	9	128,125,000	128,125,000
Net asset value per share		**1.68**	**1.41**

Signed on behalf of the Board on 18 April 2011 by

Ian Pilgrim Director	Tina Burns Director

The notes following form an integral part of these financial statements

SCHEDULES OF INVESTMENTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Expressed in British Pounds)

31 December 2010	Fair value as a percentage of net assets	Percentage interest	Principal amount/ Quantity	Cost £	Fair value £
Investments in Limited Partnership					
Bermuda					
Oakley Capital Private Equity LP	34.42%	65.01%		22,278,648	73,977,584
Unquoted debt securities					
Investments in senior loan notes					
United Kingdom					
Time Out Group BC Limited Interest at 8.5% p.a. Maturity date March 2013	2.33%		£5,000,000	5,000,000	5,000,000
Investments in mezzanine loans					
United Kingdom					
Headland Media Limited Interest at 15% p.a. Maturity date December 2014	0.75%		$2,500,000	1,645,945	1,610,500
Bermuda					
VVX (Bermuda) Limited Interest rate at 15% p.a. Maturity date December 2019	0.66%		€1,650,000	1,503,150	1,420,155
Fitzwilliam Holdco Limited Interest rate at 15% p.a. Maturity date November 2015	2.79%		£6,000,000	6,000,000	6,000,000
Time Out (Bermuda) Limited Interest rate at 15% p.a. Maturity date November 2015	2.65%		£5,700,000	5,700,000	5,700,000
Total mezzanine loans	6.85%			14,849,095	14,730,655
Total investments	43.60%			42,127,743	93,708,239

For details of the underlying investments of the Limited Partnership, please refer to Note 7.

The notes following form an integral part of these financial statements

SCHEDULES OF INVESTMENTS (continued)
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Expressed in British Pounds)

31 December 2009	Fair value as a percentage of net assets	Percentage interest	Principal amount/ Quantity	Cost £	Fair value £
Investments in Limited Partnership					
Bermuda					
Oakley Capital Private Equity LP	57.98%	66.05%		52,607,753	104,432,214
Unquoted debt securities					
Investments in mezzanine loans					
United Kingdom					
Host Europe Corporation Limited Interest at 15.25% p.a. Maturity date December 2015	9.39%		£16,905,544	16,905,544	16,905,544
Bermuda					
VVX (Bermuda) Limited Interest rate at 15% p.a. Maturity date December 2019	3.94%		€8,000,000	7,288,000	7,104,800
Total mezzanine loans	13.33%			24,193,544	24,010,344
Investment in bridge loans					
Bermuda					
VVX Investments Limited Interest rate at 8.5% p.a. Maturity date December 2012	2.47%		€5,000,000	4,555,000	4,440,500
Total investments	**73.78%**			**81,356,297**	**132,883,058**

For details of the underlying investments of the Limited Partnership, please refer to Note 7.

The notes following form an integral part of these financial statements

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Expressed in British Pounds)

	notes	2010 £	2009 £
Investment income			
Interest		4,835,741	4,389,662
Total income		4,835,741	4,389,662
Expenses			
Management fees	4	306,677	–
Performance fees	4	408,948	529,441
Professional fees	6,10	279,086	970,094
Other		372,133	223,733
Interest		379	1,677
Total expenses		1,367,223	1,724,945
Net investment income		3,468,518	2,664,717
Realised and unrealised gains (losses) on foreign exchange and investments			
Net realised gains (losses) on foreign exchange		51,288	(95,088)
Net change in unrealised (losses) gains on foreign exchange		(545)	1,226
Net realised gains on investments		31,263,988	–
Net change in unrealised appreciation on investments		53,735	52,466,526
Net realised and unrealised gains on foreign exchange and investments		31,368,466	52,372,664
Net earnings		**34,836,984**	**55,037,381**
Net earnings per share		0.27	0.47

The notes following form an integral part of these financial statements

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Expressed in British Pounds)

	notes	2010 £	2009 £
Net increase in net assets resulting from operations			
Net investment income		3,468,518	2,664,717
Net realised gains (losses) on foreign exchange		51,288	(95,088)
Net change in unrealised (losses) gains on foreign exchange		(545)	1,226
Net realised gains on investments		31,263,988	–
Net change in unrealised appreciation on investments		53,735	52,466,526
Net increase in net assets resulting from operations		34,836,984	55,037,381
Capital share transactions			
Proceeds on issue of shares	9	–	25,133,660
Net increase in net assets from capital share transactions		–	25,133,660
Net increase in net assets		34,836,984	80,171,041
Net assets at beginning of year		180,110,358	99,939,317
Net assets at end of year		214,947,342	180,110,358

The notes following form an integral part of these financial statements

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Expressed in British Pounds)

	2010 £	2009 £
Cash flows from operating activities		
Net increase in net assets resulting from operations	34,836,984	55,037,381
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realised and unrealised gains on foreign exchange and investments	(31,368,466)	(52,372,664)
Payments for purchases of investments	(36,490,528)	(27,283,560)
Proceeds on disposal of investments	106,983,070	11,314,316
Change in accrued interest receivable	(33,021)	1,849,376
Change in other receivables	11,841	(21,114)
Change in accounts payable and accrued expenses	413,569	54,149
Net cash provided by (used in) operating activities	74,353,449	(11,422,116)
Cash flows from capital transactions		
Proceeds on issuance of shares	–	25,133,660
Net cash provided by capital transactions	–	25,133,660
Net effect of foreign exchange	50,743	(93,855)
Net increase in cash and cash equivalents	74,404,192	13,617,689
Cash and cash equivalents at beginning of year	46,511,535	32,893,846
Cash and cash equivalents at end of year	120,915,727	46,511,535
Interest paid during the year	379	1,677

The notes following form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

1. THE COMPANY

Oakley Capital Investments Limited (the "Company") is a closed-ended investment company which was incorporated under the laws of Bermuda on 28 June 2007. The principal objective of the Company is to achieve capital appreciation through investments in a diversified portfolio of private mid-market UK and European businesses. The Company achieves its investment objective primarily through an investment in Oakley Capital Private Equity L.P. (the "Limited Partnership"), an exempted limited partnership established in Bermuda on 10 July 2007. The manager is Oakley Capital (Bermuda) Limited (the "Manager") and the investment adviser is Oakley Capital Limited (the "Investment Adviser"). The Company and the general partner of the Limited Partnership have at least one director in common.

The Company listed on the AIM market of the London Stock Exchange on 3 August 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The accompanying financial statements are prepared in accordance with US generally accepted accounting principles.

b) Use of estimates

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of increases and decreases in net assets during the reporting period. Actual results could differ from those estimates.

c) Investment valuation

Limited Partnership

Security transactions are accounted for on a trade date basis, based on the capital drawdown and proceeds distribution dates from the Limited Partnership. The Company's investment in the Limited Partnership is valued at the balance on the Company's capital account in the Limited Partnership as at the reporting date. Any difference between the capital introduced and the balance on the Company's capital account in the Limited Partnership is recognised in net change in unrealised appreciation and depreciation on investments in the Statements of Operations.

The Limited Partnership values investments at fair value and recognises gains and losses on security transactions using the specific cost method.

Mezzanine loans, bridge loans and senior loans

Mezzanine loans, bridge loans and senior loans are initially valued at the price the loan was granted. Subsequent to initial recognition the loans are valued on a fair value basis taking into account market conditions and any appreciation or deterioration in value.

Realised gains and losses are recorded when the security acquired is realised. The net realised gains and losses on sale of securities are determined using the specific cost method.

The Company is subject to the provisions of the FASB guidance on Fair Value Measurements and Disclosure (ASC 820). ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with US generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 establishes a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active market quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The hierarchy of inputs is summarised below.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Investment Adviser's own assumptions in determining the fair value of investments)

The inputs and methodologies used in valuing the securities are not necessarily an indication of the risks associated with investing in those securities.

Securities traded on a national stock exchange are valued at the last reported sales price on the valuation date and are categorized as Level 1 within the fair value hierarchy. When prices are not readily available, or are determined not to reflect fair value, the Company may value these securities at fair value as determined in accordance with the procedures approved by the Investment Adviser in consultation with the Manager.

Level 2 securities are valued using representative brokers' prices, quoted prices for similar investments, published reports or, third-party valuations.

Level 3 securities are valued at the direction of the Investment Adviser in consultation with the Manager. In these circumstances, the Manager will attempt to use consistent and fair valuation criteria and may (but is not required to) obtain independent appraisals at the expense of the Company.

The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

d) Income recognition

Interest income and expenses are recognised on the accruals basis.

e) Foreign currency translation

Investments and other monetary assets and liabilities denominated in foreign currencies are translated into British Pound amounts at exchange rates prevailing at the reporting date. Capital drawdowns and proceeds of distributions from the Limited Partnership in foreign currencies and income and expense items denominated in foreign currencies are translated into British Pound amounts at the exchange rate on the respective dates of such transactions.

Foreign exchange gains and losses on other monetary assets and liabilities are recognised in net realised and unrealised gain or loss from foreign exchange in the Statements of Operations.

The Company does not isolate unrealised or realised foreign exchange gains and losses arising from changes in the fair value of investments. All such foreign exchange gains and losses are included with the net realised and unrealised gain or loss on investments in the Statements of Operations.

f) Cash and cash equivalents

The Company considers all short-term deposits with a maturity of 90 days or less as equivalent to cash.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 December 2010 and 2009 consist of the following:

	2010 £	2009 £
Cash	–	10,581,913
Short-term deposits	120,915,727	35,929,622
	120,915,727	46,511,535

4. MANAGEMENT AND PERFORMANCE FEES

(a) The Company has entered into a Management Agreement with the Manager to manage the Company's investment portfolio. The Manager will not receive a management fee from the Company in respect of funds either committed or invested by the Company in the Limited Partnership or any successor fund managed by the Manager. The Manager will receive a management fee at the rate of 1% per annum in respect of those funds that are not committed to the Limited Partnership or any successor fund (but including the proceeds of any realisations), which are invested in cash, cash deposits or near cash deposits and a management fee at the rate of 2% per annum in respect of those funds which are invested directly in co-investments. The management fee is payable monthly in arrears. During the year ended 31 December 2010, the Company incurred management fees of £306,677 (2009: £Nil). As at 31 December 2010, management fees in the amount of £306,677 were payable to the Manager (2009: £Nil).

The Manager may also receive a performance fee of 20% of the excess of the amount earned by the Company over and above an 8% hurdle rate per annum on any monies invested as a co-investment with the Limited Partnership or any successor limited partnership. Any co-investment will be treated as a segregated pool of investments by the Company. If the calculation period is greater than one year, the hurdle rate shall be compounded on each anniversary of the start of the calculation period for each segregated co-investment. If the Manager does not exceed the hurdle rate on any given co-investment that co-investment shall be included in the next calculation on a co-investment so that the hurdle rate is measured across both co-investments. No previous payments of performance fee will be affected if any co-investment does not reach the hurdle rate of the return. During the year ended 31 December 2010, the Company incurred performance fees of £408,948 (2009: £529,441). As at 31 December 2010, performance fees in the amount of £107,044 were payable to the Manager (2009: £Nil).

(b) The Manager has entered into an Investment Adviser Agreement with the Investment Adviser to advise the Manager on the investment of the assets of the Company. The Investment Adviser will not receive a management or performance fee from the Company. Any fees due to the Investment Adviser will be paid by the Manager out of the management fees it receives from the Company.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following is a summary of the inputs used in valuing the Company's assets carried at fair value:

Investments in Securities	31 December 2010 £	31 December 2009 £
Quotes prices (Level 1)	–	–
Other significant observable inputs (Level 2)	–	–
Significant unobservable inputs (Level 3)	93,708,239	132,883,058

The instruments comprising investments in securities are disclosed in the schedules of investments.

The Company has an investment into a private equity limited partnership. The investment is included at fair value based on the Company's balance on its capital account in the Limited Partnership. The valuation of non-public investments requires significant judgment by the Limited Partnership's investment adviser in consultation with the manager of the Limited Partnership due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such assets. Private equity investments are valued initially based upon transaction price. Valuations are reviewed periodically utilising available market data to determine if the carrying value of these investments should be adjusted. Such market data primarily includes observations of the trading multiples of public companies considered comparable to the private companies being valued. In addition, a variety of additional factors are reviewed by the Limited Partnership's investment adviser, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third party financing environment.

Mezzanine loans, bridge loans and senior loan notes are initially valued at the price the loan was granted. Subsequent to initial recognition, the loans are valued on a fair value basis taking into account market conditions and any appreciation or deterioration in value.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Investment in Securities 2010 £	Investment in Securities 2009 £
Investment in Limited Partnership		
Fair value at beginning of year	104,432,214	39,325,959
Purchases	11,194,582	12,342,035
Proceeds on disposal	(73,476,433)	–
Realised gain on disposal	31,952,746	–
Net change in unrealised appreciation on investments	(125,525)	52,764,220
Limited Partnership, fair value at end of year	73,977,584	104,432,214
Unquoted debt securities		
Fair value at beginning of year	28,450,844	25,121,336
Purchases	25,295,946	14,941,524
Proceeds on disposal	(33,506,637)	(11,314,316)
Net realised gain (loss) on disposal and net change in unrealised depreciation on investments	(509,498)	(297,700)
Unquoted debt securities, fair value at end of year	19,730,655	28,450,844
Fair value at end of year	93,708,239	132,883,058

The net change in unrealised appreciation on investments relates to investments held at the respective year end.

Of the investments held by the Limited Partnership, 29% (2009: 0%) are classified as Level 2 investments and 71% (2009: 100%) are classified as Level 3 investments by the Limited Partnership.

6. ADMINISTRATION FEE

Under the terms of the Company Administration Agreement dated 30 July 2007 between Mayflower Management Services (Bermuda) Limited (the "Administrator") and the Company, the Administrator receives an annual administration fee at prevailing commercial rates, subject to the minimum monthly fee of US$5,000 per month. During the year ended 31 December 2010, the Company incurred administration fees of £63,044 (2009: £43,675), which is included in professional fees in the Statements of Operations. As at 31 December 2010, there was a balance payable of £35,002 (2009: £14,408), which is included in accounts payable and accrued expenses.

7. INVESTMENTS

Limited Partnership

The Company has committed substantially all of its capital to the Limited Partnership and its successor fund. The Limited Partnership's primary objective is to invest in a diversified portfolio of private mid-market UK and European businesses, aiming to provide investors with significant long-term capital appreciation. The investment in the Limited Partnership is denominated in Euros. The Limited Partnership has an initial period of ten years from its final closing date of 30 November 2009; however the life of the Limited Partnership may be extended, at the discretion of the General Partner, by up to three additional one year periods to provide for the orderly realisation of investments. The Limited Partnership will make distributions as its investments are realised.

The Company's share of the total capital called by the Limited Partnership to 31 December 2010 was £62,882,391 (€77,605,000) (2009: £52,607,753 (€64,515,000)), representing 41.50% of the Company's total capital commitment. As at 31 December 2010, the Company accounted for 65.01% of the total capital and commitments in the Limited Partnership (2009: 66.05%).

The Company may also make co-investments with the Limited Partnership based on the recommendations of the Manager.

At 31 December 2010 all of the Limited Partnership's investments have been valued at fair value. The Limited Partnership appointed a third party valuer to determine the fair value of certain underlying businesses taking into account financial information provided by the Limited Partnership's investment adviser. The Limited Partnership's accounts have been audited for the year ending 31 December 2010. The Company's participation in the Limited Partnership has been valued at £73,977,584 (2009: £104,432,214) at year end.

Limited Partnership's investments

The Limited Partnership made its first realisation with the disposal of Host Europe Corporation Limited ("Host Europe"). The Limited Partnership made two direct acquisitions in 2010, Time Out Group Limited and BDO Wealth Management, and it made an investment through the existing investment, Headland Media Limited ("Headland Media"). The Company was involved in the refinancing of all three investee companies.

Host Europe Corporation

On 15 September 2010 the Limited Partnership announced the disposal of Host Europe to Montagu Private Equity, subject to approval by Germany's Federal Cartel Office (Bundeskartellamt). Having received this approval, the sale was completed on 28 October 2010. Total consideration for the sale was £222.0 million. The consideration was used to repay third party debt of £51.0 million; to repay debt due and interest to the Company of £20.0 million; to pay Host Europe management in respect of their interests of £19.0 million; and to meet transaction costs of £4.3 million. Net proceeds from the investment were therefore £126.5 million.

Total net proceeds paid to the Limited Partners on 9 November 2010 was £112.0 million, after performance fees. The Company received £73.0 million representing approximately 45% of the Company's total commitments and approximately 114% of its called capital.

Prior to the sale of Host Europe, the shares it held in Daisy Group plc ("Daisy") were extracted and continue to be held by the Limited Partnership through Host Europe (Bermuda) Limited. These 36.25 million shares, representing 14% of Daisy were acquired as part of the consideration for the disposal of Host Europe's Vialtus division in July 2009. The value of the Daisy shares as at 31 December 2010 was 100 pence. As at 31 December 2010, the net fair value of this investment attributable to the Company was £19.2 million (2009: £18.0 million).

Headland Media Limited

Headland Media Limited ("Headland Media") is a leading business to business media content provider of news digest services to the hotel and shipping sectors; as well as a leading provider of entertainment and training services to offshore industries. On 30 April 2010 Headland Media made a further acquisition of Newslink Services Limited. In total the Limited Partnership has invested £4.4 million. As at 31 December 2010, the net fair value of the investment attributable to the Company was £6.0 million (2009: £4.4 million).

Monument Securities Limited

Monument Securities Limited ("Monument Securities") is a global equity, derivatives and fixed income broker with an 18 year history. Monument Securities provides services to institutions, fund managers, market professionals, corporates and hedge funds. The total transaction value in March 2008 was £5.5 million. The Limited Partnership has a 51% interest in Monument Securities and its contribution was £2.8 million.

As at 31 December 2010, the net fair value of the investment attributable to the Company was £1.4 million (2009: £2.2 million).

VVX (Bermuda) Limited

On 4 December 2009, the Limited Partnership, through VVX (Bermuda) Limited, acquired 51% of Verivox Holdings Limited ("Verivox"), Germany's largest independent online consumer energy price comparison service, for £17.0 million. The consideration was funded using a combination of debt and equity. The Limited Partnership's contribution was £4.6 million for equity. Verivox receives commission from energy suppliers when consumers elect to switch providers through its website.

As at 31 December 2010, the net fair value of the investment attributable to the Company was £35.5 million (2009: £11.1 million).

Fitzwilliam Holdco Limited (BDO Wealth Management)

On 4 November 2010, the Limited Partnership announced that, through its wholly owned subsidiary Fitzwilliam Holdco Limited, it had acquired 84.4% of Fitzwilliam Holdings Limited (BDO Wealth Management), the UK-wide independent provider of investment advice and solutions to private individuals and corporates, from BDO LLP. The total transaction value was £14.2 million funded through a combination of debt and equity. The Limited Partnership's contribution was £7.0 million. At 31 December 2010, the acquisition was valued at cost given the short period between the time of acquisition and the year end.

TO (Bermuda) Limited (Time Out)

On 25 November 2010, the Limited Partnership acquired 50% of Time Out, the international multi channel publisher. Time Out was founded in 1968 and publishes in over 30 countries around the world. Time Out is uniquely positioned to provide services across traditional print, digital channels and live events. The total transaction value was £13.4 million funded through a combination of debt and equity. The Partnership's contribution was £4.7 million. At 31 December 2010, the acquisition was valued at cost given the short period between the time of acquisition and the year end.

Certain directors of the Company and the general partner of the Limited Partnership may also be directors of the investee companies.

Mezzanine financing investments

Headland Media Limited

As part of the Limited Partnership's acquisition of Newslink through Headland Media, the Company provided £1.6 million of debt finance, in the form of a secured mezzanine instrument from the Company. The instrument carries a fixed interest rate of 15% and is due December 2014.

Host Europe Corporation

As at 31 December 2009, the Company had a mezzanine loan outstanding with Host Europe of £16.9 million. This instrument carried a fixed interest rate of 15.25% maturing on the earlier of 31 December 2015, the date of sale or IPO of Host Europe. On November 2010 as consideration from the sale of Host Europe to Montagu Private Equity, the £16.9 million loan plus interest was repaid in full.

Time Out (Bermuda) Limited

As part of the Limited Partnership's acquisition of Time Out Group Limited, the Company provided debt finance of £5.7 million in the form of a mezzanine loan. The instrument carries a fixed interest rate of 15% maturing on 30 November 2015. The Company has also provided a secured senior loan of £5.0 million. The instrument carries a fixed interest rate of 8.5% and matures on 31 March 2013. The fair value is considered to equal the amortised cost.

Fitzwilliam Holdco Limited (BDO Wealth Management)

As part of the Limited Partnership's acquisition of BDO Wealth Management, the Company provided debt finance of £6.0 million in the form of a mezzanine loan. The instrument carries an interest rate of 15% and matures on 30 November 2015. The fair value is considered to equal the amortised cost.

VVX (Bermuda) Limited (Verivox)

As part of the Limited Partnership's acquisition of Verivox the Company provided debt finance of £7.3 million (€8 million), in the form of an unsecured mezzanine instrument. The instrument carries a fixed interest rate of 15.0%, maturing no later than 4 December 2019. Due to the strong trading performance enjoyed by Verivox, it was able to pay £6.35 million of the loan on 21 December 2010 leaving a principal balance of £1.42 million (€1.65 million) at 31 December 2010. This was subsequently repaid in full on 11 March 2011. The fair value is considered to equal the amortised cost.

Senior loan notes

Verivox Investments Limited (Verivox)

As at 31 December 2009, Verivox has drawn £4.6 million (€5 million) of a secured debt finance facility provided by the Company. The instrument carries a fixed interest rate of 8.5%, maturing no later than 4 December 2012. As mentioned previously, Verivox Holdings Limited had a very strong trading performance and as a result was able to pay the senior debt in full on 21 December 2010.

Bridge financing investments

Oakley Capital Private Equity L.P.

On 2 November 2010, the Company provided a 30 day bridging loan to the Limited Partnership for £6.0 million at an interest rate of 6% per annum for the acquisition of BDO Wealth Management. The loan was repaid in full by 16 November 2010.

8. CAPITAL COMMITMENT

The total capital commitment made by the Company in the Limited Partnership is £160,950,900 (€187,000,000) (2009: 166,074,700 (€187,000,000)). The Limited Partnership may draw upon the capital commitment at any time subject to two weeks' notice on an as needed basis. Since inception, capital in the amount of £62,882,391 (€77,605,000) (2009: £52,607,753 (€64,515,000)) was called from the Company by the Limited Partnership. As at 31 December 2010, the amount of capital commitment available to be called from the Company by the Limited Partnership was £94,156,277 (€109,395,000) (2009: £108,788,929 (€122,485,000)).

On 28 October 2010, the Company made a capital commitment in the amount of €100,000,000 (£86,070,000) in a successor fund to the Limited Partnership. As at 31 December 2010, there have been no capital calls in respect of this commitment.

9. SHARE CAPITAL AND WARRANTS

(a) Share capital

The authorised share capital of the Company on incorporation was $1,000 divided into 1,000 shares par value $1.00 each. On incorporation, one ordinary share of par value $1.00 was issued to Codan Trust Company Limited (the "Initial Subscriber"). The currency denomination of the Company's authorised share capital was subsequently changed from US Dollars to Euros, the shares were subdivided and the authorised share capital increased to €2,500,000 divided into 250,000,000 shares of par value €0.01 each. The currency denomination of the Company's authorised share capital was further changed from Euros to British Pounds, the shares were consolidated, divided and redenominated and the authorised share capital increased to £2,000,000 divided into 200,000,000 shares of par value 1 pence each. After the consolidation, division and redenomination the Initial Subscriber was the registered shareholder of one Ordinary Share of par value 1 pence. This Ordinary Share was made available, under the terms of the Placing. The Placing Price of £1.00 per Ordinary Share represented a premium of 99 pence to the nominal value of an Ordinary Share issued under the Placing.

The Placing of the Company's Shares was fully subscribed, so that immediately after the Placing, the authorised share capital of the Company consisted of 200,000,000 Ordinary Shares and the issued share capital of the Company of 100,000,000 Ordinary Shares.

(b) Warrants

50,000,000 warrants were issued in conjunction with the subscription of Ordinary Shares at a ratio of one warrant for every two shares. Each warrant conferred on the holder the right to purchase one fully paid Ordinary Share at an exercise price of £1.30 as adjusted in accordance with Condition 2.3 of the AIM Admission Document. Warrants were capable of exercise at the option of the holder at any time prior to the close of business on AIM of the third anniversary of the date of admission of the Company warrants to AIM.

As the exchange traded price of the Ordinary Shares as at 31 December 2009 was below the exercise price of the warrants, there was no dilution caused by the warrants in the net asset value and gain per share. In accordance with the terms and conditions set out in the warrant instrument dated 30 July 2007, the final date for exercising the subscription rights conferred by the Warrants was 3 August 2010. Cancellation of the listing of the Warrants took place on 4 August 2010.

(c) Secondary placing

On 9 March 2009, a secondary placing took place whereby the Company issued 28,125,000 shares, which were sold at a price of 64 pence per share raising £18,000,000.

(d) Share repurchase

On 2 October 2008, the Board of Directors authorised a repurchase programme of 7,589,000 shares. Under the tender offer, the Company repurchased 7,589,000 shares for £4,576,316 at a price of 60 pence per share and held them in treasury. All of the rights of the treasury shares were suspended (including economic participation, voting and dividend distribution rights).

On 21 October 2009, an additional placing took place whereby the Company re-issued the 7,589,000 shares previously repurchased at a price of 94 pence per share raising £7,133,660.

Shares of common stock and warrants outstanding are:

Common stock	2010	2009
Balance at beginning of year	128,125,000	92,411,000
Issued	–	35,714,000
Repurchased	–	–
Balance at end of year	128,125,000	128,125,000
Weighted average shares in issue at end of year	128,125,000	116,825,010

Warrants	2010	2009
Balance at beginning of year	48,750,000	48,750,000
Expired	(48,750,000)	–
Balance at end of year	–	48,750,000

10. RELATED PARTIES

Certain Directors of the Company are also Directors, Members and/or shareholders of the Manager, Oakley Capital Corporate Finance LLP ("Oakley Finance"), Palmer Capital Associates (International) Limited and the Administrator; entities which provide services to and receive compensation from the Company.

The Company has a financial advisory agreement with Oakley Finance. During 2010, the Company incurred financial advisory fees of £42,500 (2009: £20,125), which is included in professional fees in the Statements of Operations. As at 31 December 2010, there was no balance payable (2009: £Nil) to Oakley Finance.

11. TAXATION

Under current Bermuda law the Company is not required to pay any taxes in Bermuda or either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in the event of such taxes being imposed, the Company will be exempt from such taxation at least until the year 2016.

The Company was not required to recognise any amounts for uncertain tax positions under FASB ASC 740-10.

12. INDEMNIFICATIONS AND WARRANTIES

In the ordinary course of business, the Company may enter into contracts or agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history, experience and assessment of existing contracts, management feels that the likelihood of such an event is remote.

13. SUBSEQUENT EVENTS

The Directors have evaluated subsequent events from the year end through 14 April 2011 which is the date the financial statements were available to be issued. The following events have been identified for disclosure.

On 18 January 2010, the Company increased the mezzanine loan to Time Out (Bermuda) Limited by a further £0.5 million taking the total to £6.2 million.

In March 2011, through a wholly owned subsidiary, SUN Cooperatif U.A., the Limited Partnership made an investment in Emesa B.V. in the amount of €11.85 million. Emesa is a leading on-line e-commerce business operating in the Dutch online leisure market. The Company supported the Limited Partnership's acquisition in Emesa by providing a short-term bridge loan to the Limited Partnership in the amount of €12.5 million at a fixed interest rate of 6.5%. The Company also provided debt finance to Emesa in the form a mezzanine loan facility of €5.4 million and senior debt facility of €10.0 million. The mezzanine loan carries a fixed interest rate of 15%, maturing no later than 31 March 2016 and the Senior debt facility carries a fixed interest of 8.5%, repayable on the earlier of a sale, change of control or borrower, listing or by 31 March 2014.

In March 2011, VVX (Bermuda) Limited repaid the outstanding balance on the mezzanine loan in full.

In April 2011, the Limited Partnership made a capital call of 10% or €18.7 million of the Company's commitment. The Limited Partnership has advised that it will use part of the proceeds from the capital call to repay the bridge loan in full and use the remaining proceeds to fund future investments.

DIRECTORS AND ADVISERS

DIRECTORS

James Michael Keyes
Independent Director and Chairman

Christine (Tina) Michelle Burns
Independent Director

Peter Adam Daiches Dubens
Director

Laurence Charles Neil Blackall
Independent Director

Ian Patrick Pilgrim
Director

Christopher Wetherhill
Independent Director

ADVISERS

Registered Office
102 St. James Court
Flatts
Smiths FL04
Bermuda

Manager to the Company and the Limited Partnership
Oakley Capital (Bermuda) Limited
102 St. James Court
Flatts
Smiths FL04
Bermuda

Investment Adviser to the Manager
Oakley Capital Limited
3 Cadogan Gate
London SW1X 0AS
United Kingdom

Legal Advisers to the Company as to English Law
Simpson Thacher & Bartlett LLP
City Point
1 Ropemaker Street
London EC2Y 9HU
United Kingdom

CREST Depositary
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH
United Kingdom

Administrator to the Company and the Limited Partnership
Mayflower Management Services (Bermuda) Limited
102 St. James Court
Flatts
Smiths FL04
Bermuda

Legal Advisers to the Company as to Bermuda Law
Conyers Dill & Pearman Limited
Clarendon House
2 Church Street
Hamilton HM CX
Bermuda

Nominated Adviser and Broker to the Company
Liberum Capital Limited
Level 12, Ropemaker Place
25 Ropemaker Street
London EC2Y 9AR
United Kingdom

Auditors to the Company and the Limited Partnership
KPMG
Crown House
4 Par la Ville Road
Hamilton HM 08
Bermuda

Branch Registrar
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey
JE1 1ES

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2011 Annual General Meeting of the members of the Company will be held at 102 St. James Court, Flatts, Smiths FL04, Bermuda on:

15 June 2011 at 11.00 a.m. (Bermuda time)

AGENDA

1. To elect a Chairman, if necessary.
2. To read the Notice convening the Meeting.
3. To lay before the Members the Company's audited report and accounts for the financial year ended 31 December 2010.
4. To re-appoint KPMG of Crown House, 4 Par-la-Ville Road, Hamilton HM 08, Bermuda as auditors for the ensuing year, and to authorise the Directors to fix their remuneration.
5. To note the retirement by rotation as Directors of the Company of Ian Pilgrim and Tina Burns at the Meeting in accordance with Bye-law 105 of the Company's Bye-laws.
6. To:
    a) determine the minimum and maximum number of Directors as not less than two (2) and not more than twelve (12);
    b) re-elect Peter Dubens as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
    c) re-elect James Keyes as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
    d) re-elect Laurence Blackall as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
    e) re-elect Christopher Wetherhill as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
    f) re-elect Tina Burns as a Director of the Company so to serve until the next Annual General Meeting or until her successor is elected or appointed;
    g) re-elect Ian Pilgrim as a Director of the Company so to serve until the next Annual General Meeting or until his successor is elected or appointed;
    h) authorise the Directors from time to time to fill any vacancies on the Board; and
    i) confer general authority on the Directors to appoint alternate Directors.

Copies of the letters of appointment of the Directors of the Company will be available for inspection for at least 15 minutes prior to the Meeting and during the Meeting itself.

9 May 2011
BY ORDER of the Directors
Mayflower Management Services (Bermuda) Limited
Secretary

NOTES

1. The Company has established the date of this Notice as the record date (the "Record Date") for the purposes of the Meeting, and accordingly only the registered holders of the Company's Ordinary Shares who are entered in the Company's Register of Members as at the Record Date are entitled to receive notice of, and attend and vote at, the Meeting.
2. A member is entitled to appoint one or more proxies to attend the Meeting, and, on a poll, vote instead of that member. A proxy need not be a Member.
3. Enclosed is a Form of Proxy appointing the Chairman, failing which the Secretary, of the Meeting or some other person to vote your shares with respect to any and all matters coming before the Meeting.

   To be valid the Form of Proxy must be received no later than 11.00 a.m. Bermuda time on 15 June 2011 at:

   Mayflower Management Services (Bermuda) Limited
   Secretary
   Oakley Capital Investments Limited
   102 St. James Court
   Flatts
   Smiths FL04
   Bermuda

   Email: ipilgrim@mayflower.bm
   Fax: (441) 236 6724

   Please return the completed Form of Proxy by scanned e-mail or by facsimile.
4. The Company advises that it knows of no other items to be brought before the Meeting other than the agenda items specified in the Notice. However, should any other items be presented at the Meeting of which the Company is not aware, it is the intention that the Proxy-holder vote at his/her discretion.
5. The giving of a proxy does not preclude the right to vote in person, should the Member giving the proxy so desire, as the proxy may be revoked at any time, provided Notice of Revocation is received by the Company at the address given in paragraph 3 above before commencement of the Meeting. Notice of Revocation may be served by scanned e-mail or by facsimile.

FOR YOUR NOTES

Designed by addtotaste.com and printed by Portman Lodge Limited

OAKLEY
CAPITAL

Oakley Capital Investments Limited is registered in Bermuda with company number 40324.
Registered office: 102 St. James Court, Flatts, Smiths FL04, Bermuda