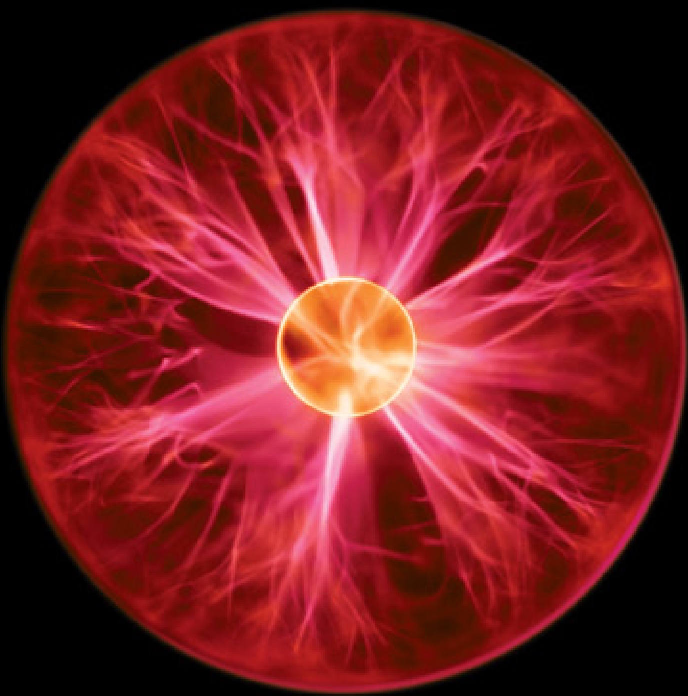
OAKLEY CAPITAL INVESTMENTS LIMITED
ANNUAL REPORT AND ACCOUNTS 2011



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Chairman's Statement

CHAIRMAN'S STATEMENT

I am pleased to report that 2011 was a year of solid progress for Oakley Capital Investments Limited (the "Company"). Oakley Capital Private Equity L.P. (the "Limited Partnership") made three direct investments in the year, bringing the total number of investments it has made since inception to ten and funded a number of follow-on investments in its portfolio companies. The overall trading performances of the portfolio companies has been good, contributing to a modest lifting of the Company's net asset value per share from £1.68 at 31 December 2010 to £1.71 at 31 December 2011.

The first of the direct investments in 2011 was the acquisition of 68% of Emesa, a high growth online consumer facing business operating in the e-commerce leisure and entertainment sectors. The transaction valued Emesa at £31 million with the Limited Partnership providing equity of £10.4 million and the Company providing senior debt of £8.7 million and a mezzanine loan of £4.7 million. The second investment was the acquisition of 65.7% of Time Out New York, which, following the acquisition of Time Out Group in November 2010, allows worldwide intellectual property rights to be consolidated under common ownership and the business to follow a unified strategic direction. The transaction valued Time Out New York at £18.5 million with the Limited Partnership providing equity of £9.3 million and the Company providing mezzanine loan finance of £3.1 million and senior loan notes of £2.1 million. The third direct investment was the acquisition of 51% of Intergenia Holdings GmbH, a web hosting company providing managed, dedicated and cloud hosting. This is a market sector which is well known to the Investment Adviser, the Limited Partnership having invested in and subsequently successfully sold Host Europe in 2010. The transaction valued Intergenia at £72 million with the Limited Partnership providing £25.2 million of equity financing and the Company providing £8.4 million of senior debt.

The portfolio companies had a good year in terms of cash generation enabling Emesa, Headland Media and Intergenia to repay in total £17 million of mezzanine and senior loans, with accrued interest, to the Company, of which £4.1 million was repaid in the post balance sheet period.

The Limited Partnership issued two capital calls in the year, principally to fund the acquisitions. The first call was in April 2011 for 10% of the Company's total commitments of £156 million (€187 million) and a further call made in November for 14% of total commitments. This resulted in the Company making a payment to the Limited Partnership in respect of the April call of £16.5 million and in respect of the November call of £22.5 million. The Limited Partnership has in total called 65.5% of total commitments.

PERFORMANCE

Net asset value in the year increased by £4.0 million to £218.9 million as at 31 December 2011. Of this total net asset value, £112.6 million represented the fair value of investments made by the Company into the Limited Partnership and £32.6 million was investments made directly to the Limited Partnership's portfolio companies in the form of mezzanine finance and senior loan notes. The balance of £73.7 million was held by the Company as cash and cash equivalents and other assets.

Whilst the Company does not generally invest directly in the portfolio companies, other than by the provision of debt finance, it is possible to "look through" the Limited Partnership to understand the impact of the performance of those portfolio companies on the investment values attributed to the Limited Partnership in the Company.

The total fair value of the portfolio company investments have increased 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 2011 have been established in accordance with The International Private Equity and Venture Capital Valuation Guidelines.

The fair value of the underlying portfolio investments in the Limited Partnership attributable to the Company has increased by £38.1 million to £107.2 million at 31 December 2011. Of this, £35.9 million arose as a result of additional investment by the Limited Partnership in new acquisitions or follow-on investments in existing portfolio companies. The balance of £2.2 million represents the net increase in the assessed fair values of the portfolio companies attributable to the Company arising from performance considerations. 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 of 15%. The Company may also provide secured senior debt to the portfolio companies at interest rates typically of 8.5%. These investments in loan instruments increased by £12.8 million from £19.8 million as at 31 December 2010 to £32.6 million at 31 December 2011, due principally to new loans being issued in connection with the Intergenia and Time Out New York acquisitions.

The Company held cash and cash equivalents of £70.1 million at 31 December 2011. On 28 October 2010, the Company made a capital commitment in the amount of £83.5 million (€100.0 million) in Oakley Capital Private Equity II L.P., 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 three direct acquisitions in the period; acquiring 68% of Emesa B.V. ("Emesa") in March 2011; 65.7% of Time Out America LLC ("Time Out New York") in May 2011 and 51% of Intergenia Holding GmbH ("Intergenia") in December 2011. Daisy Group plc ("Daisy") made three purchases in the twelve months to 31 December 2011. In addition, the Limited Partnership provided additional funding to Broadstone Pensions and Investments Limited ("Broadstone") and Time Out Group Limited ("Time Out London") to enable them to pursue their strategies and to make four small acquisitions.

Emesa B.V. ("Emesa")

On 25 March 2011, the Limited Partnership acquired 68% of Emesa, a leading e-commerce company active in the Dutch online leisure market. Emesa was founded in 2004 and has grown significantly to become a leading online consumer auction platform in the European e-commerce leisure industry. Emesa enables online customers to find and book leisure deals such as short holidays and weekend breaks through its websites. The Limited Partnership provided equity of £10.4 million and the Company provided senior debt of £8.7 million and a mezzanine loan of £4.7 million. Both the mezzanine and senior debt was fully repaid on 22 December 2011 by a refinancing from bank debt.

Time Out New York Limited ("Time Out New York")

On 22 May 2011, the Limited Partnership acquired 65.7% of Time Out New York. The investment is synergistic and will enhance the investment made by the Limited Partnership in November 2010 in Time Out London to create a global digital media group (the "Time Out Group"). In combination, Time Out New York and Time Out London control the worldwide rights to the Time Out brand (excluding Chicago). The Limited Partnership subscribed for equity of £9.3 million and the Company provided mezzanine loan finance of £3.1 million and senior loan notes of £2.2 million.

Intergenia Holding GmbH ("Intergenia")

On 31 December 2011, the Limited Partnership acquired 51% of Intergenia Holding GmbH and its subsidiaries (together known as "Intergenia"). Intergenia is a leading web hosting company providing managed, dedicated and cloud hosting. The transaction valued Intergenia at a total enterprise value of £72.0 million. The Limited Partnership provided £25.2 million of equity financing and Oakley Capital Investments Limited provided senior debt of £8.4 million. £2.1 million of this debt was repaid post balance sheet.

FOLLOW-ON INVESTMENTS

Broadstone Pensions and Investments Limited ("Broadstone")

During 2011, the Limited Partnership provided additional funding to Broadstone in the form of equity financing of £6.2 million. The funding provided additional working capital to pursue its turnaround strategy and to fund regulatory capital.

Time Out Group Limited ("Time Out London")

In 2011, the Limited Partnership provided additional funding to Time Out London in the form of equity financing of £4.6 million to fund four acquisitions; LikeCube; Kelkoo; Keynoir and What's on Stage. The funds were also used to fund additional working capital.

Daisy Group plc ("Daisy")

On 31 March 2011, Daisy announced that it had acquired the Vodafone mobile service business of Outsourcery Limited ("Outsourcery"), a managed service provider, for a cash consideration of £12 million. Outsourcery provides a suite of unified communications, focused on mobile voice, mobile data and hosted solutions to small and medium-sized enterprises.

On 18 April 2011, Daisy announced that it had completed the acquisition of the trading assets of Telinet and certain trading assets of Ipitomi for a cash consideration of up to £15.4 million. As leading data and managed service providers, the Telinet and Ipitomi acquisitions further bolster Daisy's existing presence in the mid-market telecommunications space and enhance its data and engineering capabilities.

Subsequent events

In February 2012, Headland Media Limited repaid the outstanding balance of £1.6 million on its mezzanine loan and in March 2012, Intergenia AG repaid £2.1 million of its senior loan back to the Company leaving an outstanding balance of £6.3 million.

On 13 April 2012, Daisy announced that its profits and earnings for year ending 31 March 2012 were within the range of market expectations. On 16 April, Daisy announced the completion of the acquisition of, the audio-conferencing specialist, Worldwide Group Holdings Limited for an initial cash consideration of £28 million.

OUTLOOK

Whilst the Limited Partnership has invested in a diverse range of industry sectors, a significant core of those investments share the common characteristic of providing online services helping consumers save money. These investments are typically in high growth markets where the combination of the underlying rate of growth, together with the ever-increasing acceptance of the internet as a place to transact business, provides opportunity for expansion and a degree of shelter from the difficult economic situation in Europe. The Investment Adviser is likely to be influenced by the same considerations in its evaluation of new opportunities in the current year.

The Limited Partnership expects to consider realisation opportunities in 2012 where conditions prove to be conducive to an exit.

James Keyes

Chairman

19 April 2012

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

Economic recovery in Europe remains weak. However, a spate of surprisingly strong US data, and some signs that China was achieving a 'soft landing' and would avoid a sharp slowdown, encouraged the view that a world recession would be avoided. The key drivers of growth in Europe in the boom years, spending by households and governments, will provide a much smaller contribution going forward as governments work to reduce debt and to re-balance their economies in favour of investment and export-led recovery. One of the perhaps surprising features in recent months has been the relative stability of sterling in the foreign exchange markets. This appears to be because sterling is caught between the US Dollar and the Euro as risk appetite fluctuates within those currencies.

With continuing market uncertainty, the Investment Adviser has maintained its cautious approach to the evaluation of new opportunities, favouring, as previously, those businesses which provide a level of shelter by being in high-growth internet based services.

FINANCIAL HIGHLIGHTS

Assets at:	31.12.07	31.12.08	31.12.09	31.12.10	31.12.11	% change 2011/2007
Net assets (£m)	99.4	99.9	180.1	214.9	218.9	120%
Net assets per share (£)	0.99	1.08	1.41	1.68	1.71	73%
Share price (mid-market) (p)	101.6	63.5	95.0	145.5	132.5	30%
FTSE All-Share Index	3,287	2,209	2,751	3,063	2,858	(13%)
FTSE Small-Cap Index	3,418	1,854	2,777	3,229	2,749	(20%)
Operational performance						
Increase in net assets resulting from operations (£m)	(0.6)	5.1	55.0	34.8	4.0	
Net gain per share (£)	(0.01)	0.06	0.47	0.27	0.03	

ANALYSIS OF MOVEMENTS IN NET ASSET VALUE FOR THE YEAR ENDED 31 DECEMBER 2011

	£m
Opening net asset value as at 1 January 2011	214.9
Gross revenue	5.5
Other expenditure	(1.3)
Realised gain on investments	(0.5)
Net unrealised appreciation of investments (excluding accrued interest)	0.3
Closing net asset value as at 31 December 2011	218.9

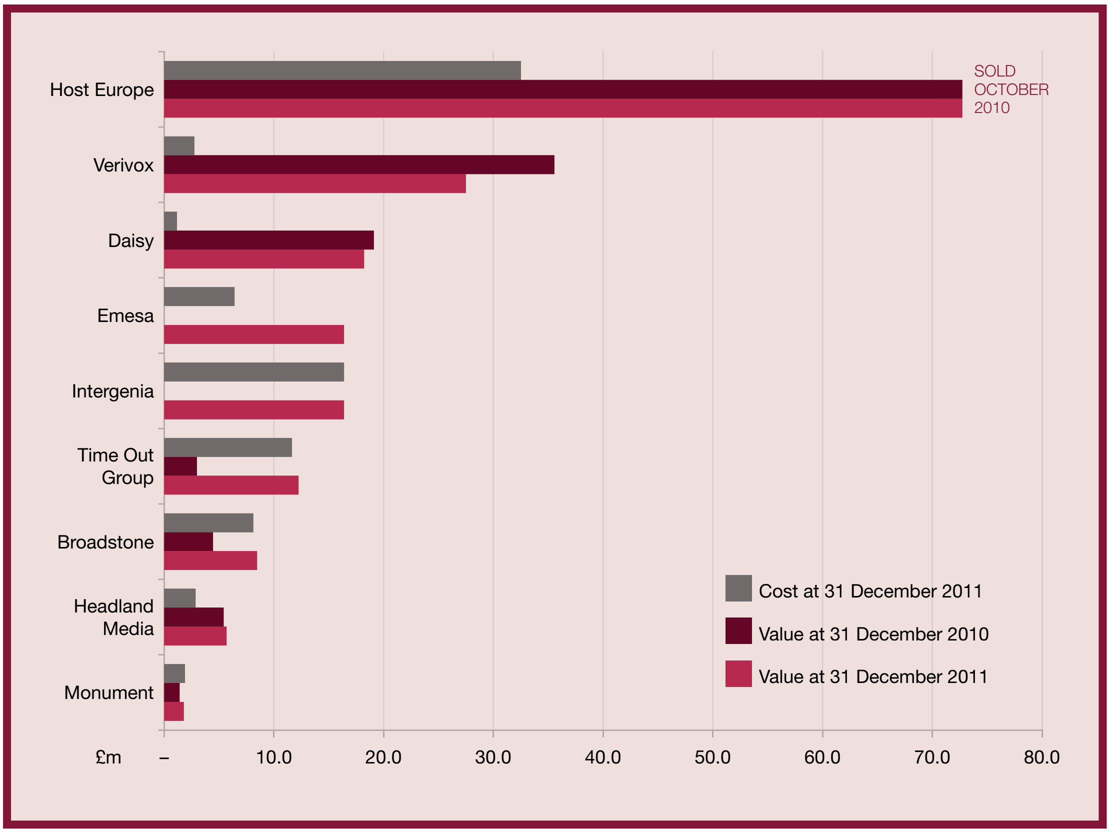
PERFORMANCE

The Company's net asset value increased in the year from £214.9 million at 31 December 2010 to £218.9 million, a rise of £4 million. The net asset value at 31 December 2011 is equivalent to £1.71 per share, up from £1.68 at 31 December 2010, an improvement of 3 pence, or 2%.

During 2011, the Limited Partnership made two capital calls; the first in April for 10% of the Company's total commitments of €187 million and a further call made in November for 14% of total commitments.

This resulted in the Company making a payment to the Limited Partnership in respect of the April call of £16.5 million (€18.7 million) and in respect of the November call of £22.5 million (€26.2 million). The calls were used to fund three key acquisitions made directly by the Limited Partnership; Emesa B.V.; Time Out New York Limited and Intergenia Holding GmbH and to enable the Limited Partnership to make additional capital contributions to Time Out London and Broadstone.

MOVEMENTS IN INVESTMENT PORTFOLIO VALUES FOR THE YEAR ENDED 31 DECEMBER 2011



As the chart on the previous page indicates, the total increase in the year in the investment value of the portfolio companies attributable to the Company was £38.1 million. The change in values of the portfolio companies is attributable to three key factors:

£28.9 million as a result of acquisitions made by the Limited Partnership during 2011

The total increase in the look-through values of the portfolio companies attributable to the Company as a result of new acquisitions was £28.9 million. Emesa was acquired by the Limited Partnership in March 2011; Time Out New York in May 2011; and Intergenia in December 2011. The Company's investment values at the time of acquisition were; Emesa: £6.5 million; Time Out New York: £6.0 million and Intergenia: £16.4 million.

£7.0 million as a result of additional funding made by the Limited Partnership into existing portfolio companies

The Limited Partnership also injected further equity funding into Broadstone and Time Out London. The investment value of Broadstone was increased from £4.5 million at 31 December 2010 to £8.5 million at 31 December 2011, an increase of £4.0 million. Time Out London increased from £3.1 million as at 31 December 2010 to £6.1 million as at 31 December 2011 an increase of £3.0 million.

£2.2 million as a result of fair value increases in the value of the underlying portfolio companies

This was driven by a revaluation of the portfolio companies at the year end, having regard to changes in the underlying profitability of the businesses and, where applicable, ratings expansion. Emesa, in particular, has seen an increase in fair value attributable to the Company of £10 million from its cost of £6.5 million at the time of acquisition in March. This uplift in value reflects the significant growth in profitability which the business has enjoyed in its home market since acquisition.

This increase in fair value of Emesa generates a money multiple of 2.4x.

There were smaller increases to the fair value of Headland Media and Monument resulting in an increase in the Company value for these two portfolio companies of £1.0 million.

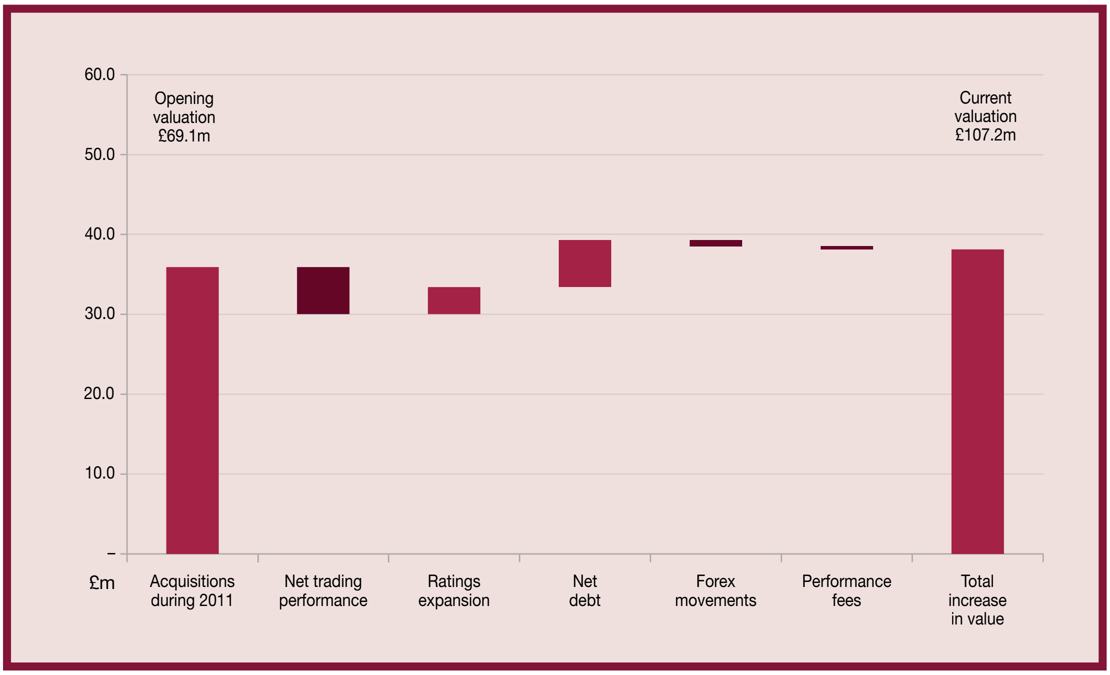
By contrast, the Company's fair value in Verivox decreased by £7.9 million from £35.5 million as at 31 December 2010 to £25.6 million as at 31 December 2011. Results for 2011 were adversely affected by the insolvency of one of the more active energy suppliers in the German market, by the unseasonably warm weather in quarter four and by the postponement of annual price increase by a number of the major energy providers, all of which dampened switching demand. Despite the decrease in fair value of Verivox, it remains significantly above cost and represents a 9x money multiple, as can be seen from the chart on the previous page.

Daisy's share price fell from 100 pence on 31 December 2010 to 95.5 pence on 31 December 2011. This reduced the Company's investment value in Daisy from £19.2 million to £18.3 million, a decrease of £0.9 million.

Time Out, Broadstone and Intergenia are carried at their cost of investment.

The combined effect of the changes to the fair values of the portfolio companies resulted in a net increase to the Company of £2.2 million.

PORTFOLIO INVESTMENT GROWTH 2011 BY SOURCE

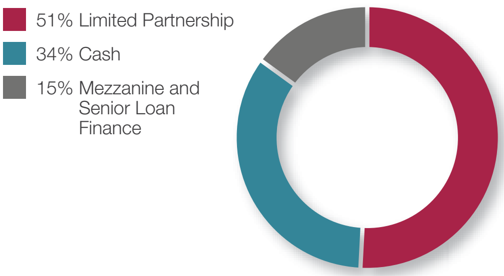


The above chart shows the growth in 2011 of the investment portfolio attributed to its source.

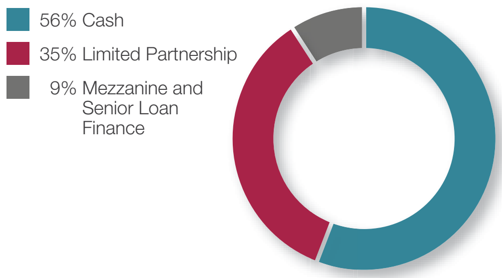
The fair value of the Limited Partnership's portfolio investments (i.e. excluding cash and cash equivalents held by the Limited Partnership) attributable to the Company grew from £69.1 million to £107.2 million, an increase of £38.1 million. The dominant influence on this growth, which can be seen from the above chart, is due to the acquisitions and follow-on funding made by the Limited Partnership of £35.9 million.

Trading has contributed a reduction to investment value as the decline in EBITDA in Verivox (magnified by the valuation multiple), brought about by the reasons outlined above, was only partly offset by improved trading from the other revalued portfolio companies. The other elements in the chart, net debt, foreign exchange and ratings expansion, more than compensate for the effect of the decline in trading performance with the result that fair value of the portfolio companies increased by £2.2 million.

COMPANY ASSET TYPES 2011



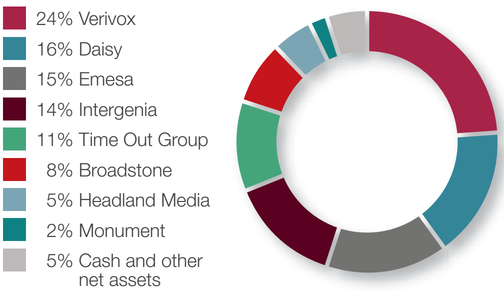
COMPANY ASSET TYPES 2010



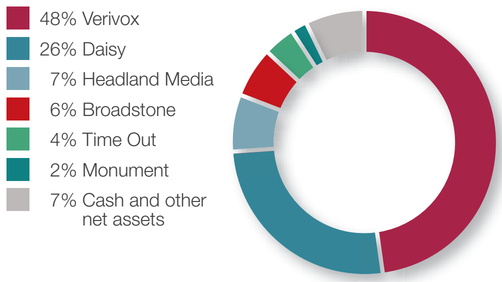
At 31 December 2011 the Company's assets were divided between its investment in the Limited Partnership (51%), cash and cash equivalents (34%) and loans provided directly to portfolio companies (15%). These loans generally take the form of mezzanine and senior finance, ensuring that uncalled cash continues to work for the Company earning a positive return.

At 31 December 2011 the total value of loans outstanding was £32.6 million (2010: £19.8 million). The decrease in cash of £50.8 million reflects the payments of £39.0 million called by the Limited Partnership to fund acquisitions and follow-on investments and a cash outflow of £12.9 million to provide senior debt and mezzanine financing directly to portfolio companies.

SPLIT OF INVESTMENTS IN LIMITED PARTNERSHIP 2011



SPLIT OF INVESTMENTS IN LIMITED PARTNERSHIP 2010



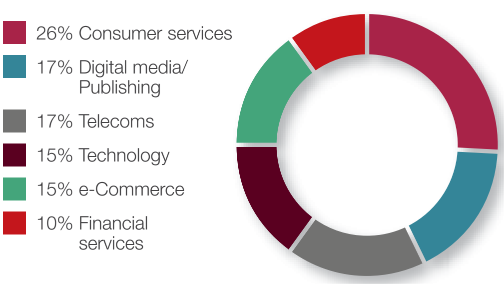
The distribution of the split of investments in the Limited Partnership is now showing a more balanced distribution. The largest investment in 2011 (Verivox) accounts for just 24% of total value compared with 2010 (also Verivox) which then accounted for 48% of total value.

This improvement in diversification is also true of the portfolio distribution by sector which is more evenly distributed in 2011 compared with 2010. The technology sector has re-emerged due to the acquisition of Intergenia, and the acquisition of Emesa has introduced a new sector in the form of e-commerce.

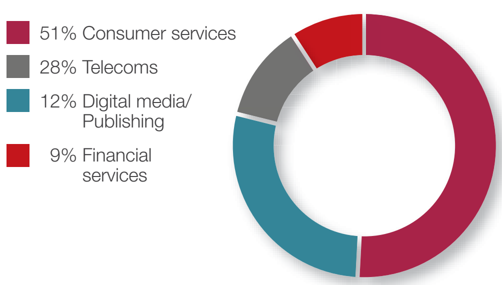
This has halved the former dominant sector of consumer services from 51% in 2010 to 26% in 2011. Digital Media and Publishing has increased its share due to the acquisition of Time Out New York.

Diversification of the geographical split of the portfolio companies has also improved. In 2011 the division is; 41% in Germany; 19% in the Netherlands, a new geographical entrant due to Emesa; 5% in the USA due to another new entrant, Time Out New York; and the remaining 35% in the UK. In 2010 the geographical split was Germany, 53%, and the UK, 47%.

PORTFOLIO DISTRIBUTION BY SECTOR 2011



PORTFOLIO DISTRIBUTION BY SECTOR 2010



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. In that year he established the Bermuda office of Renaissance, for which he has responsibility. 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$950 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 million to BSkyB and the main operating divisions of Pipex were sold for approximately £370 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 eight 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 each comprise all of 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 of 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 31 March 2012, 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 Perpetual	30.94%
Ruffer LLP	15.20%
Blackrock Investment Management	8.67%
Henderson Global Investors	8.15%
Rothschild Bank, Zurich	5.91%
Schroder Investment Management	5.89%
Fidelity Investments	5.22%

REVIEW OF INVESTMENTS

SUMMARY

Assets at fair value	Fair value 2011 (£m)	Fair value 2010 (£m)
Investment in Limited Partnership	112.6	74.0
Mezzanine loans:		
Verivox	–	1.4
Headland Media	1.6[1]	1.6
Broadstone	6.0	6.0
Time Out Group	9.4	5.7
Senior loans:		
Time Out	7.2	5.0
Intergenia	8.4[2]	–
Total investments	145.1	93.7

[1]Repaid to the Company in full in 2012
[2]Part repayment to the Company in 2012

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 2011, the Company had invested a total of £101.9 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 value attributed to the Company by virtue of its direct holding in the Limited Partnership. In October 2010, a cash distribution of £72.7 million was made by the Limited Partnership to the Company following the disposal of Host Europe.

At 31 December 2011, the Limited Partnership's Investment Adviser appointed a third party valuer to determine fair value of the portfolio companies taking account of the financial information provided by the Investment Adviser. As a result of this assessment, the fair value of the Limited Partnership increased by £38.6 million from £74 million as at 31 December 2010 to £112.6 million as at 31 December 2011. Of this increase, £28.9 million is attributable to the direct investments in Emesa, Time Out New York, and Intergenia made by the Limited Partnership. Follow-on investments made by the Limited Partnership into Time Out London and Broadstone accounted for a further £7.0 million and £2.2 million results from the increase in fair values of the underlying portfolio companies.

In addition to its investments in the Limited Partnership, the Company has also provided loans directly to a number of the portfolio companies. At 31 December 2010, Verivox had a mezzanine loan of £1.4 million outstanding. This was repaid in full in March 2011.

At 31 December 2011 and 31 December 2010, the Company had outstanding mezzanine finance provided to Headland Media of £1.6 million. This was repaid in full after the year-end, in February 2012. At 31 December 2011, the Company had an outstanding mezzanine loan with Broadstone via Fitzwilliam Holdco Limited of £6.0 million with an interest rate of 15% per annum maturing no later than November 2015.

The Company provided both mezzanine finance and senior debt finance to Time Out London. The mezzanine finance amounted to £5.7 million in 2010 with an additional £0.5 million provided in January 2011. The interest rate is 15% 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.

The Company also provided mezzanine loans and senior debt finance to Time Out New York. The mezzanine finance was £3.1 million at an interest rate of 15% per annum maturing no later than May 2016. The senior loan notes amounted to £2.1 million at an interest rate of 8.5% per annum maturing no later than May 2014. Both the mezzanine loan and senior loan note are subject to withholding tax, reducing the effective rates of interest to 10.5% and 5.95% respectively.

With the acquisition of Emesa, in March 2011, the Company provided both mezzanine and senior debt finance to the Company. The mezzanine finance was £4.7 million at an interest rate of 15% per annum maturing no later than March 2016. The senior loan notes amounted to £8.7 million and have an annual interest rate of 8.5% and are due to be repaid no later than March 2014. The loans were repaid in full on 22 December 2011 from the proceeds from bank refinancing.

In December 2011, the Company provided senior debt finance to Intergenia of £8.4 million (€10 million). The loan notes have an annual interest rate of 8.5% and are due to be repaid in December 2013. In March 2012, Intergenia repaid £2.1 million (€2.5 million) of the debt.

From time to time, the Company provides bridging loans to the Limited Partnership. The loans are used by the Limited Partnership to fund short-term cash demand. The bridging loans generally have a term of six months and an interest rate of 6.5%. Bridging loans are underwritten by capital calls. The interest generated from a bridging loan exceeds the interest earned on the Company's bank deposits, allowing the Company to earn higher returns on part of its cash reserves. On 24 March 2011, the Company provided a bridging loan to the Limited Partnership for £12.0 million at an interest rate of 6.5% and a maturity date of 29 July 2011. The loan was repaid in full on 15 April 2011. On 24 November 2011, the Company provided a bridging loan of £3.0 million at an interest rate of 6.5% and a maturity date of 29 February 2012. This debt was repaid in full on 8 December 2011.

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 36.25 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 tele-communications sector with the aim of building a business of considerable scale. Following the acquisition of Vialtus Solutions, Daisy completed 14 acquisitions and has developed to become an industry leading provider of unified communications to the SME and mid-market business sector in the UK.

BUSINESS UPDATE

On 30 November 2011 Daisy announced its interim results for the six months ended 30 September 2011. Revenues in the six months to 30 September 2011 were £176 million which were £56 million higher than those in the previous six month period. Adjusted EBITDA increased from £16 million in the six months to 30 September 2010 to £26.6 million for the six months to 30 September 2011. Cash conversion was good with free cash flow of £16.9 million being generated in the six months to 30 September 2011 against £11.2 million in the previous six month period. On 13 April 2012, Daisy announced that its profit and earnings for the year ending 31 March 2012 were within the range of market expectations. Daisy further announced on 16 April, 2012 that it had completed the acquisition of the audio conferencing specialist, Worldwide Group Holdings Limited for an initial cash consideration of £28 million.

The Daisy share price on 31 December 2011 was 95.5 pence, down from 100 pence at 31 December 2010. The share price at 31 December 2011 was used to establish the fair value of the investment.

DAISY GROUP

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
N/A	14%	N/A	£18.3m

VERIVOX

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 Partnership's contribution was €5.3 million in preferred shares. By the end of Q1 2011, the preferred equity had been repaid.

In addition, the Company provided €13.0 million in the form of mezzanine finance and a bridging loan. Of these loans, at 31 December 2010, €1.65 million was outstanding but this 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 GmbH ("Verivox") is Germany's leading consumer energy and telecoms price comparison website with a 12 year history. Verivox receives commission from energy suppliers when consumers elect to switch providers through its website. It is a well recognised brand in Germany and is regularly quoted by media as an independent source of energy price data. Verivox has also been certified by Germany's three leading consumer protection and standards bodies.

Verivox differentiates itself from competitors by having contractual relationships with over 150 suppliers and by providing users with details of the lowest cost energy supplier even when the company does not represent that supplier. The company handled approximately 0.9 million customer switches in 2011.

BUSINESS UPDATE

Verivox started 2011 strongly but trading in the second half of the year was below expectations. Revenues and EBITDA for the year ended lower than for the previous year. The highly publicised insolvency of Teldafax Energy (the largest "new entrant" into the Germany consumer energy supply market) in June 2011 adversely affected confidence in the switching market. A number of major energy suppliers held back from raising their tariffs in 2011 seemingly linked to the German government's decision to phase out nuclear energy generation in Germany following the Fukashima disaster in Japan, again depressing switching volumes.

At 31 December 2011, the fair value of the Limited Partnership's investment in Verivox was re-valued downwards, to reflect the decline in performance in 2011. The restated fair value represents a money multiple of 9x cost invested for Oakley Capital Investments Limited.

PERFORMANCE

Revenue for the year to 31 December 2011 was €42.2 million with an EBITDA of €14.1 million.

VERIVOX

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
£23.0m	51%	£14.8m[1]	£27.6m

[1]Includes £11.8 million debt provided by the Company at acquisition, since repaid.


Time Out
London
PLUS
Martin Scorsese goes 3D
Christmas gift guide part three
Mark Wallinger does dance
The hottest new street art
New York artist Swoon hits town
The Best of London
Brilliant festive nights out
That don't cost the earth
Fabulous food and drink
Feast like a king
FOR LESS!


Time Out
Barcelona
VISCA LA PROTEÏNA!
LLEGIR AL CARRER
SELECCIÓ: ELS LOCALS AMB MÉS FANS I MÉS SELECTES
30
Bars de Culte
A BARCELONA
CERVESA, GINTÒNIC, ART, RISC...
ELS ÍNDEXS MÉS NOUS
+
ENTREVISTA
A AI WEIWEI


Time Out
New York
Best Mexican food
Celebrate Cinco de Mayo now
Five-star theater
Two comedies you shouldn't miss
New walking tours
Fresh ways to see NYC
FIND YOUR PERFECT
APARTMENT
How 27 New Yorkers did it
PLUS USEFUL APPS • ROOMMATE ADVICE
ACE CLEANING SERVICES • BROKERS' TIPS


INTERNATIONAL MAGAZINE OF THE YEAR
Time Out
Singapore
RESULTS INSIDE!
DYLAN! LEGEND! BIEBER! ...AND MORE BIG-NAME GIGS
THIS MONTH'S 25 HOT TABLES
EDGY ART SHOWS THAT HAVE PEOPLE TALKING
BEER REVOLUTION
CRAFT BARS, POURS AND PAIRINGS: WE TAP INTO OUR CITY'S BREWED AWAKENING


Time Out
London
SPECIAL COLLECTOR'S EDITION
KNOW MORE. DO MORE.
Underneath the arches
FREE
Our Edinburgh festivals guide
HARRY
POTTER
The biggest film of the year hits London screens this week. In a special issue we tell you what you need to know about this movie phenomenon

Sector:
Digital media/publishing

Location:
United Kingdom and USA

Investment date:
25 November 2010
and 26 May 2011

Website:
www.timeout.com

TRANSACTION DETAILS

In November 2010, the Limited Partnership acquired 50% of Time Out Group Limited ("Time Out London"), the international multi-channel publisher. The Limited Partnership subscribed for equity of £5.1 million and the Company has provided loans in the form of mezzanine finance of £6.2 million and senior debt of £5.0 million. In 2011, the Limited Partnership provided additional equity of £4.6 million to fund four follow-on acquisitions and to provide additional working capital. In May 2011, the Limited Partnership acquired 65.7% of Time Out America LLC ("Time Out New York"). The investment is synergistic and will enhance the investment in Time Out London creating a global digital media group (the "Time Out Group"). The Limited Partnership subscribed for equity of £9.3 million and Oakley Capital Investments Limited provided a mezzanine loan of £3.1 million and senior loan of £2.2 million.

BUSINESS OVERVIEW

Time Out was established in 1968 by Tony Elliott and today is a globally recognised brand. The development of the internet has presented the Time Out Group 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. Globally, the Time Out Group is present in 35 cities across the world, with a worldwide audience of 16 million across both print and digital channels.

BUSINESS UPDATE

The first half of 2011 had been a period of planning, re-organisation and customer research in order to transition from, what was historically, a print publishing business to a digital media business. Key staff were recruited with significant digital and e-commerce experience to help facilitate transition and growth. The second half had focussed on integrating the management of the London and New York businesses with the aim to better align strategic direction; to ensure Time Out Group's investment in content and platforms is exploited across all operations; and to reduce costs by eliminating duplication. During the second half of 2011, the Limited Partnership provided funding to Time Out for four acquisitions: one of which was LikeCube, the cutting edge personalisation software company that uses semantic analysis to give web and mobile users personalised recommendations. The other three, Keynoir, Kelkoo and What's on Stage were acquisitions made to enhance the content provided by Time Out and to increase transactional revenue through the site.

PERFORMANCE

Revenue for the total group to 31 December 2011 was £28 million with an EBITDA loss of £1.9 million. The restructuring programme to digital and transactional and the integration of the London and New York businesses onto a single platform has increased costs in 2011 with a consequent impact on profitability.

TIME OUT GROUP

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
£32.4m	London 50.0% New York 65.7%	£25.8m	£29.0m

Sector:
e-Commerce

Location:
Netherlands

Investment date:
24 March 2011

Website:
www.emesa.nl

TRANSACTION DETAILS

On 24 March 2011, the Limited Partnership acquired 68% of Emesa B.V. ("Emesa"), a leading e-commerce company active in the Dutch online leisure market. The Limited Partnership provided £10.4 million and the Company provided senior debt of £8.7 million and a mezzanine loan of £4.7 million. Emesa's management and its main founder retained a significant stake in Emesa. An earnout of €5 million is payable, Emesa having significantly exceeded its EBITDA targets in 2011. On 22 December 2011, Emesa repaid its senior debt and mezzanine loan, including interest, in full. The repayment was funded from a refinancing using external bank debt.

BUSINESS OVERVIEW

Emesa was founded in 2004 and has grown significantly to become a leading online consumer auction platform in the European leisure industry. Emesa enables online customers to find and book leisure deals such as short holidays, weekend breaks, spa/beauty visits, event tickets and restaurant visits through its websites. Emesa operates three websites in the Netherlands and in 2011 completed over 1.8 million transactions with a current run rate of over 2 million transactions per annum.

INVESTMENT RATIONALE

The investment provides the Limited Partnership with a high-growth platform in an attractive vertical and the opportunity both to white-label the auction technology and to expand internationally. The business has a strong track record of introducing successful new concepts such as "deal of the day".

BUSINESS UPDATE

Emesa has continued to trade strongly in the Netherlands and has finished 2011 ahead of expectations. Management launched the auction concept in the German market in Q3 with the site Aladoo.de. The launch of Aladoo will be a net cost to the group whilst users are attracted to the new site and the brand develops.

PERFORMANCE

Net revenue for the year to 31 December 2011 was €23.7 million with an EBITDA of €7.5 million (excluding the impact of the launch of Aladoo.de).

EMESA

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
£30.0m	68%	£20.1m[1]	£16.5m

[1]Includes £13.4 million debt provided by the Company at acquisition, repaid in December 2011.


1 Year
34.00
33.00
32.00
31.00
30.00
29.00
28.00
27.00
26.00
25.00
Aug
Sep
Oct
Nov
Dec
2007
Feb
Mar
Apr
May
Volume
4:00
Volume
4:00
5:00
6:00
Weighted
Last
Rel
His Vol
Avg Vol
5.43
77.00%
74.27%
74.71%
64.18%
47.98%
603525
1083395

BROADSTONE™

Sector:
Financial services

Location:
United Kingdom

Investment date:
4 November 2010

Website:
www.broadstoneltd.co.uk

TRANSACTION DETAILS

On 4 November 2010, the Limited Partnership announced that it had acquired 84.4% of Broadstone Pensions and Investments Limited ("Broadstone"), formerly known as BDO Wealth Management Limited, the UK-wide independent provider of investment advice and solutions to private individuals and corporates, from BDO LLP. The Limited Partnership has provided initial equity of £7.0 million and the Company provided a mezzanine loan of £6.0 million. During 2011, the Limited Partnership provided additional funding in the form of equity of £6.2 million. The funding was used to provide additional working capital and to fund regulatory capital.

BUSINESS OVERVIEW

The Company, a top 40 UK wealth manager with high quality clients, operates across two divisions; Private Client Services and Corporate Pensions and Benefits Services.

On 3 May 2011, Broadstone was unveiled as the new brand name for BDO Wealth Management, using the opportunity to reassess its market position and refocus its business to provide an enhanced service to its loyal customer base.

Broadstone's wide breadth of offering means that it is operating in the mass affluent and high net wealth segments.

BUSINESS UPDATE

Since acquisition, the business has gone through a change management programme with a significant investment made in people and internal systems. During this period, the business has reduced costs by £3.0 million annualised whilst funds under management, advice and influence for private clients remained above £2 billion. Revenues from the corporate pensions and benefits business were maintained at approximately £6 million despite volatile market conditions.

PERFORMANCE

Broadstone's year end is 30 June 2011. Total revenues for the 12 months to 30 June 2011 were £15.8 million with an EBITDA loss of £4.7 million. The business has invested in a scalable client asset platform whilst seeking to grow the business both organically and by acquisition.

BROADSTONE

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
£20.6m	84%	£12.8m	£14.5m

HeadlandMedia

Sector:
Digital media

Location:
United Kingdom

Investment date:
25 January 2008

Website:
www.headlandmedia.com

TRANSACTION DETAILS

During 2008, the Limited Partnership via a newly incorporated company, Headland Media Limited acquired Teamtalk Satellite Limited and Teamtalk Broadcast Limited, Good Morning News and Walport International. In 2009, the business acquired Shipboard Video Express Inc and in 2010, Headland Media acquired Newslink Service Limited. The Limited Partnership provided total equity funding of £4.4 million. The Company also provided mezzanine funding and as at 31 December 2011 has £1.6 million of mezzanine loan outstanding, which was fully repaid in February 2012.

BUSINESS OVERVIEW

Headland Media Limited ("Headland Media") is a business-to-business media content provider with offices in the UK, Europe and the US. Headland Media 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 with specialist communication needs. Headland Media distributes media content to around 13,000 destinations using proprietary distribution channels and has an audience of approximately 20 million listeners and 250,000 readers. Revenue is derived from recurring (subscription) revenue and non-recurring (one-off installation) charges. Headland Media has a loyal customer base and provides services to 1,400 hotels and 9,000 cruise and merchant ships.

BUSINESS UPDATE

Headland Media had a good year in 2011, increasing destination sites from 12,500 to 13,160. It has used technology to roll out a single platform significantly improving their customer's experience. Headland Media has also signed up to 340 new sites in their hotel division and new deals in their retail business.

PERFORMANCE

Headland Media's financial performance for the year to 31 December 2011 was in line with expectations. On 16 February 2012, Headland Media repaid the Company its $2.5 million mezzanine debt and interest in full which was funded by £1.0 million of bank debt and internally generated cash. Revenue for the year to 31 December 2011 was £8.4 million and EBITDA was £2.2 million.

HEADLAND MEDIA

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
£7.9m	80%	£5.9m	£7.4m

MONUMENT SECURITIES LTD

Sector:
Financial services

Location:
United Kingdom

Investment date:
31 March 2008

Website:
www.monumentsecurities.com

TRANSACTION DETAILS

The Limited Partnership acquired 51% of Monument Securities Limited which was funded by equity of £2.8 million, in March 2008.

BUSINESS OVERVIEW

Monument Securities Limited ("Monument Securities") is an independent equity, derivatives and fixed income broker with a 20 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

During 2011, Monument Securities has strengthened its development team and has been involved in developing new products. Revenues have been generated at broadly similar levels to 2010 from derivatives, equity and fixed income. The diversity in the business has enabled Monument Securities to maintain results in line with 2010 in challenging markets. Monument's balance sheet remains strong.

PERFORMANCE

Revenue for the twelve months to 31 December 2011 was £6.4 million with an EBITDA loss of £0.2 million.

HEADLAND MEDIA

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
£5.6m	51%	£1.8m	£1.8m


AC
AB
AA

intergenia Aktiengesellschaft

Sector:
Technology

Location:
Germany

Investment date:
31 December 2011

Website:
www.intergenia.de

TRANSACTION HISTORY

On 31 December 2011, the Limited Partnership acquired a 51% stake in the business conducted by Intergenia AG ("Intergenia"), a leading web hosting company providing managed, dedicated and cloud hosting. The transaction valued Intergenia at a total enterprise value of £72 million (including transaction costs). The Limited Partnership provided £25.2 million of equity financing and the Company provided senior debt of £8.4 million. Intergenia's management and its founders retain a significant stake in the company.

BUSINESS OVERVIEW

Intergenia was founded in 1998 with a head office based in Cologne. Intergenia trades under three different hosting brands, PlusServer, serverloft and SERVER4YOU. The Company has an industry-leading low cost infrastructure due to its data centre in Strasbourg which is one of Europe's most efficient data centres. The Company has 7,000 sq.m of leasehold-owned data centre space split between Strasbourg, France and St. Louis, USA. Intergenia has a geographically diversified customer base composed predominantly of SME customers and is one of the German market leaders in dedicated hosting to SME customers. Intergenia also runs WorldHostingDays ("WHD"), the largest series of hosting conferences worldwide.

INVESTMENT RATIONALE

Intergenia operates in the web hosting sector, an area well known to the Limited Partnership following its former successful investment in Host Europe. The company was at an attractive point in its infrastructure investment cycle after it had completed the build of two significant and capital intensive data centres. Intergenia's key competitive advantage is its low cost base due to its Strasbourg data centre. Intergenia's management have also automated many processes within the company including customer sign up, billing and server configuration. Intergenia's WHD has allowed management to build an extensive network in the industry with suppliers, competitors and customers.

Intergenia's strategy is to focus on growing all three hosting brands and to boost customer lifetime value, which should improve return on capital and, in combination with improved financial management, should increase free cashflow.

PERFORMANCE

Intergenia has traded strongly in 2011 and (subject to audit) made revenues of €26.7 million and EBITDA of €12.4 million.

INTERGENIA

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
£72.0m	51%	£24.8m	£24.8m

DISPOSALS

Sector:
Technology

Location:
United Kingdom

Investment date:
2 April 2008

Website:
www.hosteurope.com

DISPOSAL DETAILS

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.

Host Europe was acquired by the Limited Partnership at a total transaction value of £128 million. The consideration was satisfied by a mixture of cash, vendor loan note and bank loans and mezzanine financing from the Company. The Limited Partnership contributed £48.0 million. Outstanding mezzanine loans due to the Company at the time of the disposal, amounting to £19.9 million (including accrued interest), were repaid on 28 October 2010.

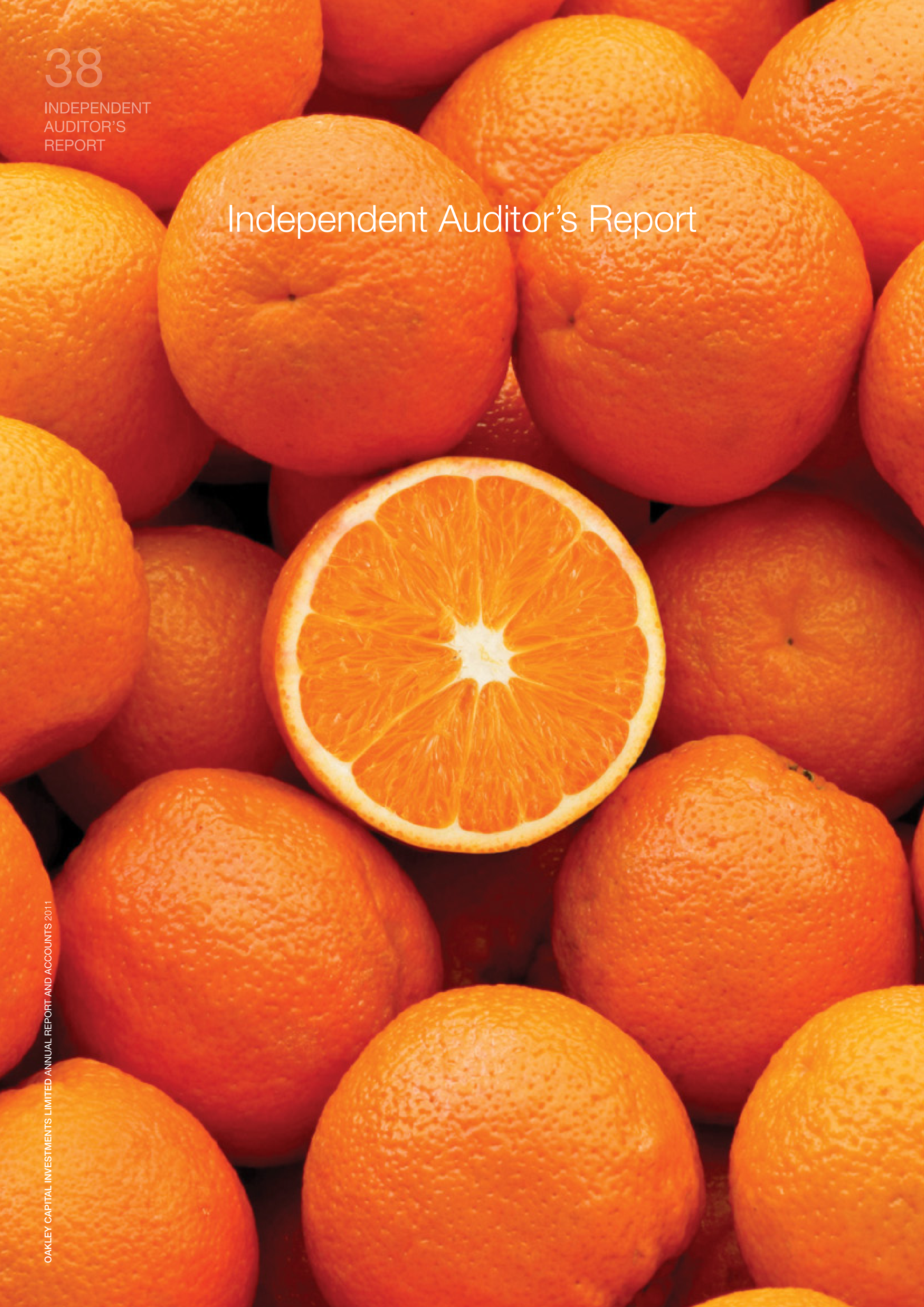
RETURN

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. The Company received a total distribution of £92.6 million from the disposal comprising a return on its investment through the Limited Partnership of £72.7 million and the repayment of outstanding mezzanine finance owed by Host Europe of £19.9 million.

HOST EUROPE

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Exit value of the Company's interest
£128m	83%	£51m	£92.6m

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 2011 and 2010, 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.

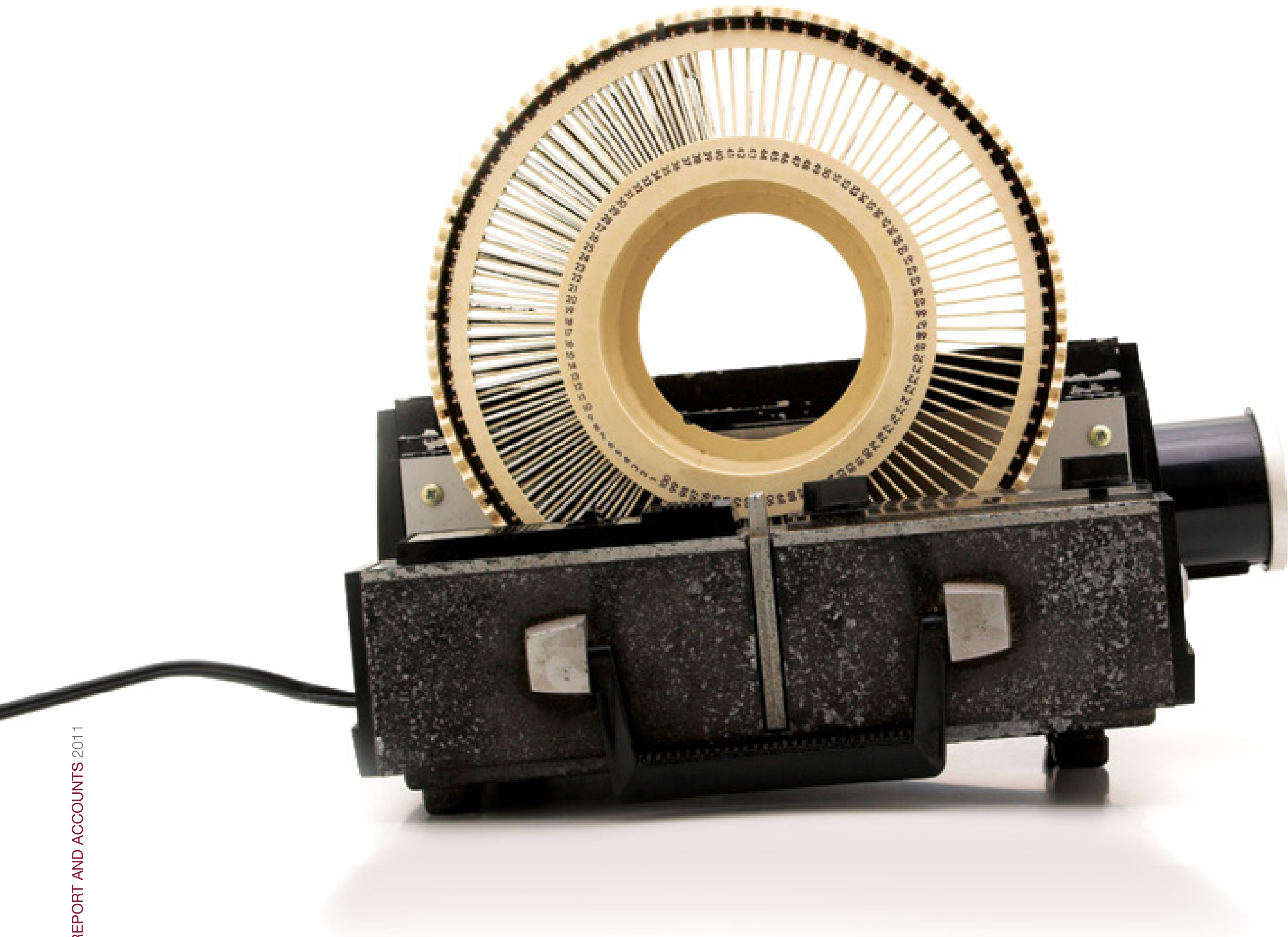
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration 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 2011 and 2010, 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.

This report, including our opinion, has been prepared for, and only for, the Company's shareholders as a body in accordance with Section 90 of the Bermuda Companies Act 1981 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

KPMG
Chartered Accountants
Hamilton, Bermuda
19 April 2012

Financial Statements



FINANCIAL STATEMENTS

STATEMENTS OF ASSETS AND LIABILITIES
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010
(Expressed in British Pounds)

	notes	2011 £	2010 £
Assets			
Investments (cost 2011: £93,752,827; 2010: £42,127,743)	5, 7	145,143,787	93,708,239
Cash and cash equivalents	3	70,108,870	120,915,727
Accrued interest receivable		3,961,377	814,139
Other receivables		15,638	29,553
Total assets		219,229,672	215,467,658
Liabilities			
Accounts payable and accrued expenses	4, 6	300,960	520,316
Total liabilities		300,960	520,316
Net assets attributable to shareholders		218,928,712	214,947,342
Represented by:			
Share capital		1,281,250	1,281,250
Share premium		119,276,094	119,276,094
Retained earnings		98,371,368	94,389,998
		218,928,712	214,947,342
Number of shares outstanding	9	128,125,000	128,125,000
Net asset value per share		**1.71**	**1.68**

Signed on behalf of the Board on 19 April 2012 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 2011 AND 2010
(Expressed in British Pounds)

31 December 2011	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 L.P.	51.41%	65.01%		61,328,362	112,553,747
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	2.28%		£5,000,000	5,000,000	5,000,000
Bermuda					
TONY OCIL (Bermuda) Limited Interest at 8.5% p.a. Maturity date May 2014	1.00%		$3,400,000	2,109,020	2,195,040
WHDI (Bermuda) Limited Interest at 8.5% p.a. Maturity date November 2013	3.82%		€10,000,000	8,368,000	8,353,000
Total senior loan notes	7.10%			15,477,020	15,548,040
Investments in mezzanine loans					
United Kingdom					
Headland Media Limited Interest at 15% p.a. Maturity date December 2014	0.74%		$2,500,000	1,645,945	1,614,000
Fitzwilliam Holdco Limited Interest at 15% p.a. Maturity date November 2015	2.74%		£6,000,000	6,000,000	6,000,000
Time Out (Bermuda) Limited Interest rate at 15% p.a. Maturity date November 2015	2.83%		£6,200,000	6,200,000	6,200,000
TONY OCIL (Bermuda) Limited Interest rate at 15% p.a. Maturity date May 2016	1.47%		$5,000,000	3,101,500	3,228,000
Total mezzanine loans	7.78%			16,947,445	17,042,000
Total Investments	66.29%			93,752,827	145,143,787

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 2011 AND 2010
(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 L.P.	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.

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010
(Expressed in British Pounds)

	notes	2011 £	2010 £
Investment income			
Interest		5,570,248	4,835,741
Withholding tax on interest		(117,436)	–
Total income		5,452,812	4,835,741
Expenses			
Management fees	4	591,481	306,677
Performance fees	4	–	408,948
Professional fees	6,10	339,923	279,086
Other		339,023	372,133
Interest		1,721	379
Total expenses		1,272,148	1,367,223
Net investment income		**4,180,664**	**3,468,518**
Realised and unrealised gains (losses) on foreign exchange and investments			
Net realised gains on foreign exchange		502,413	51,288
Net change in unrealised gains (losses) on foreign exchange		12,362	(545)
Net realised (losses) gains on investments		(524,533)	31,263,988
Net change in unrealised (depreciation) appreciation on investments		(189,536)	53,735
Net realised and unrealised gains on foreign exchange and investments		(199,294)	31,368,466
Net earnings		**3,981,370**	**34,836,984**
Net earnings per share		0.03	0.27

The notes following form an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010
(Expressed in British Pounds)

	2011 £	2010 £
Net increase in net assets resulting from operations		
Net investment income	4,180,664	3,468,518
Net realised gains on foreign exchange	502,413	51,288
Net change in unrealised gains (losses) on foreign exchange	12,362	(545)
Net realised (losses) gains on investments	(524,533)	31,263,988
Net change in unrealised (depreciation) appreciation on investments	(189,536)	53,735
Net increase in net assets resulting from operations	3,981,370	34,836,984
Net increase in net assets	3,981,370	34,836,984
Net assets at beginning of year	214,947,342	180,110,358
Net assets at end of year	218,928,712	214,947,342

The notes following form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010
(Expressed in British Pounds)

	2011 £	2010 £
Cash flows from operating activities		
Net increase in net assets resulting from operations	3,981,370	34,836,984
Adjustments to reconcile net increase in net assets resulting from operations to net cash (used in) provided by operating activities:		
Net realised and unrealised gains on foreign exchange and investments	199,294	(31,368,466)
Payments for purchases of investments	(80,448,664)	(36,490,528)
Proceeds on disposal of investments	28,299,047	106,983,070
Change in accrued interest receivable	(3,147,238)	(33,021)
Change in other receivables	13,915	11,841
Change in accounts payable and accrued expenses	(219,356)	413,569
Net cash (used in) provided by operating activities	(51,321,632)	74,353,449
Net effect of foreign exchange	514,775	50,743
Net (decrease) increase in cash and cash equivalents	(50,806,857)	74,404,192
Cash and cash equivalents at beginning of year	120,915,727	46,511,535
Cash and cash equivalents at end of year	**70,108,870**	**120,915,727**
Interest paid during the year	1,721	379

The notes following form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

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 depreciation 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 categorised 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 obtain independent appraisals.

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 2011 and 2010 consist of the following:

	2011 £	2010 £
Cash	1,010,856	–
Short-term deposits	69,098,014	120,915,727
	70,108,870	120,915,727

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 2011, the Company incurred management fees of £591,481 (2010: £306,677). As at 31 December 2011, management fees in the amount of £105,892 were payable to the Manager and are recorded within accounts payable and accrued expenses in the Statement of Assets and Liabilities (2010: £306,677).

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 2011, the Company incurred performance fees of £nil (2010: £408,948). As at 31 December 2011, performance fees in the amount of £nil were payable to the Manager and are recorded within accounts payable and accrued expenses in the Statements of Assets and Liabilities (2010: £107,044).

(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 2011 £	31 December 2010 £
Quotes prices (Level 1)	–	–
Other significant observable inputs (Level 2)	–	–
Significant unobservable inputs (Level 3)	145,143,787	93,708,239

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 depreciation in value. The fair values have been determined based on a discounted cash flow valuation approach consistent with prior years. The discount rate used to value the mezzanine loans is 15% (2010: 15%) and the secured loans 8.5% (2010: 8.5%).

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

	Investment in Securities 2011 £	Investment in Securities 2010 £
Investment in Limited Partnership		
Fair value at beginning of year	73,977,584	104,432,214
Purchases	39,049,714	11,194,582
Proceeds on disposal	–	(73,476,433)
Realised gains on disposal	–	31,952,746
Net change in unrealised depreciation on investments	(473,551)	(125,525)
Limited Partnership, fair value at end of year	112,553,747	73,977,584
Unquoted debt securities		
Fair value at beginning of year	19,730,655	28,450,844
Purchases	41,398,950	25,295,946
Proceeds on disposal	(28,299,045)	(33,506,637)
Net realised gain (loss) on disposal	(524,533)	–
Net change in unrealised depreciation on investments	284,013	(509,498)
Unquoted debt securities, fair value at end of year	32,590,040	19,730,655
Fair value at end of year	145,143,787	93,708,239

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, 19% (2010: 29%) are classified as Level 2 investments and 81% (2010: 71%) 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. During the year ended 31 December 2011, the Company incurred administration fees of £161,296 (2010: £63,044), which is included in professional fees in the Statements of Operations. As at 31 December 2011, there was a balance payable of £nil (2010: £35,002), 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 2011 was £101,932,105 (€122,485,000) (2010: £62,882,391 (€77,605,000)), representing 65.01% of the Company's total capital commitment. As at 31 December 2011, the Company accounted for 65.01% of the total capital and commitments in the Limited Partnership (2010: 65.01%).

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

At 31 December 2011 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 Company's participation in the Limited Partnership has been valued at £112,553,747 (2010: £73,977,584) at year end.

Limited Partnership's investments

The Limited Partnership made three direct acquisitions in 2011, Emesa B.V., Time Out New York and Intergenia AG. The Company invested alongside the Limited Partnership directly into the three portfolio companies by providing mezzanine or senior loans.

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 million. The consideration was used to repay third party debt of £51 million; to repay debt due and interest to the Company of £20 million; to pay Host Europe management in respect of their interests of £19 million; and to meet transaction costs of £4.3 million. Net proceeds from the investment were therefore £126.5 million.

The total net proceeds paid to the Limited Partners on 9 November 2010 were £112 million, after performance fees. The Company received £73 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 2011 was 95.5 pence (2010: 100 pence).

As at 31 December 2011, the net fair value of this investment attributable to the Company was £18.3 million (2010: £19.2 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. In total the Limited Partnership has invested £4.4 million in Headland Media. As at 31 December 2011, the net fair value of investment attributable to the Company was £5.8 million, (31 December 2010: £5.4 million).

Monument Securities Limited

Monument Securities Limited ("Monument Securities") is a global equity, derivatives and fixed income broker with a 20 year history. Monument Securities provides services to institutions, fund managers, market professionals, corporate and hedge funds. The Limited Partnership has a 51% interest in Monument Securities and its contribution was £2.8 million. As at 31 December 2011, the net fair value of the investment attributable to the Company was £1.8 million (2010: £1.4 million).

VVX (Bermuda) Limited

The Limited Partnership, through VVX (Bermuda) Limited, acquired 51% of Verivox Holdings Limited ("Verivox"), Germany's largest independent online consumer energy price comparison service. Verivox receives commission from energy suppliers when consumers elect to switch providers through its website. The Limited Partnership contributed £4.6 million in equity. As at 31 December 2011, the net fair value of the investment attributable to the Company was £27.6 million (2010: £35.5 million).

Fitzwilliam Holdco Limited (Broadstone Pensions and Investments "Broadstone")

On 4 November 2010, the Limited Partnership announced that, through its wholly owned subsidiary, Fitzwilliam Holdco Limited, it has acquired 84.4% of Broadstone, 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 as at 31 December 2011 was a total of £13.1 million (31 December 2010: £7.0 million). The net fair value of investment attributable to the Company at 31 December 2011 was £8.5 million (31 December 2010: £4.7 million).

TO (Bermuda) Limited (Time Out London) and TONY (Bermuda) Limited (Time Out New York)

On 25 November 2010, the Limited Partnership acquired 50% of Time Out London, 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.

In May 2011, the Limited Partnership acquired 65.7% of Time Out America LLC ("Time Out New York"). The investment is anticipated to be synergistic and will enhance the Limited Partnership's previous investment, in November 2010, in Time Out Group Limited ("Time Out London") to create a global digital media group (the "Time Out Group"). In combination, Time Out New York and Time Out London control the worldwide rights to the Time Out brand (excluding Chicago). The Limited Partnership subscribed for equity of £9.3 million ($15.0 million). The net fair value of the investment attributable to the Company as at 31 December 2011 was £6.3 million.

The total transaction value of the two portfolio companies was a combined £32 million funded through a combination of debt and equity. The Limited Partnership's contribution as at 31 December 2011 for both portfolio companies was £18.6 million. At 31 December 2011 and 31 December 2010, the acquisition was valued at cost. The net fair value of the combined investments attributable to the Company at 31 December 2011 was £12.4 million (31 December 2010: £3.1 million).

Sun Cooperatief U.A. (Emesa B.V.)

On 25 March 2011, the Company announced that it had acquired 68.0% of Emesa B.V. ("Emesa") through a Company called Sun Cooperatief U.A. Emesa is a leading e-commerce company active in the Dutch online leisure market. Emesa was founded in 2004 and has grown significantly to become a leading online consumer auction platform in the European leisure industry. Emesa enables online customers to find and book leisure deals such as short holidays, weekend breaks, spa/beauty visits, event tickets and restaurant visits through its websites. The Limited Partnership provided equity of £10.4 million. The net fair value of the investment attributable to the Company at 31 December 2011 was £16.5 million.

WHDI (Bermuda) Limited (Intergenia AG)

In December 2011, the Limited Partnership acquired a 51% stake in Intergenia AG, a leading web hosting company providing managed, dedicated and cloud hosting. The Limited Partnership acquired the investment in Intergenia AG through a fully owned subsidiary, WHDI (Bermuda) Limited, in the form of equity for €30.2 million. The net fair value of the investment attributable to the Company at 31 December 2011 was £16.4 million.

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. The debt was fully repaid in February 2012.

Time Out (Bermuda) Limited

As part of the Limited Partnership's acquisition of Time Out Group Limited, the Company provided debt finance of £6.2 million in the form of a mezzanine loan. The instrument carries a fixed interest rate of 15% maturing on 30 November 2015.

Fitzwilliam Holdco Limited (Broadstone)

As part of the Limited Partnership's acquisition of Broadstone, 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 carried a fixed interest rate of 15%, 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 repaid in full on 11 March 2011.

Emesa Group Holdings B.V. (Emesa)

As part of the Limited Partnership's acquisition of Emesa, the Company provided debt finance of £4.7 million (€5.4 million), in the form of an unsecured mezzanine instrument. This instrument carried a fixed interest rate of 15%. The loan was repaid in full on 22 December 2011.

TONY OCIL (Bermuda) Limited (Time Out New York)

As part of the Limited Partnership's acquisition of Time Out New York, the Company provided debt finance of £3.1 million ($5.0 million) in the form of a mezzanine loan. The instrument carries a fixed interest rate of 15% before withholding tax and 10.5% after withholding tax and matures on 26 May 2016. Interest income on the loan is shown net of withholding tax. The fair value is considered to be equal to the amortised cost.

Senior loan notes

Time Out (Bermuda) Limited

As part of the Limited Partnership's acquisition of Time Out Group Limited, 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 equal to the amortised cost.

Emesa Group Holdings B.V. (Emesa)

As part of the Limited Partnership's acquisition of Emesa, the Company, provided a secured loan of £8.7 million (€10.0 million). The instrument carried a fixed interest rate of 8.5% and the loan was repaid in full on 22 December 2011.

TONY OCIL (Bermuda) Limited (Time Out New York)

As part of the Limited Partnership's acquisition of Time Out New York, the Company has also provided a secured senior loan of £2.2 million (€3.4 million). The instrument carries a fixed interest rate of 8.5% before withholding tax and 5.95% after withholding tax. The instrument matures no later than May 2014. The fair value is considered equal to the amortised cost.

WHDI (Bermuda) Limited (Intergenia AG)

As part of the Limited Partnership's acquisition of Intergenia AG, the Company also provided a secured senior loan of £8.4 million (€10.0 million). The instrument carries a fixed interest rate of 8.5%. The instrument matures no later than November 2013. £2.1 million (€2.5 million) of this loan was repaid in March 2012.

Bridge financing investments

Oakley Capital Private Equity L.P.

On 24 March 2011, the Company provided a bridging loan to the Limited Partnership for £12.0 million at an interest rate of 6.5% and a maturity date of 29 July 2011. The loan was repaid in full on 15 April 2011. On 24 November 2011, the Company provided a bridging loan of £3.0 million at an interest rate of 6.5% and a maturity date of 29 February 2012. The debt was repaid in full on 8 December 2011. On 19 March 2012, the Company entered into a £12 million revolving credit facility with the Limited Partnership, as of April 2012, the Limited Partnership had drawn down £2.48 million from this facility.

8. CAPITAL COMMITMENT

The total capital commitment made by the Company in the Limited Partnership is £156,197,795 (€187,000,000) (2010: £160,950,900 (€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 £101,932,105 (€122,485,000) (2010: £62,882,391 (€77,605,000)) was called from the Company by the Limited Partnership. As at 31 December 2011, the amount of capital commitment available to be called from the Company by the Limited Partnership was £54,265,690 (€64,515,000) (2010: £94,156,277 (€109,395,000)).

On 5 April 2011, the Limited Partnership issued a capital call for €18.7 million (£16.5 million) representing 10% of the outstanding commitments of €187 million. In December 2011, the Limited Partnership issued a further capital call of €26.2 million (£22.5 million) representing 14% of the total commitments of €187 million. The total funded commitment to 31 December 2011 was €122.5 million representing 65.5% of the Company's total commitments.

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.

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	2011	2010
Balance at beginning of year	128,125,000	128,125,000
Balance at end of year	128,125,000	128,125,000

Warrants	2011	2010
Balance at beginning of year	–	48,750,000
Expired	–	(48,750,000)
Balance at end of year	–	–

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") 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 2011, the Company incurred financial advisory fees of £25,000 (2010: £42,500), which is included in professional fees in the statements of operations. As at 31 December 2011, there was no balance payable (2010: £nil) to Oakley Finance.

11. TAXATION

Under current Bermuda law the Company is not required to pay any taxes in Bermuda on 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 during the year ended 31 December 2011.

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 19 April 2012 which is the date the financial statements were available to be issued. The following events have been identified for disclosure.

In February 2012, Headland Media Limited repaid the outstanding balance on the mezzanine loan in full.

In March 2012, the Company increased its commitment in the Limited Partnership by €398,260. This increased the Company committed capital to €187,398,260 and its ownership in the Limited Partnership to 65.15%.

In March 2012, Intergenia AG repaid £2.1 million (€2.5 million) of its senior loan back to the Company leaving an outstanding balance of £6.3 million (€7.5 million). In March 2012, the Company entered into a £12 million revolving credit facility with the Limited Partnership, as of 19 April 2012, the Limited Partnership had drawn down £2.48 million from this facility.

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
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Flatts
Smiths FL04
Bermuda

Manager to the Company and the Limited Partnership
Oakley Capital (Bermuda) Limited
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Flatts
Smiths FL04
Bermuda

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United Kingdom

Legal Advisers to the Company
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United Kingdom

CREST Depositary
Computershare Investor Services PLC
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United Kingdom

Administrator to the Company and the Limited Partnership
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Bermuda

Legal Advisers to the Company as to Bermuda Law
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Bermuda

Nominated Adviser and Broker to the Company
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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 2012 Annual General Meeting of the members of the Company will be held at 102 St. James Court, Flatts, Smiths FL04, Bermuda on:

15 June 2012 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 2011.
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 James Keyes and Christopher Wetherhill 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.

11 May 2012
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 13 June 2012 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) 542 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

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OAKLEY
CAPITAL