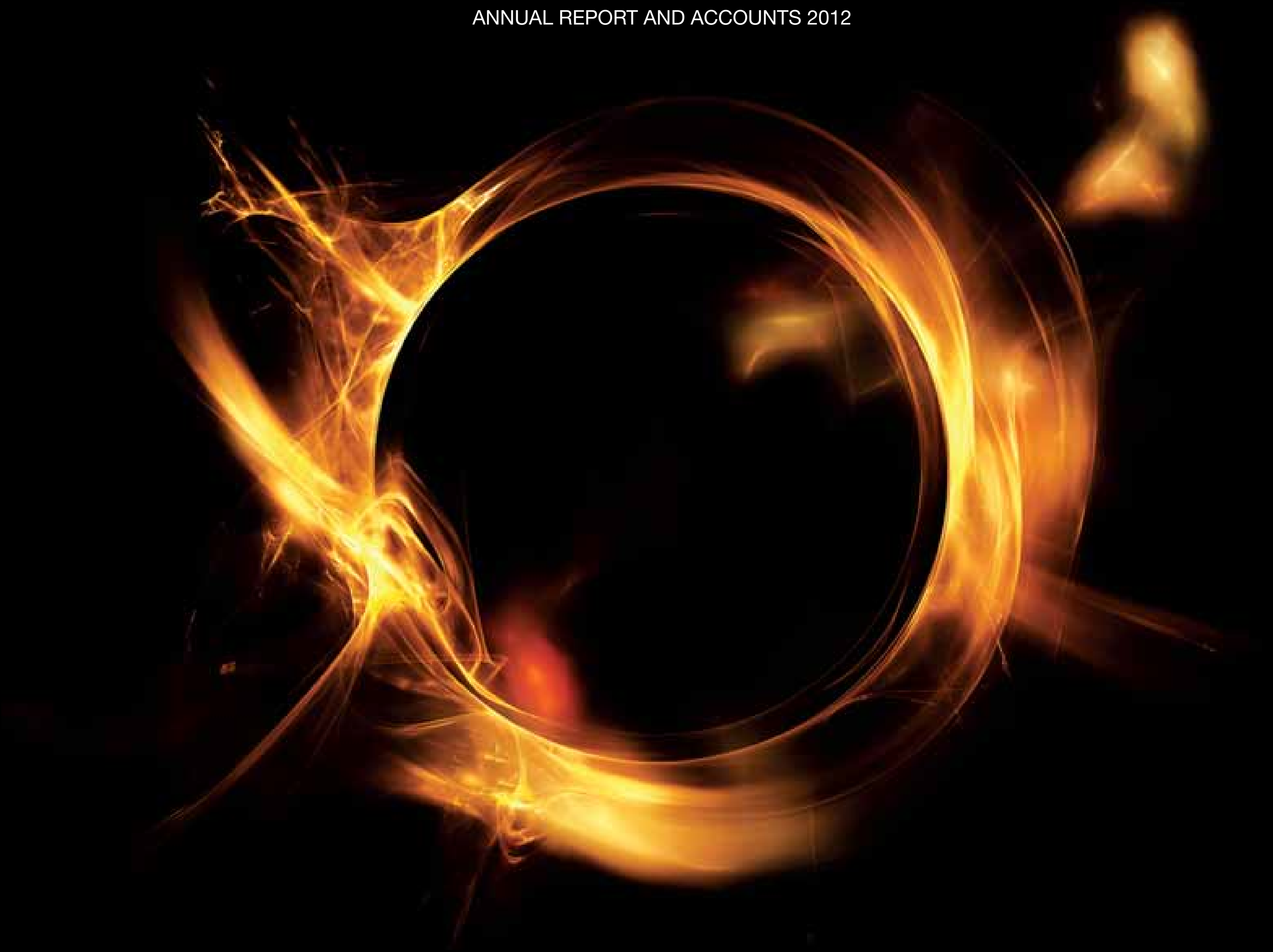
OAKLEY CAPITAL

OAKLEY CAPITAL INVESTMENTS LIMITED
ANNUAL REPORT AND ACCOUNTS 2012



OAKLEY CAPITAL INVESTMENTS LIMITED
ANNUAL REPORT AND ACCOUNTS 2012

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CHAIRMAN'S STATEMENT

I am pleased to report another year of solid progress for the Company. Oakley Capital Private Equity L.P. (the "Limited Partnership") continued to seek acquisition opportunities to enhance its investment portfolio. In addition, there was a focus during 2012 on improving the market positioning of a number of the Limited Partnership's portfolio companies and on promoting growth in those companies. The overall trading performance of the portfolio companies, once again, has been good, contributing to uplift to the value of the Company's investment in the Limited Partnership. This, together with income earned on the Company's outstanding loans has contributed to an increase in the net asset value per share from £1.71 at 31 December 2011 to £1.81 at 31 December 2012.

Within the Limited Partnership's portfolio companies, Emesa B.V. ("Emesa") continued to perform strongly in 2012. The Limited Partnership's Investment Manager was active in the final quarter of 2012, working with the management team of Emesa on its disposal. Emesa was successfully sold on 31 January 2013, for an enterprise value of €95 million. The Company received proceeds of £25.6 million providing the Company with a 3.1x return and an IRR of 94%.

In the year there were a number of follow-on investments in Broadstone Pensions and Investments Limited ("Broadstone") and Time Out. The Limited Partnership provided a further £4.1 million to Broadstone to fund the roll out of a new client platform; to take on additional staff and for regulatory and working capital. In addition, £3.3 million was provided to fund the acquisition of the pensions and actuarial business of Pope Anderson.

The Limited Partnership provided funding of £4.8 million to Time Out Group Limited ("Time Out London") to pursue its digital strategy and to finance the costs of moving the print based magazine from a subscription paid model to a free magazine from September 2012. The Limited Partnership also provided funding of £1.8 million to Time Out New York Limited ("Time Out New York") to assist with the overhaul of its website and the addition of a bespoke e-commerce platform and to launch the Time Out website in Los Angeles in September 2012.

PERFORMANCE

The Company's net asset value increased in the year by £8.6 million to £227.6 million as at 31 December 2012. Of this total net asset value, £117.9 million represented the fair value of investments made by the Company into the Limited Partnership and £24.5 million was investments made directly to the Limited Partnership's portfolio companies in the form of mezzanine finance and senior loan notes. The Company also entered into a short-term revolving credit facility with the Limited Partnership to enable it to consolidate funding for follow-on investments in advance of a capital call. At 31 December 2012 the Limited Partnership had borrowed £19.3 million (including accrued interest) under this facility. The balance of £65.8 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 has 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 2012 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 £5.4 million to £117.9 million at 31 December 2012.

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 fell by £8.1 million from £32.6 million as at 31 December 2011 to £24.5 million at 31 December 2012, due principally to the repayment of loans by Intergenia and Headland Media. The interest rate on the revolving credit facility with the Limited Partnership is 6.5% of the balance owed by the Limited Partnership to the Company at 31 December 2012 of £19.3 million; £16.2 million was repaid in February 2013 from the proceeds of a capital call.

The Company held cash and cash equivalents of £56.0 million at 31 December 2012.

FOLLOW-ON INVESTMENTS

Broadstone

During 2012, the Limited Partnership provided additional funding to Broadstone in the form of equity financing of £7.3 million. The funding provided additional working capital to pursue its turnaround strategy and to fund regulatory capital and to fund the acquisition of the pensions and actuarial consulting business of Pope Anderson LLP, and UBS's London based corporate pension and benefits consulting team.

Time Out London

In 2012, the Limited Partnership provided additional funding to Time Out London in the form of equity of £4.8 million to fund working capital.

Daisy Group plc ("Daisy")

On 15 April 2012, Daisy announced the completion of the acquisition of Worldwide Group Holdings, a market-leader in audio-conferencing and call-handling technology with a focus on voice services and data connectivity.

Post balance sheet events

The Limited Partnership successfully completed the sale of Emesa on 31 January 2013. Emesa was sold to a fund managed by Cyrte Investments B.V. for €95 million, after a holding period of 22 months, with the Limited Partnership receiving net proceeds of €51.9 million. Following the sale, the Limited Partnership distributed €45.6 million to Limited Partners, net of performance fees, of which the Company received €29.7 million (£25.6 million), which represents a 3.1x money multiple and an IRR of 94% for the Company.

Coincidental with the distribution of Emesa proceeds, the Limited Partnership made a capital call of 7% of total commitments, amounting to €13.12 million (£11.3 million) for the Company lifting total drawn-down capital to 72.5% of total commitments. To date, the Limited Partnership has returned 63% of total commitments to Limited Partners.

OUTLOOK

2013 started very positively for the Limited Partnership with the successful disposal of Emesa. The Investment Adviser to the Limited Partnership expects to consider additional realisation prospects in 2013.

The Investment Adviser continues to report a strong deal pipeline and anticipates that it will be recommending acquisition opportunities in the current year.

James Keyes
Chairman
23 April 2013

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 million and £150 million, though companies with a lower enterprise value are considered where the Manager believes that anticipated returns justify the investment. The Limited Partnership aims to deliver in excess of 25% gross internal rate of return (IRR) per annum on investments. The life of the Limited Partnership is expected to be approximately 10 years, which includes a five year investment period.

MARKET BACKGROUND

The Investment Adviser has operated against a backdrop of difficult market conditions almost from the inception of the Limited Partnership. Despite a background of faltering or stagnant economic activity the Limited Partnership's portfolio companies have, in general, demonstrated good growth and the Investment Adviser anticipates that this will continue. Investor confidence increased during the year against a background of more stability to the currency and financial markets. Whilst economic activity in Europe remains subdued, the Investment Adviser has seen growing evidence that banks are concentrating on clearing up their mid-market poor performing portfolios of assets and are selectively lending. One of the Limited Partnership's investments, Daisy Group plc ("Daisy"), secured in early 2013 a new £200 million debt facility. The Investment Adviser believes that it will continue to see good investment opportunities in 2013.

FINANCIAL HIGHLIGHTS

Assets at:	31 Dec 2007	31 Dec 2008	31 Dec 2009	31 Dec 2010	31 Dec 2011	31 Dec 2012	% change 2012/2007
Net assets (£m)	99.4	99.9	180.1	214.9	218.9	227.6	129%
Net assets per share (£)	0.99	1.08	1.41	1.68	1.71	1.81	82%
Share price (mid-market) (p)	101.6	63.5	95.0	145.5	132.5	136.5	34%
FTSE All-Share Index	3,287	2,209	2,751	3,063	2,858	3,105	(6%)
FTSE Small-Cap Index	3,418	1,854	2,777	3,229	2,749	3,416	0%
Operational performance							
Increase in net assets resulting from operations (£m)	(0.6)	5.1	55.0	34.8	4.0	11.1	
Net gain per share (£)	(0.01)	0.06	0.47	0.27	0.03	0.09	

ANALYSIS OF MOVEMENTS IN NET ASSET VALUE FOR THE YEAR ENDED 31 DECEMBER 2012

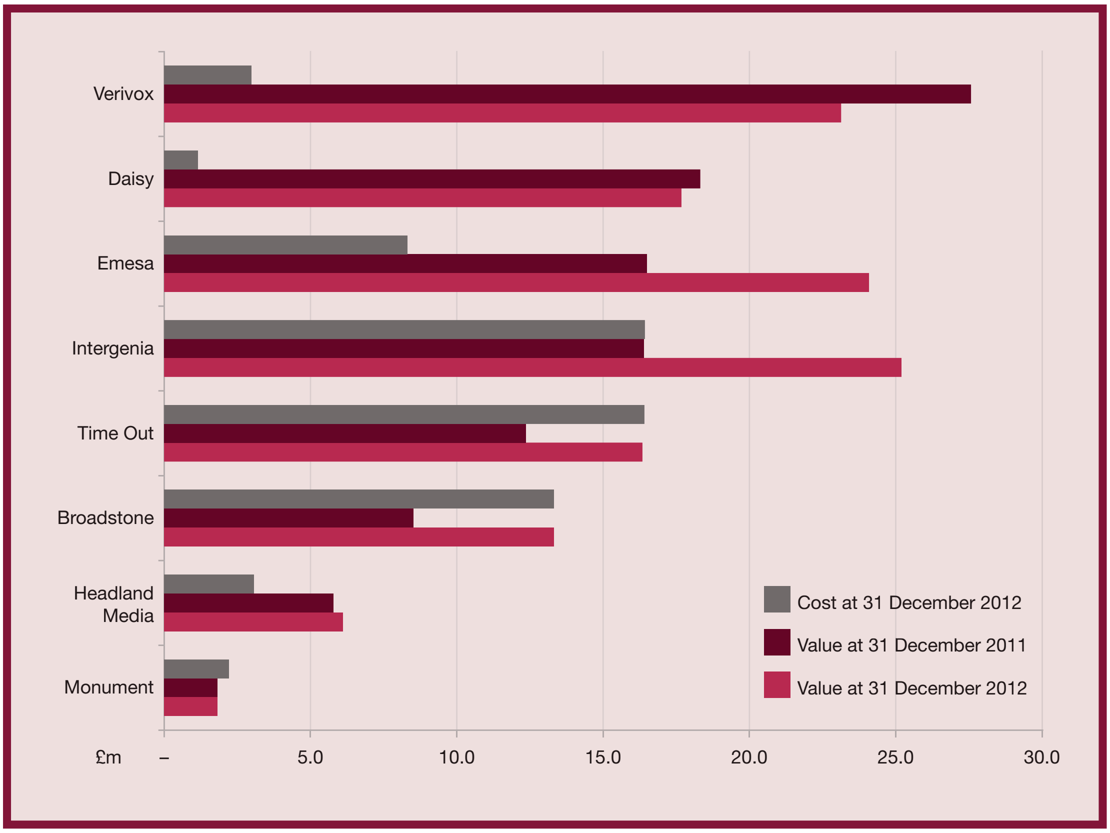
	£m
Opening net asset value as at 1 January 2012	218.9
Gross revenue	5.6
Other expenditure	(1.4)
Realised gain on investments	(1.1)
Net unrealised appreciation of investments (excluding accrued interest)	8.1
Purchase of treasury shares	(2.5)
Closing net asset value as at 31 December 2012	227.6

PERFORMANCE

The Company's net asset value increased in the year from £218.9 million at 31 December 2011 to £227.6 million, a rise of £8.7 million. The net asset value at 31 December 2012 is equivalent to £1.81 per share, up from £1.71 at 31 December 2011, an improvement of 10 pence, or 6%.

During 2012, the Limited Partnership did not call any capital. However, the Company entered into a revolving credit facility with the Limited Partnership to enable the Partnership to make follow-on investments without the need for a series of capital calls to raise the necessary funds. This provided the Company with an opportunity to utilise excess cash and generate a higher return than it would have done if the cash had been placed on deposit. The interest on the revolving credit facility is 6.5%. The Limited Partnership used the funds for follow-on investments into Broadstone, including a bolt-on acquisition and Time Out, and smaller follow-on investments into Emesa, Monument Securities Limited ("Monument Securities") and Headland Media Limited ("Headland Media"). As at 31 December 2012, the outstanding revolving credit facility was £19.3 million.

MOVEMENTS IN INVESTMENT PORTFOLIO VALUES FOR THE YEAR ENDED 31 DECEMBER 2012



The total increase in the year in the investment value of the portfolio companies attributable to the Company was £20.4 million. The change in values of the portfolio companies is attributable to two key factors:

£8.8 million as a result of additional funding made by the Limited Partnership into existing portfolio companies:

The Limited Partnership injected further equity funding into Broadstone and Time Out London. The investment value of Broadstone was increased from £8.5 million at 31 December 2011 to £13.3 million at 31 December 2012, an increase of £4.8 million. Time Out increased from £12.3 million as at 31 December 2011 to £16.3 million as at 31 December 2012 an increase of £4.0 million.

£11.6 million as a result of a net increase in the fair values of the underlying portfolio companies

Two of the portfolio companies, Intergenia and Emesa showed marked increases in their fair values in 2012. Intergenia has performed well since its acquisition in December 2011. The web-hosting sector also enjoyed ratings expansion and as a result of these two factors, the investment value of Intergenia was lifted to £25.2 million, an increase of £8.8 million from its carrying value of cost at 31 December 2011.

Emesa also performed strongly in 2012, with increases in revenue and EBITDA from 2011. The investment value at 31 December 2012 reflected the disposal proceeds at exit. For the Company, this represented a value of £24.1 million at 31 December 2012, an increase of £7.6 million over the value at 31 December 2011.

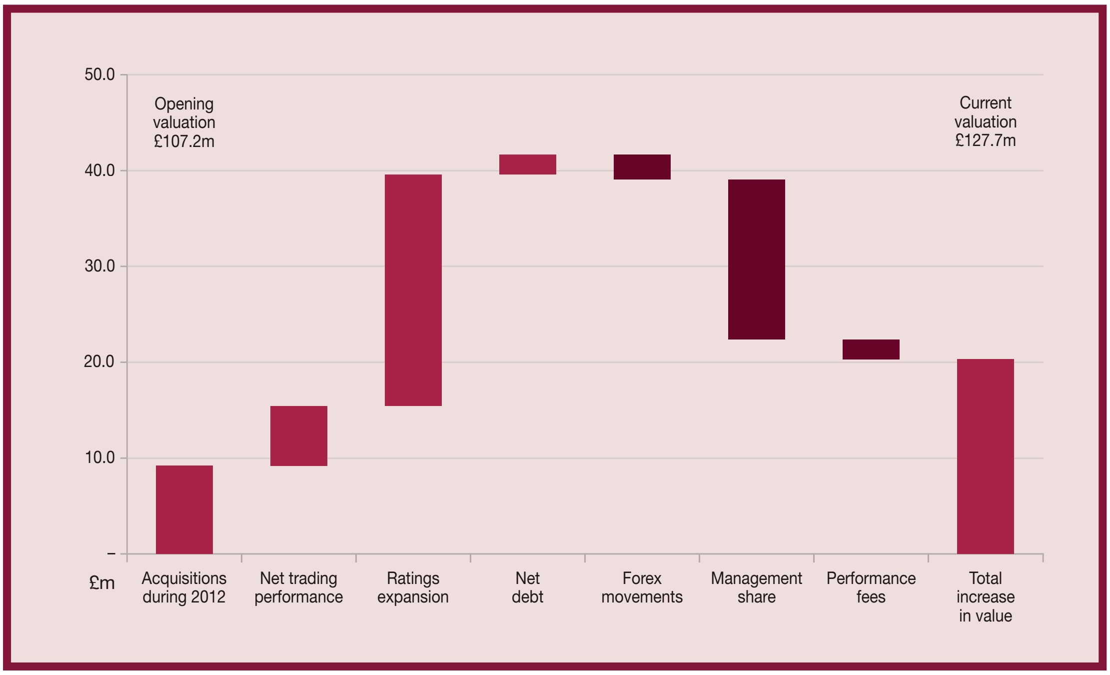
The investment value in Verivox at 31 December 2012 was £23.1 million, a £4.4 million reduction from its value at 31 December 2011. The Investment Adviser has taken a more cautious approach to valuation as a result of the demand-dampening factors which arose in 2011 and continued in the first quarter of 2012. In May 2012, a new CEO was appointed who initiated a new growth strategy. Verivox successfully launched price comparison services for two new product verticals, car insurance and savings accounts in 2012. In addition, Verivox ran a successful nationwide TV campaign to improve transaction volumes and gain market share. This campaign is continuing in 2013. On 1 June 2012, Verivox made a distribution returning its cost of investment to the Limited Partners; amounting to £2.7 million for the Company. Though reduced, Verivox's restated fair value still represents a 7.7x money multiple on cost.

There was a small increase to the investment value in Headland Media of £0.3 million to £6.1 million as at 31 December 2012 from £5.8 million at 31 December 2011.

Daisy's share price fell from 95.5 pence on 31 December 2011 to 92 pence on 31 December 2012. This reduced the Company's investment value in Daisy from £18.3 million to £17.7 million, a decrease of £0.6 million.

The combined effect of the changes to the fair values of the portfolio companies resulted in a net increase to the Company of £11.6 million.

PORTFOLIO INVESTMENT GROWTH 2012 BY SOURCE

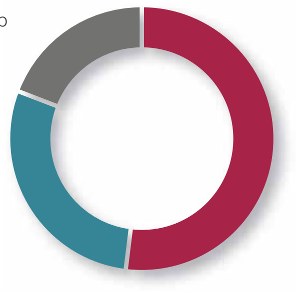


The above chart shows the growth in 2012 of the investment portfolio attributed to its source. The fair value of the Limited Partnership grew from £107.2 million to £127.7 million, an increase of £20.4 million. The increase in the investment value is primarily due to the improved performance of Emesa and Intergenia, which is reflected in both "Net trading performance" and "Ratings expansion" above.

As mentioned earlier, Verivox's investment value fell in the period by £4.4 million. Within this net decline, a downgrade in trading performance was largely mitigated by an improvement in ratings enjoyed by the sector. Indeed, the ratings not only for price comparison websites but also for web-hosting and on-line businesses have increased in 2012 from 2011, thereby resulting in an overall increase in the values for these companies. As a result of the underlying investment growth in 2012, the share attributable to management has also increased which is denoted by a decrease to NAV as seen above. Follow-on investments "Acquisitions during 2012" also contributed to an increase in values.

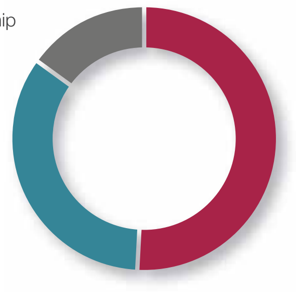
COMPANY ASSET TYPES 2012

- 52% Limited Partnership
- 29% Cash
- 19% Mezzanine, Senior Loan Finance and revolving credit facility



COMPANY ASSET TYPES 2011

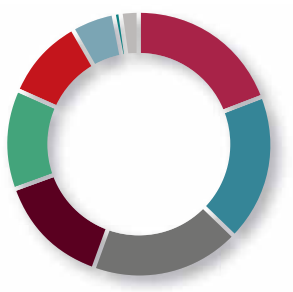
- 51% Limited Partnership
- 34% Cash
- 15% Mezzanine and Senior Loan Finance



At 31 December 2012 the Company's assets were divided between its investment in the Limited Partnership (52%), cash and cash equivalents (29%) and loans provided directly to portfolio companies (19%). These loans comprise mezzanine and senior finance loans to the portfolio companies and a short-term revolving credit facility with the Limited Partnership, ensuring that uncalled cash continues to work for the Company earning a positive return. At 31 December 2012 the total value of loans outstanding was £43.9 million (2011: £32.6 million). The net increase in the loans of £11.4 million is due to the new revolving credit facility with the Limited Partnership, which at 31 December 2012 was £19.3 million offset by the repayment of £6.2 million of the Intergenia loan (of £8.4 million) and the repayment in full of the Headland Media loan of £1.6 million.

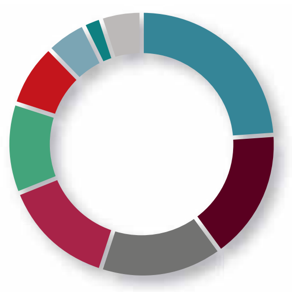
SPLIT OF INVESTMENTS IN LIMITED PARTNERSHIP 2012

- 19% Intergenia
- 18% Verivox
- 18% Emesa
- 14% Daisy
- 13% Time Out Group
- 10% Broadstone
- 5% Headland Media
- 1% Monument
- 2% Cash and other net assets



SPLIT OF INVESTMENTS IN LIMITED PARTNERSHIP 2011

- 24% Verivox
- 16% Daisy
- 15% Emesa
- 14% Intergenia
- 11% Time Out Group
- 8% Broadstone
- 5% Headland Media
- 2% Monument
- 5% Cash and other net assets



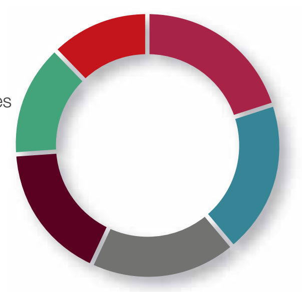
2012 shows a moderately more even distribution than 2011 with, in broad terms, a reduction in the influence of Verivox, being taken up by small increases in Intergenia and Emesa such that all three represent very similar percentages in 2012.

The diversification of the portfolio distribution by sector shows a similar flattening distribution in 2012 compared to 2011. The relatively high decline in the influence of consumer services, driven by the adjustment to Verivox's fair value is taken up by increases in technology (Intergenia) and e-commerce (Emesa). With six sectors, none of which account for over 20% of the total, the sector distribution at the end of 2012 was very evenly balanced.

The diversification of the geographical spread of the portfolio companies has not changed significantly. In 2012, the division was 39% Germany; 37% UK; 19% Netherlands; and 5% in the USA. In 2011 the division was; 41% Germany; 38% UK; 16% Netherlands; and 5% in the USA.

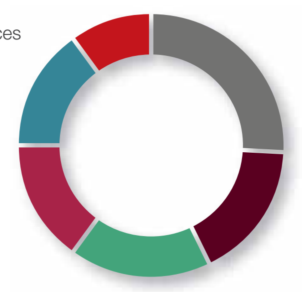
PORTFOLIO DISTRIBUTION BY SECTOR 2012

- 20% Technology
- 19% e-Commerce
- 18% Consumer services
- 17% Digital media/ Publishing
- 14% Telecoms
- 12% Financial services



PORTFOLIO DISTRIBUTION BY SECTOR 2011

- 26% Consumer services
- 17% Digital media/ Publishing
- 17% Telecoms
- 15% Technology
- 15% e-Commerce
- 10% Financial services



Directors' Report

DIRECTORS' REPORT

DIRECTORS' FUNCTIONS

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

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

DIRECTORS

The Directors of the Company are:

JAMES KEYES

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

TINA BURNS

Tina Burns is the tax director for Alterra Capital Holdings Limited. Prior to joining Alterra, Tina was tax consultant with Schroders Private Equity Services 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 the Limited Partnership 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. Peter is also a director of Oakley Capital (Bermuda) Limited ("the Investment Manager") and Oakley Capital GP Limited, the general partner of the Limited Partnership. During the last 23 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. Peter is a resident of the United Kingdom.

LAURENCE BLACKALL

Laurence has had a 30 year career in the information, media and communication industries. After an early career at Virgin and SEMA he went on to pioneer electronic publishing at Frost & Sullivan and then McGraw Hill where he was a vice-president. He then went on to found AIM listed Internet Technology Group plc in 1995 and successfully negotiated its sale in 2000 for a consideration of almost £150 million. Laurence was also instrumental in the creation of Pipex Communications plc. He has interests in a range of leisure and TMT businesses and currently holds a number of directorships in public and private UK companies. He has an MA in Marketing. Laurence is a resident of the United Kingdom.

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 Oakley Capital (Bermuda) Limited ("the Investment Manager") and Oakley Capital GP Limited, the General Partner of the Limited Partnership. 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 FCA. 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 are primarily responsible for performing the investment advisory obligations of the Investment Adviser.

CORPORATE GOVERNANCE

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

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

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

The remuneration committee reviews the scale and structure of the Directors' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements if any. The remuneration and terms and conditions of the non-executive Directors are set by the Board. No Director 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 140,000 shares of the Company and Laurence Blackall is the beneficial owner of 200,000 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 2 April 2013, 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	31.4%
Ruffer LLP	17.9%
Rothschild Bank, Zurich	10.0%
Blackrock Investment Management	7.0%
Henderson Global Investors	7.0%
Henderson Volantis Capital	6.8%

REVIEW OF INVESTMENTS

SUMMARY

Assets at fair value	Fair value 2012 (£m)	Fair value 2011 (£m)
Investment in Limited Partnership	117.9	112.6
Mezzanine loans:		
Headland Media	–[1]	1.6
Broadstone	6.0	6.0
Time Out	9.3	9.4
Senior loans:		
Verivox	–	–
Time Out	7.1	7.2
Intergenia	2.2[2]	8.4
Revolving credit facility	19.3	–
Total investments	161.8	145.2

[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 2012, the Company had invested by way of capital calls a total of £102.2 million in the Limited Partnership since inception. In 2012, the Company also provided the Limited Partnership with a short-term revolving credit facility to fund follow-on investments into existing portfolio companies, of which £19.3 million was outstanding at 31 December 2012. The Limited Partnership made no capital calls during 2012, choosing instead to fund the follow-on investments via the revolving credit facility and as a result, the percentage of capital called at 31 December 2012 remained at the 31 December 2011 level of 65.5%.

At 31 December 2012, 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 £5.3 million from £112.6 million as at 31 December 2011 to £117.9 million as at 31 December 2012. Of this increase, £12.9 million is attributable to the net increase in fair values of the underlying portfolio companies, particularly Emesa and Intergenia; follow-on investments made by the Limited Partnership in Broadstone and Time Out group and smaller follow-on investments in Emesa, Headland Media and Monument Securities. The total follow–on investments on a look through basis for the Company accounted for an investment increase of £9.3 million. Verivox made a cash distribution of the total invested cost back to the Limited Partnership amounting for the Company to £2.7 million, which results in a decrease in value in the Limited Partnership. The Limited Partnership cash and net assets decreased by £2.2 million. Also offsetting the increase in value of the Limited Partnership is the revolving credit facility with the Company which is shown as a liability in the Limited Partnership. The Company's share of this on a look through basis is a liability of £12.9 million. Whilst this is shown as a liability in the Limited Partnership's books, for the Company the gross value of the facility represents an investment asset which is earning interest at 6.5% per annum.

In addition to its investments in the Limited Partnership, the Company has provided loans directly to a number of the portfolio companies.

At 31 December 2011, Headland Media had a mezzanine loan of £1.6 million outstanding. This was repaid in full in February 2012.

At 31 December 2012, the Company had an outstanding mezzanine loan with Broadstone via Fitzwilliam Holdco Limited of £6.0 million with an interest rate of 15.0% per annum maturing no later than November 2015.

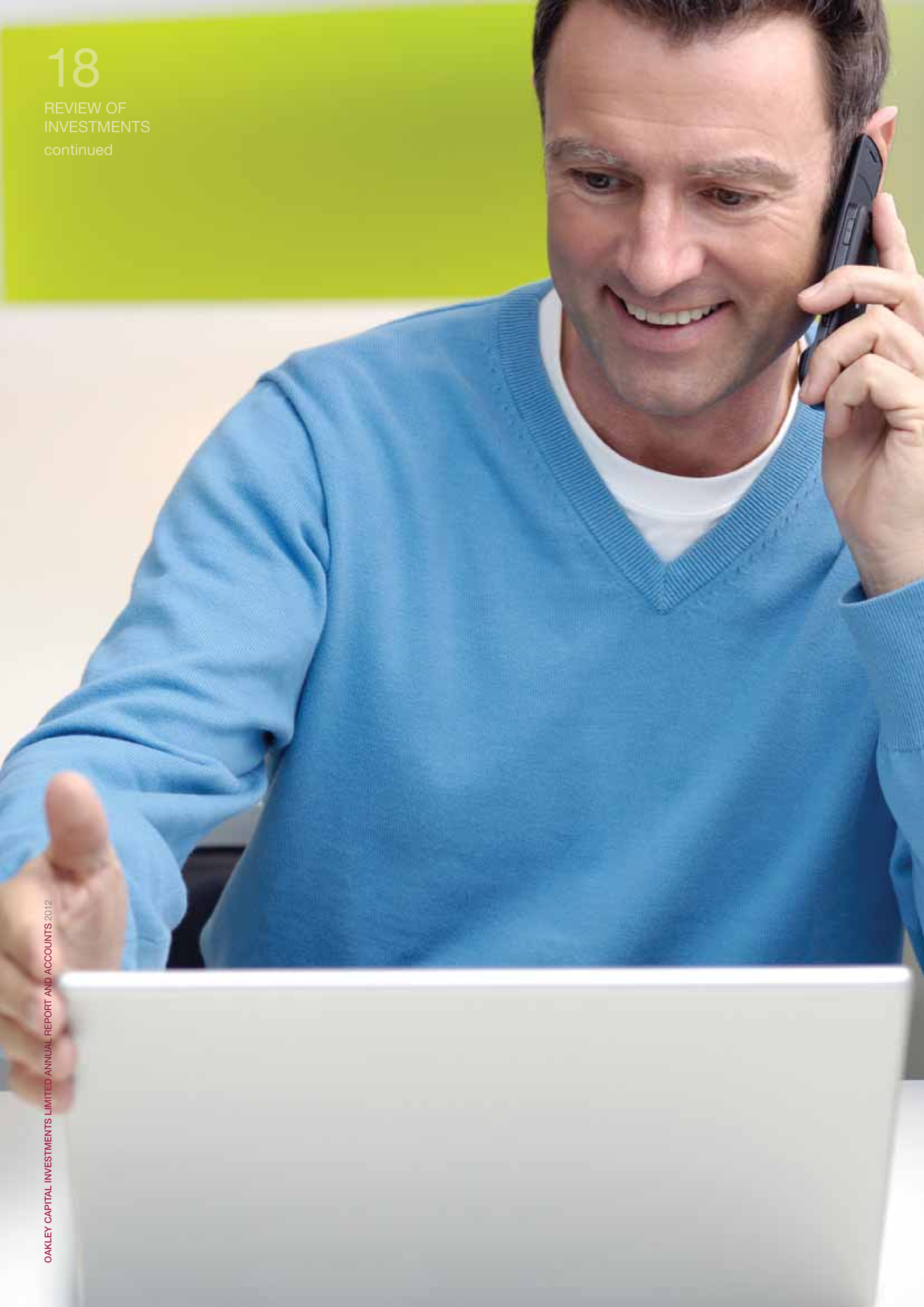
The Company provided both mezzanine finance and senior debt finance to Time Out London. The mezzanine finance amounted to £6.2 million. The interest rate is 15.0% per annum maturing no later than November 2015. The senior loan notes amounted to £5.0 million and have an annual interest rate of 8.5% and are due to be repaid no later than March 2016.

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 15.0% 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.

In December 2011, the Company provided senior debt finance to Intergenia of £8.4 million (€10.0 million). The loan notes have an annual interest rate of 8.5% and are due to be repaid in November 2013. During 2012, Intergenia repaid £6.2 million (€8.0 million) of the debt plus interest.

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. These take the form of a revolving credit facility and generally have a term of six months and an interest rate of 6.5%. The revolving credit facility is underwritten by capital calls. The interest generated from the facility exceeds the interest earned on the Company's bank deposits, allowing the Company to earn higher returns on part of its cash reserves. During 2012, the Company provided to the Limited Partnership £19.3 million at an interest rate of 6.5%. £16.2 million of the revolving credit facility was repaid in February 2013.

The following pages under Review of Investments provide a summary in relation to each of the Limited Partnership's portfolio companies, including those which have been sold. In these summaries, the values of the Company's interest in the relevant portfolio company represent the values attributable to the Company on a look through basis.



Sector:
Telecoms

Location:
United Kingdom

Investment date:
21 July 2009

Website:
www.daisygroupplc.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 telecommunications 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 28 November 2012 Daisy announced its interim results for the six months ended 30 September 2012. Revenues were £178 million which were £2 million higher than those in the previous six month period. Adjusted EBITDA increased from £26.6 million in the six months to 30 September 2011 to £27.3 million for the six months to 30 September 2012. Cash conversion remained strong with free cash flow of £17 million being generated in the six months to 30 September 2012. In April 2012, the Group completed the acquisition of the audio-conferencing specialist Worldwide Group Holdings Limited for an initial cash consideration of £28.4 million. In order to complete the acquisition, the Group increased its borrowing facility by a further £25 million taking total bank facility to £140 million. On 10 April 2013, Daisy announced its intention to declare a maiden dividend of 4.0 pence per ordinary share in respect to the year to 31 March 2013.

The Daisy share price on 31 December 2012 was 92 pence; down from 95.5 pence at 31 December 2011. The share price at 31 December 2012 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	13.6%	N/A	£17.7m

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 and this contribution was fully repaid to the Limited Partnership from operating cash flow on 1 June 2012.

In addition, the Company provided €13.0 million in the form of mezzanine finance and a bridging loan. These loans were fully repaid from operating cash flow in the first 16 months of ownership.

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 13 year history. The company receives commission from energy suppliers when consumers elect to switch providers through its website. Verivox is a well recognised brand in Germany and is regularly quoted by media as an independent source of energy price data. The company 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.

BUSINESS UPDATE

Trading in 2012 started slowly as a result of the continuation of the factors which depressed switching levels in the second half of 2011. These were primarily; a loss of consumer confidence in the sector following the insolvency of a highly active new entrant in the German energy supply market; and the sacrifice by a number of energy suppliers of their anticipated price increases in 2011, which previously provided a stimulus to consumer switching. A new CEO was appointed on 1 May 2012 who has subsequently introduced a number of initiatives to improve Verivox's positioning and profitability. Verivox has successfully launched price comparison services for two new products, car insurance and savings accounts and has launched a nationwide TV advertising campaign to improve transaction volumes and market share. Verivox also updated its website to improve the conversion rate of its visitors to customers.

The fair value of Verivox as at 31 December 2012 is based on its forecast EBITDA for 2013.

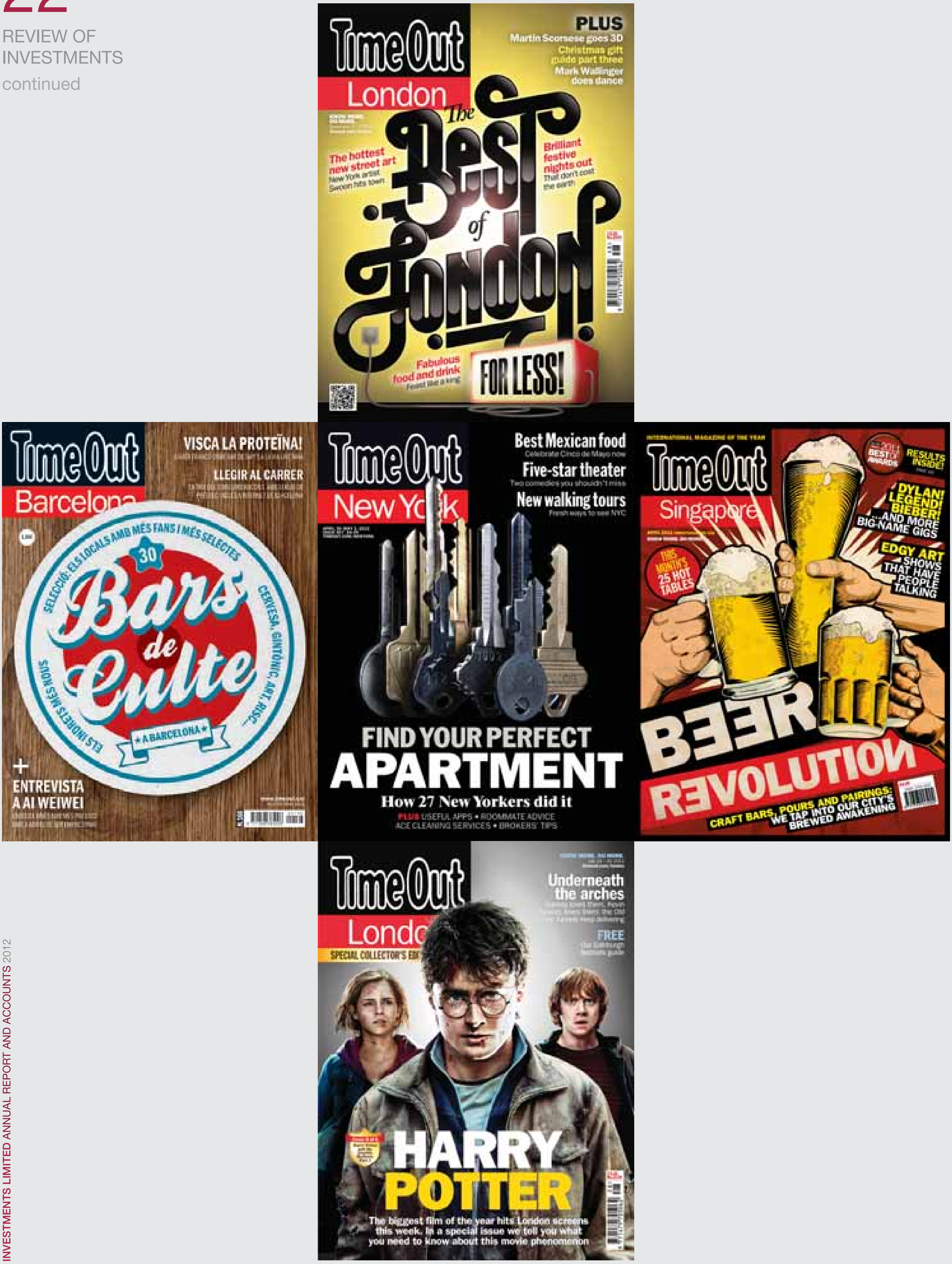
PERFORMANCE

Revenue for the year to 31 December 2012 was €42.8 million with an EBITDA of €15 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]	£23.1m

[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
Brilliant festive nights out
That don't cost the earth
The Best of London
FOR LESS!
Fabulous food and drink
Feast like a king
Time Out
Barcelona
VISCA LA PROTEÏNA!
LLEGIR AL CARRER
Bars de Culte
A BARCELONA
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
Time Out
Singapore
RESULTS INSIDE!
DYLAN! LEGEND! BIEBER! ...AND MORE BIG-NAME GIGS
EDGY ART SHOWS THAT HAVE PEOPLE TALKING
THIS MONTH'S 25 HOT TABLES
BEER REVOLUTION
CRAFT BARS, POURS AND PAIRINGS: WE TAP INTO OUR CITY'S BREWED AWAKENING
Time Out
London
SPECIAL COLLECTOR'S EDITION
Underneath the arches
FREE
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 dates:
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 balance is held by Tony Elliott, the founder. The Limited Partnership subscribed for total equity of £9.3 million to 31 December 2011 and the Company provided loan funding in the form of mezzanine finance of £6.2 million and senior debt of £5 million. Of this funding, £1.7 million was used to provide a loan to Tony Elliott, secured against 10% of the Company's equity held by him. During 2012 the Limited Partnership provided additional funding of £4.8 million to assist Time Out with its strategic objectives and to provide working capital. In addition, Tony Elliott repaid £1.0 million of the loan provided to him, the proceeds of which were re-invested by the Limited Partnership in Time Out London, as a result of which the Limited Partnership's equity stake increased to 51% on a fully diluted basis.

On 26 May 2011, the Limited Partnership acquired 65.7% of Time Out America LLC ("Time Out New York") on a fully diluted basis. The Limited Partnership subscribed for equity of £9.3 million ($15 million) and the Company provided a mezzanine loan of £3.1 million and a senior loan of £2.1 million. The investment was anticipated to be synergistic and would enhance the Fund's previous investment in Time Out London to create a global digital media group. In combination, Time Out New York and Time Out London control the worldwide rights to the Time Out brand (excluding Chicago). During 2012, the Limited Partnership provided additional funding of £1.8 million to Time Out New York to provide working capital and to assist with the rollout of a new platform.

BUSINESS OVERVIEW

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

During 2012, the Time Out New York website was re-launched on the new Global Platform providing additional content and a better user experience which will form the basis of Time Out's worldwide digital growth. In addition the first Time Out iPad application was launched covering London and New York and further improvements were made to the mobile applications.

As a result of the digital investment, Time Out London has seen strong digital brand growth with corresponding growth in digital advertising and e-commerce revenues. The London website had five million monthly unique users at the year end. Digital revenues for the year were 79% up year on year.

In September 2012, Time Out London re-launched as a free magazine resulting in an increase in weekly circulation from 50,000 to 305,000 in the final four months of 2012. The increase in circulation has driven growth in print advertising revenues and significantly increased the overall reach of the Time Out brand.

Following the fair value exercise at 31 December 2012, it has been decided to value Time Out at its total cost as the business is still in its development phase.

PERFORMANCE

Revenue for the year to 31 December 2012 was £28 million with an EBITDA loss of £3.1 million. Time Out London's total revenues were up by 12% compared to the previous year. Trading in New York has been slower than anticipated.

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	Time Out London 51.0% Time Out New York 65.7%	£25.8m	£32.7m

emesa
just enjoy

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. 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. Since acquisition, the Limited Partnership provided a further £2.4 million to fund part of the deferred consideration and to provide working capital to support the German operation.

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 2012 received over 2.3 million transactions with a current run rate of over two million customer transactions per annum.

BUSINESS UPDATE

Emesa continued to trade well in the Netherlands, outperforming the budget for 2012. Management pursued a revised strategy in Germany, targeting partnerships with key media players to provide traffic and content. As a result, the cost base in Germany was reduced.

Emesa's value at 31 December 2012 was valued at its exit value.

PERFORMANCE

Net revenue for the year to 31 December 2012 was €34.0 million with an EBITDA of €8.6 million for the Group.

POST BALANCE SHEET EVENTS

On 31 January 2013, the Fund announced the disposal of Emesa to Cyrte Investments B.V. for a gross consideration of €95 million. The consideration was used to pay bank debt; vendor loan note, locked box adjustments and management interests resulting in net proceeds to the Limited Partnership of €51.9 million. The Company received proceeds of €29.7 million (approx £25 million) as a result of the disposal of Emesa. This represents a 3.1x multiple for the Company and an IRR of 94%.

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]	£24.1m

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


Aug
Sep
Oct
Nov
Dec
2007
Feb
Mar
Apr
May
Volume
4:00
5:00
6:00
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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. The Limited Partnership provided additional funding in the form of equity of £6.2 million during 2011 and £7.3 million in 2012. The funding provided additional working and regulatory capital and £3.3 million was used to fund the acquisition of Pope Anderson.

BUSINESS OVERVIEW

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

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

BUSINESS UPDATE

Since acquisition the business has made a significant investment in people and technology. The business recruited two new senior directors in each of its divisions to drive revenue growth. The business has engaged a number of consultants who can bring value and assets to Broadstone. On 7 November 2012 Broadstone completed the acquisition of the pensions and actuarial consultancy business of Pope Anderson LLP. The business is expected to generate around £4 million of revenue per annum and will add approximately £1 million of annual EBITDA. The Pope Anderson acquisition also provided Broadstone with a northern base from which to operate. In addition, Broadstone engaged the corporate pension and benefits team formerly with UBS, London. The fair value of the Limited Partnership's investment in Broadstone remains at cost but has increased from its value at 31 December 2011 due to the bolt-on acquisition, additional funding and exchange movements.

PERFORMANCE

Broadstone's year end is 30 June. Total revenues for the 12 months to 30 June 2012 were £13.4 million with an EBITDA loss of £1.7 million. The business has invested in a scalable client asset platform whilst seeking to grow the business through both organic growth and 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	£19.3m


AC
AB

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 currently 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. £6.2 million of debt plus interest was repaid during 2012, leaving a balance of £2.2 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. 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, the largest series of hosting conferences worldwide.

BUSINESS UPDATE

Intergenia reported a strong trading performance in 2012. During the first quarter of 2012, management launched a new product range for SERVER4YOU and Serverloft which has been well received. Intergenia appointed a new CEO, CMO (Chief Marketing Officer), CFO, and CTO (Chief Technology Officer) during 2012 significantly strengthening the management team. Management successfully launched a new high bandwidth hosting product. Intergenia began to build-out another data room in its Strasbourg data centre which is forecast to provide European capacity through to 2015.

PERFORMANCE

Intergenia has traded well in 2012 with revenues of €30.5 million (2011: €26.7 million) and EBITDA of €13.3 million (2011: €12.4 million). In the year, Intergenia was able to repay £6.2 million of its senior debt plus interest out of operating cash flow to the Company leaving a balance of £2.2 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	£27.4m

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 ("Headland Media") 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 had £1.6 million of mezzanine loan outstanding, which was fully repaid in February 2012.

BUSINESS OVERVIEW

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 1,600 hotels and 7,600 cruise and merchant ships.

BUSINESS UPDATE

Headland Media launched a number of new products in 2012 including a social network product for mariners to allow Headland Media to engage with crew and a streaming only music platform for smaller retailers and leisure clients. A new pay-as-you-go news digest platform has been developed for budget cruise lines. Headland Media has continued to grow its hotel business with 347 new hotels added in the year.

PERFORMANCE

Headland Media's financial performance for the year to 31 December 2012 was slightly behind budget due to the effect of the weak Euro. On 16 February 2012, Headland Media repaid the Company its £1.6 million mezzanine debt and interest in full which was funded by £1.0 million of bank debt and the remaining balance from internally generated cash. Revenues for the year to 31 December 2012 were £8.1 million (2011: £8.4 million) and EBITDA was £2.2 million (2011: £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	£6.1m

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 ("Monument Securities") which was funded by equity of £2.8 million. The Limited Partnership provided additional funding in the form of equity of £0.6 million during 2012.

BUSINESS OVERVIEW

Monument Securities is an independent equity, derivatives and fixed income broker with a history in excess of 20 years. 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

Trading volumes and overall levels of market activity continued to be depressed for much of 2012. Accordingly, a cost cutting programme was instigated involving closing down a research project, cancellation of various data systems and a number of redundancies.

The fair value at 31 December 2012 has been assessed at its initial cost.

PERFORMANCE

Total revenue for 2012 was £4.2 million compared to £6.4 million for 2011. Losses were held at £0.3 million (2011: £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

DISPOSALS

HOST EUROPE

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.

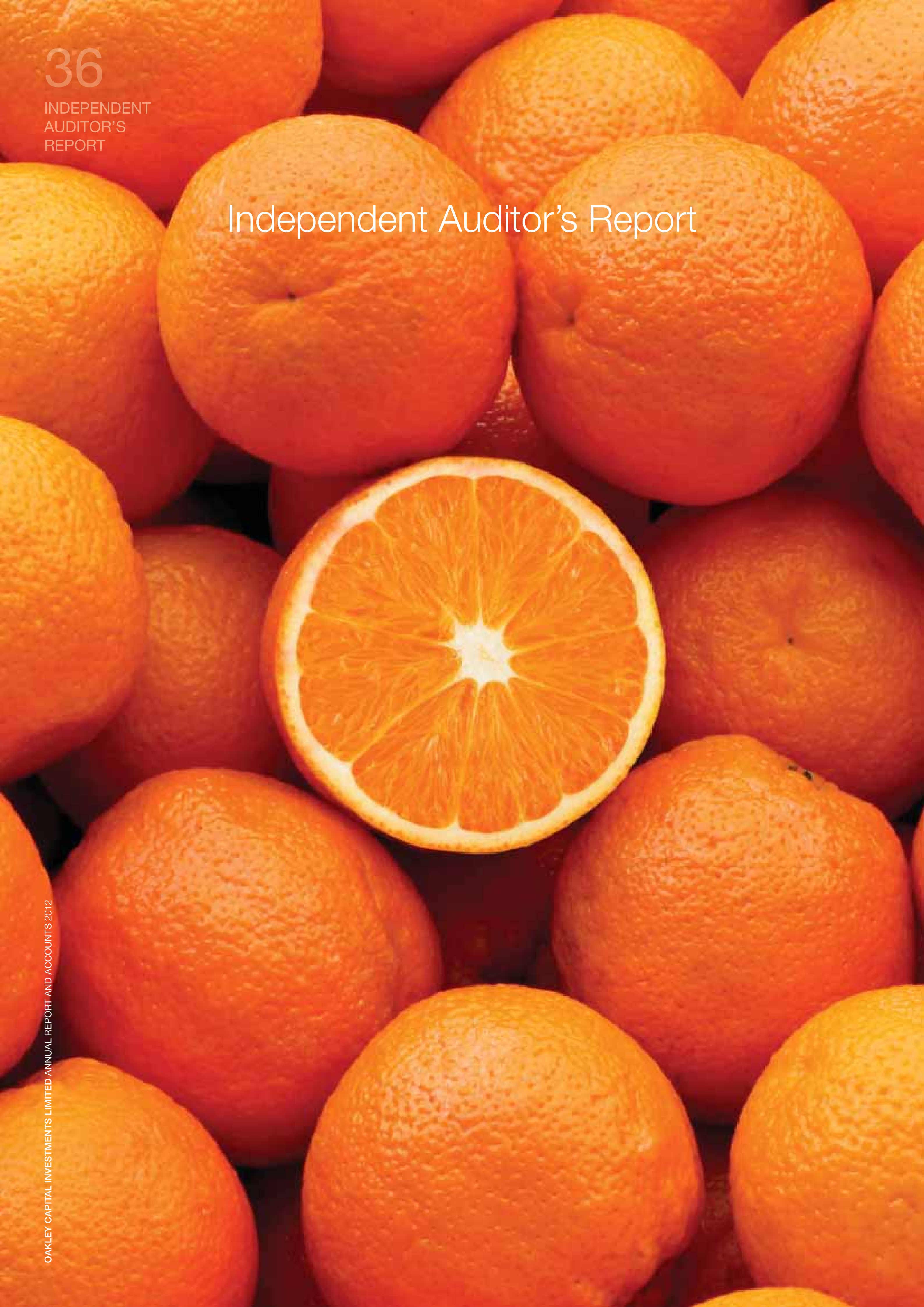
RETURN

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
£128.0m	83%	£51.0m	£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 financial statements of Oakley Capital Investments Limited (the "Company"), which comprise the statements of assets and liabilities, including the schedules of investments as of 31 December 2012 and 2011, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with US generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

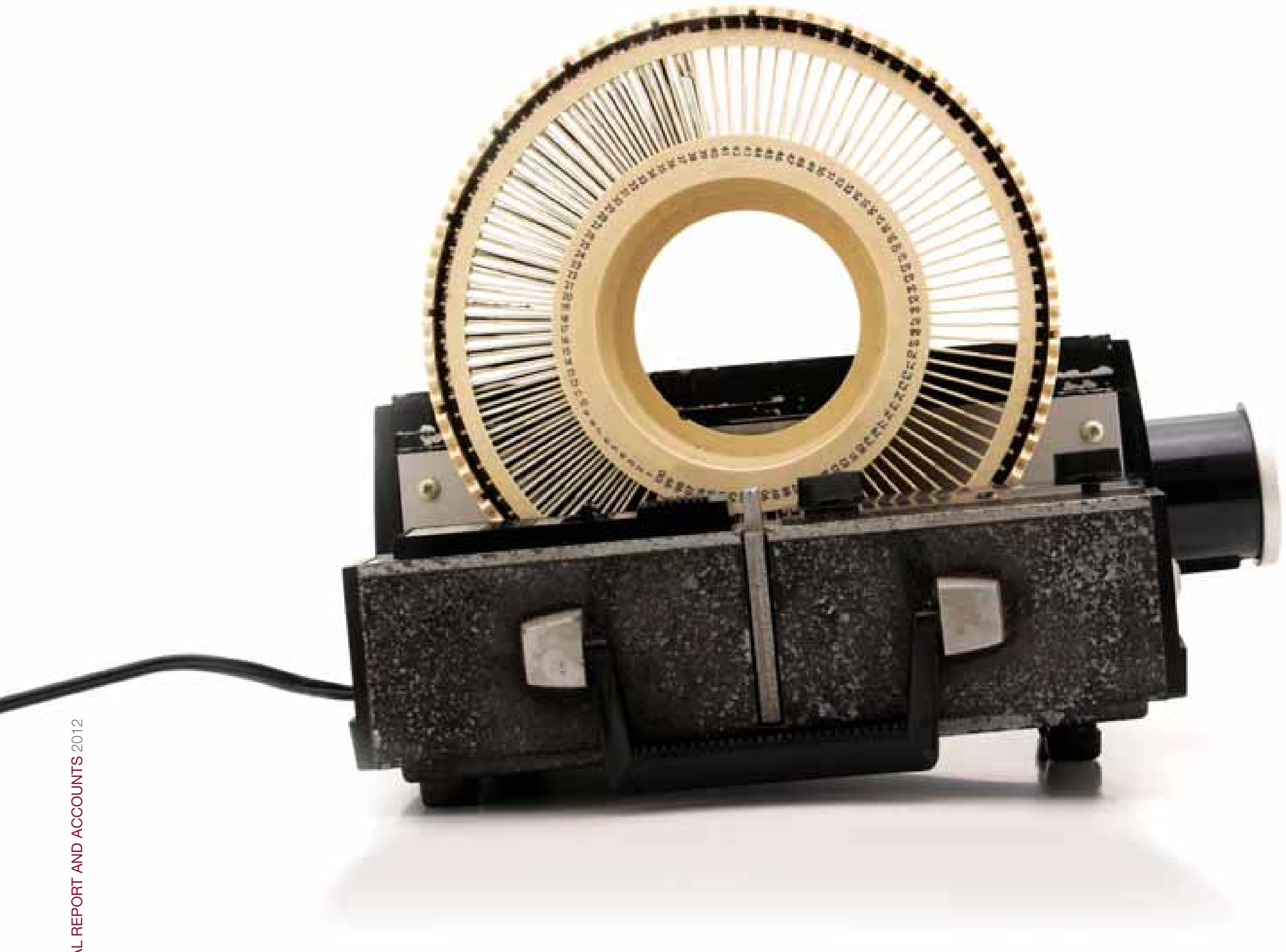
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with US generally accepted accounting principles.

KPMG
Chartered Accountants
Hamilton, Bermuda
23 April 2013

Financial Statements



FINANCIAL STATEMENTS

STATEMENTS OF ASSETS AND LIABILITIES
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(Expressed in British Pounds)

	notes	2012 £	2011 £
Assets			
Investments (cost 2012: £102,333,819; 2011: £93,752,827)	5, 7	161,806,610	145,143,787
Cash and cash equivalents	3	56,036,923	70,108,870
Accrued interest and accounts receivable		10,087,914	3,961,377
Other receivables		33,993	15,638
Total assets		227,965,440	219,229,672
Liabilities			
Accounts payable and accrued expenses	4	401,043	300,960
Total liabilities		401,043	300,960
Net assets attributable to shareholders		227,564,397	218,928,712
Represented by:			
Share capital		1,281,250	1,281,250
Share premium		119,276,094	119,276,094
Retained earnings		109,519,050	98,371,368
		230,076,394	218,928,712
Less: Treasury stock (2,063,650 shares at cost)	9	(2,511,997)	–
		227,564,397	218,928,712
Number of shares outstanding	9	126,061,350	128,125,000
Net asset value per share		1.81	1.71

Signed on behalf of the Board on 23 April 2013

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 2012 AND 2011
(Expressed in British Pounds)

31 December 2012	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.	51.83%	65.15%		58,354,206	117,940,422
Unquoted debt securities					
Investments in senior loan notes					
United Kingdom					
Time Out London Interest at 8.5% p.a. Maturity date March 2013	2.20%		£5,000,000	5,000,000	5,000,000
United States					
Time Out New York Interest at 8.5% p.a. Maturity date May 2014	0.92%		$3,400,000	2,109,020	2,091,000
Germany					
Intergenia Interest at 8.5% p.a. Maturity date November 2013	0.95%		€2,660,415	2,226,236	2,157,331
Total senior loan notes	4.07%			9,335,256	9,248,331
Investments in mezzanine loans					
United Kingdom					
Broadstone Interest at 15% p.a. Maturity date November 2015	2.64%		£6,000,000	6,000,000	6,000,000
Time Out London Interest rate at 15% p.a. Maturity date November 2015	2.72%		£6,200,000	6,200,000	6,200,000
United States					
Time Out New York Interest rate at 15% p.a. Maturity date May 2016	1.35%		$5,000,000	3,101,500	3,075,000
Total mezzanine loans	6.71%			15,301,500	15,275,000
Investments in revolving loan facility					
Bermuda					
Oakley Capital Private Equity L.P.	8.50%		£19,342,857	19,342,857	19,342,857
Total revolving loan facility	8.50%			19,342,857	19,342,857
Total Investments	71.11%			102,333,819	161,806,610

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

SCHEDULES OF INVESTMENTS (continued)
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(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 London Interest at 8.5% p.a. Maturity date March 2013	2.28%		£5,000,000	5,000,000	5,000,000
United States					
Time Out New York Interest at 8.5% p.a. Maturity date May 2014	1.00%		$3,400,000	2,109,020	2,195,040
Germany					
Intergenia 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 Interest at 15% p.a. Maturity date December 2014	0.74%		$2,500,000	1,645,945	1,614,000
Broadstone Interest at 15% p.a. Maturity date November 2015	2.74%		£6,000,000	6,000,000	6,000,000
Time Out London Interest rate at 15% p.a. Maturity date November 2015	2.83%		£6,200,000	6,200,000	6,200,000
United States					
Time Out New York 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**

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

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(Expressed in British Pounds)

	notes	2012 £	2011 £
Investment income			
Interest		5,821,871	5,570,248
Withholding tax on interest		(210,897)	(117,436)
Total income		5,610,974	5,452,812
Expenses			
Management fees	4	665,995	591,481
Performance fees	4	81,465	–
Professional fees	6,10	330,617	339,923
Other		331,392	339,023
Interest		6,595	1,721
Total expenses		1,416,064	1,272,148
Net investment income		**4,194,910**	**4,180,664**
Realised and unrealised gains (losses) on foreign exchange and investments			
Net realised (losses) gains on foreign exchange		(409,762)	502,413
Net change in unrealised (losses) gains on foreign exchange		(26,119)	12,362
Net realised losses on sales of investments		(693,178)	(524,533)
Net change in unrealised appreciation (depreciation) on investments		8,081,831	(189,536)
Net realised and unrealised gains (losses) on foreign exchange and investments		6,952,772	(199,294)
Net earnings		**11,147,682**	**3,981,370**
Net earnings per share	9	0.09	0.03

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

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(Expressed in British Pounds)

	2012 £	2011 £
Net increase in net assets resulting from operations		
Net investment income	4,194,910	4,180,664
Net realised (losses) gains on foreign exchange	(409,762)	502,413
Net change in unrealised (losses) gains on foreign exchange	(26,119)	12,362
Net realised losses on sales of investments	(693,178)	(524,533)
Net change in unrealised appreciation (depreciation) on investments	8,081,831	(189,536)
Net increase in net assets resulting from operations	11,147,682	3,981,370
Net decrease in net assets resulting from capital transactions		
Share repurchase	(2,511,997)	–
Net decrease in net assets resulting from capital transactions	(2,511,997)	–
Net increase in net assets	**8,635,685**	**3,981,370**
Net assets at beginning of year	**218,928,712**	**214,947,342**
Net assets at end of year	**227,564,397**	**218,928,712**

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(Expressed in British Pounds)

	2012 £	2011 £
Cash flows from operating activities		
Net increase in net assets resulting from operations	11,147,682	3,981,370
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Net realised and unrealised (gains) losses on foreign exchange and investments	(6,952,772)	199,294
Payments for purchases of investments	(19,582,473)	(80,448,664)
Proceeds on disposal of investments	10,308,303	28,299,047
Change in accrued interest receivable	(6,126,537)	(3,147,238)
Change in other receivables	(18,355)	13,915
Change in accounts payable and accrued expenses	100,083	(219,356)
Net cash used in operating activities	(11,124,069)	(51,321,632)
Cash flows from financing transactions		
Payments for shares repurchased	(2,511,997)	–
Cash used in financing transactions	(2,511,997)	–
Net effect of foreign exchange	(435,881)	514,775
Net decrease in cash and cash equivalents	(14,071,947)	(50,806,857)
Cash and cash equivalents at beginning of year	70,108,870	120,915,727
Cash and cash equivalents at end of year	**56,036,923**	**70,108,870**
Interest paid during the year	6,595	1,721

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

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 two directors 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 may 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 received 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 its investments at fair value and recognises gains and losses on security transactions using the specific cost method.

Mezzanine loans, bridge loans, senior loans and revolving credit facilities

Mezzanine loans, bridge loans, senior loans and revolving credit facilities 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 spreads, 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 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 discretion 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 the 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 2012 and 2011 consist of the following:

	2012 £	2011 £
Cash	14,437,917	1,010,856
Short-term deposits	41,599,006	69,098,014
	56,036,923	70,108,870

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 2012, the Company incurred management fees of £665,995 (2011: £591,481). As at 31 December 2012, management fees in the amount of £38,641 were payable to the Manager (2011: £105,892).

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 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 2012, the Company incurred performance fees of £81,465 (2011: £nil).

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

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Investments in Securities	31 December 2012 £	31 December 2011 £
Quotes prices (Level 1)	–	–
Other significant observable inputs (Level 2)	–	–
Significant unobservable inputs (Level 3)	161,806,610	145,143,787

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

The Company has an investment in 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.

Because of the inherent uncertainty of valuing unquoted private equity investments, the estimated fair values may differ from the values that would have been used had a ready market for such investments existed and such differences may be material. Mezzanine loans, bridge loans, senior loans and revolving credit facilities 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% (2011: 15%), the secured loans 8.5% (2011: 8.5%) and the revolving credit facility 6.5%.

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

	Investment in Securities 2012 £	Investment in Securities 2011 £
Investment in Limited Partnership		
Fair value at beginning of year	112,553,747	73,977,584
Purchases	239,616	39,049,714
Proceeds on disposal	(2,737,153)	–
Realised loss on disposal	(476,619)	–
Net change in unrealised appreciation (depreciation) on investments	8,360,831	(473,551)
Limited Partnership, fair value at end of year	117,940,422	112,553,747
Unquoted debt securities		
Fair value at beginning of year	32,590,040	19,730,655
Purchases	19,342,857	41,398,950
Proceeds on disposal	(7,571,150)	(28,299,045)
Net realised loss on disposal	(216,559)	(524,533)
Net change in unrealised (depreciation) appreciation on investments	(279,000)	284,013
Unquoted debt securities, fair value at end of year	43,866,188	32,590,040
Fair value at end of year	161,806,610	145,143,787

The net change in unrealised appreciation or depreciation on investments relates to investments held at the respective year end. Of the investments held by the Limited Partnership, 15% (2011: 19%) are classified as Level 2 investments and 85% (2011: 81%) are classified as Level 3 investments by the Limited Partnership.

6. ADMINISTRATION FEE

Under the terms of the 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 2012, the Company incurred administration fees of £157,060 (2011: £161,296), which is included in professional fees in the Statements of Operations.

7. INVESTMENTS

Limited Partnership

The Company has committed substantially all of its capital to the Limited Partnership and its successor fund, Oakley Capital Private Equity II L.P. 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 2012 was £99,534,618 (€122,745,860) (2011: £101,932,105 (€122,485,000), representing 65.15% of the Company's total capital commitment. During the year ended 31 December 2012 the Company acquired Centrecourt Ventures Inc.'s interest in the Limited Partnership comprising a commitment of €398,260, accounting for 0.14% of the Limited Partnership's committed capital.

As at 31 December 2012, the Company accounted for 65.15% of the total capital and commitments in the Limited Partnership (2011: 65.01%). The Company may also make co-investments with the Limited Partnership based on the recommendations of the Manager.

At 31 December 2012 all of the Limited Partnership's investments are carried 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.

Limited Partnership's investments

The Limited Partnership made follow-on investments in six of the portfolio companies in 2012. These investments were in Emesa, The Time Out Group, Broadstone, Monument Securities and Headland Media. The Company also increased its investment in the Limited Partnership through a revolving credit facility advanced to the Limited Partnership.

Headland Media

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.

Monument Securities

Monument Securities Group 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.

Verivox

The Limited Partnership, through VVX (Bermuda) Limited, acquired 51% of Verivox Holdings Limited, an online consumer energy price comparison service in Germany. The company receives commissions from energy suppliers when consumers elect to switch providers through its website.

Broadstone

The Limited Partnership through its wholly owned subsidiary, Fitzwilliam Holdco Limited, acquired 84.4% of Broadstone, the UK-wide independent provider of investment advice and solutions to private individuals and corporates, from BDO LLP.

Time Out London and Time Out New York

The Limited Partnership acquired 50% of Time Out Group Limited ("Time Out London"), the international multi-channel publisher. Time Out provides services across traditional print, digital channels and live events.

The Limited Partnership acquired 65.7% of Time Out America LLC ("Time Out New York"). In combination, Time Out New York and Time Out London control the worldwide rights to the Time Out brand (excluding Chicago).

Emesa

On 25 March 2011, the Company acquired 68.0% of Sun Cooperatief U.A. ("Emesa"), an e-commerce company active in the Dutch online leisure market. 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.

Intergenia

On 20 December 2011, the Limited Partnership acquired a 51% stake in Intergenia AG ("Intergenia"), a web hosting company providing managed, dedicated and cloud hosting. The Limited Partnership acquired the investment in Intergenia through a fully owned subsidiary, WHDI (Bermuda) Limited.

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

Mezzanine financing investments

Headland Media

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. The instrument carries a fixed interest rate of 15% and was due in December 2014. The debt was fully repaid on 16 February 2012.

Time Out London

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 to TO (Bermuda) Limited. The instrument carries a fixed interest rate of 15% maturing on 30 November 2015. The fair value of the loan is considered to approximate its amortised cost at 31 December 2012.

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 to Fitzwilliam Holdco Limited. The instrument carries an interest rate of 15% and matures on 30 November 2015. The fair value of the loan is considered to approximate its amortised cost at 31 December 2012.

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) to TONY OCIL (Bermuda) Limited 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 of the loan is considered to approximate its amortised cost at 31 December 2012.

Senior loan notes

Time Out London

As part of the Limited Partnership's acquisition of Time Out Group Limited, the Company provided a secured senior loan of £5.0 million to Time Out Group BC Limited. The instrument carries a fixed interest rate of 8.5% and matures on 31 March 2013. The fair value is considered to approximate its amortised cost at 31 December 2012.

Time Out New York

As part of the Limited Partnership's acquisition of Time Out New York, the Company provided a secured senior loan of £2.1 million ($3.4 million) to TONY OCIL (Bermuda) Limited. 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 to approximate its amortised cost at 31 December 2012.

Intergenia

As part of the Limited Partnership's acquisition of Intergenia, the Company provided a secured senior loan of £8.4 million (€10.0 million) to Intergenia GmbH. The instrument carries a fixed interest rate of 8.5%. The instrument matures no later than November 2013. On 8 March 2012 £6.0 million (€7.4 million) of this loan was repaid. The fair value is considered to approximate its amortised cost at 31 December 2012.

Bridge financing investments

Oakley Capital Private Equity L.P.

On 24 March 2011, the Company provided a bridging loan to the Limited Partnership of £12 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 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. The fair value is considered to approximate its amortised cost.

Revolving credit facility

Oakley Capital Private Equity L.P.

On 19 March 2012, the Company provided a revolving loan facility of £23 million to the Limited Partnership at an interest rate of 6.5%. As at 31 December 2012 £19.3 million of the funding had been provided from the facility. The fair value is considered to approximate its amortised cost at 31 December 2012. Details of a subsequent repayment of the facility are included in Note 13.

8. CAPITAL COMMITMENT

The total capital commitment made by the Company in the Limited Partnership is £151,961,249 (€187,398,260) (2011: £156,197,795 (€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 £99,534,618 (€122,745,860) (2011: £101,932,105 (€122,485,000)) was called by the Limited Partnership. As at 31 December 2012, the amount of capital commitment available to be called by the Limited Partnership was £52,426,631 (€64,652,400) (2011: £54,265,690 (€64,515,000)). During the year ended 31 December 2012 the Company acquired Centrecourt Ventures Inc.'s interest in the Limited Partnership of €398,260, accounting for 0.14% of the Limited Partnership's committed capital.

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. On 23 November 2011, the Limited Partnership issued a further capital call of €26.2 million (£22.5 million) representing 14% of the outstanding commitments of €187 million. No capital calls were made by the Limited Partnership during 2012. The total funded commitment as at 31 December 2012 was €122.5 million (2011: €122.5 million) representing 65.5% (2011: 65.5%) of the Company's total commitments.

9. SHARE CAPITAL

(a) Share capital

The authorised share capital of the Company consists of 200,000,000 Ordinary Shares with the issued share capital of the Company consisting of 100,000,000 Ordinary Shares.

(b) 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.

(c) Share repurchase

On 2 October 2008, the Board of Directors authorised a repurchase programme of 7,589,000 shares. Under a tender offer, the Company repurchased 7,589,000 shares for £4,576,316 at a price of 60 pence per share and held them as treasury stock. 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.

On 3 July 2012, the Company repurchased 603,650 shares at a price of 114 pence per share, on 5 July 2012 the Company repurchased an additional 1,355,000 shares at a price of 125 pence and finally on 9 July 2012 the Company repurchased an additional 105,000 shares at 122 pence per share. Directly attributable costs of £1,987 were incurred in relation to the shares repurchased. At 31 December 2012, a total of 2,063,650 shares are held as treasury stock.

Shares of common stock are:

Common stock	2012	2011
Balance at beginning of year	128,125,000	128,125,000
Shares repurchased	(2,063,650)	–
Balance at end of year	126,061,350	128,125,000

10. RELATED PARTIES

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

The Company has a financial advisory agreement with Oakley Finance. During 2012, the Company incurred financial advisory fees of £25,000 (2011: £25,000), which is included in professional fees in the Statements of Operations.

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 2035.

The Company was not required to recognise any amounts for uncertain tax positions under FASB ASC 740-10 during the year ended 31 December 2012.

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 current likelihood of such an event is remote.

13. SUBSEQUENT EVENTS

The Directors have evaluated subsequent events from the year end through 23 April 2013 which is the date the financial statements were available to be issued. The following events have been identified for disclosure.

The Limited Partnership successfully completed the sale of Emesa on 31 January 2013. The Limited Partnership distributed €29.7 million (£25.6 million) to the Company on 15 February 2013.

Coincidental with the distribution of Emesa proceeds, the Limited Partnership made a capital call of 7% of total commitments, which for the Company was €13.1 million (£11.3 million) bringing the total drawn down capital to 72.5% of total capital commitments.

As at 31 December 2012, the revolving credit facility provided to the Limited Partnership was £19.3 million. On 25 February 2013, £16.2 million of the revolving credit facility was repaid.

On 14 February 2013, the Company provided debt finance to Daisy Data Centre Solutions Limited in the form of a mezzanine loan facility of £4.5 million. The mezzanine loan facility carries a fixed interest rate of 15%, maturing no later than 14 February 2014.

On 5 April 2013 the £5 million senior loan note provided to Time Out Group BC Limited matured and its term was extended to 31 March 2016.

DIRECTORS AND ADVISERS

DIRECTORS

James Michael Keyes
Independent Director and Chairman

Christine (Tina) Michelle Burns
Independent Director

Peter Adam Daiches Dubens
Director

Laurence Charles Neil Blackall
Independent Director

Ian Patrick Pilgrim
Director

Christopher Wetherhill
Independent Director

ADVISERS

Registered Office
102 St. James Court
Smiths FL04
Bermuda

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

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

Legal Advisers to the Company
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City Point
1 Ropemaker Street
London EC2Y 9HU
United Kingdom

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

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

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

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

Auditors to the Company and the Limited Partnership
KPMG
Crown House
4 Par la Ville Road
Hamilton HM08
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 2013 Annual General Meeting of the Members of the Company will be held at 102 St. James Court, Smiths FL04, Bermuda on:

24 June 2013 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 2012.
4. To re-appoint KPMG of Crown House, 4 Par la Ville Road, Hamilton HM08, 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 Peter Dubens and Laurence Blackall 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 alternative 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.

14 May 2013
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 21 June 2013 at:

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

Designed by addtotaste.com and printed by Portman Lodge Limited

OAKLEY CAPITAL INVESTMENTS LIMITED

ANNUAL REPORT AND ACCOUNTS 2012

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