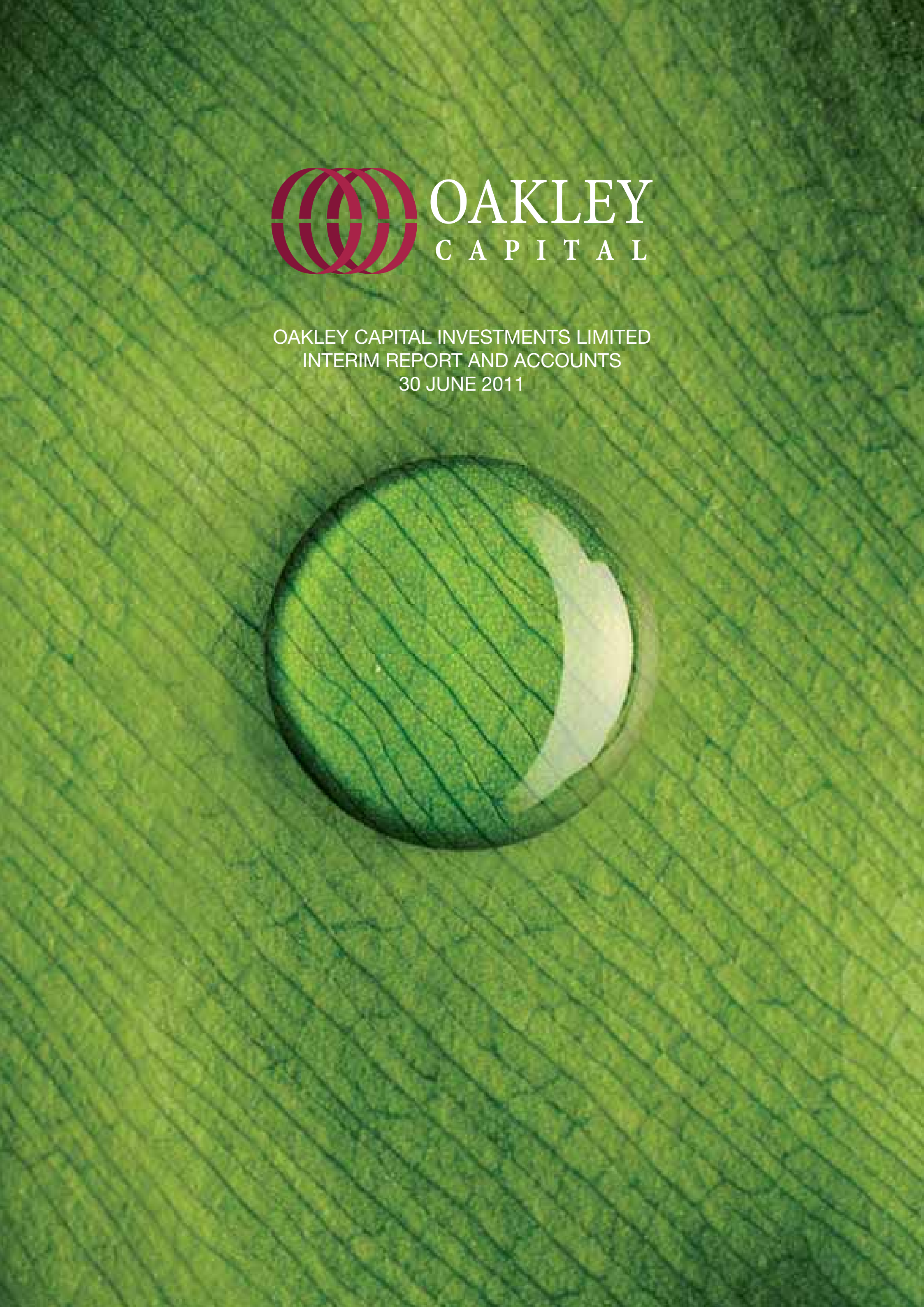
OAKLEY CAPITAL

OAKLEY CAPITAL INVESTMENTS LIMITED
INTERIM REPORT AND ACCOUNTS
30 JUNE 2011



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CHAIRMAN'S STATEMENT

I am pleased to report another period of steady progress in the six months to 30 June 2011. The Oakley Capital Private Equity L.P.'s (the "Limited Partnership") portfolio companies continued to perform well. We were also able to make two high quality investments in the period, Time Out America LLC ("Time Out New York") and Emesa B.V. ("Emesa"), both of which are capable of generating strong returns over the coming years.

PERFORMANCE

Net asset per share at 30 June 2011 was £1.80, an increase of 23% from the same period last year and an increase of 7% from the position at 31 December 2010. Of the £16.0 million increase in the six month period, £14.5 million arose from the revaluation of the underlying investment by the Limited Partnership in Verivox Holdings Limited ("Verivox") and Daisy Group plc ("Daisy") to fair value. Verivox has performed well during the first half of 2011. Daisy's share price has increased from £1.00 at 31 December 2010 to £1.27 at 30 June 2011.

Of the total net asset value of £230.9 million, £103.7 million represents investments made by the Company into the Limited Partnership and £37.9 million as investments made directly to the Limited Partnership's portfolio companies in the form of mezzanine finance and senior loan notes. Of the balance, the overwhelming majority was held by the Company as cash and cash equivalents.

The Limited Partnership had total commitments of €288 million at 30 June 2011 of which the Company's commitment was €187 million or 65% of the total amount raised. In 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. The total funded commitment to 30 June 2011 was €96.3 million representing 51.5% of the Company's total commitments. The capital call was used to fund the acquisitions of Emesa and Time Out New York.

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%. The investments in loan instruments increased by £18.2 million from £19.7 million as at 31 December 2010 to £37.9 million due principally to new loans being issued in connection with the Emesa and Time Out New York acquisitions.

The Company held cash and cash equivalents of £87.2 million at 30 June 2011. On 28 October 2010, the Company made a capital commitment in the amount of €100.0 million (£86.0 million) in Oakley Capital Private Equity II L.P., a successor fund to the Limited Partnership. To date there have been no capital calls in respect of this commitment.

INVESTMENTS

The Limited Partnership undertook two direct acquisitions in the period; acquiring 68% of Emesa B.V. in March 2011 and 65.7% of Time Out America LLC in May 2011. In addition, Daisy made three purchases in the six months to 30 June 2011.

Emesa

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

Time Out New York

On 22 May 2011, the Limited Partnership acquired 65.7% of Time Out New York. The investment is synergistic and will enhance the previous investment made by the Limited Partnership, in November 2010, in Time Out Group Limited ("Time Out London") to create a global digital media group (the "Time Out Group"). In combination, Time Out New York and Time Out London control the worldwide rights to the Time Out brand (excluding Chicago). The Limited Partnership subscribed for equity of £9.3 million and the Company provided mezzanine loan finance of £3.1 million and senior loan notes of £2.1 million.

Daisy

On 31 March 2011, Daisy announced that it had acquired the Vodafone mobile service business of Outsourcery Limited ("Outsourcery"), a managed service provider, for cash consideration of £12.0 million. Outsourcery provides a suite of unified communications, focused on mobile voice, mobile data and hosted solutions to small and medium-sized enterprises.

On 18 April 2011, Daisy announced that it had completed the acquisition of the trading assets of Telinet and certain trading assets of Ipitomi for a cash consideration of up to £15.4 million. As leading data and managed service providers, the Telinet and Ipitomi acquisitions further bolster Daisy's existing presence in the mid-market space and enhance its data and engineering capabilities. This brings the total number of businesses acquired by Daisy since its purchase of Vialtus to 14.

OUTLOOK

It is anticipated that improvements in the underlying trading performance of the Limited Partnership's portfolio companies will continue to drive growth in NAV. The prospects pipeline remains active and presents a number of interesting opportunities. At the same time, a healthy cash balance and focus on long-term capital appreciation provide scope for us to benefit from any additional deal flow that short-term market turbulence may bring.

James Keyes

Chairman

THE MANAGER'S REPORT

THE COMPANY AND THE LIMITED PARTNERSHIP

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

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

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

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

MARKET BACKGROUND

A tentative economic recovery in Europe has been threatened by market uncertainty surrounding the Eurozone and a steep rise in commodity prices, both of which have led to the paring-back of growth forecasts. Whilst business and consumer confidence remained high in the first half of 2011, this has fallen away over the summer months. The Investment Adviser therefore remains cautious when evaluating new investment opportunities whilst believing that the Limited Partnership's existing on-line business will provide some protection from a protracted economic slow down. This cautious optimism reflects the focus in the portfolio on value-saving businesses and, more generally, on the growing propensity of internet users to transact business on-line as is indicated by, amongst other indicators, ever-increasing internet sales as a percentage of total retail sales.

PERFORMANCE

The Company's net asset value increased in the year from £187.4 million at 30 June 2010 to £230.9 million, a rise of £43.5 million. The net asset value at 30 June 2011 is equivalent to £1.80 per share, up from £1.46 at 30 June 2010, an improvement of 34 pence, or 23%. In the same period the Company's share price increased from £0.99 at 30 June 2010 to £1.50 at 30 June 2011.

For the six months to 30 June 2011, the Company's net asset value increased from £214.9 million to £230.9 million, an increase of £16.0 million. The primary contributor to the increase was the unrealised appreciation in value of investments, amounting to £13.7 million. On a look-through basis, this appreciation in value was driven by underlying operational improvements in the Limited Partnership's portfolio companies with Verivox contributing £9.4 million. Daisy's attributable fair value increased by £5.1 million based on an improvement in their share price which increased from £1.00 to £1.27 over the period.

For the Limited Partnership's investments in Headland Media and Monument Securities, the Investment Adviser considered that there had been no significant changes to these businesses since 31 December 2010 and consequently that the assessed fair values for those investments did not need to be revisited. The Limited Partnership's investment in Broadstone Pensions and Investments Limited ("Broadstone") increased as a result of additional equity funding required by Broadstone to develop their financial systems and to fund working capital. This had the effect of increasing the Company's investment in the Limited Partnership by £2.3 million.

Given the proximity of the 30 June 2011 period end date to the acquisition dates for both Time Out Group purchases and for Emesa, and in the absence of any unexpected developments, the Investment Adviser has determined that each of these investments will be carried at cost in the Limited Partnership.

At 30 June 2011 the Company's assets were divided between its investments in the Limited Partnership (45%), cash and cash equivalents (39%) and loans provided directly to portfolio companies (16%). These loans generally take the form of mezzanine finance, ensuring that uncalled cash continues to earn a positive return. At 30 June 2011, the total value of the loans outstanding was £37.9 million.

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

Income of £2.4 million in the six months to 30 June 2011 was at a similar level to the same period last year. Expenses were up by £0.3 million as a result of management fees during the period; there were no management fees for the same period last year. Net income for the six months was £1.8 million compared to £2.1 million for the same period in 2010.

REVIEW OF INVESTMENTS

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.

The Company's investment in the Limited Partnership has increased by £29.7 million from £74.0 million to £103.7 million over the six months to 30 June 2011. Half the increase is attributable to the improvement in the fair values of Daisy and Verivox, with a combined unrealised gain of £14.5 million. The Company's investments in Emesa and Time Out New York added a further £13.0 million to the Limited Partnership investment value. The remainder of the increase is attributable to follow-on investment in Broadstone, adding £2.3 million to the increase.

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

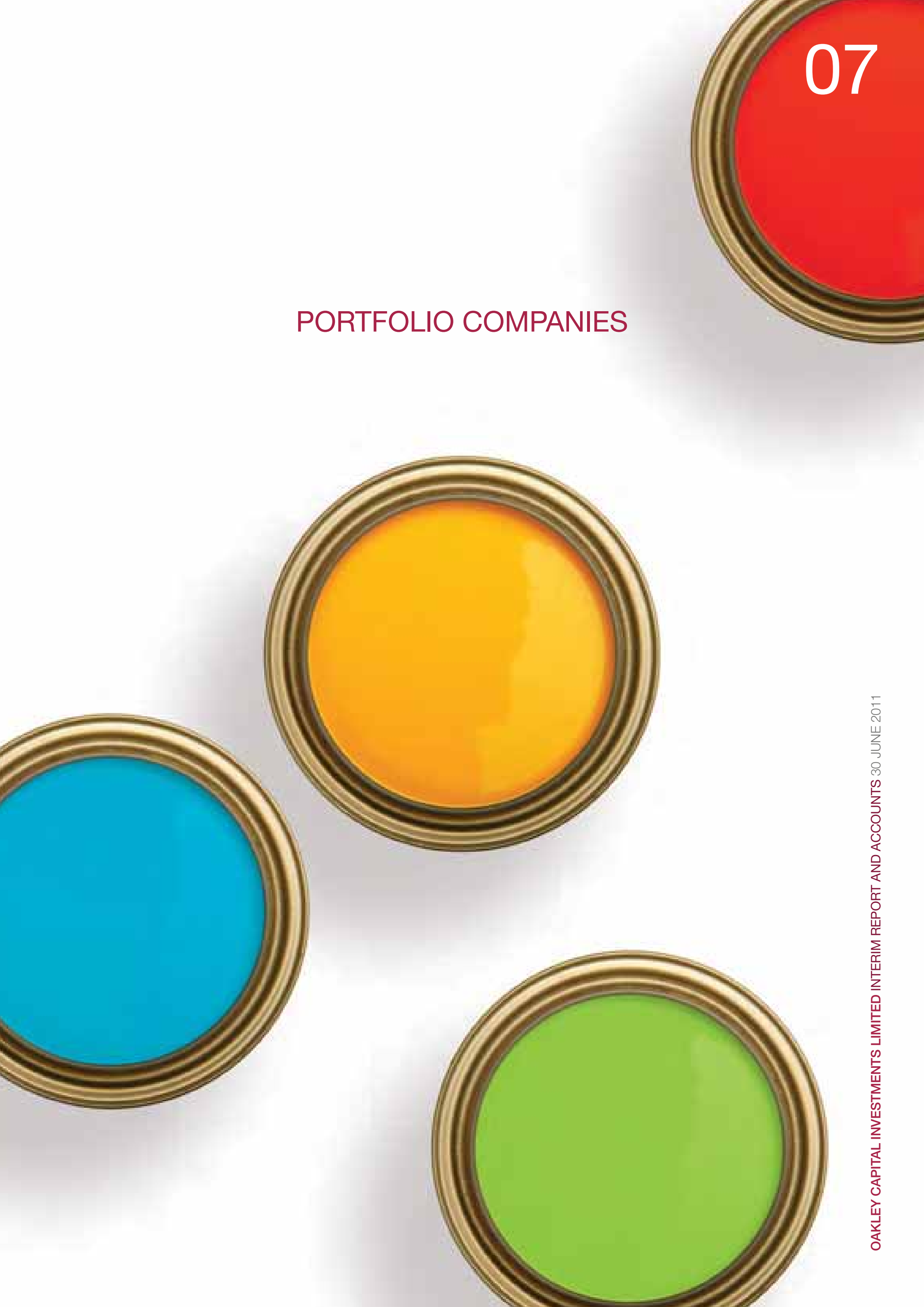
At 31 December 2010, Verivox had a mezzanine loan of £1.4 million outstanding. This was repaid in full in March 2011.

At 30 June 2011 and 31 December 2010, the Company had outstanding mezzanine finance provided to Headland Media of £1.6 million carrying an annual interest rate of 15% and with a maturity date of 2014, but repayable at any time before this date and to Broadstone of £6.0 million with an interest rate of 15% per annum maturing no later than November 2015.

The Company provided both mezzanine finance and senior debt finance to Time Out London. The mezzanine finance amounted to £5.7 million in 2010 with an additional £0.5 million provided in January 2011. The interest rate is 15% per annum maturing no later than November 2015. The senior loan notes amounted to £5.0 million and have an annual interest rate of 8.5% and are due to be repaid by no later than March 2013.

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

Alongside the Limited Partnership's own investment, the Company provided both mezzanine and senior debt finance to Emesa. The mezzanine finance was £4.7 million at an interest rate of 15% per annum maturing no later than March 2016. The senior loan notes amounted to £8.7 million and have an annual interest rate of 8.5% and are due to be repaid no later than March 2014.



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PORTFOLIO COMPANIES

1. Daisy

Sector: Telecoms
Location: United Kingdom
Investment date: 21 July 2009
Website: www.daisyplc.com

BUSINESS OVERVIEW

Daisy Group plc ("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 27 June 2011 Daisy announced its preliminary results for the 12 months to 31 March 2011. Revenues in the 12 months to 31 March 2011 doubled from those in the previous 15 month period and adjusted EBITDA increased from £11.0 million in the 15 months to 31 March 2010 to £40.7 million for the year to 31 March 2011. There had been strong cash conversion with 98% of post exceptional adjusted EBITDA converting to operating cash.

Daisy had been highly acquisitive during their last financial year having completed seven corporate and one customer base acquisition and one further trade and asset acquisition post their year end. Five of the six substantial acquisitions that were completed prior to the start of February 2011 had been fully integrated.

The Daisy share price on 31 December 2010 was £1.27 and this was used to establish the fair value of the investment.

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
N/A	14%	N/A	£24.3m

2. Verivox

Sector: Online consumer
Location: Germany
Investment date: 4 December 2009
Website: www.verivox.de

BUSINESS OVERVIEW

Verivox GmbH ("Verivox") is Germany's leading consumer energy and telecoms price comparison website with an 11 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 the 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 (competitors have around 50) and by providing users with details of the lowest cost energy supplier even when the company does not represent that supplier.

BUSINESS UPDATE

Verivox has performed strongly in the first half of 2011 with gross customer contracts increasing by 22% compared to the same period last year. As a result of strong performance during 2010 and continuing in 2011, Verivox was able to repay the balance of the Company's mezzanine and senior loans in full as of 11 March 2011. The outlook for the remainder of 2011 is positive with revenues and EBITDA for the year expected to be significantly higher than the previous year. Media interest in energy topics has picked up again due to the government decision to withdraw from atomic power in Germany which is expected to have an inflationary impact on consumer prices.

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	£44.9m

3. Time Out

Sector: Digital media/publishing
Location: United Kingdom and USA
Investment date: 25 November 2010 and 26 May 2011
Website: www.timeout.com

TRANSACTION DETAILS

In November 2010, the Limited Partnership acquired 50% of Time Out Group Limited ("Time Out London"), the international multi-channel publisher. The Limited Partnership subscribed for equity of £5.1 million and the Company has provided loans in the form of mezzanine finance of £6.2 million and senior debt of £5.0 million.

In May 2011, the Limited Partnership acquired 65.7% of Time Out America LLC ("Time Out New York"). The investment was anticipated to be synergistic and would enhance the investment in Time Out London to create a global digital media group (the "Time Out Group"). In combination, Time Out New York and Time Out London control the worldwide rights to the Time Out brand (excluding Chicago). The Limited Partnership subscribed for equity of £9.3 million and Oakley Capital Investments Limited provided a mezzanine loan of £3.1 million and senior loan notes of £2.1 million.

BUSINESS OVERVIEW

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

Globally, the Time Out Group is present in 35 cities across the world, with a worldwide audience of 16 million across both print and digital channels. Its websites have over 7 million global unique users per month with page views in April 2011 exceeding 32 million.

BUSINESS UPDATE

The first half of 2011 has been a period of planning, re-organisation and customer research in order to transition from, what was historically, a print publishing business to a digital media business. Key staff (COO, Director of e-commerce and CTO) have been recruited who have significant digital and e-commerce experience to help facilitate transition and growth. In addition, a recent business review will lead to cost efficiencies and more streamlined work processes. Technology foundations have been laid to support the expansion into transactional and e-commerce areas. In May, "Time Out Deals" launched further enabling growth of revenues and the customer base. Total revenues are slightly below budget, but digital advertising revenues are ahead of plan and traffic is increasing significantly. Group EBITDA is ahead of plan.

On 14 July 2011, Time Out acquired LikeCube, the cutting edge personalisation software company that uses semantic analysis to give web and mobile users personalised recommendations. Once the software is integrated, Time Out will use the intelligence gained from users' "taste graphs" to further complement its editorial in providing consumers with a personalised service online and via mobile.

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
£31.4m	59%	£25.8m	£25.8m

4. Emesa

Sector: Leisure
Location: Netherlands
Investment date: 25 March 2011
Website: www.emesa.nl

TRANSACTION DETAILS

On 25 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.

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 2010 received over 63 million visits and completed over 950,000 transactions, with a current run rate of 1.5 million customer transactions per annum.

The investment provides the Limited Partnership with a high-growth platform in an attractive vertical and the opportunity both to white-label the auction technology and to expand internationally.

BUSINESS UPDATE

Emesa continues to trade strongly and is ahead of its 2011 budget, with customer demand for product exceeding expectations. The business launched a new auction platform in November 2010 in preparation for increased volumes and is now well-positioned for further growth in the Dutch market. Management is planning for entry into the German market, which is expected late in 2011.

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	£20.8m

5. Broadstone (formerly known as BDO Wealth Management)

Sector: Financial services
Location: United Kingdom
Investment date: 4 November 2010
Website: www.broadstoneltd.co.uk

BROADSTONE™

TRANSACTION DETAILS

On 4 November 2010, the Limited Partnership announced that it had acquired 84.4% of Broadstone Pensions and Investments Limited ("Broadstone"), the UK-wide independent provider of investment advice and solutions to private individuals and corporates, from BDO LLP. The Limited Partnership has provided equity of £10.5 million and the Company a mezzanine loan of £6.0 million.

BUSINESS OVERVIEW

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

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

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

BUSINESS UPDATE

Total revenues for the 12 months to 30 June 2011 were £15.8m and the EBITDA loss for the period was higher than expected. Since the acquisition, the Limited Partnership has invested a further £3.5 million in Broadstone to improve financial systems and to fund working capital and restructuring costs. Broadstone is implementing a significant profit improvement programme with the business forecasted to return to EBITDA profitability in 2012.

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	£12.8m

6. Headland Media

Sector: Digital media
Location: United Kingdom
Investment date: 25 January 2008
Website: www.headlandmedia.com

BUSINESS OVERVIEW

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

BUSINESS UPDATE

Headland Media has had a strong first half of the year increasing destination sites from 12,500 to 13,100. It has used technology to roll out a single platform significantly improving their customer's experience. Headland Media has also signed up new sites in their hotel division and new deals in their retail business. In the six months to 30 June 2011 the business has performed in line with expectations.

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Fair value of the Company's interest
£6.3m	80%	£4.5m	£7.0m

7. Monument Securities

Sector: Financial services
Location: United Kingdom
Investment date: 31 March 2008
Website: www.monumentsecurities.com

BUSINESS OVERVIEW

Monument Securities Limited ("Monument Securities") is an independent equity, derivatives and fixed income broker with a 20 year history. The company provides services to institutions, fund managers, market professionals, corporates and hedge funds. Monument Securities is a member of the NYSE, Euronext, LIFFE, Eurex, the London Stock Exchange and the International Capital Markets Association and is regulated by the Financial Services Authority.

BUSINESS UPDATE

During the first half of 2011, Monument Securities has strengthened its development team and has been involved in developing new products. Revenues have been generated at broadly similar levels to last year from derivatives, equity and fixed income. The diversity in the business has enabled Monument Securities to maintain results in line with 2010 in challenging markets.

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	£1.4m

DISPOSALS

Host Europe (sold 28 October 2010)

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 £222.0 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.

Enterprise value at acquisition	Total equity held	Value of Company's interest at acquisition	Exit value of the Company's interest
£128m	83%	£51.0m	£92.6m

STATEMENTS OF ASSETS AND LIABILITIES

FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010 AND THE FISCAL YEAR ENDED 31 DECEMBER 2010 (Expressed in British Pounds)

	Notes	Unaudited six months ended 30 June 2011 £	Unaudited six months ended 30 June 2010 £	Audited year ended 31 Dec 2010 £
Assets				
Investments	2c, 5, 7	141,587,718	138,244,916	93,708,239
Cash and cash equivalents	3	87,160,933	46,431,099	120,915,727
Accrued interest receivable		2,395,551	2,683,035	814,139
Other receivables		87,496	112,304	29,553
Total assets		231,231,698	187,471,354	215,467,658
Liabilities				
Accounts payable and accrued expenses		294,442	72,192	520,316
Total liabilities		294,442	72,192	520,316
Net assets attributable to shareholders		230,937,256	187,399,162	214,947,342
Represented by:				
Share capital		1,281,250	1,281,250	1,281,250
Share premium		119,276,094	119,276,094	119,276,094
Retained earnings		110,379,912	66,841,818	94,389,998
		230,937,256	187,399,162	214,947,342
Number of shares outstanding	9	128,125,000	128,125,000	128,125,000
Net asset value per share		1.80	1.46	1.68

The notes following form an integral part of these financial statements

SCHEDULES OF INVESTMENTS

FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010 AND THE FISCAL YEAR ENDED 31 DECEMBER 2010 (Expressed in British Pounds)

30 June 2011	Fair value as a % of net assets	% interest	Principal amount/ Quantity	Cost £	Fair value £
Investments in Limited Partnership					
Bermuda					
Oakley Capital Private Equity LP	44.90%	65.01%		38,805,708	103,682,168
Unquoted debt securities					
Investments in senior loan notes					
United Kingdom					
Time Out Group BC Limited					
Interest at 8.5% p.a.					
Maturity date March 2013	2.17%		£5,000,000	5,000,000	5,000,000
The Netherlands					
Emesa Netherlands BV					
Interest at 8.5% p.a.					
Maturity date March 2014	3.91%		€10,000,000	8,717,000	9,025,000
Bermuda					
TONY OCIL (Bermuda) Limited					
Interest at 8.5% p.a.					
Maturity date May 2014	0.92%		$3,400,000	2,109,020	2,123,300
Total senior loan notes	6.99%			15,826,020	16,148,300
Investments in mezzanine loans					
United Kingdom					
Headland Media Limited					
Interest at 15% p.a.					
Maturity date December 2014	0.68%		$2,500,000	1,645,945	1,561,250
The Netherlands					
Emesa Group Holdings BV					
Interest at 15% p.a.					
Maturity date March 2016	2.11%		€5,400,000	4,707,180	4,873,500
Bermuda					
Fitzwilliam Holdco Limited					
Interest rate at 15% p.a.					
Maturity date November 2015	2.60%		£6,000,000	6,000,000	6,000,000
Time Out (Bermuda) Limited					
Interest rate at 15% p.a.					
Maturity date November 2015	2.68%		£6,200,000	6,200,000	6,200,00
TONY OCIL (Bermuda) Limited					
Interest rate at 15% p.a.					
Maturity date May 2016	1.35%		$5,000,000	3,101,500	3,122,500
Total mezzanine loans	**9.42%**			**21,654,625**	**21,757,250**
Total investments	**61.31%**			**76,286,353**	**141,587,718**

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

The notes following form an integral part of these financial statements

SCHEDULES OF INVESTMENTS continued

FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010 AND THE FISCAL YEAR ENDED 31 DECEMBER 2010 (Expressed in British Pounds)

30 June 2010	Fair value as a % of net assets	% interest	Principal amount/ Quantity	Cost £	Fair value £
Investments in Limited Partnership					
Bermuda					
Oakley Capital Private Equity LP	58.65%	65.01%		51,793,525	109,913,138
Unquoted debt securities					
Investments in mezzanine loans					
United Kingdom					
Host Europe Corporation Limited					
Interest at 15.25% p.a.					
Maturity date December 2015	9.02%		£16,905,544	16,905,544	16,905,544
Headland Media Limited					
Interest at 15% p.a.					
Maturity date December 2014	0.43%		$1,200,000	785,622	799,397
Bermuda					
VVX (Bermuda) Limited					
Interest rate at 15% p.a.					
Maturity date December 2019	3.49%		€8,000,000	7,288,000	6,539,592
Total mezzanine loans	12.94%			24,979,166	24,244,533
Investment in bridge loans					
Bermuda					
VVX Investments Limited					
Interest rate at 8.5% p.a.					
Maturity date December 2012	2.18%		€5,000,000	4,555,000	4,087,245
Total investments	73.77%			81,327,691	138,244,916

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

The notes following form an integral part of these financial statements

SCHEDULES OF INVESTMENTS continued

FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010 AND THE FISCAL YEAR ENDED 31 DECEMBER 2010 (Expressed in British Pounds)

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

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

The notes following form an integral part of these financial statements

STATEMENTS OF OPERATIONS

FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010 AND THE FISCAL YEAR ENDED 31 DECEMBER 2010 (Expressed in British Pounds)

	Notes	Unaudited six months ended 30 June 2011 £	Unaudited six months ended 30 June 2010 £	Audited year ended 31 Dec 2010 £
Investment income				
Interest		2,407,551	2,345,229	4,835,741
Total income		2,407,551	2,345,229	4,835,741
Expenses				
Management fees	4	277,122	–	306,677
Performance fees	4	–	–	408,948
Professional fees	6	137,379	120,448	279,086
Other		157,659	158,188	372,133
Interest		941	309	379
Total expenses		573,101	278,945	1,367,223
Net investment income		**1,834,450**	**2,066,284**	**3,468,518**
Realised and unrealised gains and losses on foreign exchange and investments				
Net realised gains/(losses) on foreign exchange		351,910	(105,914)	51,288
Net change in unrealised gains/(losses) on foreign exchange		3,539	(62,030)	(545)
Net realised gains on investments		79,145	–	31,263,988
Net change in unrealised appreciation on investments		13,720,869	5,390,464	53,735
Net realised and unrealised gains on foreign exchange and investments		14,155,463	5,222,520	31,368,466
Net increase in net assets resulting from operations		**15,989,913**	**7,288,804**	**34,836,984**
Net gain per share		0.12	0.06	0.27

The notes following form an integral part of these financial statements

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010 AND THE FISCAL YEAR ENDED 31 DECEMBER 2010 (Expressed in British Pounds)

	Unaudited six months ended 30 June 2011 £	Unaudited six months ended 30 June 2010 £	Audited year ended 31 Dec 2010 £
Net increase in net assets resulting from operations			
Net investment income	1,834,450	2,066,284	3,468,518
Net realised gain/(loss) on foreign exchange	351,910	(105,914)	51,288
Net change in unrealised gain/(loss) on foreign exchange	3,540	(62,030)	(545)
Net realised gains on investment	79,145	–	31,263,988
Net change in unrealised appreciation on investments	13,720,869	5,390,464	53,735
Net increase in net assets	15,989,914	7,288,804	34,836,984
Net assets at beginning of period/year	214,947,342	180,110,358	180,110,358
Net assets at end of period/year	230,937,256	187,399,162	214,947,342

The notes following form an integral part of these financial statements

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010 AND THE FISCAL YEAR ENDED 31 DECEMBER 2010 (Expressed in British Pounds)

	Unaudited six months ended 30 June 2011 £	Unaudited six months ended 30 June 2010 £	Audited year ended 31 Dec 2010 £
Cash flows from operating activities			
Net increase in net assets resulting from operations	15,989,914	7,288,804	34,836,984
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:			
Net realised and unrealised gains on foreign exchange and investments	(14,155,464)	(5,222,520)	(31,368,466)
Payments for purchases of investments	(46,558,009)	(785,622)	(36,490,528)
Proceeds on disposal of investments	12,478,545	814,229	106,983,070
Change in accrued interest receivable	(1,581,412)	(1,901,918)	(33,021)
Change in other receivables	(57,943)	(70,910)	11,841
Change in accounts payable and accrued expenses	(225,874)	(34,555)	413,569
Net cash used in operating activities	**(34,110,243)**	**87,508**	**74,353,449**
Net effect of foreign exchange gain	355,449	(167,944)	50,743
Net (decrease)/increase in cash and cash equivalents	(33,754,794)	(80,436)	74,404,192
Cash and cash equivalents at beginning of period/year	120,915,727	46,511,535	46,511,535
Cash and cash equivalents at end of period/year	**87,160,933**	**46,431,099**	**120,915,727**
Interest paid during the period/year	941	309	379

The notes following form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIODS ENDED 30 JUNE 2011 AND 2010
AND THE FISCAL YEAR ENDED 31 DECEMBER 2010

1. THE COMPANY

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

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

b) Use of estimates

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

c) Investment valuation

Limited Partnership

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

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

Mezzanine loans, bridge loans and senior loans

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

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

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

The hierarchy of inputs is summarised below:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Investment Advisers' own assumptions in determining the fair value of investments)

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

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

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

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

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

d) Income recognition

Interest income and expenses are recognised on the accruals basis.

e) Foreign currency translation

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

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

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

f) Cash and cash equivalents

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

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	Unaudited six months ended 30 June 2011 £	Unaudited six months ended 30 June 2010 £	Audited year ended 31 Dec 2010 £
Cash	22,379,833	743,175	–
Short-term deposits	64,781,100	45,687,924	120,915,727
Total cash and cash equivalents	87,160,933	46,431,099	120,915,727

4. MANAGEMENT AND PERFORMANCE FEES

(a) The Company has entered into a Management Agreement with the Manager to manage the Company's investment portfolio. The Manager will not receive a management fee from the Company in respect of funds either committed or invested by the Company in the Limited Partnership or any successor fund managed by the Manager. The Manager will receive a management fee at the rate of 1% per annum in respect of those funds that are not committed to the Limited Partnership or any successor fund (but including the proceeds of any realisations), which are invested in cash, cash deposits or near cash deposits and a management fee at the rate of 2% per annum in respect of those funds which are invested directly in co-investments. The management fee is payable monthly in arrears. During the period ended 30 June 2011, the Company incurred management fees of £277,122 (30 June 2010: £nil; 31 December 2010: £306,677). As at 30 June 2011, management fees in the amount of £159,424 were payable to the Manager (30 June 2010: £nil; 31 December 2010: £306,677).

The Manager may also receive a performance fee of 20% of the excess of the amount earned by the Company over and above an 8% hurdle rate per annum on any monies invested as a co-investment with the Limited Partnership or any successor limited partnership. Any co-investment will be treated as a segregated pool of investments by the Company. If the calculation period is greater than one year, the hurdle rate shall be compounded on each anniversary of the start of the calculation period for each segregated co-investment. If the Manager does not exceed the hurdle rate on any given co-investment that co-investment shall be included in the next calculation on a co-investment so that the hurdle rate is measured across both co-investments.
No previous payments of performance fee will be affected if any co-investment does not reach the hurdle rate of the return. During the period ended 30 June 2011, the Company incurred no performance fees (30 June 2010: £nil; 31 December 2010: £408,948).
As at 30 June 2011, there were no performance fees payable to the Manager (30 June 2010: £nil; 31 December 2010: £107,044).

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

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

30 June 2011	Quotes prices (Level 1) £	Other significant observable inputs (Level 2) £	Significant unobservable inputs (Level 3) £
Investments in Securities	–	–	141,587,718
30 June 2010	Quotes prices (Level 1) £	Other significant observable inputs (Level 2) £	Significant unobservable inputs (Level 3) £
Investments in Securities	–	–	138,244,916
31 December 2010	Quotes prices (Level 1) £	Other significant observable inputs (Level 2) £	Significant unobservable inputs (Level 3) £
Investments in Securities	–	–	93,708,239

The instruments comprising investments in securities are disclosed in the Schedules of Investments.

The Company has an investment into a private equity limited partnership. The investment is included at fair value based on the Company's balance on its capital account in the Limited Partnership. The valuation of non-public investments requires significant judgment by the Investment Adviser in consultation with the Manager 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 Investment Adviser, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third party financing environment.

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

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

	Investment in Securities 30 June 2011 £	Investment in Securities 30 June 2010 £	Investment in Securities 31 Dec 2010 £
Investment in Limited Partnership			
Fair value at beginning of period/year	73,977,584	104,432,214	104,432,214
Purchases	16,527,060	(814,229)	11,194,582
Proceeds on disposal	–	–	(73,476,433)
Realised gain on disposal	–	–	31,952,746
Net change in unrealised appreciation/(depreciation) on investments	13,177,524	6,295,153	(125,525)
Limited Partnership, fair value at end of period/year	**103,682,168**	**109,913,138**	**73,977,584**
Unquoted debt securities			
Fair value at beginning of period/year	19,730,655	28,450,844	28,450,844
Purchases	30,030,949	785,620	25,295,946
Proceeds on disposal	(12,478,545)	–	(33,506,637)
Realised gain on disposal	79,145	–	–
Net change in unrealised appreciation/(depreciation) on investments	543,346	(904,686)	(509,498)
Unquoted debt securities, fair value at end of period/year	**37,905,550**	**28,331,778**	**19,730,655**
Fair value at end of period/year	141,587,718	138,244,916	93,708,239

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

The investments held by the Limited Partnership are classified as Level 3 investments by the Limited Partnership.

6. ADMINISTRATION FEE

Under the terms of the Company Administration Agreement dated 30 July 2007 between Mayflower Management Services (Bermuda) Limited (the "Administrator") and the Company, the Administrator receives an annual administration fee at prevailing commercial rates, subject to the minimum monthly fee of US$5,000 per month. During the period ended 30 June 2011, the Company incurred administration fees of £49,334 (30 June 2010: £21,776, 31 December 2010: £63,044), which is included in professional fees in the Statements of Operations. As at 30 June 2011, there was a balance payable of £51,957 (30 June 2010: £7,771, 31 December 2010: £35,002), which is included in accounts payable and accrued expenses.

7. INVESTMENTS

Limited Partnership

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

The Company's share of the total capital called by the Limited Partnership to 30 June 2011 was £79,409,451 (€96,305,000) (30 June 2010: £51,687,810 (€64,575,000), 31 December 2010: £62,882,391 (€77,605,000)), representing 51.5% (30 June 2010: 41.50%, 31 December 2010: 41.5%) of the Company's total capital commitment. As at 30 June 2011, the Company accounted for 65.01% of the total capital and commitments in the Limited Partnership ((30 June 2010: 41.5%, 31 December 2010: 65.01%).

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

At 30 June 2011 and 31 December 2010 all of the Limited Partnership's investments have been valued at fair value. At 31 December 2010 the Limited Partnership appointed a third party valuer to determine the fair value of certain underlying businesses taking into account financial information provided by the Limited Partnership's investment adviser. The Limited Partnership's accounts have not been audited for the period ended 30 June 2011 but were audited for the year ended 31 December 2010. The Company's participation in the Limited Partnership has been valued at 30 June 2011 at £103,682,168 (31 December 2010: £73,977,584).

Limited Partnership's investments

The Limited Partnership made two direct acquisitions in the period to 30 June 2011; Emesa B.V. and Time Out New York. The Company was involved in the refinancing of both investee companies.

Host Europe Corporation

On 15 September 2010 the Limited Partnership announced the disposal of Host Europe to Montagu Private Equity, subject to approval by Germany's Federal Cartel Office (Bundeskartellamt). Having received this approval, the sale was completed on 28 October 2010. Total consideration for the sale was £222.0 million. The consideration was used to repay third party debt of £51.0 million; to repay debt due and interest to the Company of £19.9 million; to pay Host Europe management in respect of their interests of £19.0 million; and to meet transaction costs of £5.6 million. Net proceeds from the investment were therefore £126.5 million.

Total net proceeds paid to the Limited Partners on 9 November 2010 was £111.9 million, after performance fees. The Company received £72.7 million representing approximately 45% of the Company's total commitments and approximately 114% of its called capital.

Prior to the sale of Host Europe, the shares it held in Daisy Group plc ("Daisy") were extracted and continue to be held by the Limited Partnership through Host Europe (Bermuda) Limited. These 36.25 million shares, representing 14% of Daisy were acquired as part of the consideration for the disposal of Host Europe's Vialtus division in July 2009. The value of the Daisy shares as at 30 June 2011 was 127 pence. As at 30 June 2011, the net fair value of this investment attributable to the Company was £24.3 million (31 December 2010: £19.2 million).

Headland Media Limited

Headland Media Limited ("Headland Media") is a leading business to business media content provider of news digest services to the hotel and shipping sectors; as well as a leading provider of entertainment and training services to offshore industries. In total the Limited Partnership has invested £4.4 million in Headland Media. As at 30 June 2011, the net fair value of the investment attributable to the Company was £7.0 million (31 December 20101: £6.0 million).

Monument Securities Limited

Monument Securities Limited ("Monument Securities") is a global equity, derivatives and fixed income broker with a 20 year history. Monument Securities provides services to institutions, fund managers, market professionals, corporates and hedge funds. The Limited Partnership has a 51% interest in Monument Securities and its contribution was £2.8 million.

As at 30 June 2011, the net fair value of the investment attributable to the Company was £1.4 million (31 December 2010: £1.4 million).

VVX (Bermuda) Limited

The Limited Partnership, through VVX (Bermuda) Limited, owns 51% of Verivox Holdings Limited ("Verivox"), Germany's largest independent online consumer energy price comparison service. Verivox receives commission from energy suppliers when consumers elect to switch providers through its website. The Limited Partnership contributed £4.6 million in equity.

As at 30 June 2011, the net fair value of the investment attributable to the Company was £44.9 million (31 December 2010: £35.5 million).

Fitzwilliam Holdco Limited (Broadstone)

On 4 November 2010, the Limited Partnership announced that, through its wholly owned subsidiary, Fitzwilliam Holdco Limited, it has acquired 84.4% of Broadstone, the UK-wide independent provider of investment advice and solutions to private individuals and corporates, from BDO LLP. The total transaction value at time of acquisition was £14.2 million funded through a combination of debt and equity. The Limited Partnership's contribution as at 30 June 2011 was £10.4 million (31 December 2010: £7.0 million). At 30 June 2011 the net fair value of the investment attributable to the Company was £12.8 million (31 December 2010: £10.5 million).

TO (Bermuda) Limited (Time Out London)

On 25 November 2010, the Limited Partnership acquired 50% of Time Out London, the international multi channel publisher. Time Out was founded in 1968 and publishes in over 30 countries around the world. Time Out is uniquely positioned to provide services across traditional print, digital channels and live events. The total transaction value was £13.4 million funded through a combination of debt and equity. The Partnership's contribution was £5.1 million. At 30 June 2011 and 31 December 2010, the acquisition was valued at cost given the short period between the time of acquisition and the period end. The cost of the investment attributable to the Company at 30 June 2011 was £14.5 million (31 December 2010: £14.3 million).

Emesa B.V.

On 25 March 2011, the Fund announced that it had acquired 68.0% of Emesa B.V., a leading e-commerce company active in the Dutch online leisure market. The Limited Partnership provided equity of £10.4 million. 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. As at 30 June 2011, the acquisition was valued at cost given the short period between the time of acquisition and the period end. The cost of the investment attributable to the Company at 30 June 2011 was £20.8 million.

Time Out New York

In May 2011, the Fund acquired 65.7% of Time Out America LLC ("Time Out New York"). The investment is anticipated to be synergistic and will enhance the Fund's previous investment, in November 2010, in Time Out Group Limited ("Time Out London") to create a global digital media group (the "Time Out Group"). In combination, Time Out New York and Time Out London control the worldwide rights to the Time Out brand (excluding Chicago). The Fund subscribed for equity of £9.3 million ($15.0 million). As at 30 June 2011, the acquisition was valued at cost given the short period between the time of acquisition and the period end. The cost of the investment attributable to the Company at 30 June 2011 was £11.3 million.

Certain Directors of the Company and the General Partner of the Limited Partnership may also be directors of the investee companies.

Mezzanine financing investments

Headland Media Limited

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

Host Europe Corporation

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

Time Out (Bermuda) Limited

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

Fitzwilliam Holdco Limited (Broadstone, formerly BDO Wealth Management)

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

VVX (Bermuda) Limited (Verivox)

As part of the Limited Partnership's acquisition of Verivox the Company provided debt finance of £7.3 million (€8.0 million), in the form of an unsecured mezzanine instrument. The instrument carried a fixed interest rate of 15%, maturing no later than 4 December 2019. Due to the strong trading performance enjoyed by Verivox, it was able to repay £6.35 million of the loan on 21 December 2010 leaving a principal balance of £1.42 million (€1.65 million) at 31 December 2010. This was repaid in full on 11 March 2011.

Emesa Group Holdings B.V. (Emesa)

As part of the Limited Partnership's acquisition of Emesa the Company provided debt finance of £4.7 million (€5.4 million), in the form of an unsecured mezzanine instrument.

The instrument carried a fixed interest rate of 15%, maturing no later than March 2016. The fair value is considered to equal the amortised cost.

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

As part of the Limited Partnership's acquisition of Time Out New York, the Company provided debt finance of £3.1 million ($5.0 million) in the form of a mezzanine loan. The instrument carries a fixed interest rate of 15% before withholding tax and 10.5% after withholding tax. Interest income on the loan is shown net of withholding tax. The instrument matures no later than May 2016. The fair value is considered to equal the amortised cost.

Senior loan notes

Verivox Investments Limited (Verivox)

As at 31 December 2009, Verivox had drawn £4.6 million (€5.0 million) of a secured debt finance facility provided by the Company. The instrument carries a fixed interest rate of 8.5%, maturing no later than 4 December 2012. As mentioned previously, Verivox Holdings Limited had a very strong trading performance and as a result was able to pay the senior debt in full on 21 December 2010.

Time Out (Bermuda) Limited

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

Emesa Group Holdings B.V. (Emesa)

As part of the Limited Partnership's acquisition of Emesa, the Company has also provided a secured senior loan of £8.7 million (€10.0 million). The instrument carried a fixed interest rate of 8.5%, maturing no later than March 2014. The fair value is considered to equal the amortised cost.

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

As part of the Limited Partnership's acquisition of Time Out New York, the Company has also provided a secured senior loan of £2.1 million ($3.4 million). The instrument carries a fixed interest rate of 8.5% before withholding tax and 5.95% after withholding tax. Interest income on this loan is shown net of withholding tax. This instrument matures no later than May 2014. The fair value is considered to equal the amortised cost.

Bridge financing investments

Oakley Capital Private Equity L.P.

On 2 November 2010, the Company provided a 30 day bridging loan to the Limited Partnership of £6.0 million at an interest rate of 6% per annum for the acquisition of Broadstone. The loan was repaid in full by 16 November 2010. On 21 March 2011, the Company provided a 60 day bridging loan to the Limited Partnership of £10.9 million at an interest rate of 6.5% per annum. for the acquisition of Emesa B.V. The loan was fully repaid on 12 April 2011.

8. CAPITAL COMMITMENT

The total capital commitment made by the Company in the Limited Partnership is £168,767,500 (€187,000,000) (30 June 2010: £152,865,201 (€187,000,000), (31 December 2010: £160,950,900 (€187,000,000)). The Limited Partnership may draw upon the capital commitment at any time subject to two weeks' notice on an as needed basis. Since inception, capital in the amount of £79,409,451 (€96,305,000) (30 June 2010: £51,793,524 (€64,515,000), 31 December 2010: £62,882,391 (€77,605,000) was called from the Company by the Limited Partnership. As at 30 June 2011, the amount of capital commitment available to be called from the Company by the Limited Partnership was £81,852,237 (€90,695,000)) (30 June 2010: £101,071,676 (€122,485,000), (31 December 2010: £94,156,277 (€109,395,000)).

On 28 October 2010, the Company made a capital commitment in the amount of €100,000,000 in a successor fund to the Limited Partnership. At 30 June 2011, there have been no capital calls in respect of this commitment.

9. SHARE CAPITAL AND WARRANTS

(a) Share capital

The authorised share capital of the Company is £2,000,000 divided into 200,000,000 shares of par value 1 pence each.

(b) Warrants

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

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

Shares of common stock and warrants outstanding are:

Common stock	Unaudited six months ended 30 June 2011 £	Unaudited six months ended 30 June 2010 £	Audited year ended 31 Dec 2010 £
Balance at beginning and end of period/year	128,125,000	128,125,000	128,125,000
Warrants			
Balance at beginning of period/year	–	48,750,000	48,750,000
Expired	–	–	(48,750,000)
Balance at end of period/year	–	48,750,000	–

10. RELATED PARTIES

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

The Company has entered into financial advisory agreement with Oakley Finance. During the period ended 30 June 2011, the Company has not yet incurred financial advisory fees with Oakley Finance (30 June 2010: £17,500; 31 December 2010: £42,500, which is included in professional fees in the statements of operations). As at 30 June 2011, there was no balance payable to Oakley Finance (30 June 2010: £nil; 31 December 2010: £nil).

11. TAXATION

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

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

12. INDEMNIFICATIONS AND WARRANTIES

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

OAKLEY
CAPITAL

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