

Half year 2016 management report

The quantitative data contained in this report derive from the Company's customary accounting process. The report was prepared by the Management Company, presented to the Supervisory Board on 1 September 2016 and reviewed by the Statutory Auditors.

I) Operations and performance in the first half of 2016

A) Performance

Net asset value per share¹ stood at €18.77 as of 30 June 2016, after payment of a dividend of €0.56 per share, vs. €18.60 as of 31 December 2015, representing an increase of 3.9% including the dividend, and an increase of 7.3% from 31 March 2016 (€18.01).

The NAV increase resulted from the average EBITDA growth of the portfolio companies over the first half, with 12.9% in the French portfolio and 6% in the portfolio held by Apax VIII LP², even though it was partially offset by a decrease in the weighted average valuation multiple from 10.66x to 10.10x LTM EBITDA. On the UK portfolio, this multiple increased from 11.5x to 11.6x.

B) Investments and divestments in the first half of 2016

The Company finalised three investments to which it had committed €102.6m last year:

- An investment of €47.8m³ in the Marlink acquisition (€50.1m including amounts already invested as of 31 December 2015). A new company was created to acquire the capital of the legal entities comprising the commercial satellite communications business of the Airbus Group. This investment was carried out via the Apax VIII-B and Apax France IX-B funds and via co-investment;
- an investment of €20.6m for the acquisition of Cabovisão and ONI. Cabovisão is the second-largest cable operator in Portugal and ONI is one of the leading telecommunications operators. This investment was carried out via the Apax VIII-B fund;

¹ Ordinary shareholders' portion of NAV, net of tax payable

² Apax LLP's LTM EBITDA

³ This amount is subject to change, depending on the ultimate size of the Apax France IX fund currently being raised



- an investment of €34.2m in Melita, the leading telecommunications operator in Malta. This investment was carried out via the Apax VIII-B fund.

In the first half of 2016, Altamir invested or made new commitments totalling €78m (vs. €54.4m in H1 2015) in **five new companies**. These investments and commitments broke down as follows:

- An investment of €33.6m³, including €23.6m³ via the Apax France IX fund and €10m via co-investment, in InfoVista, worldwide provider of network performance software solutions;
- An investment of €25.2m³ in Sandaya, a French outdoor accommodation group with four- and five-star campsites in France and Spain. This investment was carried out via the Apax IX-B fund. As of 30 June 2016, \$16.8m had been disbursed.
- An investment of €2.5m to acquire an interest in Engineering Ingegneria Informatica, an Italian IT services company. This investment was carried out via the Apax VIII LP fund.
- A commitment of about €2.5m in the Becton Dickinson Company's Respiratory Solutions. This will facilitate the carve-out of the respiratory solutions division of US company Becton Dickinson, with the goal of transforming a non-strategic asset of the company into an independent company. This investment was carried out via the Apax VIII LP fund.
- A commitment of about €2.1m in Duck Creek Technologies, an Accenture subsidiary, specialising in innovative software solutions for the insurance industry. This commitment was made via the Apax VIII LP fund.
- A follow-on commitment of €11.4m in Group INSEEC, to finance a build-up with the acquisition of the Laureate Education Group's French entities.
- Various adjustments to amounts invested, totalling €0.7m.

Amounts received from net divestments totalled €147.2m (€24.1m in H1 2015), including income and other related revenue, and was composed of the following items:

- €93.5m from the sale of Altamir's investment in Infopro Digital, representing a multiple of almost three times the amount originally invested;
- €21.4m from the sale of the remaining shares in Capiro, generating an overall multiple of 1.6 times the total amount invested;
- €8.5m in earn-outs on Maisons du Monde, a company sold in 2013, on the occasion of its recent IPO.
- €19m in divestment proceeds as part of the transaction enabling Mannai Corporation to acquire 51% of Gfi Informatique's capital from its current shareholders and the market. An additional €15.4m was received in July 2016. As a result of this transaction, Altamir

³ This amount is subject to change, depending on the ultimate size of the Apax France IX fund currently being raised



received a total of €35m, i.e. €5m more than announced at end-2015, and now holds an indirect stake of 7.5% in Gfi Informatique;

- €2.6m from the partial divestment of GardaWorld, held indirectly by Altamir through the Apax VIII LP fund.
- €1.9m from the sale of Rhiag to LQK Corporation, signed in December 2015, and closed in March 2016. This was the first divestment of the Apax VIII LP fund.
- €0.1m corresponding to **Albioma's** 2016 dividends distributed in cash and shares.

C) High-quality portfolio

As of 30 June 2016, the Altamir portfolio was made up of 39 holdings. The 13 largest investments represented 80.6% of the portfolio at fair value.

Companies	Acquisition cost (in € m)	Fair value (in € m)	% of the portfolio at fair value
Altran	43.0	86.8	11.6%
Marlink	50.1	65.9	8.8%
Groupe INSEEC	32.3	56.8	7.6%
Albioma	59.0	51.1	6.8%
Gfi Informatique	39.8	50.9	6.8%
Snacks Développement	31.8	46.4	6.2%
Thom Europe	29.8	46.0	6.2%
TEXA	20.4	39.4	5.3%
Melita	34.2	34.2	4.6%
InfoVista	33.6	33.6	4.5%
Unilabs	22.5	31.9	4.3%
Cabovisão / ONI	20.6	31.3	4.2%
SK FireSafety Group	31.5	28.2	3.8%
Total	448.5	602.5	80.6%



As of 30 June 2016, the value of Altamir's portfolio was €747.5m. It included 71% unlisted holdings and 29% listed holdings.

D) Cash Holdings

As of 30 June 2016, Altamir's net cash on an IFRS basis was €-10m, vs. €38.2m as of 31 December 2015. Net cash on a statutory basis was €56m, vs. €36.9m as of 31 December 2015.

The net cash position on a statutory basis is the most relevant indicator, given that the company's borrowing capacity (10% of the net position) is based on statutory net assets. The difference between the two positions arises mainly from investments made by the Apax France IX-B fund (about €69m) and financed by the line of credit.

For the period from 1 August 2016 to 31 January 2017, the Management Company has decided to maintain Altamir's share of any new investment made by the Apax France IX fund at the upper limit of its commitment (€300m). Since the fund was still being raised, the amount recognized as of 30 June 2016 was one-third of the assumed final size of the private equity fund (€900m).

E) Other events during the first half of 2016

On 21 May 2016, the Company paid a dividend of €0.56 per share to limited partners holding ordinary shares.

F) Key events since 30 June 2016

Two new commitments; total of seven commitments and investments in the first eight months of the year:

In July, Apax Partners LLP signed agreements with a view to acquiring two new companies:

- **Neuraxpharm Arzneimittel GmbH** in Germany and **Invent Farma S.L.** in Spain, two major pharmaceutical companies manufacturing generic medicines in their respective markets, with a view to creating a European leader. Following this acquisition, the Apax VIII LP fund will be 96% committed and will therefore end its investment period.
- **Dominion Marine Media** in the United States is the leading provider of portal advertising and marketing solutions for marine brokers and businesses worldwide. It will be the Apax IX LP fund's first investment.

Furthermore, a number of buildups have been announced at companies in the existing portfolio, significantly transforming them:

- THOM Europe has signed an agreement with a view to acquiring Stroili, Italy's largest jewellery and watches retail chain. The merger will give rise to Europe's largest jewellery retailer with around 940 sales outlets located in shopping centres and town centres, over 4,600 employees in its five store chains (Histoire d'Or, Marc Orian, TrésOr, Stroili and Franco Gioielli) and pro forma sales of around €600m. The company has also acquired Oro Vivo's subsidiary in Germany, a potential new growth market.



- Another Apax France VIII fund company, whose name cannot be disclosed at this time, has entered into an agreement to acquire a comparable European company. The acquisition will enable this company to significantly increase its size.
- InfoVista has announced the acquisition of Ascom's TEMS business. The acquisition is expected to close at the end of September. This acquisition will enable InfoVista to double its revenues and EBITDA.
- Marlink has announced its acquisition of Telemar. The combined activities of the two entities will create the global leader in maritime communications, digital solutions and equipment maintenance. The company is present via over 1,000 locations across all continents.
- Altran has announced its acquisition of Lohika, a US-based software engineering services company (700 employees), significantly strengthening its positioning in North America.

A shareholders' loan was granted to Vocalcom at the end of July. Altamir's share was €0.3m.

Divestments of €41m, bringing the first-eight-month total to €188.2m:

- On 28 July, Apax Partners announced the sale of TEXA to Naxicap Partners, and the Apax France VIII fund realised a multiple of almost twice the amount originally invested. The sale represented €39.4m for Altamir, i.e. a 30% uplift on the valuation as of 31 December 2015.
- The Apax VIII LP fund made a distribution deriving from the refinancing of the debt of Norwegian company EVRY. Altamir's share totalled €1.6m, or 0.5 times the amount invested.

II Financial information

A) Valuation of the securities in the portfolio

The valuation methods used for portfolio securities are described in detail in the notes to the consolidated (IFRS) financial statements.

Summary:

Altamir uses valuation methods based on International Private Equity Valuation (IPEV) guidelines, which in turn comply with IFRS (fair value).

B) Half-year 2016 consolidated financial statements

Consolidated (IFRS) income statement

In €k	30/06/2016 6 months	31/12/2015 12 months	30/06/2015 6 months
Changes in fair value	15,095	123,419	62,183
Valuation differences on divestments during the period	25,855	15,041	10,898
Other portfolio income	248	18,522	342
Income from portfolio investments	41,199	156,982	73,422



Gross operating income	29,889	138,186	63,192
Net operating income	24,865	110,553	50,532
Net income attributable to ordinary shareholders	24,956	111,773	51,280

Earnings per share	0.68	3.06	1.40
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Income from portfolio investments in the first half of 2016 reflected:

a. changes in fair value since 31 December of the previous year;

b. capital gains, calculated as the difference between the sale price of the shares divested and their fair value under IFRS as of 31 December of the previous year.

Gross operating income is calculated after operating expenses for the period.

Net operating income is equal to gross operating income less the share of earnings attributable to the general partner and the holders of Class B shares.

Net income attributable to ordinary shareholders includes investment income and related interest and expenses.

Consolidated (IFRS) balance sheet

In €k	30/06/2016	31/12/2015	30/06/2015
TOTAL NON-CURRENT ASSETS	747,798	697,392	624,348
TOTAL CURRENT ASSETS	63,193	47,095	78,804
TOTAL ASSETS	810,991	744,487	703,152
TOTAL SHAREHOLDERS' EQUITY	685,230	679,281	618,851
PORTION ATTRIBUTABLE TO THE GENERAL PARTNER AND CLASS B SHAREHOLDERS	32,805	39,144	25,867
OTHER NON-CURRENT LIABILITIES	21,069	16,399	14,702
OTHER CURRENT LIABILITIES	71,887	9,663	43,731
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	810,991	744,487	703,152

C) Associated companies

Significant influence is presumed when the Company's percentage of voting rights exceeds 20%.



Investments subject to significant influence are not accounted for by the equity method, as permitted under IAS 28, but they constitute related parties. Closing balances and transactions for the period are presented in the notes to the consolidated statements.

D) Shareholders

As of 30 June 2016, the total number of shares was 36,512,301.

Moneta Asset Management, domiciled at 36 rue de la Paix, 75008 Paris, France, declared that on 18 April 2016 it moved:

- Above 10% of the share capital and voting rights of Altamir and held 10.86% of the share capital and voting rights of the Company after receiving proxies in preparation for Altamir's Annual General Meeting.
- Below 10% of the share capital and voting rights of Altamir and held 9.09% of the share capital and voting rights of the Company when these same proxies expired.

E) Senior management

Attendance fees paid to members of the Supervisory Board with respect to 2015 totalled €260,000.

III) Principal risks

The Management Company has not identified any risks in addition to those indicated in the 2015 Registration Document filed on 1 April 2016 under number D16-0262.

This document is available on the Company's website: www.altamir.fr.

The risk factors are listed in Section 1.5 of the presentation of the Company and its activities, starting on page 65.



IV) Certification of the half-year financial report

"I hereby certify that, to the best of my knowledge, the condensed financial statements for the half-year period just ended have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the accompanying half-year management report presents a true and fair picture of the important events that took place during the first six months of the year, of their impact on the financial statements, and of the principal transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year."

Maurice Tchenio

Chairman and CEO of the Management Company



Consolidated half-year 2016 financial statements

1. Consolidated income statement

<i>(in euros)</i>	<i>Note</i>	30/06/2016 6 months	31/12/2015 12 months	30/06/2015 6 months
Changes in fair value	6.5	15,095,412	123,419,142	62,182,931
Valuation differences on divestments during the period	6.14	25,854,836	15,041,133	10,897,510
Other portfolio income	6.15	248,258	18,521,517	341,640
Income from portfolio investments		41,198,506	156,981,792	73,422,081
Purchases and other external expenses	6.16	-8,839,714	-18,411,423	-9,403,185
Taxes, fees and similar payments	6.17	-787,462	-881,563	-933,070
Other income		0	747,645	357,125
Other expenses	6.18	-1,686,343	-250,500	-250,500
Gross operating income		29,884,987	138,185,951	63,192,452
Provision for amount attributable to Apax France VIII-B/Apax VIII LP/Apax France IX-B Class C unitholders		-5,560,963	-6,234,887	-4,538,457
Provision for amount attributable to general partner and Class B shareholders	6.11	537,290	-21,398,478	-8,121,782
Net operating income		24,861,314	110,552,586	50,532,213
Income from cash investments	6.19	214,381	1,185,044	589,687
Financial income	6.20	283,470	399,017	303,525
Interest and similar expenses	6.21	-407,655	-363,997	-145,618
Other financial expenses		0	0	0
Net income attributable to ordinary shareholders		24,951,511	111,772,650	51,279,806
Earnings per share	6.22	0.68	3.06	1.40
Diluted earnings per share	6.22	0.68	3.06	1.40

2. Statement of comprehensive income



<i>(in euros)</i>	Note	30/06/2016	31/12/2015	30/06/2015
Net income for the period		24,951,511	111,772,650	51,279,806
Actuarial gains (losses) on post-employment benefits				
Taxes on items non-recyclable to profit or loss				
Items non-recyclable to profit or loss				
Gains (losses) on financial assets available for sale				
Gains (losses) on hedging instruments				
Currency translation adjustments				
Taxes on items recyclable to profit or loss				
Items recyclable to profit or loss				
Other comprehensive income				
CONSOLIDATED				
INCOME		24,951,511	111,772,650	51,279,806
Attributable to:				
* owners of the parent company				
* non-controlling shareholders				

3. Consolidated balance sheet



<i>(in euros)</i>	<i>Note</i>	30/06/2016	31/12/2015	30/06/2015
NON-CURRENT ASSETS				
Intangible assets		0	0	0
Investment portfolio	6.6	747,480,143	686,474,417	604,950,252
Other non-current financial assets		314,472	8,519,845	17,000,470
Sundry receivables		3,000	2,397,636	2,397,636
TOTAL NON-CURRENT ASSETS		747,797,615	697,391,898	624,348,357
CURRENT ASSETS				
Sundry receivables	6.7	2,649,761	57,568	9,368,141
Other current financial assets	6.8	15,812,244	17,044,258	23,389,616
Cash and cash equivalents	6.9	44,731,285	29,993,330	46,045,855
TOTAL CURRENT ASSETS		63,193,289	47,095,157	78,803,612
TOTAL ASSETS		810,990,904	744,487,054	703,151,969
SHAREHOLDERS' EQUITY				
Share capital	6.10	219,259,626	219,259,626	219,259,626
Share premiums		102,492,980	102,492,980	102,492,980
Reserves		338,526,074	245,756,197	245,818,883
Net income for the period		24,951,511	111,772,650	51,279,806
TOTAL SHAREHOLDERS' EQUITY		685,230,191	679,281,454	618,851,296
AMOUNT ATTRIBUTABLE TO GENERAL PARTNER AND CLASS B SHAREHOLDERS				
Other liabilities	6.11	32,804,678	39,143,719	25,867,023
Provisions	6.12	21,069,065	16,398,729	14,702,300
		0	0	0
OTHER NON-CURRENT LIABILITIES		21,069,065	16,398,729	14,702,300
Other financial liabilities	6.13	70,557,896	8,800,000	36,004,268
Trade payables and related accounts		1,328,698	862,777	724,208
Other liabilities		375	375	7,002,874
OTHER CURRENT LIABILITIES		71,886,969	9,663,152	43,731,351
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		810,990,904	744,487,054	703,151,969



4. Statement of changes in shareholders' equity

STATEMENT OF CHANGES IN IFRS SHAREHOLDERS' EQUITY - ALTAMIR

<i>(in euros)</i>	Share capital	Share premiums	Treasury shares	Reserves	Net income for the period	TOTAL
Shareholders' equity 31 December 2014	219,259,626	102,492,980	-388,888	204,992,057	59,470,524	585,826,298
Net income for the period					51,279,806	51,279,806
Total income and expenses recognised in the period	0	0	0	0	51,279,806	51,279,806
Transactions on treasury shares			-24,173	12,828		-11,345
Allocation of income				59,470,524	-59,470,524	0
Distribution of dividends to ordinary shareholders, May 2014				-18,243,464		-18,243,464
SHAREHOLDERS' EQUITY 30 June 2015	219,259,626	102,492,980	-413,061	246,231,945	51,279,806	618,851,296

STATEMENT OF CHANGES IN IFRS SHAREHOLDERS' EQUITY - ALTAMIR

<i>(in euros)</i>	Share capital	Share premiums	Treasury shares	Reserves	Net income for the period	TOTAL
SHAREHOLDERS' EQUITY 30 June 2015	219,259,626	102,492,980	-413,061	246,231,945	51,279,806	618,851,296
Net income for the period					60,492,844	60,492,844
Total income and expenses recognised in the period	0	0	0	0	60,492,844	60,492,844
Transactions on treasury shares			-74,506	11,820		-62,686
SHAREHOLDERS' EQUITY 31 December 2015	219,259,626	102,492,980	-487,567	246,243,765	111,772,650	679,281,454

STATEMENT OF CHANGES IN IFRS SHAREHOLDERS' EQUITY - ALTAMIR

<i>(in euros)</i>	Share capital	Share premiums	Treasury shares	Reserves	Net income for the period	TOTAL
SHAREHOLDERS' EQUITY 31 December 2015	219,259,626	102,492,980	-487,567	246,243,765	111,772,650	679,281,454
Net income for the period					24,951,511	24,951,511
Total income and expenses recognised in the period	0	0	0	0	24,951,511	24,951,511
Transactions on treasury shares			31,774	-28,782		2,992
Allocation of income				111,772,650	-111,772,650	0
Reclassification - Maisons Du Monde				1,426,343		1,426,343
Distribution of dividends to ordinary shareholders, May 2016				-20,432,108		-20,432,108
SHAREHOLDERS' EQUITY as of 30 June 2016	219,259,626	102,492,980	-455,793	338,981,867	24,951,511	685,230,191



5. Statement of cash flows

<i>(in euros)</i>	<i>Note</i>	30/06/2016 6 months	31/12/2015 12 months	30/06/2015 6 months
Investments		-161,034,519	-31,395,206	-11,488,383
Shareholder loans to portfolio companies		-1,487,834	-11,990,583	-1,422,917
Repayment of shareholder loans to portfolio companies		2,350,679	9,104,796	849,937
Total investments		-160,171,674	-34,280,994	-12,061,364
Divestment of equity investments		146,903,218	29,789,652	23,714,354
Interest and other portfolio income received		109,386	60,413	1,966
Dividends received		138,873	18,461,104	339,674
Operating expenses		-6,952,769	-18,834,431	-26,490,062
Income received on marketable securities		214,381	1,185,044	589,687
Cash flows from operating activities		-19,758,577	-3,619,212	-13,905,741
Dividends paid to ordinary shareholders		-20,432,108	-18,243,464	-18,243,464
AARC investment		5,246	4,935,385	4,060,261
Apax France VIII-B capital calls		63,654	5,251	5,251
Apax France IX-B capital calls		303,031	0	0
Transactions on treasury shares		0	-121,640	-111,730
Deposits and security deposits		-5,000	0	0
Amount attributable to general partner and Class B shareholders		-5,801,751	-11,104,891	-11,104,891
Repayment of borrowings		-8,800,000	-2,000,000	-2,000,000
Issue of borrowings		69,163,461	8,800,000	32,420,000
Cash flows from financing activities		34,496,532	-17,729,358	5,025,428
Net change in cash and cash equivalents		14,737,955	-21,348,570	-8,880,313
Cash and cash equivalents at opening		29,993,330	51,341,900	51,341,900
Cash and cash equivalents at closing	<i>6.9</i>	44,731,285	29,993,330	42,461,587

6. Notes to the consolidated (IFRS) financial statements

6.1 Entity presenting the financial statements

Altamir (the "Company") is a French partnership limited by shares governed by Articles L.226.1 to L.226.14 of the French Commercial Code. Its principal activity is the acquisition of equity interests in other companies. The Company opted to become a "*société de capital risque*" (special tax status for certain private equity and other investment companies) as of financial year 1996.

The Company is domiciled in France.



Altamir presents its consolidated financial statements including the Apax France VIII-B private equity fund, in which it holds a 99.90% stake, the Apax France IX-B private equity fund, in which it holds a 99% stake, and Financière Hélios SASU, in which it holds a 100% stake.

6.2 Basis of preparation

a) Declaration of conformity

Pursuant to European Regulation 1606/2002 of 19 July 2002, Altamir's half-year 2016 consolidated financial statements have been prepared in compliance with IAS/IFRS international accounting standards as adopted by the European Union and available on its website

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

Altamir's half-year consolidated financial statements have been prepared in compliance with IAS 34 "Interim Financial Reporting". They do not include all information required for the preparation of the annual consolidated financial statements and must be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2015, which appear in the Registration Document filed with the French Financial Market Authority (AMF) on 1 April 2016 under number D.16-0262.

The accounting rules and methods applied to the annual financial statements are identical to those used to prepare the consolidated financial statements for financial year ended 31 December 2015 inasmuch as the new IFRSs (standards, amendments, or IFRIC interpretations) that became applicable on 1 January 2016 did not have an impact on the Group's consolidated financial statements. These consolidated financial statements cover the period from 1 January to 30 June 2016. They were approved by the Management Company on 1 September 2016.

b) Valuation bases

The consolidated financial statements are prepared on a fair value basis for the following items:

- Financial instruments for which the Company has chosen the "fair value through profit or loss" option, pursuant to the provisions of IAS 39 (by application of the fair value option) and IAS 28 for "venture capital organisations" whose purpose is to hold a portfolio of securities with a view to selling them in the short or medium term;
- Derivative financial instruments;
- The amounts attributable to the general partner and Class B shareholders;
- The amounts attributable to Apax France VIII-B Class C unitholders.
- The amounts attributable to Apax France IX-B Class C unitholders.

The methods used to measure fair value are discussed in note 6.4.

c) Operating currency and presentation currency



The consolidated (IFRS) financial statements are presented in euros, which is the Company's operating currency.

d) Use of estimates and judgements

The preparation of financial statements under IFRS requires management to formulate judgements and to use estimates and assumptions that may affect the application of accounting methods and the amounts of assets, liabilities, income and expenses. Actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. The impact of changes in accounting estimates is accounted for during the period of the change and in all subsequent periods affected.

More specifically, information about the principal sources of uncertainty regarding the estimates and judgements made in applying the accounting methods that have the most significant impact on the amounts recognised in the financial statements is described in note 6.4 on the determination of fair value.

The SPV is recognised at fair value in the Apax France IX-B private equity fund. Since the fund was still being raised, it was recognised as of 30 June 2016 on the basis of one-third of the fund, with the assumption that the final size of the private equity fund would be €900m, and with the Apax France IX-B fund obligated to commit up to €300m.

e) Key assumptions

Continuity of operations is based on key assumptions including the availability of sufficient cash flow until 31 December 2016. The Company has credit lines totaling €47m, undrawn as of 30 June 2016, €44.7m in cash equivalents and €15.8m in other financial assets that the Company considers as cash.

6.3 Determination of fair value

Altamir uses principles of fair value measurement that are in accordance with IFRS 13:

Category 1 shares

Companies whose shares are traded on an active market ("listed").

The shares of listed companies are valued at the last stock market price, without adjustment, except for those cases set out in IFRS 13.

Category 2 shares

Companies whose shares are not traded on an active market ("unlisted"), but are valued based on directly or indirectly observable data. Observable data are prepared using market data, such as information published on actual events or transactions, and reflect assumptions that market participants would use to determine the price of an asset or liability.



An adjustment to level 2 data that has a significant impact on fair value may cause a reclassification to level 3 if it makes use of unobservable data.

Category 3 shares

Companies whose shares are not traded on an active market ("unlisted"), and are valued based on unobservable data.

6.4 Significant events during the period

6.4.1 Investments and divestments

The Company invested €160.2m in H1 2016, which broke down as follows:

Direct divestments:

- A €0.4m follow-on investment in Altran.

Co-investment

- A €9.9m investment in InfoVista (through the Apia Vista private equity fund, 15.1515% held by Altamir).
- A €17.9m investment in Marlink (through the Phenix private equity fund, 28.9157% held by Altamir).

Investments through the funds

Through the Apax France VIII-B fund:

- A €20.6m investment in Cabovisão;
- A €34.2m investment in Melita;
- An €11m investment in Marlink;
- A €4m follow-on investment in SK FireSafety Group;

Through the Apax France IX-B fund:

- A €19m investment in Marlink;



- A €23.6m investment in InfoVista;
- A €16.8m investment in Sandaya;

Through the Apax VIII LP fund:

- A €0.2m follow-on investment in Shriram City Union;
- A €2.6m investment in Engineering;

6.4.2 Divestments

The divestments side of the business generated €147m including revenue:

Direct divestments:

- €21.4m following the partial sale of Capiro;
- €19m following the partial sale of Gfi Informatique;
- €93.5m following the sale of all of Infopro;
- €8.5m following the repayment of seller financing for Maisons du Monde.

Divestments through the funds

Through the Apax VIII LP fund:

- €1.9m following the divestment of Rhiag;
- €2.6m following the divestment of Garda;

6.4.3 Other events

During H1 2016, Altamir committed to invest the following amounts over the next three to four years:

- €138m through the Apax France IX A LP fund
- Between €220m and €300m through the Apax France IX-B fund

6.4.4 Key events since 30 June 2016

On 28 July, Apax Partners announced that it had signed an agreement to sell TEXA to Naxicap Partners, generating a multiple of almost 2 times the amount originally invested by the Apax France VIII fund. The sale represented €39.4m for Altamir, i.e. a 30% uplift on the valuation as of 31 December 2015.

In July Altamir received €15.4m of proceeds from the additional divestment of Gfi.

The Apax VIII LP fund distributed the dividend received from EVRY, \$1.6m of which was Altamir's share.

A shareholders' loan was granted to Vocalcom at the end of July. Altamir's share was €0.3m.



Furthermore, in the existing portfolio a number of buildups have been announced requiring the companies concerned to undergo significant transformation:

- THOM Europe has signed an agreement with a view to acquiring Stroili, Italy's largest jewellery and watches retail chain. The merger will give rise to Europe's largest jewellery retailer with around 940 sales outlets located in shopping centres and town centres, over 4,600 employees in its five store chains (Histoire d'Or, Marc Orian, TrésOr, Stroili and Franco Gioielli) and pro forma sales of around €600m. The company has also acquired Oro Vivo's subsidiary in Germany, a potential new growth market.
- Another of Apax France VIII-B fund's investments has entered into an agreement to acquire a comparable European company. The acquisition, representing an investment of around €6m for Altamir, will enable this company to significantly increase its size.
- InfoVista has announced the acquisition of Ascom's TEMS business. The acquisition is expected to be closed at the end of September. This acquisition will enable InfoVista to double its revenues and EBITDA.
- Marlink has announced the acquisition of Telemar. The combined activities of the two entities will create the global leader in maritime communications, digital solutions and equipment maintenance. The company is present via over 1,000 locations across all continents.
- Altran has announced the acquisition of Lohika, a US-based software engineering services company (700 employees), significantly strengthening its positioning in North America.

In July, Apax Partners LLP signed agreements with a view to acquiring two new companies:

- **Neuraxpharm Arzneimittel GmbH** in Germany and **Invent Farma S.L**, in Spain, two major pharmaceutical companies manufacturing generic medicines in their respective markets. Following this acquisition, the Apax VIII LP fund will be 96% committed and will therefore end its investment period.
- **Dominion Marine Media** in the United States is the leading provider of portal advertising and marketing solutions for marine brokers and businesses worldwide. It will be the Apax IX LP fund's first investment.

6.5 Changes in fair value

The change in fair value for the first half 2016 broke down as follows:

<i>(in euros)</i>	30/06/2016	31/12/2015	30/06/2015
Changes in fair value of the portfolio	15,095,412	123,419,142	62,182,931
Total changes in fair value	15,095,412	123,419,142	62,182,931



6.6 Investment portfolio

PORTFOLIO BREAKDOWN AS OF 30/06/2016

Level 1 - quoted prices for similar instruments	216,025,329
Level 2 - valuation based on techniques using observable market data	501,168,505
Level 3 - inputs not based on observable market data	30,286,309
	<hr/>
	747,480,143

Changes in the investment portfolio during the period were as follows:

<i>(in euros)</i>	Portfolio
Fair value as of 31 December 2015	686,474,417
Investments	161,034,519
Changes in shareholder loans	(862,845)
Divestments	(121,048,382)
Changes in fair value	15,095,412
Cancellation of other financial assets	6,787,022
Fair value as of 30 June 2016	747,480,143
Of which positive changes in fair value	64,555,511
Of which negative changes in fair value	(42,673,077)

Changes in the Level 3 investment portfolio during the period were as follows:

<i>(in euros)</i>	Portfolio
Fair value as of 31 December 2015	35,007,687
Acquisitions	3,972,949
Divestments	
Change of category	(11,113,807)
Changes in fair value	2,419,480
Fair value as of 30 June 2016	30,286,309



Changes in the Level 2 investment portfolio during the period were as follows:

<i>(in euros)</i>	Portfolio
Fair value as of 31 December 2015	376,976,478
Acquisitions	155,600,607
Divestments	(98,506,733)
Change of category	11,113,807
Changes in fair value	55,984,346
Fair value as of 30 June 2016	501,168,505

Valuation methods are based on the determination of fair value as described in paragraph 6.3.

	30 June 2016	31 December 2015
% of listed instruments in the portfolio	28.9%	40.0%
% of listed instruments in NAV	31.5%	40.4%

Portfolio breakdown according to the degree of maturity of the investments:

<i>(in euros)</i>	30/06/2016	31/12/2015
Stage of development		
LBO	644,671,397	583,601,380
Growth capital	102,808,746	102,873,037
Portfolio total	747,480,143	686,474,417

<i>(in euros)</i>	30/06/2016	31/12/2015
Industry		
Business & Financial Services	196,007,561	180,119,747
Technology, Media and Telecom (TMT)	337,894,412	288,506,326
Retail & Consumer	154,495,011	127,501,439
Healthcare	59,083,159	90,346,905
Portfolio total	747,480,143	686,474,417



6.7 Sundry current receivables

This item primarily relates to a €2.4m receivable due from Vizada.

6.8 Other current financial assets

Other current financial assets mainly relate to an Allianz tax-efficient capitalisation fund valued at €15.8m using the amortised cost method, including capitalised interest.

6.9 Cash and cash equivalents

This item broke down as follows:

<i>(in euros)</i>	30/06/2016	31/12/2015	30/06/2015
Money-market funds	376	132,717	163,276
Time deposits	29,073,731	29,161,252	31,244,786
Cash on hand	15,657,178	699,361	14,637,792
Cash and cash equivalents	44,731,285	29,993,330	46,045,855
Bank overdraft	-	-	(3,584,268)
Cash shown in the statement of cash flows	44,731,285	29,993,330	42,461,586

6.10 Shareholders' equity

The number of shares outstanding for each of the categories is presented below:

<i>(number of shares)</i>	30/06/2016		31/12/2015	
	Ordinary shares	Class B shares	Ordinary shares	Class B shares
Shares outstanding at start of period	36,512,301	18,582	36,512,301	18,582
Shares outstanding at end of period	36,512,301	18,582	36,512,301	18,582
Shares held in treasury	33,216	12,164	34,211	12,164
Shares outstanding at end of period	36,479,085	6,418	36,478,090	6,418
NAV per ordinary share (cons. shareholders' equity/ordinary shares)	18.78		18.62	

<i>(euros)</i>	30/06/2016			31/12/2015		
	Ordinary shares	Class B shares	Total	Ordinary shares	Class B shares	Total
Par value at end of period	6.00	10.00		6.00	10.00	
Share capital	219,073,806	185,820	219,259,626	219,073,806	185,820	219,259,626

The dividend paid to the limited shareholders in 2016 for the financial year 2015 was €0.56 per ordinary share outstanding (excluding treasury shares).



6.11 Equity attributable to general partner and Class B shareholders

This item broke down as follows:

<i>(in euros)</i>	30/06/2016	31/12/2015
Portion attributable to general partner and Class B shareholders	32,800,954	39,139,995
Class B warrants	3,724	3,724
Total portion attributable to general partner and Class B shareholders	32,804,678	39,143,719

The change in the amount attributable to the general partner and Class B shareholders during the period is detailed below:

<i>(in euros)</i>	30/06/2016	31/12/2015
31 December 2015	39,139,995	28,846,408
Amount paid in 2016	(5,801,751)	(11,104,891)
Portion attributable to general partner and Class B shareholders on 2016 earnings	(537,290)	21,398,478
Portion attributable to general partner and Class B shareholders	32,800,954	39,139,995

6.12 Other non-current liabilities

Other non-current liabilities principally relate to unrealised capital gains owing to Class C unitholders of Apax France VIII-B, Apax VIII LP and Apax France IX-B of €17.7m, €3.4m and €1.3m, respectively, based on these funds' performance. These liabilities are due in more than one year.

6.13 Other current financial liabilities

This line item primarily included debts to the Apax IX-B fund (€59.3m) and the Apax VIII LP fund (€1.4m), corresponding to investments made that Altamir has not yet been asked to fund. This line item also includes €9.9m outstanding under the line of credit used by Apax France VIII-B.



6.14 Valuation differences on divestments during the year

<i>(in euros)</i>	30/06/2016	30/06/2015
Sale price	146,903,218	23,714,354
Fair value at start of period	121,048,382	12,816,844
Impact on income	25,854,836	10,897,510
Of which positive price spread on divestments	26,727,663	11,154,734
Of which negative price spread on divestments	(872,828)	(257,224)

6.15 Other portfolio income

Other portfolio income is detailed as follows:

<i>(in euros)</i>	30/06/2016	30/06/2015
Interest and other portfolio income received	109,386	1,966
Dividends	138,873	339,674
Total	248,258	341,640

6.16 Purchases and other external expenses (including VAT)

Purchases and other external expenses broke down as follows:



(in euros)

	30 June 2016	30 June 2015	30 June 2014
Gross direct fees	4,601,951	5,509,207	4,939,823
Altamir Gérance management fees	2,922,013	3,651,894	3,282,945
Altamir unrecoverable VAT	584,403	730,379	656,589
Other fees and expenses	1,095,535	1,126,934	1,000,289
* out of which abort fees	934	93,945	92,605
* out of which re invoicing of Administration	425,169	311,727	353,129
* out of which fees for overdraft	70,272	309,313	62,490
Gross indirect fees	4,237,763	3,893,978	3,626,119
Management Fees Apax VIII-B & Apax VIII-LP	1,923,834	3,002,331	2,984,349
Other Apax France VIII-B & Apax VIII-LP expenses	2,313,929	891,646	641,769
TOTAL EXPENSES AND OTHER EXTERNAL EXPENSES	8,839,714	9,403,185	8,565,942
Investment at cost			
Commitment in Apax Funds	247,793,608	301,027,081	317,572,515
	417,176,379	339,720,000	339,720,000
INVESTED AND COMMITTED CAPITAL	664,969,987	640,747,081	657,292,515
<i>Ratio net direct fees/average NAV</i>	0.67%	0.85%	0.85%
<i>Ratio total fees ratio/committed capital average</i>	1.35%	1.45%	1.29%

As of 30 June 2016, direct fees represented 0.67% of average NAV, and total fees represented 1.35% of average committed and invested capital.

6.17 Taxes, fees and similar payments

The balance of €0.8m corresponded to the 3% tax paid on dividends paid in 2016 with respect to the 2015 financial year.

6.18 Other expenses

The balance of this item corresponded to the reversal of €1.4m of accrued interest on the Maisons du Monde receivable, and €0.3m in attendance fees paid in 2016.

Interest received on the Maisons du Monde receivable was reclassified in 2016 as valuation differences on divestments during the period.

6.19 Income from cash investments

This item related to interest earned or accrued in 2016 on time deposit account investments and money-market mutual funds (SICAVs).

The expected return on these investments in 2016 is 2.72%.



6.20 Financial income

Financial income corresponded primarily to a €278k change in the unrealised gain on the Allianz tax-efficient capitalisation fund.

6.21 Interest and similar expenses

This item primarily corresponded to interest paid on the drawn credit lines and on the bank overdraft.

6.22 Earnings per share

The weighted average number of shares outstanding reflects the exclusion of treasury shares.

Basic earnings per share	30/06/2016	30/06/2015
Numerator (in euros)		
Income for the period attributable to ordinary shareholders	24,951,511	51,279,806
Denominator		
Number of shares issued at start of period	36,512,301	36,512,301
Effect of treasury shares	(33,714)	(33,276)
Effect of capital increase	-	-
Weighted average number of shares during the period (basic)	36,478,588	36,479,026
Earnings per share (basic)	0.68	1.40
Earnings per share (diluted)	0.68	1.40

6.23 Related parties

In accordance with IAS 24, related parties are as follows:

(a) Shareholder

Apax Partners SA as the investment advisor and Altamir Gérance as the Management Company invoiced the Company for total fees of €3,506,416 including tax in the first half of 2016 (€8,419,441 including tax in all of 2015).

The amount remaining payable as of 30 June 2016 was €906 (€20,280 as of 31 December 2015) and the amount receivable as of 30 June 2016 was €190,432 (€97,114 as of 31 December 2015).

(b) Associated enterprises

A significant influence is presumed when the equity interest of the Company exceeds 20%.



Investments subject to significant influence are not accounted for by the equity method, as permitted under IAS 28, but they constitute related parties. The closing balances and transactions for the period with these companies are presented below:

<i>(in euros)</i>	<u>30/06/2016</u>	<u>30/06/2015</u>
Income statement		
Valuation differences on divestments during the period	7,637,209	-
Changes in fair value	21,513,139	5,097,815
Other portfolio income	-	-
Balance sheet		
Investment portfolio	395,415,392	207,048,397
Sundry receivables	2,394,636	2,394,636

(c) Senior management

Attendance fees paid in 2016 to members of the Supervisory Board with respect to 2015 totalled €260,000.

Contingent liabilities

The contingent liabilities of the Company broke down as follows:

<i>(in euros)</i>	<u>30/06/2016</u>	<u>31/12/2015</u>
Irrevocable purchase obligations (investment commitments)	0	15,910,448
Other long-term obligations (liability guarantees and other)	6,184,051	6,184,051
Total	6,184,051	22,094,499
Altamir's investment commitments in Apax France VIII-B	24,729,208	91,363,175
Altamir's investment commitments in Apax France VIII LP	7,409,145	7,409,145
Altamir's investment commitments in Apax France IX-B	295,950,000	17,000,000
Altamir's investment commitments in Apax France IX LP	138,000,000	0
Total	472,272,404	137,866,819

The tables above reflect the maximum commitment in Apax VIII LP, Apax France VIII-B, Apax France IX-B and Apax France IX LP.

For information, Altamir has committed to investing €60m in Apax VIII LP. As of 30 June 2016, the amount invested was €52.6m.

For information, Altamir had committed to invest between €200m and €280m in Apax France VIII-B. Altamir's definitive commitment is €276.7m. As of 30 June 2016, the amount invested was €251.9m.



For information, Altamir has committed to investing between €220m and €300m in Apax France IX-B. As of 30 June 2016, the amount invested was €4.05m. The amount invested through the SPV was €59.4m.

For information, Altamir has committed to invest €138m in Apax France IX LP. At 30 June 2016, no investment had been made.

(a) Direct investment commitments:

Companies	Commitments as of 31/12/2015	Investments during the period	Cancellation of commitments as of 30/06/16	New commitments as of 30/06/16	Commitments as of 30/06/16
Listed securities					
Unlisted securities					
Investment commitment in Marlink	15,910,448	0	15,910,448	0	0
Total	15,910,448	0	15,910,448	0	0

(b) Liability guarantees and other commitments

Liability guarantees

The following commitment is included in the financial statements and is presented below for information:

- A portion of the proceeds from the sale of Mobsat Group Holding was placed in escrow by Chrysaor and the managers' holding companies. Altamir's share of the escrow balance was €9,666,771 as of 31 December 2011, based on a €/€ exchange rate of 1.2939. Altamir recognises part of this escrow balance as a receivable from Chrysaor of €2,394,306. The first instalment, of one-third of the escrow balance, was released after 6 months, in June 2012. The second instalment was released in December 2014 and paid in January 2015. The remaining tranche, representing €5,491,201 based on a €/€ exchange rate of 1.1102, will be released in December 2016.

Other off-balance-sheet commitments

Altamir carries out LBO transactions via special-purpose acquisition companies (SPACs).

If the underlying target company is listed, the debt is guaranteed by all or part of that company's assets.

When the share price of these companies falls, and the average share price over a given period drops below a certain threshold, the SPACs become responsible for meeting collateral or margin calls. This involves putting cash in escrow in addition to the collateralised securities so as to maintain the same collateral-to-loan ratio ("collateral top-up clause"). In the event of default, banks may demand repayment of all or part of the loan.



This collateral is furnished by the shareholders of the SPACs, including Altamir, in proportion to their share in the capital. They have no impact on Altamir's revenue and NAV (listed companies are valued on the last trading day of the period), but can tie up part of its cash.

Conversely, when the share price of these companies rises, all or part of the balance in escrow is released, and the calls repaid.

Sensitivity:

- drops of 10% and 20% in the average market prices of these listed securities compared with the calculation as of 30 June 2016 would trigger no collateral call for Altamir;

A commitment was given to certain managers of Thom Europe to repurchase their shares and obligations in the event of their departure. This commitment does not represent a significant risk that would require recognition of a provision.

Altamir provided a sale commitment to Financière Royer covering all of the shares of the Royer group, exercisable between 1 January 2015 and 3 January 2019.

Financière Royer provided a purchase commitment to Altamir covering all of the shares of the Royer group, exercisable between 1 January 2015 and 31 December 2018.

A commitment was given to certain managers of Snacks Développement to repurchase their shares in the event of their departure.

As part of the divestment of Buy Way, Altamir provided a guarantee, capped at 15% of the sale price, i.e. €6,184,051, in order to meet any third-party claims, and to cover the sellers' filings and any tax risks.

Other accrued income

As part of the divestment of Buy Way to Chenavari Investment Managers, two earn-outs based on insurance revenues may be received in 2016.

Pledged securities:

- Securities pledged to Transatlantique Bank:

As of 30 June 2016, 797,872,341 A units in the Apax France VIII-B fund were pledged to Banque Transatlantique:

- -against a credit line of €5m, undrawn as of 30 June 2016.

The pledged securities cover 150% of the amounts granted based on the valuation of the units in the Apax France VIII-B fund as of 23 December 2014.



- Securities pledged to LCL Bank (banking pool with Société Générale, BNP and Palatine Bank):

As of 30 June 2016, 4,811,320,755 A units in the Apax France VIII-B fund were pledged to LCL:

- -against a credit line of €34m, undrawn as of 30 June 2016.

The pledged securities cover 150% of the amounts granted based on the valuation of the units in the Apax France VIII-B fund as of 31 December 2014.

- Securities pledged to CIC:

As part of the acquisition of the INSEEC group, the Apax France VIII-B fund has pledged all of the financial instruments that it holds in Insignis SAS and Insignis Management SAS to the lenders of the LBO debt represented by ECAS as Agent.

As part of the acquisition of the TEXA group, the Apax France VIII-B fund pledged all of the financial instruments that it holds in Trocadero Participations SAS and Trocadero Participations II SAS to the lenders of the LBO debt represented by CIC as Agent.