

Financial Information 2006

Ordinary General Meeting

June 29, 2007



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Report of the Group Auditors to the shareholders on the Consolidated Financial Statements

Report on the consolidated financial statements

Following our appointment by the General Meeting of the Shareholders dated June 22, 2006, we have audited the accompanying consolidated financial statements of Quilvest S.A. and its subsidiary companies ("Quilvest Group"), which comprise the consolidated balance sheet as at December 31, 2006 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of directors' responsibility for the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Group auditors

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Luxembourg "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the Group auditors, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Group auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Quilvest Group as of December 31, 2006, and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the consolidated financial statements taken as a whole.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the board of directors, is in accordance with the consolidated financial statements.

Luxembourg, May 31, 2007

KPMG Audit S.à r.l.

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KPMG Ltd

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Chartered Certified Accountant (United Kingdom)

Consolidated Balance Sheet

for the financial years ended December 31, 2006 and 2005

in \$ '000

	Notes	2006	2005
Assets			
Cash and cash equivalents	3	159,882	82,250
Income tax receivable		1,331	4
Loans and advances to bank customers	4	103,297	82,862
Loans and advances to banks		3,505	-
Other receivables, accrued income and prepaid expenses	5	32,491	23,166
Investments	6	557,670	541,079
Property, plant and equipment	7	15,612	12,168
Investment property	8	8,049	6,952
Intangible assets	9	15,803	13,068
Investments in associates and non consolidated affiliates	10	1,482	1,849
Deferred tax assets	11	201	14
Total assets		899,323	763,412

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Balance Sheet (continued)

for the financial years ended December 31, 2006 and 2005

in \$ '000

	Notes	2006	2005
Liabilities and equity			
Financial liabilities held for trading	6	825	1,293
Income tax payable		1,948	2,299
Deposits from banks	12	27,129	4,773
Deposits from bank customers	13	122,331	83,863
Other liabilities, deferred income and accrued expenses	14	53,097	37,301
Interest-bearing liabilities	15	47,165	58,345
Employee benefit obligation	16	586	1,253
Provisions	17	369	336
Deferred tax liabilities	11	7,606	6,537
Total liabilities		261,056	196,000
Share capital	18	36,500	36,500
Share premium		20,277	22,137
Treasury shares	19	(1,348)	(816)
Reserves	20	6,167	(8,939)
Retained earnings	20	484,807	417,592
Profit for the year - Group share		67,951	73,557
Total equity attributable to shareholders of the parent		614,354	540,031
Minority Interest	21	23,913	27,381
Total equity		638,267	567,412
Total liabilities and equity		899,323	763,412

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Income Statement

for the financial years ended December 31, 2006 and 2005

in \$ '000

	Notes	2006	2005
Net income from directly held investments	24	87,268	96,065
Net income from banking activities	25	46,571	41,073
Other operating income	26	17,745	11,943
General administrative expenses	27	(80,451)	(62,429)
Depreciation, amortization and impairment losses	28	(1,239)	(1,274)
Financial income	29	3,953	2,512
Financial expenses	30	(5,218)	(4,641)
Income from associates	31	696	207
Profit before tax		69,325	83,456
Income tax expense	32	(2,561)	(1,801)
Profit for the year		66,764	81,655
Attributable to the Shareholders of the parent		67,951	73,557
Minority interest		(1,187)	8,098
Basic earnings per share (in \$)	23	10,5	11,4
Diluted earnings per share (in \$)	23	10,3	11,2

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Cash flow Statement

for the financial years ended December 31, 2006 and 2005

in \$ '000

	Notes	2006	2005 (reperformed)
Operating cash flows directly linked to the Private Equity Business			
Acquisition of PE investments		(210,669)	(118,737)
Proceeds from sale of PE investments		287,044	132,059
Operating cash flows directly linked to the Wealth Management Business			
Net interest income		5,942	4,423
Net fee and commission income		35,651	47,334
Cash movements in loans and advances to bank customers		(15,370)	(10,713)
Cash movements in loans and advances from bank customers		11,671	12,102
Other cash movements related to the Banking Business		515	(1,310)
Other operating cash flow movements			
Cash paid to suppliers and employees		(59,470)	(52,993)
Net cash from other operating activities		2,057	-
Interest received		1,619	3,231
Dividends received		3,292	3,767
Income taxes paid		(2,682)	(3,364)
Net cash provided by / (used in) operating activities	33	59,600	15,799
Investing activities			
Acquisition of investments		(53,320)	(23,848)
Proceeds from sale of investments		51,531	27,667
Acquisition of investment in associates		(1,602)	(659)
Proceeds from disposal of investment in associates		497	6
Acquisition of property, plant and equipment		(1,410)	(1,086)
Proceeds from disposal of property, plant and equipment		37	-
Acquisition of intangible assets		(847)	(1,167)
Acquisition of subsidiaries, net of cash acquired		(5,399)	(3,312)
Dividends received		-	295
Net cash provided by / (used in) investing activities	33	(10,513)	(2,104)
Financing activities			
Proceeds from interest bearing liabilities		31,249	611
Repayment of interest-bearing liabilities		(37,536)	(3,052)
(Decrease)/Increase in Short term financing		39,282	24,880
Repurchase of own shares		(532)	(567)
Contributions from investors		2,373	2,356
Distributions to investors		(1,682)	(1,986)
Interest paid		(3,115)	(776)
Dividends paid		(8,202)	(7,571)
Net cash provided by / (used in) financing activities	33	21,837	13,895
Net increase / (decrease) in cash and cash equivalents		70,924	27,590
Cash and cash equivalents at beginning of year		82,250	61,563
Effect of exchange rate fluctuations on cash and cash equivalents held		6,708	(6,903)
Cash and cash equivalents at end of year		159,882	82,250

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the financial years ended December 31, 2006 and 2005

in \$ '000	Share Capital	Share Premium	Treasury Shares	Reserves & Retained earnings	Total Group	Minority Reserves & Result	Total Equity
Notes	18		19	20			
Balance at January 1st, 2005	36,500	22,137	(249)	434,843	493,231	18,933	512,164
Profit for the year	-	-	-	73,557	73,557	8,098	81,655
Exchange differences	-	-	-	(19,332)	(19,332)	(1,379)	(20,711)
Total recognized income and expense	-	-	-	54,225	54,225	6,719	60,944
Changes in scope	-	-	-	-	-	2,384	2,384
Repurchase of own shares	-	-	(567)	-	(567)	-	(567)
Capital distributions	-	-	-	-	-	(1,894)	(1,894)
Change in minority reserves	-	-	-	-	-	1,607	1,607
Dividends paid	-	-	-	(6,858)	(6,858)	(368)	(7,226)
Balance at December 31st, 2005	36,500	22,137	(816)	482,210	540,031	27,381	567,412
Balance at January 1st, 2006	36,500	22,137	(816)	482,210	540,031	27,381	567,412
Profit for the year	-	-	-	67,951	67,951	(1,187)	66,764
Gain on property revaluation, net of deferred tax	-	-	-	1,060	1,060	-	1,060
Exchange differences	-	-	-	14,046	14,046	1,117	15,163
Total recognized income and expense	-	-	-	83,057	83,057	(70)	82,987
Changes in scope	-	-	-	-	-	769	769
Repurchase of own shares	-	-	(532)	-	(532)	-	(532)
Capital distributions	-	-	-	-	-	(1,877)	(1,877)
Change in minority reserves	-	-	-	-	-	(1,950)	(1,950)
Dividends paid	-	(1,860)	-	(6,342)	(8,202)	(340)	(8,542)
Balance at December 31st, 2006	36,500	20,277	(1,348)	558,925	614,354	23,913	638,267

The accompanying notes form an integral part of these consolidated financial statements.

Significant Accounting Policies

Quilvest S.A. (the Company) is a Luxembourg Holding Company incorporated under the laws of August 10, 1915 and July 31, 1929 as amended.

The company's status as a tax exempted billionaire holding company is maintained until December 31, 2010.

The consolidated financial statements were authorized for issue by the Board of Directors on April 25, 2007 and are subject to approval by the shareholders' meeting of June 29, 2007.

Summary of Activities

The business of Quilvest is that of a financial holding company, controlling two sub-holding companies, Quilvest Private Equity Ltd, Tortola, British Virgin Islands, and Quilvest Europe SA, Luxembourg.

The business of Quilvest Private Equity Ltd and subsidiaries is that of an investment holding company, investing both directly and indirectly. The investments include direct equity and debt investments in private equity made in the United States, Europe, South-East Asia and Latin America.

Quilvest Europe SA, Luxembourg invests in European markets and controls Quilvest France and its subsidiaries. Quilvest France makes public and private investments in France. Two of the subsidiaries of Quilvest Europe, namely Société Internationale de Finance (SIF) in Zurich, Switzerland and Quilvest Banque Privée (QBP) in Paris, France, are involved in banking activities.

SIF is a licensed Securities Dealer, and its principal business is the co-ordination and administration of globally invested assets. It is not directly engaged in asset management but provides investment advisory services.

Quilvest Banque Privée is a bank, and its main activities consist of asset management and investment advisory services.

Basis of Presentation and statement of compliance

Since the year 2005, the consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated financial statements cover the financial year from January 1, 2006 till December 31, 2006 and are presented with their comparative figures of previous year. The accounting policies are consistent between the presented periods. Certain comparative amounts have been reclassified to conform with the current year's presentation, the most important reclassifications concerning the reclassification of USD 30 million from Deposits from banks to Interest-bearing liabilities and the reclassification of USD 4 million from Associates to Investments.

The consolidated financial statements are prepared and presented in US Dollars, the Group's functional currency and rounded to the nearest thousand. They are prepared on the historical cost basis except for the following assets and liabilities which are stated at their fair value : derivative financial instruments, financial investments at fair value through profit and loss, investment property as well as own-used property.

Significant Accounting Policies (continued)

Basis of Consolidation

Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized profits and losses of associates on an equity accounting basis (equity method), from the date that significant influence commences until the date that significant influence ceases. When an associate makes losses, the Group's share of losses is recognized until the carrying amount of the associate is reduced to nil. Recognition of further losses is discontinued unless the Group has incurred an obligation to cover such losses.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized results arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealized gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise, as an adjustment to the carrying amount of the investment. Unrealized losses are eliminated in the same way as unrealized gains, unless there is evidence of impairment, giving rise to additional write-off.

Foreign Currencies

Foreign Currency Translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction or at average rates that approximate the spot rates of a number of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Financial Statements of Foreign Operations

Assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments arising on consolidation, are translated to US-Dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign subsidiaries are translated to US-Dollars at average rates. Exchange differences arising on translation of foreign entities are recognized directly in shareholders' equity.

Significant Accounting Policies (continued)

Currency exchange rates

The following exchange rates were used for translating Euros, Swiss Francs and British Pounds, which are the most important foreign currencies used in the Group.

	USD/EUR	CHF/USD	USD/GBP
Year-end 2004	0,73570	1,13710	0,52086
Average 2005	0,80303	1,25196	NA
Year-end 2005	0,84531	1,31470	0,58032
Average 2006	0,79615	1,24883	0,53987
Year-end 2006	0,75821	1,21990	0,51101

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash in hand, postal and bank accounts as well as short-term deposits with an original maturity of less than 90 days.

Loans and advances to/from banks and bank customers and other receivables/liabilities

The loans, advances, receivables and liabilities are initially recognized at nominal value. In subsequent periods, they are measured at their recoverable amounts, which approximate amortized cost. An impairment test is applied at each closing date on loans and advances by assessing their contractual terms to specific counterparty- and country- risk exposure.

Impairment losses and reversals of impairment losses are recognized in the income statement.

Financial Investments and Fair Values

The Group's investments primarily relate to private equity investments. Investments are stated at fair value on an item-by-item basis, as determined by the Investment Manager and approved by the Board of Directors. Fair value is defined as the estimated amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Options and similar rights attached to the investments are also considered in determining fair value.

If Quilvest's share in ownership interest or voting rights exceeds 20%, then, in accordance with the scope exclusion of IAS 28, those investments are upon initial recognition classified as "designated as fair value through profit and loss" in accordance with IAS 39.

According to Quilvest's investment strategy, all in-house managed financial assets (equity and debt instruments) and their performance are evaluated on a fair value basis and are designated upon initial recognition at fair value through the profit and loss accounts. Any resulting gains or losses from these investments are recognized in the income statement. The company allocated all its investments to the financial assets at fair value through profit and loss.

Significant Accounting Policies (continued)

Listed investments

The fair value of listed investments is based on stock price as per the relevant stock exchange at year end. Estimated future selling costs are not deducted.

Unlisted equity securities

The fair value of unlisted equity securities is determined by applying the entry earning multiple to the estimated EBITDA less net debt of the underlying investee companies, unless there are indications that another valuation technique should be applied. Indicators for other valuation techniques include recent arm's length marked transactions, reference to the current fair value of another instrument that is substantially the same, or prices obtained in actual market transactions.

Because of inherent uncertainties of valuation, the value of investments and any related value adjustments may differ significantly from the amounts that would have been used had an active market for the investments existed, and the difference could be material.

Third party funds

The fair value of third party funds is based on the annual financial statements prepared by the underlying funds which normally have year end on December 31st. If the annual financial statements at December 31st are not available, the fair value will be determined based on the most recent financial statements, adjusted for cash flows.

Financial assets and liabilities held for trading

The Group slows under this category exclusively derivatives. They are initially recognized at fair value. Subsequent to initial recognition all derivatives are stated at fair value at the balance sheet date. Gains and losses on remeasurement of derivatives are recognized in the income statement.

The fair value of financial assets and liabilities held for trading is their quoted price at the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value. After initial recognition loans and receivables are measured at amortized cost using the effective interest rate.

Significant Accounting Policies (continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except the buildings which are revalued. Subsequent expenditures are capitalized as separate assets, only when it is probable that future economic benefits associated with an item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement as expenses as they are incurred.

Quilvest Group capitalizes all purchases equal to or exceeding USD 5,000.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Land is revalued but not depreciated. The estimated useful lives are as follows:

- Buildings	50 years
- Fixtures and Fittings	2 - 10 years
- Cars	2-5 years
- EDP	3 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Own-used buildings are carried at a revalued amount, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any surplus arising on the revaluation is recognized directly in the revaluation reserves within equity. If the fair value of the building is decreased as result of a revaluation, the decrease is recognized in the income statement only if the decrease exceeds the amount previously recognized in equity.

Investment Property

Investment property is mainly held for rental income or for capital appreciation. Investment property is measured at fair value, with changes in fair value recognized in the income statement.

Intangible assets

Intangible assets, except for goodwill, are stated at purchase price, less accumulated amortization.

Goodwill

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired. Goodwill is tested yearly for impairment and is carried at cost less accumulated impairment losses. Moreover IAS 36 (§24 and 25) prohibits since 2006 the reversal of impairments.

Other intangible assets

Software acquired by the Group is stated at cost less accumulated amortization and impairment losses. It is amortized over 2-5 years on a straight-line basis.

The Group does not have any internally generated intangible assets.

Significant Accounting Policies (continued)

Impairment

The carrying amounts of the Group's property, plant and equipment, intangible assets, investments in associates and other financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount, being the greater of its fair value less costs to sell and its value in use, is estimated.

Interest-bearing Liabilities

Interest-bearing liabilities are recognized initially at cost, being the fair value of the consideration received less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are measured at amortized cost with any differences between cost and redemption value being recognized in the income statement over the period of the liabilities on an effective interest basis.

Convertible Bonds

Quilvest S.A. issued in 2003 a convertible loan that can be converted to share capital at a fixed predetermined conversion ratio at the option of the holder at the maturity date of June 30, 2008. This loan is accounted for as a compound financial instrument, net of attributable transaction costs. The equity component of the convertible loan is calculated as the excess of the issue proceeds over the present value of the future interest and principal payments, discounted at the market rate of interest applicable to similar liabilities that do not have a conversion option. This component is included in equity. The interest expense recognized in the income statement is calculated using the effective interest rate method.

Employee benefit obligations

The Group sponsors pension plans according to the national regulations of the countries in which it operates. The significant pension plans in France and Switzerland qualify as defined benefit plans under IAS 19. The respective employee benefit costs are determined in accordance with the Projected Unit Credit Method. Actuarial calculations are conducted on an annual basis. Any excess of the defined benefit obligation over the fair value of plan assets is initially recognized and presented under employee benefit obligations. A pension asset is recognized only to the extent that it represents economic benefits in the form of refunds or reductions in future contributions. Actuarial gains and losses arising from subsequent calculations are recognized to the extent that they exceed 10% of the greater of the defined benefit and the fair value of the plan assets. The amount exceeding this corridor is amortized over the average remaining working lives of the employees participating in the plan.

The pension plan in Luxembourg is a defined contribution plan. The pension costs recognized during a period for such plans equal the contributions paid or due for that period.

Provisions

A provision is recognized on the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Significant Accounting Policies (continued)

Share capital

Ordinary shares with discretionary dividends are classified as equity. Dividends on ordinary shares are recognized in equity in the period in which they are declared. External costs directly attributable to the issuance of new shares are presented net of the related tax, as a deduction from the proceeds in equity.

When the Company or its subsidiaries purchase the Company's own shares, the consideration paid, including any attributable transaction cost, net of income tax, is presented as treasury shares and deducted from shareholders' equity. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

Equity compensation benefit plans

The Group operates a cash settlement, share-based payment compensation plan in one of its banking subsidiaries. The stock option plan relates to a French subsidiary of the Group and does not concern potential emission of shares of the parent company. This subsidiary grants to its employees a right to receive a future cash payment by granting to them a right to shares to be issued upon the exercise of share options, which are redeemable, either mandatorily (upon cessation of employment) or at the employee's option.

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. Additionally, the company recognizes a liability for the redemption of the shares. The liability is measured initially, and at each reporting date until settled, at the fair value of the options by applying an option pricing model. Once the options are exercised, the liability is revalued at the fair value of the redeemable shares. The liability is extinguished when the shares are redeemed.

Net income from investments

Interest income on debt securities or on loans is recognized on an accrual basis, taking into account the effective yield on the asset. Dividend income is recognized on the date that the dividend is declared. For investments classified at fair value through profit and loss, fair value changes are recognized directly in income.

Fee and commission income

Brokerage fees earned from executing securities transactions are recorded when the service has been provided. Portfolio and other management, advisory and other service fees are recognized based on the terms of the applicable service contracts. Asset management fees related to investment funds are recognized pro rata temporis over the period the service is provided. The same principle is applied to fees earned for wealth management financial planning and custody services that are continuously provided over an extended period of time.

Income tax

Income tax on the profit or loss for the year is comprised of current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, plus any adjustment to tax payable relating to previous years.

Significant Accounting Policies (continued)

Deferred tax is recognized based on the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not accounted for: goodwill non-deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries, to the extent that they will probably not be reversed in the foreseeable future. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividend is incurred.

Segment information

The Group's primary dimension for segment reporting is business segments and the secondary dimension is geographical segments. The risks and returns of the group's operations are primarily determined by the different business activities rather than the different locations of the group's activity. This is reflected by the Group's management and organizational structure and internal financial reporting systems.

Business segments

The Group has two main areas of activity which are presented as the business segments "Private Equity" and "Wealth Management". The Private Equity segment is mostly concentrated in Quilvest Private Equity Ltd and its subsidiaries. The Wealth Management segment is concentrated in its private banking structures, SIF in Zurich and Quilvest Banque Privée in Paris. The additional Corporate segment includes the supporting administrative activities concentrated at the holding and sub-holding structures.

Geographical segments

The Private Equity segment operates in Europe, as well as in America and in Asia.

There are no significant inter-segment transactions.

Critical accounting judgement

The application of the Group's accounting policies requires management to make judgements that can have a significant effect on the amounts recognized in the consolidated financial statements. Estimates and assumptions are made that affect the reported amounts of assets, liabilities, income, expenses and related disclosures. The estimates and underlying assumptions are based on historical experience, on information linked to the close follow-up of the underlying investments and on market-driven comparison factors. Actual results may differ from these estimates. The most significant estimates and assumptions concern the fair valuation detailed above under the Financial Investments section, the assumption related to the valuation of Land and Building, the valuation of goodwill and the actuarial assumptions related to the Employee Benefits.

Significant Accounting Policies (continued)

New IFRS standards and IFRIC interpretations

New standards, amendments and interpretations to existing standards have been published up to the date the Board of Directors has approved these consolidated financial statements, which are mandatory for the group from accounting periods beginning January 1, 2007 and which the Group has not early adopted. We detail below the group's assessment on those new accounting and reporting developments :

1) New standards

IFRS 7	Financial Instruments : Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial statements - Capital Disclosures
Content	<p>This new standard introduces new disclosures to improve the information regarding financial instruments.</p> <p>IFRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.</p> <p>IFRS 7 replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments : Disclosure and Presentation.</p> <p>This standard applies to all entities reporting under IFRS.</p> <p>The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital.</p> <p>Date of required application: January 1, 2007</p>
Assessment	Management is currently assessing the impact in terms of disclosures of this new standard and expects these to be effective on January 1, 2007 with comparative figures from January 1, 2006.
IFRS 8	Operating Segments
Content	<p>This new standard defines the disclosures relating to operating segments and requires entities to disclose quantitative and qualitative information on products and services, geographical areas and major customers.</p> <p>Date of required application: January 1, 2009</p>
Assessment	Management is currently analyzing the impact of this amendment on the group's disclosures.

2) New interpretations

IFRIC 7	Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies Effective March 1, 2006
Assessment	This new interpretation does not apply to the group.
IFRIC 8	Scope of IFRS 2, Share-based payment Effective May 1, 2006
IFRIC 9	Reassessment of Embedded Derivatives Effective June 1, 2006
IFRIC 10	Interim Financial Reporting and Impairment Effective November 1, 2006
IFRIC 11	Group Treasury Share Transactions Effective March 1, 2007
Assessment	These new interpretations apply to the group but have no significant impact.

Notes to the Consolidated Financial Statements

1) Changes in the scope of consolidation

Compared to year-end 2005, the following changes in the scope of consolidation were integrated in these consolidated financial statements.

In the Private Equity sub-group, a new company, Eviso Investment Corp. SA, was created in order to buy back some minority interests in several investing vehicles. Laju (Cayman) Ltd was also incorporated at the end of the year in order to bear alternative funds.

Quilvest Alternative Investment is fully consolidated from 2006.

On June 30, 2006 Quilvest Holding France was dissolved without liquidation by decision of its sole shareholder Quilvest Capital France. The merger is effective retroactively from January 1, 2006. The operation is based on the net asset value of Quilvest Holding France as of December 31, 2005 without cash settlement. The new structure was renamed into Quilvest France on September 4, 2006.

On January 12, 2006, Banque Privée Quilvest acquired the remaining 30% of Gestor Holding for EUR 4,3 million from the minority shareholders. The price of the transaction was already included in the group liabilities at the end of 2005.

In July 2006, Gestor Holding merged with Gestor Finance. In a second step, Banque Privée Quilvest merged with Gestor Holding. The new structure has been renamed into Quilvest Banque Privée.

Notes to the Consolidated Financial Statements (continued)

2) Main consolidated structures

All companies integrated in the consolidation have their closing date at December 31st.

	Country	% held	Segment
Parent Company			
Quilvest S.A.H.	Luxembourg		Corporate
Quilvest Europe sub-group			
Quilvest Europe S.A.	Luxembourg	100.00	Corporate
Quilvest France S.A.S.	France	100.00	Private Equity
Quilvest Banque Privée S.A. and its subsidiaries	France	99.44	Wealth Management
Société Internationale de Finance S.A. and its subsidiaries	Switzerland	75.00	Wealth Management
Quilvest Private Equity sub-group			Private Equity
Quilvest Private Equity Ltd	British Virgin Islands	100.00	
Quilvest American Equity Ltd	British Virgin Islands	100.00	
Quilvest American Venture Ltd	British Virgin Islands	100.00	
Quilvest European Equity Ltd	British Virgin Islands	100.00	
Quilvest European Venture Ltd	British Virgin Islands	100.00	
Quilvest Asian Equity Ltd	British Virgin Islands	100.00	
Quilvest Asian Venture Ltd	British Virgin Islands	100.00	
Quilvest Ventures Ltd and its subsidiaries	British Virgin Islands	100.00	
QS Companies USA Ltd and its subsidiaries	British Virgin Islands	100.00	
QS Companies Europe Ltd and its subsidiaries	British Virgin Islands	100.00	
QS PEP Holding S.A. and its subsidiaries	British Virgin Islands	100.00	
QS Strategic GP's Ltd	British Virgin Islands	100.00	
Quilvest Finance Ltd	British Virgin Islands	100.00	
Eviso Investment Corp.	British Virgin Islands	100.00	
Laju (Cayman) Ltd	Cayman Islands	100.00	
Eparfin S.A.H.	Luxembourg	99.99	
Quilvest Services Ltd (formerly Three Cities Holding Ltd)	British Virgin Islands	100.00	
TCRE Management Ltd	Jersey	100.00	
TCR Europe	France	99.73	
QS Management Ltd	British Virgin Islands	100.00	
Quilvest MEA Inc.	British Virgin Islands	100.00	
Quilvest USA Inc.	Delaware	100.00	
Quilvest European Partners Sicar S.A.	Luxembourg	100.00	

Notes to the Consolidated Financial Statements (continued)

3) Cash and Cash Equivalents

in \$ '000	2006	2005
Cash in hand (Petty cash)	329	217
Balances with banks	36,369	28,892
Call and fixed term deposits < 3 months	121,939	52,958
Treasury bills and similar securities	-	70
Cash in transit	1,245	113
Cash and Cash Equivalents	159,882	82,250

The significant increase of cash is due to the important investment exits of the year of which an amount of USD 62 million is invested in short-term deposits at year end.

4) Loans and Advances to Bank Customers

in \$ '000	2006	2005
Loans and advances to bank customers	104,227	82,862
Allowances for doubtful loans and advances	(930)	-
Net loans and advances to bank customers	103,297	82,862

The valuation undertaken by SIF resulted in a global allowance for doubtful loan of CHF 1,135,000 (USD 930,000) at the end of 2006. This amount covers potential default risk from a specific client.

The loans are represented by USD 80.3 million at an average interest rate of 6.2% and EUR 17.5 million at an average rate of 5.4%.

Secured loans to bank customers (in \$ '000)	2006	2005
Loans secured by real estate	3,855	3,477
Lombard loans	94,017	75,714
Other warranties	4,285	1,497
Not collateralized	1,140	2,174
Total	103,297	82,862

Notes to the Consolidated Financial Statements (continued)

5) Other Receivables, Accrued Income and Prepaid Expenses

in \$ '000	2006	2005
Interest receivable	11	65
Other assets and receivables	21,899	19,022
Loans to employees	849	-
Other loans	2,208	60
Accrued interest	2,714	1,599
Other accrued income	4,484	2,192
Prepaid expenses	326	228
Other Receivables, Accrued Income and Prepaid Expenses	32,491	23,166

6) Investments and Financial Liabilities held for Trading

According to Quilvest's strategy, all equity and debt instruments of the Group are recognized at fair value and designated upon initial recognition at fair value through profit and loss. Any transaction costs are expensed as incurred. Subsequently, any changes in fair value (revaluation) or impairments are recognized as well in the income statement.

Changes in fair value due to currency gains or losses are not separately recognized, but included in the change in fair value on the income statement. The fair value of private equity investments is determined on an item-by-item basis by the investment manager and approved by the Board of Directors.

At disposal, gains and losses are included in realized gains or losses in the income statement.

Investments in which the investor has control over the investee or considers the investee as a subsidiary are not included.

Debt securities designated at fair value through profit and loss

These include bonds and treasury bills.

Equity securities designated at fair value through profit and loss

Only non-derivative equity securities are considered here. Private equity investments in venture capital may be included when they are measured at fair value in accordance with IAS 39.

Third-party funds designated at fair value through profit and loss

In the case of third party funds, capital calls must be analyzed such that the amounts called for expenses or dividends and capital gains amounts distributed must be recorded in the income statement. Increases of investments and returns of capital will be recorded as an increase to assets.

Notes to the Consolidated Financial Statements (continued)

6.1) Financial assets designated at fair value through profit and loss

in \$ '000	2006	2005
Debt securities	297	1,444
Equity securities	190,139	177,763
Third party funds	354,769	334,878
Convertible loans	5,831	7,421
Total	551,036	521,506

6.2) Financial assets at fair value through profit and loss - Trading

Derivative financial assets	1,443	6,478
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6.3) Loans and receivables

Investment related loans	5,191	13,095
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Total investments	557,670	541,079
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6.1.1) Schedule of changes in investments designated at fair value through profit and loss in 2006

	Equity, Debt securities and convertible loans	Third party funds	Total
Fair value at opening balance	186,628	334,878	521,506
Additions	43,042	182,061	225,103
Disposals	(65,425)	(233,111)	(298,536)
Changes in fair market value recognized in the income statement	27,129	68,831	95,960
Currency differences	4,893	2,110	7,003
Fair value at closing balance	196,267	354,769	551,036

The acquisitions of Private Equity investments generated a cash-outflow of USD 210,7 million and the disposals from these investments a cash-inflow of USD 287 million, as stated in the corresponding lines of the consolidated cash-flow statement.

6.1.2) Schedule of changes in investments designated at fair value through profit and loss in 2005

	Equity, Debt securities and convertible loans	Third party funds	Total
Fair value at opening balance	149,488	302,859	452,347
Additions	43,605	98,980	142,585
Disposals	(40,096)	(119,632)	(159,728)
Changes in fair market value recognized in the income statement	33,631	52,671	86,302
Fair value at closing balance	186,628	334,878	521,506

Notes to the Consolidated Financial Statements (continued)

6.2.1) Detailed schedule of derivatives by nature and maturity at December 31, 2006 :

in \$ '000	Notional amount with remaining life of				Fair values	
	Less than 3 months	3 months to 1 year	More than 1 year	Total	positive	negative
ASSETS						
Foreign currency forward contracts	80,677	5,888	-	86,565	830	-
Foreign currency option contracts	24,400	49,100	26,000	99,500	613	-
LIABILITIES						
Foreign currency forward contracts	99,108	7,190	-	106,298	-	825
Total					1,443	825

The negative fair market value of the derivatives is presented in the consolidated balance sheet under "Financial liabilities held for trading".

6.2.2) Detailed schedule of derivatives by currency risk at December 31, 2006 :

in \$ '000	USD/CHF		EUR/CHF		EUR/USD	
	Weighted average contracted exchange rates	Notional amount	Weighted average contracted exchange rates	Notional amount	Weighted average contracted exchange rates	Notional amount
Buy						
Less than 3 months	1,2182	39,746	1,6075	40,302	-	-
Between 3 months and 1 year	1,2102	3,801	1,6063	2,087	-	-
Total		43,547		42,389		
Sell						
Less than 3 months	1,2168	56,363	1,6068	42,677	1,2200	24,400
Between 3 months and 1 year	1,2268	6,259	1,5826	931	1,2275	49,100
More than 1 year	-	-	-	-	1,3000	26,000
Total		62,622		43,608		99,500

The remaining notional amount of USD 696,000 represents a Buy position within 3 months of CHF.

Notes to the Consolidated Financial Statements (continued)

6.2.3) Detailed schedule of derivatives by nature and maturity at December 31, 2005 :

in \$ '000	Notional amount with remaining life of			Total	Fair values	
	Less than 3 months	3 months to 1 year	More than 1 year		positive	negative
ASSETS						
Foreign currency forward contracts	24,574	62,719	-	87,293	747	-
Foreign currency option contracts	-	23,200	99,500	122,700	5,731	-
LIABILITIES						
Foreign currency forward contracts	35,025	66,907	-	101,932	-	1,293
Total					6,478	1,293

6.3.1) Detailed schedule of Investment-related loans by maturity date :

in \$ '000	2006	2005
Within 1 year	989	1,250
Between 1 and 5 years	1,217	9,137
More than 5 years	2,985	2,708
Total	5,191	13,095

Investment-related loans are non-convertible loans granted to direct investments. Most loans present characteristics that categorize them as equity investments. They are evaluated at fair market value through profit and loss.

Notes to the Consolidated Financial Statements (continued)

7) Property, Plant and Equipment

7.1) Schedule of changes in property, plant and equipment for the year 2006 :

In \$ '000	Land	Buildings	Fixtures and fittings	Cars	EDP hardware	Total
Cost						
Balance at January 1, 2006	4,230	6,347	3,446	434	1,201	15,658
Additions	-	-	839	-	571	1,410
Net gains or losses from fair value adjustment	637	953	-	-	-	1,590
Disposals and derecognized assets	-	-	(35)	(79)	(147)	(261)
Currency differences	518	777	381	44	136	1,856
Balance at December 31, 2006	5,385	8,077	4,631	399	1,761	20,253
Depreciation and impairment losses						
Balance at January 1, 2006	-	253	2,135	170	932	3,490
Depreciation charge for the year	-	195	397	69	282	943
Disposals and derecognized assets	-	-	(28)	(43)	(137)	(208)
Currency differences	-	39	253	20	104	416
Balance at December 31, 2006	-	487	2,757	216	1,181	4,641
Net book value (carrying amount)						
Balance at January 1, 2006	4,230	6,094	1,311	264	269	12,168
Balance at December 31, 2006	5,385	7,590	1,874	183	580	15,612

In December 2006, Quilvest Group received the appraisal from Cabinet Hellier du Verneuil for the property located at 241 and 243 Boulevard Saint Germain in Paris. The appraised value of the building and land amounts to EUR 580 per square meter, for a total fair value of EUR 16'306'000 used in the present accounts. The fair value is based on the rental value of the building at current market rates for well-situated commercial real estate.

1. The own-use part of the buildings has been revalued accordingly and the revaluation amount linked directly to equity, i.e. to the revaluation reserve for own-used buildings. Accumulated depreciation has been charged against the revalued amount, taking into account an estimated economic life of 50 years.

2. The investment part of the property follows the same valuation, but is accounted for under a separate balance sheet heading. The corresponding revaluation is directly booked in the income statement.

For the opening IFRS value of land and building, Quilvest applied the same proportion between land and building as at cost: 34.7% for land and 65.3% for building. This proportion still relates to the economic reality in the current real estate market, and the fair value of land and buildings at 31 December 2006 and 2005 is based on this proportion.

Notes to the Consolidated Financial Statements (continued)

7.2) Schedule of changes in property, plant and equipment for the year 2005 :

in \$ '000	Land	Buildings	Fixtures and fittings	Cars	EDP Hardware	Total
<i>Cost</i>						
Balance at January 1, 2005	4,861	7,292	4,247	277	1,330	18,007
Additions	-	-	691	139	255	1,086
Disposals and derecognized assets	-	-	(918)	(103)	(237)	(1,258)
Acquisitions through business combinations	-	-	32	149	65	247
Currency differences	(630)	(946)	(527)	(47)	(171)	(2,320)
Other differences	-	-	(81)	19	(42)	(105)
Balance at December 31, 2005	4,230	6,347	3,446	434	1,201	15,658
<i>Depreciation and impairment losses</i>						
Balance at January 1, 2005	-	145	2,908	174	1,076	4,304
Depreciation charge for the year	-	139	508	73	197	918
Disposals and derecognized assets	-	-	(873)	(103)	(238)	(1,214)
Disposals through business combinations	-	-	20	51	49	120
Currency differences	-	(32)	(422)	(25)	(147)	(624)
Other differences	-	-	(6)	-	(6)	(12)
Balance at December 31, 2005	-	253	2,135	170	932	3,490
<i>Net book value (carrying amount)</i>						
Balance at January 1, 2005	4,861	7,147	1,339	102	254	13,703
Balance at December 31, 2005	4,230	6,094	1,311	264	269	12,168

Notes to the Consolidated Financial Statements (continued)

8) Investment Property

Schedule of changes in the Investment Property :

in \$ '000	2006	2005
<i>At cost</i>		
Balance as of January 1	6,952	7,988
Net gains from fair value adjustment	284	-
Currency differences	813	(1,036)
Balance as of December 31	8,049	6,952
Balance as of January 1	6,952	7,988
Balance as of December 31	8,049	6,952

The investment property relates to offices rented to third parties within the building located at 241 and 243 Boulevard Saint-Germain in Paris.

The valuation follows the same method as for the own-used property. Rental income related to this investment amounts to USD 343,000 for 2006 and USD 397,000 for 2005.

The operating expenses related to the buildings amount to EUR 92,000 in 2006, compared to EUR 111,600 in 2005, whereof 50% is attributable to the own-use part.

Notes to the Consolidated Financial Statements (continued)

9) Intangible Assets

9.1) Schedule of changes in Intangible assets for the year 2006 :

in \$ '000	Goodwill	Other	Total
<i>At cost</i>			
Balance as of January 1, 2006	11,464	3,442	14,906
Additions	633	847	1,480
Disposals and derecognized assets	-	(260)	(260)
Adjustment of goodwill due to subsequent recognition of deferred tax assets	56	-	56
Currency differences	1,359	300	1,659
Balance as of December 31, 2006	13,512	4,329	17,841
<i>Accumulated depreciation and impairment losses</i>			
Balance as of January 1, 2006	-	1,838	1,838
Amortization charge for the year	-	296	296
Disposals and derecognized assets	-	(260)	(260)
Currency differences	-	164	164
Balance as of December 31, 2006	-	2,038	2,038
<i>Net book value (carrying amount)</i>			
Balance as of January 1, 2006	11,464	1,604	13,068
Balance as of December 31, 2006	13,512	2,291	15,803

The goodwill relates to Copagest (USD 8,706,000) and Gestor (USD 4,806,000) in Quilvest Banque Privée. The good health of the respective portfolios lead to no impairment loss at the end of 2006.

The other intangible assets relate to IT internal developments for the Swiss subsidiaries, specifically a new banking system for SIF and a front-office software package for the tracking of the private equity investments.

Notes to the Consolidated Financial Statements (continued)

9.2) Schedule of changes in Intangible assets for the year 2005 :

in \$ '000	Goodwill	Other	Total
<i>At cost</i>			
Balance as of January 1, 2005	4,188	2,680	6,868
Additions	635	1,167	1,802
Disposals and derecognized assets	-	(10)	(10)
Acquisitions through business combinations	7,596	-	7,596
Currency differences	(955)	(395)	(1,350)
Balance as of December 31, 2005	11,464	3,442	14,906
<i>Accumulated depreciation and impairment losses</i>			
Balance as of January 1, 2005	-	1,744	1,744
Amortization charge for the year	-	356	356
Disposals and derecognized assets	-	(10)	(10)
Currency differences	-	(252)	(252)
Balance as of December 31, 2005	-	1,838	1,838
<i>Net book value (carrying amount)</i>			
Balance as of January 1, 2005	4,188	936	5,124
Balance as of December 31, 2005	11,464	1,604	13,068

During 2005 goodwill increased by USD 7.3 million due to new business combinations on which no impairment loss had to be recorded.

Notes to the Consolidated Financial Statements (continued)

10) Investments in Associates and non consolidated Affiliates

The Group has the following investments in associates and non consolidated affiliates:

in \$ '000	Country	Ownership interest (%)	Fair value 2006	Fair value 2005
TCR Capital S.A.	France	0%	-	503
Three Cities Research Inc.	US	0%	-	409
25 de Mayo Inmobiliaria S.A.	Uruguay	33%	-	40
Fideas Capital	France	34%	45	112
Quilvest & Associés	France	50%	887	384
Quilvest Alternative Investment	France	80%	-	284
Quilvest Assurances	France	100%	10	10
Gaspal Holding	France	65%	540	-
TCR Industrial Partners - C shares	France	-	-	107
Total			1,482	1,849

The financial information on the associates and non consolidated affiliates at December 2006 is summarized as follows :

in \$ '000	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Fideas Capital	NA	NA	NA	NA
Quilvest & Associés	2,842	-	(1,096)	(1,746)
Gaspal Holding	1,445	1,281	(1,046)	(1,680)
Quilvest Assurances	381	-	(61)	(320)
Total	4,668	1,281	(2,203)	(3,746)

in \$ '000	Revenues	Expenses	Net result
Fideas Capital	388	(524)	(136)
Quilvest & Associés	3,751	(2,908)	843
Gaspal Holding	2,224	(2,190)	34
Quilvest Assurances	332	(36)	296
Total	6,695	(5,658)	1,037

"NA" means that financial information is not available at the date of this annual report.

Notes to the Consolidated Financial Statements (continued)

TCR Capital / Three Cities Research

TCR Capital and Three Cities Research were sold in September 2006. The proceeds of the sale amount to USD 497,000.

Quilvest & Associés

The minority shareholders of Quilvest & Associés have a put option to sell their respective interests to Quilvest Banque Privée (QBP), one of the Company's indirect subsidiaries, in the event that the shareholding of QBP in Quilvest Associés exceeds 50%.

Quilvest Alternative Investment

This subsidiary was established in December 2005. QBP has the option to purchase the shareholding from the minority interest. The subsidiary is fully consolidated at end of 2006.

Gaspal Holding

This affiliate was established in August 2006, and its first legal closing is fixed at the end of 2007. It is recorded at cost at the end of 2006.

Quilvest Assurances

This company is not consolidated due to immateriality. This investment is recorded at cost and the share in the profit of this affiliate is recognized in the income statement.

The share of the Group of the contingent liabilities of associates amounts to USD 2,208,000 (2005: USD 2,442,000).

Notes to the Consolidated Financial Statements (continued)

11) Deferred Tax Assets and Liabilities

11.1) Summary of consolidated amounts in \$ '000	2006	2005
Deferred tax assets	201	14
Deferred tax liabilities	7,606	6,537
Deferred tax (expense)/income	(172)	2,474

11.2) Recognized Deferred Tax Assets and Liabilities in \$ '000	2006		2005		2006	2005
	Assets	Liabilities	Assets	Liabilities	net	net
Other receivables	-	-	2	-	-	2
Investments	-	106	(168)	371	(106)	(539)
Property, Plant and Equipment	80	3,390	80	2,529	(3,310)	(2,449)
Investment property	-	2,582	-	2,217	(2,582)	(2,217)
Intangible Assets	4	-	-	(1)	4	1
Investments in associates	-	5	-	-	(5)	-
Employee benefits	117	(33)	-	(24)	150	24
Other provisions	-	1,556	100	1,445	(1,556)	(1,345)
Total deferred tax assets (liabilities)	201	7,606	14	6,537	(7,405)	(6,523)

11.3) Movements of net deferred tax assets and liabilities in \$ '000	2006	2005
Net deferred tax assets (liabilities) at opening balance	(6,523)	(10,166)
Increase/(decrease) in temporary differences	172	556
Change in tax rate	-	1,065
Other effects (change in tax regulation)	-	853
Currency differences	(1,054)	1,169
Net deferred tax assets (liabilities) at closing balance	(7,405)	(6,523)

Deferred tax assets have not been recognized in respect of tax losses corresponding to USD 1,163,000. The deductible temporary difference does not expire under current fiscal legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Notes to the Consolidated Financial Statements (continued)

11.4) Movements in net deferred tax assets (liabilities) per class

11.4.1) Movements for the year 2006 in \$ '000	Balance January 1	Recognized in profit & loss	Recognized in equity	Balance December 31
Other receivables	2	(2)	-	-
Investments	(539)	544	(111)	(106)
Property, Plant and Equipment	(2,449)	(158)	(703)	(3,310)
Investment property	(2,217)	(110)	(255)	(2,582)
Intangible Assets	1	3	-	4
Investments in associates	-	(5)	-	(5)
Employee benefits	24	111	15	150
Other provisions	(1,345)	(211)	-	(1,556)
Total	(6,523)	172	(1,054)	(7,405)

The deferred taxes recognized directly in equity concern exclusively currency differences.

11.4.2) Movements for the year 2005 in \$ '000	Balance January 1	Recognized in profit & loss	Recognized in equity	Balance December 31
Other receivables	14	(12)	-	2
Investments	(2,699)	1,622	538	(539)
Property, Plant and Equipment	(2,880)	88	343	(2,449)
Investment property	(2,545)	22	306	(2,217)
Intangible Assets	-	1	-	1
Other liabilities	2	(2)	-	-
Employee benefits	141	(99)	(18)	24
Other provisions	(2,199)	854	-	(1,345)
Total	(10,166)	2,474	1,169	(6,523)

Notes to the Consolidated Financial Statements (continued)

11.5) Reconciliation between applicable and effective tax rate for the year 2006 :

This table reconciles the effective tax amounts presented in the consolidated income statement with the amount theoretically calculated with local applicable tax rates.

Profit before tax	7,403
Applicable local tax rates	25 - 33.3%
Expected income tax expense	2,011
Current income taxes relating to prior periods	355
<i>Effects that increase tax expense :</i>	
Tax effects of non-deductible expenses	1,418
Increase/decrease in valuation adjustments on deferred tax assets	800
Other	40
Total	2,258
<i>Effects that decrease tax expense :</i>	
Tax effects of non-taxable income	(454)
Use of unrecognized tax losses carried forward	(138)
Fiscal integration	(1,471)
Total	(2,063)
Tax Expense in the income statement	2,561

Notes to the Consolidated Financial Statements (continued)

12) Deposits from Banks

in \$ '000	2006	2005
Payable on demand	27,129	4,773
Total Deposits from Banks	27,129	4,773

The amount concerns short-term deposits from external financial institutions. Most deposits from banks are in USD with an average deposit interest rate of approximately 6%.

13) Deposits from Bank Customers

in \$ '000	2006	2005
Repayable on demand	122,331	83,307
With agreed maturity date or period of notice	-	556
Total deposits from Bank Customers	122,331	83,863

Deposits from bank customers comprise USD 66.9 million and EUR 42 million.

14) Other Liabilities, Deferred Income and Accrued Expenses

in \$ '000	2006	2005
Accounts payable	18,860	9,527
Interest payable	5,178	2,012
Dividends payable	27	-
Liabilities relating to share purchase agreements	3,452	5,086
Liabilities relating to performance bonus	13,161	5,910
Accrued expenses	12,112	12,126
Deferred income	307	2,640
Total Other Liabilities, Deferred Income and Accrued Expenses	53,097	37,301

The liabilities relating to share purchase agreements represent primarily in 2006 the value of the purchase agreement of Quilvest Banque Privée for the remaining 35% of Copagest for an amount of EUR 2.1 million. In 2005 the amount related to the purchase agreement of the remaining 30% of Gestor for EUR 4.3 million.

Notes to the Consolidated Financial Statements (continued)

15) Interest-bearing Liabilities

15.1) Terms and debt repayment schedule of 2006 figures

in \$ '000	Amount	Interest rate	Less than 1 year	1-5 years	Over 5 years
Convertible Bonds	15,723	4,31%	-	15,723	-
Liabilities towards financial institutions	31,430	3,74 - 4,09%	29,851	-	1,579
Other loans	12	4,50%	12	-	-
Total Interest-bearing liabilities	47,165				

15.2) Terms and debt repayment schedule of 2005 figures

in \$ '000	Amount	Interest rate	Less than 1 year	1-5 years	Over 5 years
Convertible Bonds	15,723	4,31%	-	15,723	-
Liabilities towards financial institutions	32,306	3,74%	30,000	-	2,306
Bridge loan	10,316	0,00%	10,316	-	-
Total Interest-bearing liabilities	58,345				

15.3) Convertible Bonds

On July 1, 2003 Quilvest issued 160,000 bonds at a nominal price of \$100 each, bearing an interest rate of 3%, p.a. payable annually as of June 30, maturing in 2008. The bonds are convertible at the option of the bondholders upon maturity at a conversion rate of one for 1.1 Quilvest shares.

In accordance with IFRS this convertible bond has been split between its debt and equity components. The effective interest rate of 4.3095% takes into account the redemption price in case of no conversion as well as the additional market spread that would have been applied in case of an external financing scheme. The equity component amounts to USD 277,000 and has been added to the share premium.

176,000 additional shares are expected to be issued in case of total conversion of this bond at maturity.

Notes to the Consolidated Financial Statements (continued)

16) Employee benefit obligations

The defined benefit plans relate to pension schemes in place in the subsidiaries Quilvest France, Quilvest Banque Privée and SIF. The funding occurs only for SIF.

16.1) Liability for defined benefit obligations in \$ '000	2006	2005
Present value of unfunded obligations	351	370
Present value of funded obligations	13,585	11,736
Fair value of plan assets	(13,195)	(9,824)
Net unrecognised actuarial gains (losses)	(155)	(1,029)
Net liability in balance sheet	586	1,253
16.2) Changes in the net liability recognized in the balance sheet in \$ '000	2006	2005
Net liability at opening balance	1,253	427
Net expenses recognised in the income statement	292	1,373
Contributions	(1,053)	(452)
Currency differences	94	(95)
Net liability at closing balance	586	1,253
16.3) Detail of expenses recognized in the income statement in \$ '000	2006	2005
Current service cost	311	1,124
Interest on obligation	394	276
Expected return on plan assets	(351)	(287)
Net actuarial losses (gains) recognised in year	11	(50)
Past service cost	(73)	310
Total expense in Income Statement	292	1,373
16.4) Other disclosures for defined benefit plans in \$ '000	2006	2005
Actual return on plan assets	(179)	(178)
16.5) Principal actuarial assumptions at the balance sheet date	2006	2005
Discount rate at December 31	3% / 4.25%	2.70%
Expected return on plan assets at December 31	2.75%	2.75%
Future salary increase	2% / 3%	2.00%
Future pension increase	0.50%	0.50%

Notes to the Consolidated Financial Statements (continued)

17) Provisions

in \$ '000	2006	2005
Provisions for litigation	303	276
Other provisions	66	60
Total Provisions	369	336

The variation from the prior year results from currency changes. The amounts remain unchanged in reporting currency.

18) Share capital

As of January 1, 2005, 5,400,000 ordinary shares without nominal value were issued.

This amount is unchanged at December 31, 2006. All issued shares are fully paid up.

The authorized capital of the company amounts to USD 100,000,000 represented by 14,794,520 shares without nominal value.

19) Treasury shares

As at December 31, 2006 19,989 Quilvest shares were held by the group. In accordance with IFRS, their total acquisition cost of USD 1,348,000 was deducted from group equity. During the year 2006 the group acquired additionally 7,062 own shares for a total purchase amount of USD 532,000.

20) Reserves

in \$ '000	Translation reserve	Revaluation reserve	Retained earnings	Total
Balance as at January 1, 2005	7,863	2,530	424,450	434,843
Profit for the year			73,557	73,557
Exchange differences	(19,004)	(328)		(19,332)
Total recognised income and expenses	(19,004)	(328)	73,557	54,225
Dividends paid			(6,858)	(6,858)
Balance as at December 31, 2005	(11,141)	2,202	491,149	482,210
Balance as at January 1, 2006	(11,141)	2,202	491,149	482,210
Profit for the year			67,951	67,951
Revaluation of own-use building, net of deferred tax		1,060		1,060
Exchange differences	13,185	861		14,046
Total recognised income and expenses	13,185	1,921	67,951	83,057
Dividends paid			(6,342)	(6,342)
Balance as at December 31, 2006	2,044	4,123	552,758	558,925

The translation reserve is comprised of all foreign exchange differences arising from the translation of the financial statements of entities accounting in another currency than the US dollar.

Notes to the Consolidated Financial Statements (continued)

21) Minority Interest

in \$ '000	2006	2005
Minority Interests in reserves	25,100	19,283
Minority Interests in result	(1,187)	8,098
Total Minority Interest	23,913	27,381

22) Equity compensation benefits

As at May 23, 2000 Quilvest Banque Privée issued 2,575 stock options at the price of FRF 198 (EUR 30) each to a member of its management team, exercisable within 5 years on a one option for one share in Quilvest Banque Privée. The exercise price is FRF 150 (EUR 23) over the nominal value of the shares. All these options have been exercised.

During 2002, Quilvest Banque Privée issued another 1,545 stock options, at zero price, to its employees, exercisable until June 30, 2008 on a one option for one share in Quilvest Banque Privée. The exercise price is EUR 200 over the nominal value of the shares.

In 2005, Quilvest Banque Privée issued 1,313 additional options to its employees, exercisable at the price of EUR 525 for one share Quilvest Banque Privée.

Quilvest France, the immediate parent company of Quilvest Banque Privée, is required, after deliberation of the Board meeting, to buy back the options from the holders at a predetermined calculation method in case of death or resignation of the holder.

The group shows a liability of USD 722 thousand in 2006 (USD 1,370 thousand in 2005) in relation to its obligation to repurchase these options. The group recognized an additional personnel expense of USD 722 thousand in 2006 due to the share-based payment schemes (USD 1,370 thousand in 2005). The fair market value of the options amounts to USD 1,739 thousand at the end of 2006, compared to USD 2,799 thousand at the end of 2005 and is based on the valuation of Quilvest Banque Privée made by the management.

Notes to the Consolidated Financial Statements (continued)

22.1) Schedule of changes in the option plan

	2006		2005	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the period	427	3,352	421	3,837
Granted during the period	692	566	654	515
Forfeited during the period		(515)		(1,000)
Exercised during the period	359	(1,704)	-	-
Outstanding at the end of the period	598	1,699	427	3,352
Exercisable at the end of the period	598	1,699	427	3,352

During 2006, 1,300 options were sold by an employee to Quilvest France, in addition to the 1,000 sold in the prior year. Quilvest France exercised the 2,300 options during 2006. Employees exercised globally 404 options in 2006. 515 options were forfeited due to the leaving of an employee.

Notes to the Consolidated Financial Statements (continued)

23) Earnings per Share

The calculation of basic earnings per share at December 31, 2006 and 2005 is based on the net profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the years under review calculated as follows:

23.1) Calculation of IFRS weighted number of shares	2006	2005
Net profit attributable to the shareholders of the parent in \$ '000	67,951	73,557
Issued ordinary shares at January 1	5,400,000	5,400,000
Effect of own shares held	(12,564)	(9,294)
Shares issued at the capital increase of March 29, 2007	1,080,000	1,080,000
Weighted average number of ordinary shares at March 29, 2007	6,467,436	6,470,706
Net basic earnings per share (in \$)	10.5	11.4

23.2) Calculation of IFRS diluted average number of shares	2006	2005
Net profit attributable to the shareholders of the parent in \$ '000	67,951	73,557
Interest of convertible bonds, net of tax in \$ '000	695	686
Adjusted net profit for the year in \$ '000	68,646	74,243

Weighted average number of shares at December 31	5,387,436	5,390,706
Shares issued at the capital increase of March 29, 2007	1,080,000	1,080,000
Effect of potential conversion on convertible bond	176,000	176,000
Diluted average number of potential ordinary shares at March 29, 2007	6,643,436	6,646,706
Net weighted diluted earnings per share (in \$)	10.3	11.2

Notes to the Consolidated Financial Statements (continued)

24) Net income from directly held investments

in \$ '000	2006	2005
<i>Dividend and interest income</i>		
Dividend income	2,767	2,658
Interest income	309	1,319
Total	3,076	3,977
 <i>Realized and unrealized gains and losses</i>		
Realized and unrealized gains and losses on equity securities	27,129	33,631
Realized and unrealized gains and losses on investment-related loans	(7,355)	4,489
Realized and unrealized gains and losses on third party funds	68,831	52,671
Total	88,605	90,791
 <i>Net realized and unrealized gains and losses on derivative instruments</i>	 (4,538)	 1,297
 <i>Foreign exchange gains and losses</i>	 125	 -
 Total Net Income from directly held investments	 87,268	 96,065

Notes to the Consolidated Financial Statements (continued)

25) Net Income from Banking Activities

in \$ '000	2006	2005
<i>Interest income and similar income</i>		
Interest on loans and advances to banks	2,077	735
Interest on loans and advances to bank customers	5,008	4,303
Total	7,085	5,038
<i>Fee and Commission Income</i>		
Brokerage fees	12,645	13,093
Fiduciary fees	2,634	722
Custodian fees	4,265	3,886
Asset management fees	17,707	14,767
Other fee and commission income	6,283	6,097
Total	43,534	38,565
<i>Other income</i>		
Gain from securities traded on behalf of clients	-	47
Reversal of impairments on loans and advances to banks and customers	-	499
Total	-	546
<i>Interest expense and similar charges</i>		
Interest on deposits from bank customers	(175)	(82)
Total	(175)	(82)
<i>Fee and commission expenses</i>		
Brokerage fees	(19)	(1,458)
Fiduciary fees	(403)	(270)
Custodian fees	(218)	(175)
Asset management fees	(51)	(547)
Other fee and commission expenses	(2,208)	(165)
Total	(2,899)	(2,615)
<i>Other expenses</i>		
Losses from securities traded on behalf of clients	(44)	(379)
Allowances on loans and advances to banks and bank customers	(930)	-
Total	(974)	(379)
Total Net Income from Banking Activities	46,571	41,073

Notes to the Consolidated Financial Statements (continued)

26) Other Operating Income

in \$ '000	2006	2005
Decrease / (increase) in allowance for doubtful other receivables	(2)	925
Loss from disposal of property, plant and equipment and intangible assets	-	(32)
Rental income	343	397
Management Fees	1,805	2,468
Income from carried shares	9,479	1,704
Change in fair value of investment property	284	-
Other income	5,836	6,481
Total Other Operating Income	17,745	11,943

27) General Administrative Expenses

Administrative expenses which include the costs of making and managing investments, administrative costs related to the banking activities and the corporate management of the Group are accounted for on an accrual basis. They also include personnel costs, external consultancy fees and office expenses.

in \$ '000	2006	2005
Personnel		
Salaries and wages	(19,119)	(18,028)
Pension expense - Defined benefit plans	(292)	(1,373)
Pension expense - Defined contributions plans	(32)	-
Social contributions	(5,985)	(3,866)
Variable compensation (staff and management bonus)	(15,687)	(3,435)
Other personnel costs	(1,373)	(1,526)
Expenses related to share based payment schemes	(688)	-
Total	(43,176)	(28,228)
Other administrative expenses		
External consultancy Fees	(3,877)	(4,167)
Rental expense	(2,128)	(2,574)
Management fees	(147)	(5,148)
Set up fees	(270)	(832)
Other administrative expenses	(30,853)	(21,480)
Total	(37,275)	(34,201)
Total General Administrative Expenses	(80,451)	(62,429)

Notes to the Consolidated Financial Statements (continued)

28) Depreciation, Amortization and Impairment Losses

in \$ '000	2006	2005
Depreciation on property, plant and equipment	(943)	(918)
Amortization of intangible assets	(296)	(356)
Total Depreciation, Amortization and Impairment Losses	(1,239)	(1,274)

29) Financial Income

in \$ '000	2006	2005
Interest income	1,336	869
Foreign exchange gains	2,617	1,643
Total Financial Income	3,953	2,512

30) Financial Expenses

in \$ '000	2006	2005
Interest expense	(2,085)	(2,981)
Foreign exchange losses	(3,059)	(1,554)
Other financial expense	(74)	(106)
Total Financial Expenses	(5,218)	(4,641)

Notes to the Consolidated Financial Statements (continued)

31) Income from Associates

in \$ '000	2006	2005
Share in the profits of associated companies	696	207
Total Income from Associates	696	207

32) Income Tax Expense

in \$ '000	2006	2005
Total current year expense	(2,389)	(4,275)
Total deferred tax expense	(172)	2,474
Total Income Tax Expense	(2,561)	(1,801)

All entities of the wealth management business segment of the group are domiciled in France and Switzerland and thus fully taxable, whereas some entities within the group's private equity business segment are not subject to income tax due to their domicile.

33) Explanatory notes to the Cash flow statement

In 2006 the company changed the presentation of the consolidated cash flow statement from the indirect method to the direct method. The comparatives for 2005 were reperformed accordingly.

Cash flows from operating activities include the acquisitions and disposals of financial assets of the private equity segment. Cash flows relating to the financial assets held by the wealth management segment are classified as investing cash flows.

Notes to the Consolidated Financial Statements (continued)

34) Segment information

34.1) Business segments

The group has two main areas of activity. Private Equity, mostly concentrated through Quilvest Private Equity Ltd and its subsidiaries; and Wealth Management, concentrated through the private banking structures, SIF at Zurich and QBP in Paris.

for the year 2006 in \$ '000	Private Equity	Wealth management	Corporate	Other and elimination	Consolidation
External revenue	101,666	50,992	4,114	(5,470)	151,302
Depreciation and amortization expenses, net	(330)	(906)	(3)	-	(1,239)
Other non-cash income, net	284	(2)	-	-	282
Segment result (= EBIT)	64,889	7,224	(1,527)	(691)	69,895
Segment assets	715,486	237,712	128,779	(182,654)	899,323
Segment liabilities	85,754	184,012	59,216	(67,926)	261,056
Capital expenditures	(55)	(1,962)	-	-	(2,017)

for the year 2005 in \$ '000	Private Equity	Wealth management	Corporate	Other and elimination	Consolidation
External revenue	95,566	41,434	12,080	-	149,080
Depreciation and amortization expenses, net	(108)	(997)	(169)	-	(1,274)
Other non-cash income, net	-	-	925	-	925
Segment result (= EBIT)	80,988	5,692	(1,303)	-	85,377
Segment assets	633,062	197,119	145,562	(212,331)	763,412
Segment liabilities	46,375	143,100	4,005	2,520	196,000
Capital expenditures	631	1,558	64	-	2,253

Notes to the Consolidated Financial Statements (continued)

34.2) Geographical segments

Private equity activities are located in Europe, as well as in America and in Asia. The geographical segments are well segregated and no intersegment eliminations apply.

for the year 2006 in \$ '000	Europe	America	Asia & Middle East	Other and eliminaton	Consolidation
External revenue	103,365	39,143	8,794	-	151,302
Segment assets	699,158	319,389	63,432	(182,656)	899,323
Capital expenditures	(2,017)	-	-	-	(2,017)

for the year 2005 in \$ '000	Europe	America	Asia & Middle East	Other and eliminaton	Consolidation
External revenue	104,229	40,581	7,728	(3,458)	149,080
Segment assets	442,166	267,879	53,367	-	763,412
Capital expenditures	1,969	284	-	-	2,253

35) Risk management

The Board of Directors instituted an Audit Committee in 2002, which assesses risks and risk management of the Group. Quilvest recruited a Group Controller in 2004. He reports functionally to the Audit Committee and is in charge of optimizing overall control functions within the Group.

The Group Controller engaged a Group Auditor in early 2007 in order to perform periodic audits in the subsidiaries of Quilvest.

35.1) Private Equity activities

Credit risk

A strong diversification policy, which allows for regular divestment opportunities, and a strong shareholder commitment mitigate overall liquidity risk.

In addition, in-house due diligence, an independent committee decision team and close post acquisition monitoring of each lead investment by experienced professionals result in a lower risk.

Foreign currency risk

Currency risk is derived from multi-currency investments, whereas Group financial accounts are presented in United States Dollars. In addition to the United States Dollar, the major financial investments are in Euros, Sterling Pounds and Swiss Francs. Since 2003, Quilvest has put in place currency macro-hedging initiatives to limit currency driven performance volatility.

Liquidity risk

Cash positions and cash forecasts are prepared and reviewed by management on a weekly basis. Potential temporary short cash positions would be covered by signed back up line with Dexia.

Notes to the Consolidated Financial Statements (continued)

35.2) Banking activities

Quilvest Banque Privée and Société Internationale de Finance are regulated respectively by the Autorité des Marchés Financiers and the Commission Bancaire in France and by the Federal Banking Commission of Switzerland.

Credit risk

Management has a credit policy in place and the exposure to credit risks is monitored on an ongoing basis.

Credits granted to clients are generally covered by a Lombard Credit Agreement. To protect against market fluctuations, a strong lending ratio on available collateral is defined, and the collateral portfolio value is monitored on a regular basis.

Credit risk is assessed according to a system of limits and ratings monitored by the management.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest rate risk

Interest rate risk is the risk of loss resulting from changes in interest rates. The interest rates on the group's major interest-bearing liabilities are fixed. The interest rate risk of deposits from banks and customers is offset mainly by loans and advances to bank customers.

Foreign currency risk

The Group is exposed to foreign currency risk on investments, loans and advances to bank customers and deposits from banks and customers that are denominated in currencies other than the US dollar. The currencies giving rise to the risk are primarily Swiss Francs and Euros.

The Group uses derivative financial instruments to hedge economically the foreign exchange exposure of recognized monetary items or liabilities. No hedge accounting is applied and any gain or loss on the hedging instruments is recognized in the income statement.

36) Contingent liabilities and commitments

in \$ '000	2006	2005
Acceptances and endorsements	3,054	1,775
Guarantees and assets pledged as collateral security	26,648	19,388
Commitments arising out of sale and repurchase transactions	192,863	189,224
Fiduciary operations	2,462,794	1,169,362
Other commitments	148,468	160,721
Total	2,833,827	1,540,470

Notes to the Consolidated Financial Statements (continued)

37) Group Employment

	2006	2005
Number of employees at year end	183	147
Full time equivalent at year end	176	142
Average full time equivalent during the year	166	128

The employment policy of the group over the last few years has been to give preference to internal employment rather than to external recruitment. Different departments have profited from this policy, first of all the front units directly responsible for the two main core businesses of the group, but largely also the supporting units, such as IT and controlling. At all levels Quilvest acquired highly experienced and skilled professionals to support the strong growth of its activities.

38) Related parties

Related party transactions

Certain subsidiaries in the wealth management segment, as part of their normal business activities, also provide family office services to some members of the board of directors and senior management. The fees for their services are charged at arm's length.

Directors' remuneration

A list of the members of the Board of Directors is shown on page 3 of the General Section of the annual report.

in \$ '000	2006	2005
Directors' remuneration	518	468

Management remuneration

Key management personnel is defined within Quilvest as executive employees who are responsible for the operational and financial performance of a business segment and/or a business unit, as well as individuals who play a significant role in corporate functions within the organization. They represent 27 persons compared to 22 in 2005. As the scope of key personnel has been redefined this year, last year's figures have been restated accordingly.

All directors' remuneration is included in Other Administrative Expenses, whereas management's remuneration is included in Personnel Expenses, detailed in note 27.

Notes to the Consolidated Financial Statements (continued)

in \$ '000	2006	2005
Short-term employee benefits	10,140	6,680
Post-employment benefits	913	890
Termination benefits	-	959
Other long-term benefits	6,059	1,709
Share-based payments	152	-
Total Management's Remuneration	17,264	10,238

Other long-term benefits correspond to various incentive programs put in place for the management team. The termination benefit in 2005 relates to the departure of the Head of a business unit at the end of 2005.

39) Subsequent events

The financial statements were authorized for issue by the directors on April 25, 2007. After the balance sheet date, the following dividends were proposed by the directors for distribution :

	2006	2005
Total gross dividends (in \$ '000)	13,081	8,202
Dividend per share (in \$)	2.02	1.52

On March 8, 2007, the Board of Directors approved the issuance, listing and admission to trading of 1,080,000 new shares, each without nominal value. The company allowed subscription for the new shares by existing shareholders of Quilvest as at March 12, 2007. The subscription right was granted at a ratio of one Share for each five Existing Shares.

The subscription price was USD 112 per share, determined as the fair market price per share of the Company by its Board of Directors on March 8, 2007.

The offer period ran from March 12, 2007 until March 22, 2007.

100% of the new shares have been subscribed. The new shares were admitted to the Luxembourg Stock Exchange on March 29, 2007.

As a result of the operation, the share capital increased from USD 36,500,000 represented by 5,400,000 shares to USD 43,800,000 represented by 6,480,000 shares without par value, whereas USD 113,660,000 have been allocated to the Share Premium.

Report of the Statutory Auditors to the shareholders on the Annual Accounts

Following our appointment by the General Meeting of the Shareholders dated June 22, 2006, we have audited the accompanying annual accounts of Quilvest S.A., which comprise the balance sheet as at December 31, 2006 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of directors' responsibility for the annual accounts

The board of directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the statutory auditors

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Luxembourg "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the statutory auditors, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditors consider internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Quilvest S.A. as at December 31, 2006, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the annual accounts taken as a whole.

Luxembourg, May 31, 2007

KPMG Audit S.à r.l.

John Li
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Réviseur d'Entreprises

31, Allée Scheffer
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KPMG Ltd

Jane Hallauer-Wong
Partner
Chartered Certified Accountant (United Kingdom)

Parent Company

Balance Sheet

as of December 31		in \$ '000	
Assets	Note	2006	2005
Fixed Assets			
Tangible assets		13	
Financial assets	3	56,756	56,756
		56,769	56,756
Current Assets			
Debtors	4	30,262	29,561
Cash at bank and in hand		762	247
		31,024	29,808
Total Assets		87,793	86,564
Liabilities			
Capital and reserves	5	2006	2005
Subscribed capital		36,500	36,500
Share premium account		20,000	21,861
Legal reserve		3,650	3,070
General reserve		-	2,171
Profit brought forward		1,063	3,350
Profit for the financial year		8,691	2,463
		69,904	69,415
Creditors			
Convertible bonds	6	16,240	16,240
Other creditors		1,649	909
		17,889	17,149
Total Liabilities		87,793	86,564

The accompanying notes form an integral part of these annual accounts

Parent Company

Profit and Loss Account

as of December 31

in \$ '000

Charges	Note	2006	2005
Value adjustments in respect of assets		4	-
Interest payable and similar charges		504	525
Other charges		2,211	2,588
Profit for the financial year		8,691	2,463
Total charges		11,410	5,576
Income			
Income from fixed assets	7	10,000	3,000
Income from current assets		1,410	2,576
Total Income		11,410	5,576

The accompanying notes form an integral part of these annual accounts

Notes to the Annual Accounts

1. Basis of Presentation

The Company maintains its accounts and records in USD. The annual accounts are prepared in accordance with legal requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

The Company prepares consolidated financial statements, which are available at its registered office 84, Grand-Rue, B.P. 154, L-2011 Luxembourg.

On December 13, 2006, Luxembourg abolished by law the tax exemption of the Holding 1929 companies. According to this law, Quilvest, established in Luxembourg since 1960 and traded on the Luxembourg Stock Exchange before July 20, 2006, may continue to benefit from this regime during a transitional period from January 1, 2007 till December 31, 2010.

During the transitional period, the Company must comply with certain reporting requirements to maintain its right to benefit from the special tax exemption status, including an annual certification and submission of such certification to the tax authorities.

Alternative tax regimes, including potential conversion of the Company into a normally taxable company that may benefit from particular exemption rules, are currently being reviewed by the Company, so as to maintain an efficient tax regime in the future.

2. Summary of Significant Valuation Rules

The annual accounts have been prepared under the historical cost convention.

Transactions in foreign currencies have been reflected in the annual accounts the rates prevailing at the transaction date.

Financial assets in foreign currencies have been stated at the historical exchange rate. Current assets and liabilities in foreign currencies have been stated at the exchange rates as of December 31, 2006.

Financial assets are valued at acquisition cost. In case of a permanent reduction in the value of financial assets, they are valued at the lowest figures to be attributed to them. In the year ended December 31, 2006, no value adjustment was necessary.

3. Financial Assets

as of December 31, 2006

	Share capital	Number of shares held	% of Capital	Book value
Quilvest Private Equity Ltd Tortola, British Virgin Islands	USD 57,599,800 575,998 shares of USD 100 par value	575,997	99,99%	USD 54,104,177
Quilvest Europe S.A. Luxembourg	EUR 2,500,000 2,500,000 shares without par value	2,499,997	99,99%	USD 2,651,712
Total				USD 56,755,889

Parent Company

Notes to the Annual Accounts (continued)

4. Debtors

These mainly represent loans receivable from Quilvest Europe S.A. and from Quilvest Finance Ltd.

5. Capital and Reserves

in \$	Subscribed capital	Share Premium	Legal reserve	General reserve	Profit brought forward	Profit for the financial year	Total Capital and reserves
Balance at January 1, 2006	36,500,000	21,860,615	3,070,000	2,171,295	3,349,900	2,463,313	69,415,123
Ordinary General Meeting of June 22, 2006							
Result 2005 brought forward					2,463,313	(2,463,313)	
Dividend		(1,860,615)		(2,171,295)	(4,169,730)		(8,201,640)
Allocation to Legal reserve			580,000		(580,000)		
Profit for the financial year						8,690,641	8,690,641
Balance at December 31, 2006	36,500,000	20,000,000	3,650,000	0	1,063,483	8,690,641	69,904,124

As of December 31, 2006 the Company's authorised share capital is USD 100,000,000 represented by 14,794,520 shares without nominal value, of which USD 36,500,000 represented by 5,400,000 shares without nominal value are issued and fully paid.

As at December 31, 2006, 19,989 Quilvest shares are held by the Group. As the holding occurs through a foreign subsidiary of the mother company, no indisponible reserve has been constituted in the annual accounts as should have been required if the holding had occurred at the Luxembourg level. During the year 2006 the group acquired additionally 7,062 own shares for a total purchase amount of USD 532,000.

6. Convertible Bonds

On July 1, 2003 Quilvest S.A. issued 160,000 bonds at a price of USD 100 nominal each, bearing an interest rate of 3%, p.a. payable annually as of June 30, maturing in 2008. The bonds are convertible at the option of the bondholders upon maturity at a conversion rate of one for 1.1 Quilvest shares. The amount shown includes accrued interest of USD 240,000, which is becoming due and payable within one year.

Parent Company

Notes to the Annual Accounts (continued)

7. Income from Fixed Assets

On June 26, 2006, the company received a cash dividend in the amount of USD10,000,000 from Quilvest Private Equity Ltd.

8. Contingencies

As of December 31, 2006 and 2005 Quilvest S.A. has granted an indemnity in favor of an indirectly held subsidiary in the amount of USD 1.3 million (CHF 1.5 million) to cover that subsidiary's loss on an asset.

9. Subsequent Events

On February 13, 2007, Quilvest S.A. incorporated a new subsidiary, Quilvest Participation Limited in Gibraltar.

On March 8, 2007, the Board of Directors approved the issuance, listing and admission to trading of 1'080'000 new shares, each without nominal value. The company allowed subscription for the new shares by existing shareholders of Quilvest as at March 12, 2007. The subscription right was granted at a ratio of one share for each five existing shares.

The subscription price was USD 112 per share, determined as the fair market price per share of the Company by its Board of Directors on March 8, 2007.

The offer period ran from March 12, 2007 until March 22, 2007.

100% of the new shares have been subscribed. The new shares were admitted to the Luxembourg Stock Exchange on March 29, 2007.

As a result of the operation, the share capital increased from USD 36,500,000 represented by 5,400,000 shares to USD 43,800,000 represented by 6,480,000 shares without par value, whereas USD 113,660,000 have been allocated to the Share Premium.

Parent Company

Earnings and Allocations

	(in \$)
<hr/>	
Proposal	
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The balance sheet as per December 31, 2006 shows a profit of:	8,690,641
- adding the profit brought forward	1,063,483
- General Reserve	-
- Issue Premium	5,000,000
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The total available for distribution is:	14,754,124
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The Board of Directors proposes to:	
- allocate to Legal Reserve	730,000
- distribute a gross dividend of	13,081,344
- carry forward	942,780
<hr/>	
	14,754,124
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The Board of Directors proposes a dividend for the year ended December 31, 2006 of USD 2,0187 per share.

Furthermore the Board of Directors proposes an allocation to the legal reserve of USD 730,000 in accordance with Luxembourg law whereas at least 5% of the net profit must be appropriated to a non-distributable legal reserve until the aggregate reserve reaches 10% of the subscribed capital.

No delegation of task was made by the Board of Directors to any of its members and accordingly no salary, allocation or remuneration was paid except as stated in Article 14 of the Articles of Incorporation.

A gross remuneration of USD 518,000 will be proposed for the year 2006.

Parent Company



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