QUILVEST

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Directors' Report

The directors present their Annual Report and the audited consolidated financial statements of Quilvest S.A. ("the Company") and its subsidiaries (all together "the Group").

Directors

The directors of the Company who held office during the financial year are listed on page 3 of the General section of the Annual Report.

Principal activities

The Group's principal activities are Private Equity and Wealth Management.

Business review

The business review is presented in the annual report as follows:

- Position of the business at the end of the year (page 4 in "Group Highlights" of the General section of the Annual Report);
- Trends and factors likely to affect the future development, performance and position of the business and review of the Company business (page 8 to 11 in the "Chief Executive Officer's Statement" of the General section in the Annual Report).

The Corporate Governance report (page 17 of the General section of the Annual Report) includes the sections of the business review in respect of:

- Duties and activities of the Audit Committee;
- Role of the Remuneration Committee;
- Composition and changes of Share capital and Shareholders.

Result and dividends

The statutory result of Quilvest S.A. for the year is USD 5,972,231 (USD 13,782,365 in 2007).
Taking into account the profit brought forward as at December 31, 2008 amounting to USD 380,453, an allocation to the legal reserve of USD 118,963 and a reduction of the share premium of USD 11,206,788, the directors are pleased to recommend a gross dividend of USD 2,6203 per share (USD 2,5223 in 2007).
For a total of shares of 6,656,000, the total amount intended to be distributed is USD 17,440,509.

Going concern

The directors, having made appropriate enquiries, have a reasonable expectation that the Group and the Company have adequate resources to continue its operational existence in the foreseeable future.
For this reason they continue to adopt the going concern basis in preparing the financial information 2008.

Substantial interests

As at December 31, 2008, two companies declared to hold more than 5% of the voting rights of the Company. Arconas Holding Limited declared the holding of 15.76% of the voting rights (1,021,023 shares) and Lagel Limited declared the holding of 5.67% of the voting rights (367,604 shares).

QUILVEST

Directors' Report (continued)

Capital structure and corporate governance

- Details of the capital structure of the Company and details on the share capital and the process for changes in share capital subscribed and authorized can be found on page 19 of the Corporate Governance report (General section of the Annual Report). All securities are admitted to trading on the regulated market of the Luxembourg stock exchange;
- There are no other restrictions to the transfer of shares to disclose other than those described in the section "Ownership threshold" of the Corporate Governance report;
- The major shareholders are disclosed in the section "Major shareholders" of the Corporate Governance report;
- There is no holder of any securities with special control rights;
- There is no employee share scheme at the level of Quilvest S.A.;
- There is no restriction on voting rights;
- To the best of the knowledge of the Company, there is no agreement between shareholders which may result in restrictions on the transfer of securities and/or voting rights;
- The rules governing the appointment and the replacement of Board members as well as their power are disclosed in the section "Members of the Board of Directors" of the Corporate Governance report;
- The rules governing the amendment of the articles of association are disclosed in the section "Variation of rights amendments of the Company articles of association" of the Corporate Governance report;
- There are no significant agreements to which the Company is party and which would take effect, alter or terminate, upon a change of control of the Company following a takeover bid;
- The agreements between the Company and its Board members or employees provide for a compensation only for two employees, should a takeover bid occur.

Subsequent events

There is no significant subsequent event to mention in this report.

Auditors

A resolution for the re-appointment of KPMG Audit S.à r.l. as Réviseur d'Entreprises of the Company is to be proposed at the forthcoming Annual General Meeting.

Approval

This report was approved by the Board of Directors on May 7, 2009.

On Behalf of the Board of Directors,

Michel Abouchalache

Report of the Réviseur d'Entreprises 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 27, 2008, 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, 2008 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 Réviseur d'Entreprises

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 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 judgement of the Réviseur d'Entreprises, 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 Réviseur d'Entreprises considers 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, 2008, 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 European Union.

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 directors' report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements.

Luxembourg, May 7, 2009

KPMG Audit S.à r.l.
Réviseurs d'Entreprises

Thierry Ravasio

KPMG Audit S.à r.l., a Luxembourg Société à Responsabilité Limitée and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.
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Quilvest

Consolidated Balance Sheet

for the financial years ended December 31, 2008 and 2007 In $ '000

	Notes	2008	2007
Assets			
Cash and cash equivalents	3	187,340	162,318
Income tax receivable		2,750	96
Loans and advances to banks	4	27,413	-
Loans and advances to bank customers	5	126,059	125,520
Other receivables, accrued income and prepaid expenses	6	45,685	48,976
Investments	7	582,262	792,568
Property, plant and equipment	8	42,384	22,499
Investment property	9	9,033	9,834
Intangible assets	10	57,890	19,533
Investments in associates	11	2,049	2,245
Deferred tax assets	12	220	175
Total assets		**1,083,085**	**1,183,764**

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

Consolidated Balance Sheet (continued)

for the financial years ended December 31, 2008 and 2007 — In $ '000

	Notes	2008	2007
Liabilities and equity			
Financial liabilities held for trading	7	3,315	9,205
Income tax payable		1,828	3,236
Deposits from banks	13	26,854	27,316
Deposits from bank customers	14	179,909	118,818
Other liabilities, deferred income and accrued expenses	15	59,010	65,104
Interest-bearing liabilities	16	55,815	28,798
Employee benefit obligations	17	541	468
Provisions	18	887	1,006
Deferred tax liabilities	12	8,896	9,491
Total liabilities		**337,055**	**263,442**
Share capital	19	44,990	43,800
Share premium	19	141,470	128,937
Treasury shares	20	(2,606)	(2,046)
Reserves	21	18,487	31,188
Retained earnings	21	678,292	544,996
Profit/(Loss) for the year - Group share	21	(144,626)	146,427
Total equity attributable to shareholders of the parent		**736,007**	**893,302**
Minority interest	22	10,023	27,020
Total equity		**746,030**	**920,322**
Total liabilities and equity		**1,083,085**	**1,183,764**

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

Quilvest

Consolidated Income Statement

for the financial years ended December 31, 2008 and 2007 — In $ '000

	Notes	2008	2007
Net result from directly held investments	25	(113,100)	158,977
Net result from wealth management activities	26	52,503	61,405
Other operating income, net	27	12,929	28,646
General administrative expenses	28	(92,144)	(101,824)
Depreciation, amortization and impairment losses	29	(5,710)	(1,637)
Operating result		**(145,522)**	**145,567**
Financial income	30	9,303	9,952
Financial expenses	31	(11,459)	(4,967)
Income from associates	32	228	576
Profit/(Loss) before tax		**(147,450)**	**151,128**
Income tax expense	33	22	(2,608)
Profit/(Loss) for the year		**(147,428)**	**148,520**
Attributable to			
Shareholders of parent company		(144,626)	146,427
Minority interest		(2,802)	2,093

	Notes	2008	2007
Earnings per share (in $)			
Basic	24	(22.1)	23.7
Diluted	24	(22.1)	23.1

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

Consolidated Cash flow Statement

for the financial years ended December 31, 2008 and 2007 | In $ '000

	Notes	2008	2007
Operating cash flows directly linked to the Private Equity Business			
Acquisition of PE investments	7	(167,193)	(292,013)
Proceeds from sale of PE investments	7	249,116	221,073
Dividends received from PE investments		2,770	5,268
Interests received from PE investments		119	2,660
Operating cash flows directly linked to the Wealth Management Business			
Net interest income		8,058	8,100
Net fee and commission income		50,708	56,916
Cash movements in loans and advances to banks and bank customers		(29,085)	(6,973)
Cash movements in loans and advances from banks and bank customers		55,798	(20,855)
Other cash movements related to the Wealth Management Business		929	286
Other operating cash flow movements			
Cash paid to suppliers and employees		(95,288)	(86,706)
Income taxes paid		(3,949)	(579)
Net cash from other operating activities		22,650	12,228
Net cash provided by / (used in) operating activities		**94,633**	**(100,595)**
Acquisition of investments		(32,108)	(14,151)
Proceeds from sale of investments		33,495	21,567
Acquisition of property, plant and equipment		(14,949)	(3,887)
Proceeds from disposal of property, plant and equipment		25	35
Acquisition of intangible assets		(526)	(454)
Proceeds from disposal of investment in associates		112	-
Acquisition of subsidiaries, net of cash acquired	1	(96,393)	(209)
Purchase of minority interests		(17,571)	-
Interests received		1,264	4,410
Dividends received		1,091	683
Net cash provided by / (used in) investing activities		**(125,560)**	**7,994**
Proceeds from issue of share capital		-	120,960
Proceeds from interest bearing liabilities		57,678	-
Repayment of interest bearing liabilities		(892)	(20,461)
(Decrease)/Increase in short term financing		(486)	1,108
Repurchase of treasury shares		(847)	(1,446)
Proceeds of treasury shares		424	1,067
Contributions from minority interests		33,388	1,731
Distributions to minority interests		(774)	(2,447)
Interests paid		(3,969)	(1,346)
Dividends paid		(16,255)	(13,021)
Net cash provided by / (used in) financing activities		**68,267**	**86,145**
Net increase / (decrease) in cash and cash equivalents		**37,340**	**(6,456)**
Cash and cash equivalents at beginning of year		162,318	159,882
Effect of exchange rate fluctuations on cash and cash equivalents held		(12,318)	8,892
Cash and cash equivalents at end of year		**187,340**	**162,318**

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

Quilvest

Consolidated Statement of Changes in Equity

for the financial years ended December 31, 2008 and 2007

In $ '000	Share Capital	Share Premium	Treasury Shares	Reserves & Retained earnings	Total Group	Minority Interest	Total Equity
Notes	19	19	20	21		22	
Balance at January 1, 2007	36,500	20,277	(1,348)	558,925	614,354	23,913	638,267
Profit for the year	-	-	-	146,427	146,427	2,093	148,520
Gain on property revaluation, net of deferred tax	-	-	-	1,675	1,675	-	1,675
Exchange differences	-	-	-	23,346	23,346	957	24,303
Total recognized income and expense	-	-	-	171,448	171,448	3,050	174,498
Capital increase of March 29, 2007	7,300	113,660	-	-	120,960	-	120,960
Repurchase of treasury shares	-	-	(1,446)	-	(1,446)	-	(1,446)
Sale of treasury shares	-	-	748	319	1,067	-	1,067
Contributions from minority interests	-	-	-	-	-	2,026	2,026
Distributions to minority interests	-	-	-	-	-	(1,969)	(1,969)
Dividends paid	-	(5,000)	-	(8,081)	(13,081)	-	(13,081)
Balance at December 31, 2007	43,800	128,937	(2,046)	722,611	893,302	27,020	920,322
Balance at January 1, 2008	43,800	128,937	(2,046)	722,611	893,302	27,020	920,322
Loss for the year	-	-	-	(144,626)	(144,626)	(2,802)	(147,428)
Loss on property revaluation, net of deferred tax	-	-	-	(493)	(493)	-	(493)
Exchange differences	-	-	-	(12,208)	(12,208)	3,582	(8,626)
Total recognized income and expense	-	-	-	(157,327)	(157,327)	780	(156,547)
Conversion of convertible bonds matured June 30, 2008	1,190	14,810	-	-	16,000	-	16,000
Unwind of amortization of convertible bonds	-	(277)	-	1,077	800	-	800
Repurchase of treasury shares	-	-	(847)	-	(847)	-	(847)
Sale of treasury shares	-	-	287	137	424	-	424
Contributions from minority interests	-	-	-	-	-	33,112	33,112
Distributions to minority interests	-	-	-	-	-	(2,015)	(2,015)
Minority interests acquired in business combinations	-	-	-	-	-	(36,327)	(36,327)
Purchase of minority interests	-	-	-	-	-	(12,547)	(12,547)
Dividends paid	-	(2,000)	-	(14,345)	(16,345)	-	(16,345)
Balance at December 31, 2008	44,990	141,470	(2,606)	552,153	736,007	10,023	746,030

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

Significant Accounting Policies

Summary of Activities

QUILVEST S.A. (the "Company") is a Luxembourg holding company incorporated under the law of August 10, 1915 as amended. The Company is listed on the regulated market of the Luxembourg Stock Exchange. The Company's status as a tax exempted billionaire holding company is maintained until December 31, 2010.

The consolidated financial statements of the Company as at and for the year ended December 31, 2008 comprise the Company and its subsidiaries (together referred to as the "Group").

The Company is directly controlling two sub-holding companies, Quilvest Private Equity Ltd., Tortola, British Virgin Islands, and Quilvest Europe S.A., Luxembourg.

Quilvest Private Equity Ltd. and its subsidiaries are investment holding companies, investing both directly and indirectly. The investments include equity, debt and fund investments in private equity made worldwide.

Quilvest Europe S.A., Luxembourg, is directly controlling Quilvest France and its subsidiaries, Quilvest UK Ltd., Quilvest USA Inc. and Quilvest Switzerland Ltd.. Quilvest France makes public and private investments in France and is also the direct shareholder of Quilvest Banque Privée. Quilvest Switzerland Ltd. in Zurich, Switzerland, and Quilvest Banque Privée in Paris, France, are involved in wealth management activities.

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

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

Basis of Preparation and Statement of Compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements are presented in US Dollars 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 and own-used property.

These consolidated financial statements were authorized for issue by the Board of Directors on May 7, 2009 and are subject to approval by the shareholders' meeting of June 26, 2009.

Use of Accounting Estimates and Judgements

The application of the Group's accounting policies require 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 of the financial investments, the assumption related to the valuation of land and building, the valuation of goodwill and the actuarial assumptions related to the employee benefits.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

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 begins until the date that control ceases.

Associates

Associates are the enterprises in which the Group has significant influence, but no 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 gains 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 investee, as an adjustment to the carrying amount of the investment. Unrealized losses are eliminated in the same way as unrealized gains, to the extent that there is no evidence of impairment.

Foreign Currency

Translation principles at entity level

Items included in the financial statements of each of the Group entities are measured using their functional currency, being the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions or the average exchange rate for a month.

Monetary assets and liabilities items denominated in foreign currencies are translated at the reporting date into the appropriate functional currency at the exchange rate at that date.

Foreign exchange gains or losses arising on translation are recognized in profit and loss.

Significant Accounting Policies (continued)

Translation principles of foreign operations

Income and expenses of the entities which have a functional currency different from the Group reporting currency and which are fully integrated are translated into the US dollar at the average rate for the period. The assets and liabilities of these entities including goodwill and fair value adjustements arising on consolidation are translated at the spot rates at the balance sheet date. The resulting translation differences are included in equity. The cash flow movements are translated at the average rate for the period and an exchange rate difference is recognized by reconciling the movements translated at average rate with the cash at the beginning of the period translated at the spot rate prevailing at previous balance sheet date and the spot rate at current balance sheet date.

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.

	EUR/USD	CHF/USD	GBP/USD
Year-end 2006	0.75821	1.21990	0.51101
Average 2007	0.72834	1.19740	0.50021
Year-end 2007	0.68397	1.13214	0.50234
Average 2008	0.67965	1.08311	0.53903
Year-end 2008	0.70716	1.06010	0.69035

Cash and Cash Equivalents

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

Loans and Advances to Banks and Customers and Other Receivables

The loans, advances and receivables are initially recognized at cost, which is the fair value of the consideration given, including transaction costs that are directly attributable to the acquisition of the asset. Loans and receivables are subsequently measured at their 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.

Significant Accounting Policies (continued)

Financial Investments and Fair Values

The Group's investments primarily relate to private equity investments. These 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.

According to Quilvest's investment strategy, all in-house managed financial assets (equity and debt instruments) are designated upon initial recognition at fair value through the profit and loss account. Any transaction costs are expensed as incurred. Subsequently, any changes in fair value 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 Group does not have any financial instruments classified as available for sale.

If Quilvest's share in ownership interest or voting rights exceeds 20% without granting the control on the investment, then, in accordance with the scope exclusion of IAS 28, those investments are upon initial recognition classified as "designated at fair value through profit and loss" in accordance with IAS 39.

Listed investments

The fair value of listed investments is based on stock price 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 earnings 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 market 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 designated at fair value through profit and loss

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 is determined based on the most recent financial statements, adjusted for recent transactions or reference to another third party fund with similar characteristics.

Financial assets and liabilities held for trading

This category includes exclusively derivatives. These 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.

Significant Accounting Policies (continued)

The positive fair values of the derivatives are presented in the consolidated balance sheet under "Financial assets held for trading". The negative fair values of the derivatives are presented in the consolidated balance sheet under "Financial liabilities held for trading".

Investment-related loans

These include investment-related loans which are non convertible loans granted to direct investments. They are initially recognized at fair value and stated at fair value at the balance sheet date.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Expenditures are capitalized as separate assets, only when it is probable that future economic benefits associated with an item will flow to the Group 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.

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 initially recognized at cost, including transaction costs, and subsequently measured at fair value, with changes in fair value recognized in profit or loss.

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 annually for impairment and is carried at cost less accumulated impairment losses.

Additional acquisition of minority interests after control is obtained, results in the recognition of goodwill determined on the basis of the cost of the additional investment and the carrying amount of the net assets at the transaction date.

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

Impairment of financial assets

At each balance sheet date the Group assesses whether there is objective evidence that financial assets other than financial assets at fair value through profit or loss are impaired.

Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy or the disappearance of an active market for a security.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

When a subsequent identifiable event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of goodwill is estimated annually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a prorata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Significant Accounting Policies (continued)

Deposits, Interest-bearing liabilities and Other liabilities

Deposits, interest-bearing liabilities and other liabilities are recognized initially at cost, being the fair value of the consideration received less attributable transaction costs. Subsequent to initial recognition, 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 rate basis.

Convertible bonds

Quilvest S.A. issued in 2003 a convertible loan that was converted to share capital at a fixed predetermined conversion ratio at the option of the holder at the maturity date of June 30, 2008. Until maturity date this loan was accounted for as a compound financial instrument, net of attributable transaction costs. The equity component of the convertible loan was calculated till the conversion date 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 was included in equity. The interest expense recognized in the income statement was 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.

Equity

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 Group purchases 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 equity. When such shares are subsequently sold or reissued, any consideration received is included in equity.

Significant Accounting Policies (continued)

Increases in capital by, or distributions to minority interests in private equity investment vehicles, are disclosed as "Contributions from minority interests", and "Distributions to minority interests" in the statement of changes in equity.

Share-based payments

The Group operates a cash-settled, share-based payment compensation plan in one of its banking subsidiaries. The plan relates to a French subsidiary of the Group and does not concern potential emission of shares of the 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 written off when the shares are redeemed.

Net result from directly held investments

Net result from directly held investments includes interest, dividend income, fair value changes on investments classified at fair value through profit and loss and net income from controlled Private Equity investments. Interest income on debt securities or on loans is recognized as it accrues, taking into account the effective yield on the asset. Dividend income is recognized on the date that the dividend is declared. Net income from controlled Private Equity investments corresponds to the EBITDA of the corresponding entities.

Net result from wealth management activities

Net result from wealth management activities includes interest income and expenses on loans and advances to/from banks and bank customers, impairment losses on loans and 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 prorata 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.

Carried interest

Carried interest receivable

The Group earns a share of profits ("carried interest receivable") from target investments which it manages on behalf of third parties. These profits are earned once the investments meet certain performance conditions.

Carried interest receivable is only accrued if the performance conditions of those investments, measured at the balance sheet date, are met based on the assumption that the underlying assets would be realised at fair value. The accrual is made on the Group's share of profit in excess of the performance conditions.

Significant Accounting Policies (continued)

Carried interest payable

The Group offers investment executives the opportunity to participate into the returns from successful investments. "Carried interest payable" is the term used for amounts payable to executives and third parties on investment-related transactions.

A variety of asset-pooling arrangements is in place so that executives may have an interest in one or more carried interest schemes.

Carried interest payable is only accrued on those schemes in which the performance conditions, measured at the balance sheet date, would have been achieved if the remaining assets in the scheme were realised at fair value. The accrual corresponding to the executives' share of profits is made on the excess of the performance conditions of the different existing schemes.

Income tax

Income tax on the profit or loss for the year is comprised of current and deferred taxes. 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.

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.

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

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible bonds.

Significant Accounting Policies (continued)

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 Private Equity segment includes investments at fair value and investments controlled by the Group which are therefore consolidated ("Controlled Private Equity investments"). The Wealth Management segment is concentrated in its private banking structures, Quilvest Switzerland in Zurich and Quilvest Banque Privée in Paris. The "Corporate" segment includes the supporting administrative activities concentrated at the level of the holding and sub-holding structures.

Geographical segments

The Private Equity segment operates worldwide, principally in Europe, in America and in Asia.

There are no significant inter-segment transactions.

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, 2009 and which the Group has not early adopted. Below is the Group's assessment on those new accounting and reporting developments.

1) New and revised standards

IFRS 8	Operating Segments
Date of required application	January 1, 2009
Content	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.
Assessment	Management is currently analyzing the impact of this amendment on the Group's disclosures.
Revised IAS 23	Borrowing costs
Date of required application	January 1, 2009
Content	The revisions to IAS 23 concern restrictions to the accounting treatment of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.
Assessment	Management considers that this revised standard will have no impact on the Group.
Revised IAS 1	Presentation of Financial Statements
Date of required application	January 1, 2009
Content	The revisions aim to improve users' ability to analyse and compare the information given in financial statements.
Assessment	The revisions will change the presentation of owner changes in equity and of comprehensive income.
Revised IFRS 3	Business Combination
Date of required application	January 1, 2009
Content	The revisions to IFRS 3 maintain the accounting principle of the acquisition method to business combinations with some significant changes.
Assessment	IFRS 3 will have an impact on how the Group reports on business combinations.

Significant Accounting Policies (continued)

Amended IAS 27	Consolidated and separate financial statements
Date of required application	July 1, 2009
Content	The revisions to IAS 27 provide mainly guidance on changes in ownership interests.
Assessment	Management is currently analysing the impact of this amendment on the Group's disclosures.
Amended IAS 32	Financial instruments: Presentation
Date of required application	January 1, 2009
Content	The revisions to IAS 32 require that some puttable financial instruments and some financial instruments that impose on the entity an obligation to deliver to another party a prorata share of the net assets of the entity only on liquidation to be classified as equity.
Assessment	Management is currently analysing the impact of this amendment on the Group's disclosures.
Amended IFRS 1 and IAS 27	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Date of required application	January 1, 2009
Content	These amendments provide mainly guidance on changes in the ownership interests.
Assessment	Management considers that this amended standard will have no significant impact on the Group.
Amended IFRS 2	Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations
Date of required application	January 1, 2009
Content	This amendment clarifies vesting conditions and cancellations applicable to share-based payment scheme.
Assessment	Management considers that this amended standard will have no significant impact on the Group.
Amended IAS 39	Eligible Hedged Items – Amendment to IAS 39 Financial Instruments: Recognition and Measurement
Date of required application	July 1, 2009
Content	This amendment clarifies recognition and measurement of eligible hedged items in two specific circumstances.
Assessment	Management considers that this amended standard will have no significant impact on the Group.

Significant Accounting Policies (continued)

2) New interpretations

IFRIC 13	Customer Loyalty Programmes Effective July 1, 2008
IFRIC 15	Agreements for the Construction of Real Estate Effective January 1, 2009
IFRIC 16	Hedges of a Net investment in a Foreign Operation Effective October 1, 2008
IFRIC 17	Distributions of Non-cash Assets Effective July 1, 2009
IFRIC 18	Transfers of Assets from Customers Effective July 1, 2009
Assessment	Interpretations IFRIC 13, 15, 16, 17 and 18 do not apply to the Group.

Notes to the Consolidated Financial Statements

1) Changes in the scope of consolidation and ownership interests

Compared to year-end 2007, the following changes in the scope of consolidation were integrated in these financial statements.

In the Private Equity business segment, several new private equity vehicles were incorporated during the year 2008 and their investments integrated at cost in these financial statements.

The new active Group vehicles are QPE PEP 2008, QS Cash, QS Treatment, QS Drilling, QS Hosting, QS Distribution and QS Sushi.

A new company was incorporated in Dubai in May 2008, Quilvest Dubai Ltd, which is 100% owned by the Group and is fully consolidated.

Quilvest Participation Ltd, incorporated in 2007, was liquidated in June 2008 and exited out of the consolidation scope.

Purchase of minority interests

On July 18, 2008, the Group acquired an additional 20% of the issued share capital of QLB Holding for EUR 6 million, increasing the Group participation to 85%. The Group recognized a decrease in minority interest of EUR 0.1 million (USD 0.2 million) and a goodwill of EUR 2.8 million (USD 4.1 million).

On October 31, 2008 the Group acquired an additional 25% of the issued share capital of Quilvest Switzerland for CHF 9.4 million, increasing the Group participation to 100%. The carrying amount of Quilvest Switzerland net assets in the consolidated financial statements on the date of acquisition was CHF 31.4 million. The Group recognized a decrease in minority interest of CHF 7.8 million (USD 7.3 million) and a goodwill of CHF 1.5 million (USD 1.4 million).

During 2008, the Group acquired an additional 8.3% of the issued shares in capital of QS PEP 2002 for USD 1.9 million and 19.8% of the issued shares in capital of QS Candy for USD 1.5 million. The consideration paid equals the fair value of the net assets acquired, thus no additional goodwill resulted from the transactions.

Business combinations

On March 10, 2008 the Group acquired 100% of the issued share capital of YO!Sushi Group via new created subsidiaries QS Sushi and Sushi Holding Limited 1. The shareholders of the Parent Company have an economic interest on YO!Sushi Group of 38.9%.

On January 1, 2008, the Group obtained control over Hill and Valley Inc. via the subsidiary QS Bakery. The shareholders of the Parent Company have an economic interest on Hill and Valley of 36.6%.

Notes to the Consolidated Financial Statements (continued)

The aggregated effect of the business combinations as at acquisition date is summarized below :

	Total carrying and fair value amounts
Property, plant and equipment	17,138
Other receivables, accrued income and prepaid expenses	12,535
Cash and cash equivalents	6,070
Other liabilities, deferred income and accrued expenses	(10,230)
Interest-bearing liabilities	(4,753)
Net identifiable assets and liabilities	20,760
attributable to the shareholders of the parent	7,987

Fair value of consideration paid	99,866
attributable to the shareholders of the parent	47,718

Goodwill	39,731

Consideration paid, satisfied in cash	99,866
Transaction fees paid	2,597
Less cash acquired	(6,070)
Net cash outflow	96,393

Notes to the Consolidated Financial Statements (continued)

2) Main consolidated structures

	Country	% held	Segment
Quilvest S.A., the Parent Company	Luxembourg		Corporate
Quilvest Europe S.A.	Luxembourg	100	Corporate
Quilvest France S.A.S.	France	100	Private Equity
Quilvest UK Ltd.	Great-Britain	100	Private Equity
Quilvest Dubai Ltd.	UAE	100	Private Equity
Quilvest USA Inc.	Delaware	100	Private Equity
Quilvest Banque Privée S.A. and its subsidiaries	France	100	Wealth Management
Quilvest Switzerland Ltd. and its subsidiaries	Switzerland	100	Wealth Management
Quilvest Private Equity Ltd.	British Virgin Islands	100	Private Equity
Quilvest American Equity Ltd.	British Virgin Islands	100	Private Equity
Quilvest American Venture Ltd.	British Virgin Islands	100	Private Equity
Quilvest European Equity Ltd.	British Virgin Islands	100	Private Equity
Quilvest European Venture Ltd.	British Virgin Islands	100	Private Equity
Quilvest Asian Equity Ltd.	British Virgin Islands	100	Private Equity
Quilvest Asian Venture Ltd.	British Virgin Islands	100	Private Equity
Quilvest Ventures Ltd. and its subsidiaries	British Virgin Islands	100	Private Equity
QS Companies USA Ltd. and its subsidiaries	British Virgin Islands	100	Private Equity
QS Companies Europe Ltd. and its subsidiaries	British Virgin Islands	100	Private Equity
QS PEP Holding Ltd. and its subsidiaries	British Virgin Islands	100	Private Equity
QS Strategic GP's Ltd.	British Virgin Islands	100	Private Equity
Quilvest Finance Ltd. and its subsidiaries	British Virgin Islands	100	Corporate & Private Equity

QS Sushi and Sushi Holding Limited 1 mentioned in note 1 are subsidiaries of QS Companies Europe Ltd.
QS Bakery mentioned in note 1 is a subsidiary of QS Companies USA Ltd.

All companies integrated in the consolidation have their closing date at December 31 with exception of Sushi Holding Limited 1 and its subsidiaries (November 30).

Notes to the Consolidated Financial Statements (continued)

3) Cash and Cash Equivalents

In $ '000	2008	2007
Cash in hand (Petty cash)	486	371
Balances with banks	96,397	76,412
Call and fixed term deposits < 3 months	90,457	85,535
Cash and Cash Equivalents	187,340	162,318

4) Loans and Advances to Banks

In $ '000	2008	2007
Net loans and advances to banks	27,413	-

At end 2008, the carrying amount of USD 27.4 million corresponds mainly to EUR 19.4 million deposits of Quilvest Banque Privée with banks for a maturity higher than three months.

5) Loans and Advances to Bank Customers

In $ '000	2008	2007
Loans and advances to bank customers	129,246	127,810
Specific allowance for impairment	(3,187)	(2,290)
Net loans and advances to bank customers	126,059	125,520

The impairment testing undertaken by Quilvest Switzerland and Quilvest Banque Privée results in a specific allowance for impairment of CHF 3,334,000 and EUR 30,000 (together USD 3,187,000) at the end of 2008 compared to CHF 2,593,000 (USD 2,290,000) at the end of 2007. This amount covers potential default risk from specific clients. The movement on the specific allowances for impairment and a foreign exchange loss are recognized in the income statement for USD 745,000 and USD 152,000, respectively.

Notes to the Consolidated Financial Statements (continued)

6) Other Receivables, Accrued Income and Prepaid Expenses

In $ '000	2008	2007
Interest receivable and accrued interest	1,313	1,543
Carried interest receivable	8,374	8,612
Other assets and receivables	27,293	33,569
Loans to employees	1,126	278
Accrued income	6,636	4,246
Prepaid expenses	943	728
Other Receivables, Accrued Income and Prepaid Expenses	**45,685**	**48,976**

The impairment testing undertaken resulted in no specific allowance for impairment at the end of 2008 and 2007.
The "Other assets and receivables" include at end of 2008 receivables of USD 13.8 million operating receivables of the controlled Private Equity investments, USD 5.3 million operating receivables of the two Wealth Management entities as well as USD 5.3 million operating receivables of Quilvest France, Quilvest Dubai and Quilvest USA. Last year, the "Other assets and receivables" included USD 19.8 million for disposed of Private Equity investments.

Notes to the Consolidated Financial Statements (continued)

7) Investments and Derivatives

7.1) Global overview on investments

Financial assets designated at fair value through profit and loss

In $ '000	2008	2007
Debt securities	1,339	16
Equity securities	235,636	228,464
Third party funds	329,747	535,979
Convertible loans	5,611	9,265
Total	**572,333**	**773,724**
Financial assets held for trading - Derivatives	**5,532**	**6,919**
Loans and receivables - Investment-related loans	**4,397**	**11,925**
Total Investments	**582,262**	**792,568**

7.2) Investments designated at fair value through profit and loss

7.2.1) Schedule of changes in investments designated at fair value through profit and loss in 2008

In $ '000	Equity, Debt securities and convertible loans	Third party funds	Total
Fair value at opening balance	237,745	535,979	773,724
Additions	82,176	117,610	199,786
Disposals	(30,738)	(249,686)	(280,424)
Net losses on financial assets	(42,538)	(72,921)	(115,459)
Currency differences	(4,059)	(1,235)	(5,294)
Fair value at closing balance	242,586	329,747	572,333

The acquisitions of Private Equity investments generated a cash-outflow of USD 167 million (USD 292 million in 2007) and the disposals from the investments a cash-inflow of USD 249 million (USD 221 million in 2007) as stated in the corresponding lines of the consolidated cash flow statement.

7.2.2) Schedule of changes in investments designated at fair value through profit and loss in 2007

In $ '000	Equity, Debt securities and convertible loans	Third party funds	Total
Fair value at opening balance	196,277	354,769	551,046
Additions	62,357	243,639	305,996
Disposals	(107,832)	(142,089)	(249,921)
Net gains on financial assets	80,527	74,557	155,084
Currency differences	6,416	5,103	11,519
Fair value at closing balance	237,745	535,979	773,724

Notes to the Consolidated Financial Statements (continued)

7.3) Schedules of derivatives by nature

7.3.1) Detailed schedule of derivatives by nature and maturity in 2008

In $ '000	Notional amount with remaining life of			Fair values	
	Less than 3 months	3 months to 1 year	Total	positive	negative
Financial assets held for trading					
Foreign currency forward contracts	81,816	25,912	107,728	5,532	-
Financial liabilities held for trading					
Foreign currency forward contracts	56,052	45,735	101,787	-	3,315
Total				**5,532**	**3,315**

7.3.2) Detailed schedule of derivatives by nature and maturity in 2007

In $ '000	Notional amount with remaining life of			Fair values	
	Less than 3 months	3 months to 1 year	Total	positive	negative
Financial assets held for trading					
Foreign currency forward contracts	28,537	140,663	169,200	1,577	-
Foreign currency option contracts	-	325,026	325,026	5,342	-
Financial liabilities held for trading					
Foreign currency forward contracts	28,663	63,503	92,166	-	770
Foreign currency option contracts	-	298,728	298,728	-	8,435
Total				**6,919**	**9,205**

Notes to the Consolidated Financial Statements (continued)

7.4) Schedules of derivatives by currency risk

7.4.1) Detailed schedule of derivatives by currency risk in 2008

In $ '000	USD/CHF		EUR/CHF		EUR/USD		GBP/USD	
	Weighted average contracted exchange rates	Notional amount	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	1.0984	1,544	1.4955	2,048	1.4269	2,615	1.4920	29,840
Between 3 months and 1 year	-	-	-	-	1.2878	360	-	-
Total		**1,544**		**2,048**		**2,975**		**29,840**
Sell								
Less than 3 months	1.1214	41,183	1.4955	2,053	1.4344	2,763	1.4930	28,971
Between 3 months and 1 year	1.0428	18,699	-	-	1.2879	395	-	-
Total		**59,882**		**2,053**		**3,158**		**28,971**

The remaining notional amount of USD 79,044,000 represents a coverage position between 3 months and 1 year of GBP against CHF, split in a Buy position of USD 26.6 million against a Sell position of USD 25.6 million, and a coverage position of less than 3 months of AUD against USD, split in a Buy position of USD 13 million against a Sell position of USD 13.8 million.

7.4.2) Detailed schedule of derivatives by currency risk in 2007

In $ '000	USD/CHF		EUR/CHF		EUR/USD		GBP/USD	
	Weighted average contracted exchange rates	Notional amount	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	1.1172	2,029	1.6520	2,157	1.4482	17,249	1.9902	418
Between 3 months and 1 year	-	-	-	-	1.4031	419,124	2.0309	9,802
Total		**2,029**		**2,157**		**436,373**		**10,220**
Less than 3 months	1.1290	13,495	1.6520	2,152	1.4487	17,085	1.9902	418
Between 3 months and 1 year	1.1367	43,789	-	-	1.4196	345,204	2.0309	10,000
Total		**57,284**		**2,152**		**362,289**		**10,418**

The remaining notional amount of USD 2,198,000 represents a less than 3 months coverage position of JPY and NZD against CHF, split in a Buy position corresponding to CHF 1,251,000 and a Sell position corresponding to CHF 1,238,000.

Notes to the Consolidated Financial Statements (continued)

7.5) Detailed schedule of investment-related loans by maturity date

In $ '000	2008	2007
Between 1 and 5 years	4,397	8,591
More than 5 years	-	3,334
Total	**4,397**	**11,925**

8) Property, Plant and Equipment

8.1) Schedule of changes in property, plant and equipment for the year 2008

In $ '000	Land	Buildings	Fixtures and fittings	Cars	EDP hardware	Total
Cost						
Balance at January 1, 2008	8,063	12,134	5,593	444	2,055	28,289
Additions	554	15,746	16,393	94	466	33,253
Revaluation gains/(losses)	(132)	(515)	-	-	-	(647)
Disposals and derecognized assets	-	(1,285)	(1,451)	(78)	(265)	(3,079)
Currency differences	(281)	(4,867)	(4,246)	(30)	10	(9,414)
Balance at December 31, 2008	8,204	21,213	16,289	430	2,266	48,402
Depreciation and impairment losses						
Balance at January 1, 2008	-	971	3,408	249	1,162	5,790
Depreciation charge for the year	-	1,225	3,163	75	542	5,005
Disposals and derecognized assets	-	(323)	(1,166)	(69)	(260)	(1,818)
Currency differences	-	(1,248)	(1,697)	(9)	(5)	(2,959)
Balance at December 31, 2008	-	625	3,708	246	1,439	6,018
Carrying amounts						
Balance at January 1, 2008	8,063	11,163	2,185	195	893	22,499
Balance at December 31, 2008	8,204	20,588	12,581	184	827	42,384

As at end of 2008, the appraised value of buildings and land of the headquarters of the French subsidiaries located Boulevard Saint-Germain 241-243 and Rue de Lille 86 in Paris amounts to a total fair value of EUR 20.8 million (EUR 20.4 million in 2007), including the investment property (refer to note 9). The fair value is based on the rental value of the buildings at current market rates for similar located real estate.

The own-used part of the buildings has been revalued accordingly and the revaluation gain recognized directly in 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.

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

The business combinations of the controlled Private Equity investments contributed to additions of USD 17.1 million, split into the following categories :

Buildings	USD 7.8 million
Fixtures & Fittings	USD 9.3 million

Notes to the Consolidated Financial Statements (continued)

8.2) Schedule of changes in property, plant and equipment for the year 2007

In $ '000	Land	Buildings	Fixtures and fittings	Cars	EDP Hardware	Total
Cost						
Balance at January 1, 2007	5,385	8,077	4,631	399	1,761	20,253
Additions	801	1,638	645	80	677	3,841
Revaluation gains/(losses)	1,165	1,349	-	-	-	2,514
Transfers	-	-	114	-	(432)	(318)
Disposals and derecognized assets	-	-	(264)	(78)	(118)	(460)
Currency differences	712	1,070	467	43	167	2,459
Balance at December 31, 2007	**8,063**	**12,134**	**5,593**	**444**	**2,055**	**28,289**
Depreciation and impairment losses						
Balance at January 1, 2007	-	487	2,757	216	1,181	4,641
Depreciation charge for the year	-	405	426	75	354	1,260
Transfers	-	-	108	-	(426)	(318)
Disposals and derecognized assets	-	-	(188)	(65)	(51)	(304)
Currency differences	-	79	305	23	104	511
Balance at December 31, 2007	**-**	**971**	**3,408**	**249**	**1,162**	**5,790**
Carrying amounts						
Balance at January 1, 2007	5,385	7,590	1,874	183	580	15,612
Balance at December 31, 2007	8,063	11,163	2,185	195	893	22,499

Notes to the Consolidated Financial Statements (continued)

9) Investment Property

Schedule of changes in Investment Property

In $ '000	2008	2007
At fair value		
Balance at January 1	9,834	8,049
Revaluation gains/ (losses)	(498)	890
Currency differences	(303)	895
Balance at December 31	9,033	9,834

Carrying amount

Balance at January 1	9,834	8,049
Balance at December 31	9,033	9,834

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

Rental income related to this invesment amounts to USD 851,000 (EUR 602,000) in 2008, compared to USD 432,000 (EUR 295,000) in 2007.

The operating expenses related to the buildings amount to USD 193,000 (EUR 131,000) in 2008, compared to USD 98,000 (EUR 67,000) in 2007.

Notes to the Consolidated Financial Statements (continued)

10) Intangible Assets

10.1) Schedule of changes in Intangible assets for the year 2008

In $ '000	Goodwill	Other	Total
At cost			
Balance at January 1, 2008	16,761	5,412	22,173
Additions	47,886	739	48,625
Disposals and derecognized assets	-	(126)	(126)
Currency differences	(9,519)	80	(9,439)
Balance at December 31, 2008	**55,128**	**6,105**	**61,223**
Accumulated depreciation and impairment losses			
Balance at January 1, 2008	-	2,640	2,640
Amortization charge for the year	-	705	705
Currency differences	-	(2)	(2)
Balance at December 31, 2008	**-**	**3,343**	**3,343**
Carrying amounts			
Balance at January 1, 2008	**16,761**	**2,772**	**19,533**
Balance at December 31, 2008	**55,128**	**2,762**	**57,890**

The breakdown of goodwill at reporting date is as follows :

Quilvest Banque Privée increased its goodwill in QLB sub-group to EUR 10.6 million (USD 15 million) by the addition of EUR 2.8 million (USD 4.1 million, refer to note 1) as a result of the acquisition of an additional 20% of the issued share capital of QLB sub-group and the revaluation of the existing put options by EUR 1.6 million (USD 2.4 million). The goodwill in Quilvest Alternative Investments is EUR 1.8 million (USD 2.6 million) increasing by EUR 0.1 million (USD 0.2 million) due to the revaluation of put options. Goodwill on Gestor remained unchanged to EUR 3.6 million (USD 5.2 million).

The goodwill as the result of business combinations is equal to USD 30.9 million at year end 2008, compared to USD 39.7 million at acquisition date (refer to note 1).

The acquisition of additional 25% of the issued share capital of Quilvest Switzerland results in a goodwill of CHF 1.5 million (USD 1.4 million) at year end 2008, compared to USD 1.4 million at acquisition date (refer to note 1).

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

No impairment losses had to be accounted for intangible assets at end of 2008 and 2007.

Notes to the Consolidated Financial Statements (continued)

10.2) Schedule of changes in Intangible assets for the year 2007

In $ '000	Goodwill	Other	Total
At cost			
Balance at January 1, 2007	13,512	4,329	17,841
Additions	1,674	723	2,397
Disposals and derecognized assets	-	(2)	(2)
Currency differences	1,575	362	1,937
Balance at December 31, 2007	16,761	5,412	22,173
Accumulated depreciation and impairment losses			
Balance at January 1, 2007	-	2,038	2,038
Amortization charge for the year	-	377	377
Disposals and derecognized assets	-	(2)	(2)
Currency differences	-	227	227
Balance at December 31, 2007	-	2,640	2,640
Carrying amounts			
Balance at January 1, 2007	13,512	2,291	15,803
Balance at December 31, 2007	16,761	2,772	19,533

The goodwill at end December 2007 relates to Copagest (USD 11,433,000) and Gestor (USD 5,328,000) in Quilvest Banque Privée.

Goodwill additions primarily relate to the valuation of the put on minority interest in Copagest.

Notes to the Consolidated Financial Statements (continued)

11) Investments in Associates

The Group has the following investments in associates.

In $ '000	Country	Ownership interest (%) at end of 2008	Carrying amount at Dec 2008	Carrying amount at Dec 2007
Quilvest & Associés Gestion d'Actifs SAS	France	50%	1,351	1,489
Fideas Capital SAS	France	19%	-	92
Gaspal Holding SAS	France	34%	698	664
Total			2,049	2,245

The decrease of the carrying amount during 2008 is explained by the share of profit of the associates for USD 228,000 (USD 576,000 in 2007), dividends received for USD 260,000, deemed disposals of associates for USD 92,000 and currency differences for USD 72,000 (USD 197,000 in 2007).

The financial information on the associates at December 2008 is summarized as follows

In $ '000	Current assets	Non-current assets	Current liabilities	Non-current liabilities and equity
Quilvest & Associés Gestion d'Actifs SAS	653	2,530	550	2,633
Gaspal Holding SAS	345	2,248	510	2,083
Total	998	4,778	1,060	4,716

In $ '000	Revenues	Expenses	Net result
Quilvest & Associés Gestion d'Actifs SAS	3,457	3,121	336
Gaspal Holding SAS	2,374	2,197	177
Total	5,831	5,318	513

Notes to the Consolidated Financial Statements (continued)

Quilvest & Associés Gestion d’Actifs SAS

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

Fideas Capital SAS

Fideas Capital SAS is a management company active in asset management consultancy. During the financial year 2008, the Group divested from this company to a holding percentage lower than 20%. As a result, this entity is no longer accounted for as an associate at reporting date.

Gaspal Holding SAS

This entity is a management company targeting high net worth individuals as well as institutionals.

Notes to the Consolidated Financial Statements (continued)

12) Deferred Tax Assets and Liabilities

12.1) Recognized Deferred Tax Assets and Liabilities

In $ '000	2008 Assets	2008 Liabilities	2007 Assets	2007 Liabilities	2008 net	2007 net
Investments	-	(4)	-	(70)	(4)	(70)
Property, Plant and Equipment	44	(4,171)	15	(4,565)	(4,127)	(4,550)
Investment property	-	(2,915)	-	(3,178)	(2,915)	(3,178)
Intangible assets	7	-	9	-	7	9
Investments in associates	-	(14)	-	-	(14)	-
Employee benefits	169	-	151	-	169	151
Other provisions	-	(1,792)	-	(1,678)	(1,792)	(1,678)
Total deferred tax assets/(liabilities)	220	(8,896)	175	(9,491)	(8,676)	(9,316)

12.2) Movements of net deferred tax assets and liabilities

In $ '000	2008	2007
Net deferred tax assets (liabilities) at opening balance	(9,316)	(7,405)
Decrease/(Increase) in temporary differences	524	(1,139)
Currency differences	116	(772)
Net deferred tax assets/(liabilities) at closing balance	(8,676)	(9,316)

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

12.3.1) Movements for the year 2008

In $ '000	Balance January 1	Recognized in profit & loss	Recognized in equity	Balance December 31
Investments	(70)	67	(1)	(4)
Property, Plant and Equipment	(4,550)	31	392	(4,127)
Investment property	(3,178)	265	(2)	(2,915)
Intangible assets	9	(1)	(1)	7
Investments in associates	-	(16)	2	(14)
Employee benefits	151	24	(6)	169
Other provisions	(1,678)	-	(114)	(1,792)
Total	**(9,316)**	**370**	**270**	**(8,676)**

12.3.2) Movements for the year 2007

In $ '000	Balance January 1	Recognized in profit & loss	Recognized in equity	Balance December 31
Investments	(106)	44	(8)	(70)
Property, Plant and Equipment	(3,310)	18	(1,258)	(4,550)
Investment property	(2,582)	(304)	(292)	(3,178)
Intangible assets	4	4	1	9
Investments in associates	(5)	6	(1)	-
Employee benefits	150	(15)	16	151
Other provisions	(1,556)	-	(122)	(1,678)
Total	**(7,405)**	**(247)**	**(1,664)**	**(9,316)**

QUILVEST

Notes to the Consolidated Financial Statements (continued)

12.4) Reconciliation between applicable and effective tax rate

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

In $ '000	2008	2007
Profit/(Loss) before tax	(147,450)	151,128
Luxembourg theoretical tax rate	30%	30%
Expected income tax expense	(44,234)	45,338
Non-deductible expenses	1,269	1,543
Increase/(decrease) in value adjustments on deferred tax assets/liabilities	(370)	247
Tax effects of non-taxable income, capital gains and fair value changes	43,128	(44,304)
Fiscal integration and sub-consolidation effects	176	507
Current income taxes relating to prior periods	9	(736)
Other	-	13
Tax expense in the income statement	(22)	2,608

Notes to the Consolidated Financial Statements (continued)

13) Deposits from Banks

In $ '000	2008	2007
Payable on demand	2,854	14,316
With agreed maturity date or period of notice	24,000	13,000
Total Deposits from Banks	**26,854**	**27,316**

These amounts concern short-term deposits from external financial institutions generally denominated in USD.

14) Deposits from Bank Customers

In $ '000	2008	2007
Payable on demand	153,233	117,494
With agreed maturity date or period of notice	26,676	1,324
Total Deposits from Bank Customers	**179,909**	**118,818**

15) Other Liabilities, Deferred Income and Accrued Expenses

In $ '000	2008	2007
Accounts payable	21,603	14,838
Interest payable	231	1,311
Dividends payable	53	37
Liabilities relating to share purchase agreements	6,865	6,089
Carried interest payable	7,538	8,194
Liabilities relating to performance bonus	3,501	14,510
Accrued expenses	17,511	19,418
Deferred income	1,708	707
Total Other Liabilities, Deferred Income and Accrued Expenses	**59,010**	**65,104**

The liabilities relating to share repurchase agreements include the liabilities of the Group towards minority shareholders generated by the existence of share repurchase agreements for an amount of USD 6,253,000 at the end of 2008, compared to USD 5,065,000 in 2007, as well as the obligation to repurchase the stock options granted to employees for USD 612,000 in 2008, compared to USD 1,024,000 in 2007.

Notes to the Consolidated Financial Statements (continued)

16) Interest-bearing Liabilities

16.1) Terms and debt repayment schedule at end of 2008

In $ '000	Amount	Less than 1 year	1-5 years	Over 5 years
Liabilities towards financial institutions	12,089	12,089	-	-
Interest-bearing loans of controlled Private Equity Investments	43,726	1,797	12,669	29,260
Total Interest-bearing liabilities	55,815	13,886	12,669	29,260

The interest-bearing loans of controlled private equity investments are without recourse for the Group.

16.2) Terms and debt repayment schedule at end of 2007

In $ '000	Amount	Less than 1 year	1-5 years	Over 5 years
Convertible bonds	15,723	15,723	-	-
Liabilities towards financial institutions	12,872	11,732	1,140	-
Other loans	203	14	189	-
Total Interest-bearing liabilities	28,798	27,469	1,329	-

16.3) Convertible Bonds

On July 1, 2003, the Company 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 and matured June 30, 2008. The bonds were convertible at the option of the bondholders upon maturity at a conversion rate of 1 for 1.1 Company's shares.

All bondholders notified the Company of their willingness to convert the convertible bonds maturing June 30, 2008. On June 26, 2008, the Board of Directors of the Company approved the conversion request of the bearers of the 160,000 bonds, effective on June 30, 2008.

176,000 additional shares were consequently issued upon the conversion of these bonds.

Notes to the Consolidated Financial Statements (continued)

17) Employee benefit obligations

The defined benefit plans relate to pension schemes in place in the subsidiaries Quilvest France, Quilvest Banque Privée and Quilvest Switzerland.

17.1) Liability for defined benefit obligations (in $ '000)	2008	2007
Present value of unfunded obligations	541	468
Present value of funded obligations	24,989	20,385
Fair value of plan assets	(23,037)	(19,156)
Net unrecognised actuarial gains	(2,718)	(1,434)
Unrecognized assets because of the limit in paragraph 58(b) IAS 19	766	205
Net liability in balance sheet	541	468

17.2) Changes in the net liability recognized in the balance sheet (in $ '000)	2008	2007
Net liability at opening balance	468	586
Net expenses recognized in the income statement	2,561	1,684
Contributions	(2,470)	(1,850)
Currency differences	(18)	48
Net liability at closing balance	541	468

17.3) Detail of expenses recognized in the income statement (in $ '000)	2008	2007
Current service cost	1,524	833
Interest on obligation	709	498
Expected return on plan assets	(594)	(431)
Past service cost	386	590
Losses on curtailments and settlements	536	194
Expenses in Income Statement	2,561	1,684

17.4) Other disclosures for defined benefit plans (in $ '000)	2008	2007
Actual return on plan assets	(610)	(187)

17.5) Principal actuarial assumptions at the balance sheet date	2008	2007
Discount rate at December 31	3.25 to 3.5%	3.25%
Expected return on plan assets at December 31	2.75 to 3.5%	2.75 to 4%
Future salary increase	2 to 3.5%	2 to 3.5%
Future pension increase	0.5%	0.5%

Notes to the Consolidated Financial Statements (continued)

18) Provisions

In $ '000	2008	2007
Provisions for litigation	172	336
Other provisions	715	670
Total Provisions	887	1,006

The year variation results from the release of a provision in Quilvest Banque Privée of EUR 230,000 and the creation of a new provision for litigation of EUR 121,500 and from currency differences.

19) Share capital and share premium

Number of ordinary shares	2008	2007
On issue at January 1	6,480,000	5,400,000
Issued for cash	-	1,080,000
Issued pursuant to the bond conversion of June 30, 2008	176,000	-
On issue at December 31	6,656,000	6,480,000

The capital increase resulting from the bond conversion was notified by Notarial Deed on July 15, 2008. By this operation, the equity increased by an amount of USD 16,000,000 whereof USD 1,189,630 affected to the share capital and USD 14,810,370 to the share premium.

As at December 31, 2008, the share capital amounts to USD 44,989,630 and is represented by 6,656,000 shares without par value. The share premium amounts to USD 141,470,370.

The new 176,000 shares have been listed on the regulated market of the Luxembourg Stock exchange since July 16, 2008.

As at December 31, 2008, the Company's authorized share capital is USD 100,000,000 represented by 14,794,520 shares without nominal value, of which USD 44,989,630 represented by 6,656,000 shares without nominal value, is issued and fully paid.

20) Treasury shares

At December 31, 2008, the Group owns 27,820 (23,659 in 2007) treasury shares for a total amount of USD 2,6 million (USD 2,0 million in 2007). During the year 2008, the Group acquired 7,336 additional treasury shares for a total amount of USD 847,741 and sold 3,175 treasury shares for an amount of USD 287,149. The consideration received is included in equity.

Notes to the Consolidated Financial Statements (continued)

21) Reserves

In $ '000	Translation reserves	Revaluation reserves	Reserves	Retained earnings	Total
Balance at January 1, 2007	**2,044**	**4,123**	**6,167**	**552,758**	**558,925**
Profit for the year	-	-	-	146,427	146,427
Revaluation of own-used buildings, net of deferred tax	-	1,675	1,675	-	1,675
Exchange differences	22,789	557	23,346	-	23,346
Total recognised income and expenses	22,789	2,232	25,021	146,427	171,448
Movements on treasury shares	-	-	-	319	319
Dividends paid	-	-	-	(8,081)	(8,081)
Balance at December 31, 2007	**24,833**	**6,355**	**31,188**	**691,423**	**722,611**

In $ '000	Translation reserves	Revaluation reserves	Reserves	Retained earnings	Total
Balance at January 1, 2008	**24,833**	**6,355**	**31,188**	**691,423**	**722,611**
Loss for the year	-	-	-	(144,626)	(144,626)
Revaluation of own-used buildings, net of deferred tax	-	(493)	(493)	-	(493)
Exchange differences	(12,018)	(190)	(12,208)	-	(12,208)
Total recognised income and expenses	(12,018)	(683)	(12,701)	(144,626)	(157,327)
Unwind of amortization of convertible bonds matured June 30, 2008	-	-	-	1,077	1,077
Sale of treasury shares	-	-	-	137	137
Dividends paid	-	-	-	(14,345)	(14,345)
Balance at December 31, 2008	**12,815**	**5,672**	**18,487**	**533,666**	**552,153**

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.
Included in reserves are restricted reserves not available for distribution of USD 4,380,000 at the level of the Parent Company.

22) Minority Interest

In $ '000	2008	2007
Minority interest in reserves	12,825	24,927
Minority interest in result	(2,802)	2,093
Total Minority Interest	**10,023**	**27,020**

Notes to the Consolidated Financial Statements (continued)

23) Share-based payments

In 2002, Quilvest Banque Privée issued 1,545 stock options, at zero price, to its employees, exercisable until June 30, 2008 at the price of EUR 429 on a one option for one share in Quilvest Banque Privée. The exercise price is EUR 200 over the nominal value of the shares. This plan is closed for subscription since August 2005.

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.

In 2007, Quilvest Banque Privée issued an additional stock option plan of 2,033 options, exercisable at the price of EUR 737 for one share Quilvest Banque Privée.

In June 27, 2008, several beneficiaries exercised their options, which generated a capital increase of Quilvest Banque Privée. In December 2008, one employee sold 258 shares to Quilvest France, thereby increasing its shareholding in Quilvest Banque Privée.

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

The Group reports a liability of USD 612,000 in 2008 (USD 1,024,000 in 2007) in relation to its obligation to repurchase these options. The Group recognized a decrease in personnel expense of USD 604,000 in 2008 due to the share-based payment schemes (compared to an additional expense of USD 306,000 in 2007). The fair market value of the options amounts to USD 2,220,000 at the end of 2008, compared to USD 3,077,000 at the end of 2007 and is based on the valuation of Quilvest Banque Privée made by the management.

Schedule of changes in the option plan

	2008		2007	
	Weighted average exercice price	Number of options	Weighted average exercice price	Number of options
Outstanding at the beginning of the period	840	2,439	598	1,699
Granted during the period	1,205	410	955	1,178
Exercised during the period	631	(618)	589	(438)
Outstanding at the end of the period	**933**	**2,231**	**840**	**2,439**
Exercisable at the end of the period	**933**	**2,231**	**840**	**2,439**

During 2007, 438 options were exercised by an employee taking retirement and 1,178 new options were granted.

During 2008, 618 options were exercised by several employees and 410 options were granted.

24) Earnings per Share

The calculation of basic earnings per share at December 31, 2008 and 2007 is based on the net profit attributable to ordinary shareholders and on a weighted average number of ordinary shares outstanding during the years 2008 and 2007.

24.1) Net basic earnings per share	2008	2007
Net profit attributable to the shareholders of the parent (in $ '000)	(144,626)	146,427
Issued ordinary shares at January 1	6,480,000	5,400,000
Effect of own shares held	(26,584)	(23,414)
Shares issued at the capital increase of March 29, 2007	-	810,000
Shares issued through the conversion of bonds matured June 30, 2008	88,000	-
Weighted average number of ordinary shares at December 31	6,541,416	6,186,586
Net basic earnings per share (in $)	(22.1)	23.7

24.2) Net weighted diluted earnings per share	2008	2007
Net profit attributable to the shareholders of the parent (in $ '000)	(144,626)	146,427
Interest of convertible bonds, net of tax (in $ '000)	-	704
Adjusted net profit for the year (in $ '000)	(144,626)	147,131
Weighted average number of shares at December 31	6,541,416	6,186,586
Effect of potential conversion on convertible bond	-	176,000
Diluted average number of ordinary shares at December 31	6,541,416	6,362,586
Net weighted diluted earnings per share (in $)	(22.1)	23.1

Notes to the Consolidated Financial Statements (continued)

25) Net result from directly held investments

In $ '000	2008	2007
Dividend income	3,569	5,943
Interest income	85	1,171
Dividend and interest income	3,654	7,114
Realized and unrealized gains and losses on debt and equity securities	(42,538)	80,527
Realized and unrealized gains and losses on third party funds	(72,921)	74,557
Net gains (losses) on financial assets designated at fair value through profit and loss	(115,459)	155,084
Net income from controlled Private Equity investments	5,419	-
Net gains (losses) on financial assets and liabilities held for trading	939	(9,121)
Net gains (losses) on investment-related loans	(7,697)	5,690
Foreign exchange gains and losses	44	210
Total net result from directly held investments	(113,100)	158,977

The net income from controlled Private Equity investments represents the total revenues of the controlled Private Equity investments for USD 80.3 million, less the total operating expenses of these entities, which amount to USD 74.9 million. These expenses integrate personnel expenses of USD 21.5 million for 1,308 employees at year end.

Notes to the Consolidated Financial Statements (continued)

26) Net result from Wealth Management Activities

In $ '000	2008	2007
Interest on loans and advances to banks	3,007	2,899
Interest on loans and advances to bank customers	6,150	5,566
Interest income and similar income	**9,157**	**8,465**
Brokerage fees	9,832	13,662
Fiduciary fees	1,948	3,278
Custodian fees	6,340	5,119
Asset management fees	28,732	29,195
Other fee and commission income	2,179	7,278
Fee and Commission Income	**49,031**	**58,532**
Gain from securities traded on behalf of clients	16	-
Reversal of impairments on loans and advances to banks and customers	-	73
Other income	**16**	**73**
Interest on deposits from bank customers	(1,279)	(122)
Interest expense and similar charges	**(1,279)**	**(122)**
Brokerage fees	(2)	(105)
Fiduciary fees	(201)	(221)
Custodian fees	(288)	(228)
Asset management fees	(634)	(201)
Other fee and commission expenses	(2,552)	(3,571)
Fee and commission expenses	**(3,677)**	**(4,326)**
Impairments on loans and advances to banks and bank customers	(745)	(1,217)
Other expenses	**(745)**	**(1,217)**

Total net result from Wealth Management activities	52,503	61,405

Notes to the Consolidated Financial Statements (continued)

27) Other Operating Income, Net

In $ '000	2008	2007
Decrease in allowance for doubtful other receivables	(68)	(3)
Gain from disposal of property, plant and equipment and intangible assets	46	13
Rental income	851	432
Management Fees	6,150	3,971
Carried interest income	551	17,262
Change in fair value of investment property	(498)	890
Other income	5,897	6,081
Total Other Operating Income, Net	**12,929**	**28,646**

28) General Administrative Expenses

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

In $ '000	2008	2007
Personnel		
Salaries and wages	(31,872)	(26,420)
Pension expense - Defined contributions plans	(614)	(296)
Pension expense - Defined benefit plans	(2,561)	(1,684)
Social contributions	(8,813)	(6,771)
Variable compensation (staff and management bonus)	(12,700)	(19,361)
Other personnel costs	(3,192)	(2,172)
Share-based payment schemes	394	(210)
Total	**(59,358)**	**(56,914)**
Other administrative expenses		
External consultancy fees	(9,426)	(3,984)
Rental expense	(3,523)	(3,241)
Management fees	(1,472)	(1,360)
Carried interest expenses	(1,562)	(9,418)
Other administrative expenses	(16,803)	(26,907)
Total	**(32,786)**	**(44,910)**
Total General Administrative Expenses	**(92,144)**	**(101,824)**

29) Depreciation, Amortization and Impairment Losses

In $ '000	2008	2007
Depreciation on property, plant and equipment	(5,005)	(1,260)
Amortization of intangible assets	(705)	(377)
Total Depreciation, Amortization and Impairment Losses	(5,710)	(1,637)

30) Financial Income

In $ '000	2008	2007
Interest income on monetary assets	1,173	5,154
Foreign exchange gains	8,130	4,798
Total Financial Income	9,303	9,952

31) Financial Expenses

In $ '000	2008	2007
Interest expense on monetary liabilities	(1,433)	(2,433)
Foreign exchange losses	(6,050)	(2,534)
Financial expenses of controlled Private Equity investments	(3,976)	-
Total Financial Expenses	(11,459)	(4,967)

Notes to the Consolidated Financial Statements (continued)

32) Income from Associates

In $ '000	2008	2007
Share in the profits of associated companies	228	576
Total Income from Associates	**228**	**576**

33) Income Tax Expense

In $ '000	2008	2007
Total current year expense	(348)	(2,361)
Total deferred tax expense	370	(247)
Total Income Tax Expense	**22**	**(2,608)**

All entities of the Wealth Management segment of the Group are domiciled in France and Switzerland and thus fully taxable, whereas some entities within the Group's Private Equity segment are not subject to income tax due to their domicile.

Notes to the Consolidated Financial Statements (continued)

34) Segment information

34.1) Business segments

for the year 2008 (in $ '000)	Private Equity	Wealth management	Corporate	Total
Net income/(Loss)	(82,407)	55,673	(20,368)	(47,102)
Depreciation and amortization expenses, net	(4,195)	(1,485)	(30)	(5,710)
Other non-cash income, net	-	(68)	(498)	(566)
Segment result (EBIT)	(122,603)	3,797	(26,716)	(145,522)
Segment assets	618,593	319,129	145,363	1,083,085
Segment liabilities	69,269	245,720	22,066	337,055

The Private equity business line integrates in 2008 the controlled Private Equity investments. Net income of these investments represents USD 5,419,000 and depreciation expenses USD 3,430,000. Segment result of these investments is USD 1,455,000. Segment assets and liabilities are respectively USD 63,935,000 and USD 54,814,000.

for the year 2007 (in $ '000)	Private Equity	Wealth management	Corporate	Total
Net income	163,219	64,983	19,939	248,141
Depreciation and amortization expenses, net	(561)	(1,009)	(67)	(1,637)
Other non-cash income, net	-	(3)	890	887
Segment result (EBIT)	128,789	10,890	5,888	145,567
Segment assets	721,991	258,288	203,485	1,183,764
Segment liabilities	14,599	190,220	58,623	263,442

34.2) Geographical segments

Activities of the Private equity business segment are located worldwide, mainly in Europe, in America and in Asia. The geographical segments are well segregated and no intersegment eliminations apply.

for the year 2008 (in $ '000)	Europe	America	Asia & Middle East	Total
Net income/(Loss)	(26,744)	(19,622)	(736)	(47,102)
Segment assets	696,511	342,391	44,183	1,083,085

for the year 2007 (in $ '000)	Europe	America	Asia & Middle East	Total
Net income	221,589	20,792	5,760	248,141
Segment assets	820,863	316,759	46,142	1,183,764

Notes to the Consolidated Financial Statements (continued)

35) Risk management

35.1) Risk management of the Group

Quilvest has exposure to the following risks from its use of financial instruments :
Credit risk
Liquidity risk
Market risk
Operational risk

Credit risk is the risk of financial loss if a customer or a counterpart to a financial instrument fails to meet its contractual obligation.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments.

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

Quilvest has basically two business lines, Private Equity and Wealth Management, with different risk profiles.

Credit risk in the Private Equity business line of Quilvest is limited as most of the investments are equity investments or assimilated.

The Group's exposure to liquidity risk is influenced mainly by open commitments related to Private Equity activity, USD 252 million at end 2008 (USD 294 million at end 2007), which require cash resources timely available for the capital contributions. The Group's approach to managing liquidity is to ensure that it will always have sufficient cash to meet its liabilities when due. For that purpose, Quilvest is performing a close monitoring of its liquidity with weekly and monthly situations and has developed a forecast model with normal and stressed conditions. Quilvest has a strong diversification policy allowing for regular divestment opportunities. If required, Quilvest has the capacity to slow down direct investment activity at any time and has negotiated back-up lines with banks.

Market risk in Private Equity is different from market risk in Public Equity. Significant movement in the prices of the latter shall affect prices in Private Equity. However, volatility has a different pattern. Basically, Quilvest mitigates negative impact of market volatility through the permanence of its investments over the economic cycles and thanks to its access to the very best performers in the fund industry, both being at the end correlated. Quilvest has also built a team of experienced professionals; it conducts in-house due diligences and sticks to a key principle of discipline in both the selection of investment and in the decision processes.

In addition Quilvest has implemented close post-acquisition monitoring of each lead investment, an appropriate mix between direct investments and third party funds and a strong diversification policy. The diversification policy is achieved in respect of industries for direct investments, style (buyout, venture capital, etc), vintage years and geographical areas.

Currency risks at the level of the Group balance sheet are covered through a macro hedging strategy in place since 2003.

The Wealth Management business line includes two entities: Quilvest Banque Privée in Paris and Quilvest Switzerland in Zurich.

Notes to the Consolidated Financial Statements (continued)

Both entities are regulated by the Commission Bancaire in France and the Swiss Banking Commission, respectively, to which they periodically are required to provide all quantitative and qualitative information regarding risk management.

No breach of any prudential ratio has been reported during reporting year 2008 nor during comparative year 2007.

Credit risk in wealth management activities arises principally from the loans to banks and to bank customers. Loans to banks within Quilvest Group are mainly made of short term deposits at 31.12.2008. Most of the loans granted to customers are Lombard loans, which are collateralized by the bank customers' assets. As required by the ad hoc credit procedure, a permanent monitoring process of the value of the guarantee according to the fair market value of the assets pledged is in place.

Quilvest Banque Privée and Quilvest Switzerland are subject to liquidity ratios imposed by their local regulator. Both entities are responsible for managing their overall liquidity. Quilvest Banque Privée does not refinance its activities on the interbank market. As for Quilvest Switzerland, the refinancing of credits is strictly congruent with the assets, which are mainly short term.

The exposure of Quilvest Banque Privée and Quilvest Switzerland to market price is indirect and derives mainly from their asset management activities, where most of the revenues are correlated to both values of securities and volume of transactions. The exposure of nostro portfolios to market price is minor.

Interest rate risk is standard and low at Quilvest Banque Privée and Quilvest Switzerland. Both entities have no limit for any mismatch on the money market; thus, credit activities are systematically refinanced with a banking counterparty with same terms (Quilvest Switzerland only) or supported by non bearing customers deposits or by own equity. In addition, most of the assets carry variable interest rates or, if at fixed interest rates,with a yearly fixing frequency or less.

Risk from currency fluctuation is not an issue for Quilvest Banque Privée, whose operational and reporting currencies are the same (EUR). At Quilvest Switzerland, part of the revenues are denominated in USD, whereas the reporting currency is in CHF. This specific currency risk is hedged through a program of forward contracts.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness.

Quilvest Banque Privée and Quilvest Switzerland are regulated entities and are submitted to organization and disclosure requirements regarding operational risks. As most of the middle and back-office activities of the Private Equity business line is integrated with the banking entities, this business sector benefits from the same internal control system.

Basically, both entities have set up assessment processes of operational risk profiles of each activity and are collecting data related to operational losses. The adequacy of the controls in place to address the risk identified is regularly challenged. This leads to an ongoing improvement process of the internal control system, which also rely on the key basic principles of segregation of duties, compliance with regulatory and legal requirements and documentation of controls in place and procedures.

QUILVEST

Notes to the Consolidated Financial Statements (continued)

35.2) Credit risk

The carrying amount of following financial assets represents the maximum credit exposure.

In $ '000	2008	2007
Cash and cash equivalents	187,340	162,318
Loans and advances to banks	27,413	-
Loans and advances to bank customers	126,059	125,520
Other receivables	45,685	48,976
Total	386,497	336,814

The ageing of receivables at the reporting date is :

In $ '000	2008	2007
Not past due - Gross amounts	389,684	338,663
Not past due - Impairments	(3,187)	(2,290)
Past due between 30 days and 1 year	-	441
Total	386,497	336,814

All impairments concern loans and advances to bank customers and are individually calculated. The impairment on loans to customers are due to insufficient collateral held.
The gross amounts of loans and advances to banks and of loans and advances to bank customers are categorized in 2008 and 2007 as low fair credit amounts.
The gross amount related to loans and advances to bank customers is secured by following collateral held :

Secured Loans and Advances to Bank Customers (in $ '000)	2008	2007
Loans secured by real estate	2,972	3,731
Lombard loans	113,031	114,514
Other warranties	7,789	5,640
Not collateralized	2,267	1,635
Total	126,059	125,520

No collateral had to be exercised in the reporting year.
The Group does not concentrate credit risk on a specific activity sector nor geographical location.

Quilvest Banque Privée is also required by the French Commission Bancaire to make a specific control on risks exceeding by counterparty 10% of consolidated equity. This ratio may not exceed 25% of consolidated equity by counterparty and globally 800% of consolidated equity. This ratio is respected at reporting date.

Quilvest Switzerland has to report the loans exceeding 10% of the available equity. Those major loans may not exceed 800% of available equity. The ratio is respected at reporting date.

Notes to the Consolidated Financial Statements (continued)

35.3) Liquidity risk

The residual maturity of non-derivative financial assets and liabilities at end 2008 :

In $ '000	Carrying amount	Less or equal to 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Without maturity
Non-derivative financial assets						
Cash and cash equivalents	187,340	187,340	-	-	-	-
Loans and advances to banks	27,413	-	18,928	8,485	-	-
Loans and advances to bank customers	126,059	55,782	61,562	8,715	-	-
Other receivables	45,685	26,120	4,777	6,415	-	8,373
Investments	576,730	-	-	4,397	-	572,333
Total non derivative financial assets	963,227	269,242	85,267	28,012	-	580,706
Non-derivative financial liabilities						
Deposits from banks	26,854	26,854	-	-	-	-
Deposits from bank customers	179,909	177,950	1,959	-	-	-
Other liabilities	59,010	45,185	3,066	1,337	-	9,422
Liabilities towards financial institutions	12,089	1,294	10,795	-	-	-
Interest-bearing loans of controlled Private Equity investments	43,726	-	1,797	12,669	29,260	-
Total non-derivative financial liabilities	321,588	251,283	17,617	14,006	29,260	9,422
Group net liquidity gap		**17,959**	**67,650**	**14,006**	**(29,260)**	**571,284**

Quilvest Switzerland presents twice a year to the Federal Banking Commission of Switzerland consolidated financial statements including a breakdown by maturity of the current assets compared to the current liabilities. At reporting date, the total assets available on demand and subject to notice amount to CHF 105.6 million (CHF 86 million in 2007) compared to a total of CHF 100.4 million (CHF 58 million in 2007) liabilities exercisable on demand or subject to notice.

Quilvest Switzerland, as Security Dealer, is not required to report on liquidity risk to the Swiss controlling authority. Nevertheless, for Group reporting purposes, a theoretical calculation has been done at reporting date which led to a ratio of 226.8%.

Quilvest Banque Privée presents quarterly to the French Commission Bancaire a liquidity ratio calculated on weighted current assets compared to weighted current liabilities. At reporting date, this ratio is 175% (293% in 2007).

Open commitments related to Private Equity fund commitments amount to USD 252 million as of December 31, 2008. This amount will not be called in full as portfolio funds usually call between 88% and 95% of their commitments. In addition, funding of the related capital calls will take place over a five-year period. Lastly, a portion of Quilvest's portfolio funds will realize part of their direct investments and make distributions over the same five-year period - at least the funds with a closed investment period. As a result, the potential future liquidity gap deriving from open commitment is "naturally" partly or totally closed, depending mostly on market conditions.

Notes to the Consolidated Financial Statements (continued)

35.3) Liquidity risk (continued)

The residual maturity of non-derivative financial assets and liabilities at the end of 2007 :

In $ '000	Carrying amount	Less or equal to 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Without maturity
Non-derivative financial assets						
Cash and cash equivalents	162,318	162,318	-	-	-	-
Loans and advances to bank customers	125,520	55,920	6,774	62,826	-	-
Other receivables	48,976	40,086	-	278	-	8,612
Investments	785,649	-	-	8,591	3,334	773,724
Total non derivative financial assets	1,122,463	258,324	6,774	71,695	3,334	782,336
Non-derivative financial liabilities						
Deposits from banks	27,316	27,316	-	-	-	-
Deposits from bank customers	118,818	118,818	-	-	-	-
Other liabilities	65,104	36,709	37	20,598	-	7,760
Convertible bonds	15,723	-	15,723	-	-	-
Liabilities towards financial institutions	12,872	571	11,161	1,140	-	-
Other loans	203	3	11	189	-	-
Total non-derivative financial liabilities	240,036	183,417	26,932	21,927	-	7,760
Group net liquidity gap		74,907	(20,158)	49,768	3,334	774,576

35.4) Market risk

35.4.1) Fair value risks

The valuation of the Group's investments is largely dependent on the underlying performance of direct investments and third party funds. A 10% change in the fair value of investments would have the same proportionate impact on the income statement (USD 57 million on the basis of December 2008 investments).

35.4.2) Currency risks

The Group is exposed at end of 2008 to following foreign currency risk based on carrying amounts :

In $ '000	Carrying amount	USD	EUR	CHF	GBP	Other
Cash and cash equivalents	187,340	58,983	111,186	12,093	4,387	691
Income tax receivable	2,750	-	2,430	320	-	-
Loans and advances to banks	27,413	-	27,413	-	-	-
Loans and advances to bank customers	126,059	93,720	30,123	1,839	-	377
Other receivables	45,685	28,140	11,932	5,316	297	-
Investments	582,262	328,218	227,971	8,684	17,389	-
Property, plant and equipment	42,384	201	21,167	2,008	19,008	-
Investment property	9,033	-	9,033	-	-	-
Intangible assets	57,890	669	23,219	2,979	31,023	-
Investments in associates	2,049	-	2,049	-	-	-
Deferred tax assets	220	-	220	-	-	-
Total Assets	**1,083,085**	**509,931**	**466,743**	**33,239**	**72,104**	**1,068**
Financial liabilities held for trading	3,315	-	-	3,315	-	-
Income tax payable	1,828	-	166	1,662	-	-
Deposits from banks	26,854	26,701	153	-	-	-
Deposits from bank customers	179,909	45,426	129,003	2,684	-	2,796
Other liabilities	59,010	15,813	17,543	16,161	9,493	-
Interest-bearing liabilities	55,815	-	12,089	-	43,726	-
Employee benefit obligations	541	-	541	-	-	-
Provisions	887	-	172	715	-	-
Deferred tax liabilities	8,896	-	7,104	1,792	-	-
Total Liabilities	**337,055**	**87,940**	**166,771**	**26,329**	**53,219**	**2,796**
Group net currency exposure		**421,991**	**299,972**	**6,910**	**18,885**	**(1,728)**

A 10% change in the USD rate against other currencies would have an impact of approximately USD 32 million on the basis of December 2008 assets and liabilities denominated in foreign currencies with the majority of this impact on income statement. This is however mitigated by the use of derivatives.

The derivative positions are detailed in note 7.4.1.

Quilvest

Notes to the Consolidated Financial Statements (continued)

35.4.2) Currency risk (continued)

The Group is exposed at end of year 2007 to following foreign currency risk based on carrying amounts :

In $ '000	Carrying amount	USD	EUR	CHF	GBP	Other
Cash and cash equivalents	162,318	78,551	72,242	9,907	1,418	200
Income tax receivable	96	-	96	-	-	-
Loans and advances to bank customers	125,520	82,300	39,878	2,842	-	500
Other receivables	48,976	35,416	7,779	5,456	325	-
Investments	792,568	515,750	252,505	10,545	13,768	-
Property, plant and equipment	22,499	109	20,690	1,517	183	-
Investment property	9,834	-	9,834	-	-	-
Intangible assets	19,533	892	17,159	1,482	-	-
Investments in associates	2,245	-	2,245	-	-	-
Deferred tax assets	175	-	175	-	-	-
Total Assets	**1,183,764**	**713,018**	**422,603**	**31,749**	**15,694**	**700**
Financial liabilities held for trading	9,205	3,845	-	5,360	-	-
Income tax payable	3,236	-	1,299	1,937	-	-
Deposits from banks	27,316	24,183	3,126	-	-	7
Deposits from bank customers	118,818	35,414	80,855	1,134	-	1,415
Other liabilities	65,104	30 855	16,399	17,559	250	41
Interest-bearing liabilities	13,075	105	12,970	-	-	-
Convertible bonds	15,723	15,723	-	-	-	-
Employee benefit obligations	468	-	468	-	-	-
Provisions	1,006	-	336	670	-	-
Deferred tax liabilities	9,491	-	7,813	1,678	-	-
Total Liabilities	**263,442**	**110,125**	**123,266**	**28,338**	**250**	**1,463**
Group net currency exposure		**602,893**	**299,337**	**3,411**	**15,444**	**(763)**

The currency exposures are covered by the derivative positions detailed in note 7.4.2.

35.4.3) Interest-rate risk

The Group is exposed at reporting date to interest-rate risk as follows on the basis of the lower between maturity and re-pricing date. A rise in interest rate would positively impact the result of the Group due to the interest-bearing net asset position of the Group.

In $ '000	Closing	Less or equal to 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Non interest bearing
Cash and cash equivalents	187,340	187,340	-	-	-	-
Loans and advances to banks	27,413	-	18,928	8,485	-	-
Loans and advances to bank customers	126,059	55,782	61,563	8,714	-	-
Other receivables	45,685	-	-	-	-	45,685
Investments	582,262	-	-	4,397	-	577,865
Total financial assets	**968,759**	**243,122**	**80,491**	**21,596**	**-**	**623,550**
Financial liabilities held for trading	3,315	-	-	-	-	3,315
Deposits from banks	26,854	26,854	-	-	-	-
Deposits from bank customers	179,909	177,950	1,959	-	-	-
Other liabilities	59,010	-	-	-	-	59,010
Interest-bearing liabilities	12,089	1,294	10,795	-	-	-
Interest-bearing loans of controlled Private Equity investments	43,726	-	1,797	12,669	29,260	-
Total financial liabilities	**324,903**	**206,098**	**14,551**	**12,669**	**29,260**	**62,325**
Group net interest rate gap		**37,024**	**65,941**	**8,927**	**(29,260)**	**561,225**

At the end of comparative year 2007, the exposure was :

In $ '000	Closing	Less or equal to 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Non interest bearing
Cash and cash equivalents	162,318	162,318	-	-	-	-
Loans and advances to bank customers	125,520	55,920	59,942	9,658	-	-
Other receivables	48,976	1,543	-	-	-	47,433
Investments	792,568	-	-	4,091	3,334	785,143
Total financial assets	**1,129,382**	**219,781**	**59,942**	**13,749**	**3,334**	**832,576**
Financial liabilities held for trading	9,205	-	-	-	-	9,205
Deposits from banks	27,316	27,316	-	-	-	-
Deposits from bank customers	118,818	118,818	-	-	-	-
Other liabilities	65,104	1,311	-	-	-	63,793
Interest-bearing liabilities	28,798	1,904	26,894	-	-	-
Total financial liabilities	**249,241**	**149,349**	**26,894**	**-**	**-**	**72,998**
Group net interest rate gap		**70,432**	**33,048**	**13,749**	**3,334**	**759,578**

Notes to the Consolidated Financial Statements (continued)

35.5) Capital management

Quilvest Switzerland (QVS) and Quilvest Banque Privée (QBP), the two Wealth Management structures of the Group, are subject to capital adequacy requirements by their respective control authorities. In 2008, both entities had to apply the Basel requirements.

At reporting date, the capital adequacy ratios are :

In $ '000	QVS	QBP
Total regulatory capital	28,470	17,478
Capital required for credit risks	6,995	3,974
Capital required for market risks	3,230	-
Capital required for operational risks	7,223	4,054
Total capital required	17,448	8,028
Capital adequacy ratio 2008	13.05%	17.42%

According to the applicable legal requirements, capital has to be at least equal to 8% of risk weighted assets. This requirement is met for both Wealth Management structures at reporting date. The capital adequacy ratio at end 2007 was respectively 30.11% for QVS and 29.97% for QBP, in respect with the requirements of the local control authorities.

36) Contingent Liabilities and Commitments

In $ '000	2008	2007
Acceptances and endorsements	4,060	5,840
Guarantees and assets pledged as collateral security	34,294	34,756
Commitments arising out of derivative transactions	211,780	618,597
Fiduciary operations	2,138,524	2,601,867
Open commitments related to Private Equity acquisitions	252,011	293,761
Total Contingent Liabilities and Commitments	2,640,669	3,554,821

In addition to fiduciary operations, the Group manages assets on behalf of third parties through the Wealth Management business and through the Private Equity business. Total assets under management, including those assets, amount to approximately USD 10.7 billion as at December 31, 2008 (approximately USD 10.3 billion as at December 31,2007).

37) Group Employment

	2008	2007
Number of employees at year end	253	215
Full time equivalent employment at year end	234	205
Average full time equivalent employment in the year	229	191

The employment figures exclude the personnel of the controlled Private Equity investments (refer to note 25).

Notes to the Consolidated Financial Statements (continued)

38) Related parties

Related party transactions

Certain subsidiaries in the Wealth Management segment, as part of their normal business activities, 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.

Management remuneration

Key management personnel is defined within the Group as directors and senior executive employees who are playing a decisional role on strategical and operating Group level.

Directors' and management's remunerations are included respectively in the "Other Administrative Expenses" and the Personnel" items detailed in note 28.

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	2008	2007
Short-term employee benefits	6,091	7,943
Post-employment benefits	369	308
Other long-term benefits	2,994	406
Total Management remuneration	**9,454**	**8,657**

The carried interest paid in 2008 to key management personnel amounts to USD 236,000, compared to USD 2,145,000 in 2007.

Other carried interest received in 2008 by key management personnel amounts to USD 107,000, compared to USD 1,129,000 in 2007.

39) Subsequent events

The financial statements were authorized for issue by the directors on May 7, 2009.
After the balance sheet date, the following dividends were proposed by the directors for distribution :

	2008	2007
Total gross dividends (in $ '000)	17,441	16,345
Dividend per share (in $)	2,6	2,5

Report of the Réviseur d'Entreprises to the shareholders
on the Annual Accounts

Following our appointment by the General Meeting of the Shareholders dated June 27, 2008, we have audited the accompanying annual accounts of QUILVEST S.A., which comprise the balance sheet as at December 31, 2008 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 Réviseur d'Entreprises

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 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 Réviseur d'Entreprises, 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 Réviseur d'Entreprises considers 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 of December 31, 2008, 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 7, 2009

KPMG Audit S.à r.l.
Réviseurs d'Entreprises

Thierry Ravasio

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Balance Sheet

as of December 31 In $ '000

Assets	Notes	2008	2007
Tangible assets		27	10
Financial assets	3	58,179	179,150
Fixed Assets		**58,206**	**179,160**
Debtors	4	136,484	34,442
Cash at bank and in hand		12,989	1,323
Current Assets		**149,473**	**35,765**
Total Assets		**207,679**	**214,925**

Liabilities	Notes	2008	2007
Subscribed capital		44,990	43,800
Share premium account		141,470	128,660
Legal reserve		4,380	4,380
Profit brought forward		381	943
Profit for the financial year		5,972	13,782
Capital and reserves	**5**	**197,193**	**191,565**
Convertible bonds	6	-	16,240
Other creditors	7	10,486	7,120
Creditors		**10,486**	**23,360**
Total Liabilities		**207,679**	**214,925**

The accompanying notes form an integral part of these annual accounts.

Profit and Loss Account

as of December 31 — In $ '000

Charges	Notes	2008	2007
Value adjustments in respect of assets		6	3
Interests payable and similar charges		306	500
Other charges	8	3,763	3,791
Profit for the financial year		5,972	13,782
Total Charges		10,047	18,076

Income	Notes	2008	2007
Income from fixed assets	9	6,417	17,000
Income from current assets		3,630	1,076
Total Income		10,047	18,076

The accompanying notes form an integral part of these annual accounts.

Notes to the Annual Accounts

1. General Information

On December 13, 2006, Luxembourg abolished by law the tax exemption of the Holding 1929 companies. According to this law, Quilvest ("the Company"), 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.

Alternatives to the status of the 1929 Holding are being reviewed by the Company.

2. Summary of Significant Valuation Principles

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.

Transactions in foreign currencies have been reflected in the annual accounts at 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, 2008.

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.

3. Financial Assets

as of December 31, 2008

	Share capital	Number of shares held	% of capital	Book value
Quilvest Private Equity Ltd Tortola, British Virgin Islands	$ 57,599,800 575,998 shares of $ 100 par value	575,997	99.99%	$ 54,104,177
Quilvest Europe S.A. Luxembourg	€ 3,500,000 3,500,000 shares without par value	3,499,997	99.99%	$ 4,074,712
Total				**USD 58,178,889**

On February 13, 2007, the Company incorporated a new subsidiary in Gibraltar, Quilvest Participation Limted. At year-end December 31, 2007, the Company owned 100% of the capital of Quilvest Participation Limited represented by 1,080,000 shares of USD 112 par value per share corresponding to an amount of USD 120,971,200.

Notes to the Annual Accounts (continued)

On March 14, 2008, the Board of Directors of the Company decided the voluntary winding up of its Gibraltar subsidiary Quilvest Participation Limited. The liquidation was closed on August 12, 2008 (refer to note 9).

4. Debtors

These mainly represent loans receivable from affiliates, including a loan of USD 120,500,000 granted to Quilvest Finance Limited by Quilvest Participation Limited and tranferred to the Company with an effective date of April 18, 2008.

5. Capital and Reserves

In $	Subscribed capital	Share premium	Legal reserve	Profit brought forward	Profit for the year	Total Capital and Reserves
Balance at January 1, 2008	43,800,000	128,660,000	4,380,000	942,780	13,782,365	191,565,145
Annual General Meeting of June 27, 2008						
- 2007 Result brought forward	-	-	-	13,782,365	(13,782,365)	-
- Dividend	-	(2,000,000)	-	(14,344,692)	-	(16,344,692)
Extraordinary General Meeting of July 15, 2008						
- Share capital increase	1,189,630	14,810,370	-	-	-	16,000,000
Profit for the financial year	-	-	-	-	5,972,231	5,972,231
Balance at December 31, 2008	**44,989,630**	**141,470,370**	**4,380,000**	**380,453**	**5,972,231**	**197,192,684**

At the request of the bondholders of 160,000 bonds maturing on June 30, 2008, the Company converted the 160,000 bonds at a conversion rate of 1 for 1.1 QUILVEST shares. By notarial deed of July 15, 2008, the Company made a share capital increase by the issuance of 176,000 new shares without nominal value.

As of December 31, 2008 the Company's authorised share capital is USD 100,000,000 represented by 14,794,520 shares without nominal value, of which USD 44,989,630 represented by 6,656,000 shares without nominal value are issued and fully paid.

As at December 31, 2008, 27,820 Quilvest shares are held by the subsidiaries of the Parent Company and therefore no restricted reserve has been constitued in the annual accounts.

During the year 2008 the subsidiaries acquired 7,336 additional shares for a total purchase amount of USD 847,741. During the same period, the subsidiaries sold 3,175 treasury shares for a total of USD 287,149.

Notes to the Annual Accounts (continued)

6. Convertible Bonds

On July 1, 2003 the Company issued 160,000 bonds at a price of USD 100 nominal each, bearing an interest rate of 3%, payable annually as of June 30, which were converted into capital on June 30, 2008.

7. Other Creditors

These are funds that Quilvest S.A. has lent on short-term basis to other affiliates.

8. Other Charges

Other charges includes wages and salaries, Board of Directors remuneration, audit and consultancy fees, notary fees and other administrative expenses.

9. Income from fixed assets

On April 18, 2008, Quilvest Participation Limited transferred to the Company all rights and obligations on the USD 120,500,000 loan granted to Quilvest Finance Limited on March 17, 2007. The voluntary winding up of Quilvest Participation Limited closed on August 12, 2008 resulted in a USD 6,416,977 net income.

In 2007, income from fixed assets included a dividend of USD 17,000, 000 from Quilvest Private Equity, Ltd.

10. Contingencies

As of December 31, 2008 and 2007 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.

QUILVEST

Earnings and Allocations

	in $
Proposal	
- Profit for the financial year	5,972,231
- Profit brought forward	380,453
- Share premium	11,206,788
Total available for proposed allocation	**17,559,472**

Proposed allocation	
- Allocation to the legal reserve	118,963
- Gross dividend payment	17,440,509
- Carry forward	-
Total	**17,559,472**

The Board of Directors proposes an allocation to the legal reserve of USD 118,963 in accordance with Luxembourg law whereas at least 5% of the net profit must be appropriated to a legal reserve not available for distribution until the aggregate reserve reaches 10% of the subscribed capital.

Furthermore, the Board of Directors proposes the payment of a gross dividend for the year ended December 31, 2008 of USD 2.6203 per share.

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 for the directors of USD 990,000 will be proposed for the year 2008 (2007: USD 840,000).