

Interim group report

June 2007

QUILVEST Management Report as per June 30, 2007

Quilvest maintained a strong performance throughout the first semester of 2007.

Quilvest Private Equity has had a very active first half of 2007. Several exits were realized among which QS Blinds, QS Seals and Ionisos. Several other companies are in the process of being sold, and we expect most of these transactions to be realized before year end. QS PEP funds continued their healthy level of activity with capital calls and distribution levels as well as net asset values increasing significantly. QS PEP has now confirmed its status as a top decile program with IRRs and COCs well above the industry benchmarks. On the investment front, as of August of this year, the team has completed 11 lead and co-investments. We are currently working on several more lead opportunities and hope to close a few before year end. Our investment activity is continually increasing its geographic scope with companies in the United States, Mexico, France, Italy, Spain and China.

Market conditions have changed dramatically over the summer with credit markets virtually shutting down for large cap transactions. We expect these markets to come back to a more reasonable equilibrium within 6 to 9 months. Credit markets for the micro- and mid-cap sectors have been less affected and remain active, though with more discipline and more reasonable valuations. The whole market shake up, we believe, will lead to a buyers market over the next 12 to 24 months. Valuations, as we have begun to witness, should return to more reasonable levels.

After 75 years of history, Société Internationale de Finance (SIF) has changed its name to Quilvest Switzerland Ltd on July 1st. All the major companies of the Group now bear Quilvest in their trade name, thus leveraging the brand recognition. For SIF this move reinforces its membership in the Group and simplifies marketing to new clients.

Financially, the first semester of 2007 was excellent with an increase of 40 % on revenues compared to the same period of last year. The month of May was one of the best months SIF's entire history in terms of profits. This was the result of a continuous increase in our client trust and in very favourable financial market conditions. The discretionary portfolio performed well during the first semester. We were supported by strong financial markets and were able to outperform most of our competitors. In particular, our funds of hedge funds achieved outstanding returns. The outlook for the second half of the year is more uncertain with some potential turmoil in financial markets.

At Quilvest Banque Privée, the first half of 2007 was marked by sustained activity in asset management and continued progression in all business sectors. The consolidated results are in line with the budget forecast, and although we anticipate that the costs of new activities will have a significant impact on the financial year 2007, we nevertheless expect a slightly improved consolidated balance for the year.

Board of Directors and Management

Board of Directors

Julio E. Nuñez, Honorary Chairman

Alvaro Sainz de Vicuña, Chairman

Christian Baillet, Vice-Chairman

Peter Bemberg, Director

André Elvinger, Director

Serge de Ganay, Director

Louis-James de Viel Castel, Director

François de Carbonnel, Director

International Advisory Services, Director

Executive Management

Christian Baillet, CEO of Quilvest

F. Michel Abouchalache, General Manager and CEO Quilvest Private Equity

Jean-Benoît Lachaise, Secretary General of Quilvest and Group Controller

Statutory and group auditors

KPMG Audit S. à r. l., Luxembourg

Trade Register

R.C.S. Luxembourg B6091

Registered Office

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Quilvest Group - Consolidated Financial Statements

Consolidated Balance Sheet for the period ended June 30, 2007 comparative with December 31, 2006

	in 000 USD	06 2007	12 2006
Assets		unaudited	audited
Cash and cash equivalents		214.131	159.882
Income tax receivable		427	1.331
Loans and advances to bank customers		126.618	103.297
Loans and advances to banks		-	3.505
Other receivables, accrued income and prepaid expenses		28.857	32.491
Investments		662.860	557.670
Property, plant and equipment		16.127	15.612
Investment Property		8.208	8.049
Intangible assets		17.598	15.803
Investments in associates		1.849	1.482
Deferred tax assets		185	201
Total assets		1.076.860	899.323
Liabilities and equity			
Financial liabilities held for trading		1.027	825
Income tax payable		4.007	1.948
Deposits from banks		36.402	27.129
Deposits from bank customers		116.848	122.331
Other liabilities, deferred income and accrued expenses		62.601	53.097
Interest-bearing liabilities		46.906	47.165
Employee benefit obligation		495	586
Provisions		326	369
Deferred tax liabilities		7.749	7.606
Total liabilities		276.361	261.056
Share capital		43.800	36.500
Share premium		128.937	20.277
Treasury shares		(1.882)	(1.348)
Reserves		9.373	6.167
Retained earnings		544.995	484.807
Net profit for the period - Group share		53.454	67.951
Total equity attributable to shareholders of the parent		778.677	614.354
Minority interest		21.822	23.913
Total equity		800.499	638.267
Total liabilities and equity		1.076.860	899.323

Quilvest Group - Consolidated Financial Statements

Consolidated Income Statement for the periods ended June 30, 2007 and June 30, 2006

	in 000 USD	06 2007 unaudited	06 2006 unaudited
Net income from directly held investments		44.584	10.421
Net income from banking activities		30.177	18.699
Other operating income		20.628	8.691
General administrative expenses		(43.451)	(25.837)
Depreciation, amortization and impairment losses		(598)	(110)
Financial income		5.261	3.159
Financial expenses		(2.371)	(3.766)
Income from associates		385	416
Profit before tax		<u>54.615</u>	<u>11.673</u>
Income tax expense		(2.728)	(1.624)
Profit for the period		<u>51.887</u>	<u>10.049</u>
Attributable to the Shareholders of the parent		53.454	11.441
Minority interest		(1.567)	(1.392)
Basic earnings per share (in \$)		8,3	1,8
Diluted earnings per share (in \$)		8,2	1,8

Quilvest Group - Consolidated Financial Statements

Consolidated Cash-flow Statement for the periods ended June 30, 2007 and June 30, 2006

	in 000 USD	06 2007	06 2006
		unaudited	(reperformed) unaudited
Operating cash-flows directly linked to the Private Equity Business			
Acquisition of PE investments		(167.676)	(79.151)
Proceeds from sale of PE investments		109.367	80.016
Operating cash-flows directly linked to the Wealth Management Business			
Net interest income		4.032	2.867
Net fee and commission income		24.844	16.412
Net cash movements to/from bank customers		(16.081)	(38.319)
Net cash movements to/from banks		12.338	31.237
Other operating cash movements			
Income taxes paid		(953)	(905)
Net other operating cash movements		(15.591)	(25.047)
Net cash provided by / (used in) operating activities		(49.720)	(12.890)
Investing activities			
Acquisition of investments		(8.219)	(12.990)
Proceeds from sale of investments		10.072	12.551
Acquisition of property, plant and equipment		(710)	(1.122)
Proceeds from disposal of property, plant and equipment		33	36
Acquisition of intangible assets		(383)	(517)
Acquisition of subsidiaries, net of cash acquired		-	(5.287)
Interests received		2.185	306
Dividends received		372	467
Net cash provided by / (used in) investing activities		3.350	(6.556)
Financing activities			
Proceeds from the issue of share capital		120.960	-
Payment of transaction costs		(345)	-
Repurchase of own shares		(1.282)	(302)
Proceeds from the sale of own shares		1.067	-
Repayment of interest-bearing liabilities		-	(10.925)
(Decrease)/Increase in short-term financing		(19.819)	11.182
Net cash contributions from/distributions to investors		(597)	1.595
Interests paid		(622)	(662)
Net cash provided by / (used in) financing activities		99.362	888
Net increase / (decrease) in cash and cash equivalents		52.992	(18.558)
Cash and cash equivalents at beginning of year		159.882	82.250
Effect of exchange rate fluctuations on cash and cash equivalents held		1.257	554
Cash and cash equivalents at end of period		214.131	64.246

Quilvest Group - Consolidated Financial Statements

Consolidated Statement of changes in Equity for the periods ended June 30, 2007 and June 30, 2006

	Subscribed capital	Additional paid-in capital	Treasury shares	Reserves and Retained earnings	Total Group	Minority reserves and result	Total Equity
Balance at January 1, 2006	36.500	22.137	(816)	482.210	540.031	27.381	567.412
Profit for the period	-	-	-	11.441	11.441	(1.392)	10.049
Exchange differences	-	-	-	(2.266)	(2.266)	869	(1.397)
Total recognized income and expense	36.500	22.137	(816)	491.385	549.206	26.858	576.064
Changes in scope	-	-	-	-	-	462	462
Repurchase of own shares	-	-	(302)	-	(302)	-	(302)
Capital distributions	-	-	-	-	-	(981)	(981)
Change in minority reserves	-	-	-	-	-	(1.662)	(1.662)
Dividends paid	-	(1.860)	-	(6.342)	(8.202)	(340)	(8.542)
Balance at June 30, 2006	36.500	20.277	(1.118)	485.043	540.702	24.337	565.039
Balance at January 1, 2007	36.500	20.277	(1.348)	558.925	614.354	23.913	638.267
Profit for the period	-	-	-	53.454	53.454	(1.567)	51.887
Exchange differences	-	-	-	3.205	3.205	14	3.219
Total recognized income and expense	36.500	20.277	(1.348)	615.584	671.013	22.360	693.373
Capital increase of March 29, 2007	7.300	113.660	-	-	120.960	-	120.960
Repurchase of own shares	-	-	(1.282)	-	(1.282)	-	(1.282)
Sale of own shares	-	-	748	319	1.067	-	1.067
Capital contributions	-	-	-	-	-	325	325
Capital distributions	-	-	-	-	-	(884)	(884)
Change in minority reserves	-	-	-	-	-	33	33
Dividends paid	-	(5.000)	-	(8.081)	(13.081)	(12)	(13.093)
Balance at June 30, 2007	43.800	128.937	(1.882)	607.822	778.677	21.822	800.499

Notes to the Interim Consolidated Financial Statements at June 30, 2007

Note 1 - Summary of Activities

QUILVEST S.A. (the Company) is a Luxembourg holding company incorporated in December 1960 under the laws of August 10, 1915 and July 31, 1929 as amended.

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

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

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

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.

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

Note 2 - Basis of Presentation

The consolidated interim financial statements are prepared and presented under condensed format and in accordance with IAS 34.

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

The accounting policies and consolidation methods are consistent with those applied for the financial statements at December 2006.

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

For the exhaustive list of these policies, please refer to their detailed presentation made in the last annual report.

These interim financial statements have not been submitted to external revision.

Notes to the Interim Consolidated Financial Statements at June 30, 2007 (continued)

Note 3 - Foreign Currencies

Foreign Currency Translation

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

Financial Statements of Foreign Operations

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

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.

	<u>USD/EUR</u>	<u>CHF/USD</u>	<u>USD/GBP</u>
Opening 2006	0,84531	1,31470	0,58032
Average 6 months 2006	0,81307	1,26740	0,55718
June 30, 2006	0,78639	1,22440	0,54437
Opening 2007	0,75821	1,21990	0,51101
Average 6 months 2007	0,75129	1,22530	0,50717
June 30, 2007	0,74352	1,23150	0,49907

Note 4 - Changes in the scope of consolidation

Compared to year-end 2006, the following changes in the scope of consolidation were integrated in these interim financial statements.

Quilvest UK Ltd, incorporated in January 2007, is 100% owned by the Group and is fully consolidated.

Quilvest Participation Ltd was incorporated on February 14, 2007 and contributed in kind to the capital increase of Quilvest SAH dated March 29, 2007. This entity is 100% owned by the group and fully consolidated.

Quilvest France SAS incorporated in April 2007 Quilvest Ventures, management company of the fund "Quilvest Ventures II". The Group holds a 60% economic interest in this entity which is maintained at cost (240,000 EUR) in these interim financial statements.

Notes to the Interim Consolidated Financial Statements at June 30, 2007 (continued)

Note 5 - Financial investments

The cash movements related to the Private Equity investments are presented in the cash flow statement under operating activities. During the first half-year 2007 acquisitions of PE investments generated a cash outflow of USD 167,676,000 and disposals from PE investments generated a cash inflow of USD 109,367,000.

Note 6 - Equity

The statement of changes in equity at June 30, 2007 integrates the allocation of earnings decided by the General Shareholders' meeting held on June 29, 2007 in Luxemburg.

The allocation includes the payment of a gross dividend of USD 13,081,344.

The share capital of Quilvest S.A. at December 31, 2006 amounted to USD 36,500,000 represented by 5,400,000 shares. On March 29, 2007 the capital increased by USD 7,300,000 represented by 1,080,000 new shares and the share premium increased by USD 113,660,000. As a result, at June 30, 2007 the subscribed capital of Quilvest S.A. amounts to USD 43,800,000 represented by 6,480,000 ordinary shares fully paid-up.

During the first half-year 2007 the Group acquired 11,727 additional own Quilvest shares for a total amount of USD 1,282,000 and sold 9,540 Quilvest shares at a global price of USD 1,067,000. At June 30, 2007, the Group owns 22,176 treasury shares for a total purchase cost of USD 1,882,000. According to the IFRS principles, the total purchase price of these shares is deducted from equity.

Note 7 - Weighted and diluted earnings per share

The calculation of basic earnings per share at June 30, 2007 and 2006 is based on the net profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the periods under review calculated as follows:

a) Calculation of IFRS weighted number of shares

	06 2007	06 2006
Net profit attributable to the shareholders of the parent in 000 USD	53.454	11.441
Issued ordinary shares at January 1	5.400.000	5.400.000
Effect of own shares held	(22.911)	(3.677)
Shares issued at the capital increase of March 29, 2007	1.080.000	1.080.000
Weighted average number of ordinary shares at June 30	6.457.089	6.476.323
Net basic profit per share (in USD)	8,3	1,8

Notes to the Interim Consolidated Financial Statements at June 30, 2007 (continued)

b) Calculation of IFRS diluted average number of shares

	06 2007	06 2006
Net profit attributable to the shareholders of the parent in 000 USD	53.454	11.441
Interest of convertible bonds, net of tax in 000 USD	704	695
Adjusted net profit for the year in 000 USD	54.158	12.136
Weighted average number of shares at June 30	6.457.089	6.476.323
Effect of potential conversion of convertible bonds	176.000	176.000
Diluted average number of ordinary shares at June 30	6.633.089	6.652.323
Net weighted diluted profit per share (in USD)	8,2	1,8

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

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

The weighted diluted profit per share integrates the potential conversion of this convertible bond on the total number of shares as well as the gain on Group profit resulting from the non-payment of interest due to bondholders.

Note 8 - Segment information

The breakdown according to the primary business segmentation can be summarized as follows for the period ended June 30, 2007.

(in 000 USD)	Private Equity	Wealth management	Corporate	Group
External revenue	43.945	31.185	20.141	95.270
Depreciation and amortization expenses, net	(147)	(449)	(2)	(598)
Other non-cash income, net	5	114		119
Segment result (= EBIT)	33.744	8.205	9.391	51.340
Segment assets	797.083	229.923	49.856	1.076.861
Segment liabilities	62.177	183.786	30.399	276.362
Capital expenditures	(258)	(732)	(104)	(1.094)

Notes to the Interim Consolidated Financial Statements at June 30, 2007 (continued)

The geographical breakdown for the period is summarized as follows :

(in 000 USD)	Europe	America	Asia & Middle East	Group
External revenue	85.791	5.368	4.111	95.270
Segment assets	669.856	338.151	68.854	1.076.861
Capital expenditures	(1.094)			(1.094)

Note 9 - Contingencies

The open commitments from the private equity business segment towards third party funds increased during first half-year 2007 by a net additional commitment of USD 42,864,000 to a global group commitment of USD 191,332,000. This increase results from commitments made to the new PEP vintage 2007, USD 69 million, partly reduced by global capital calls paid on existing commitments for USD 26,1 million.

Note 10 - Subsequent events

Since the balance sheet date, no material event has occurred that could have significantly impacted the figures presented.