QUILVEST is a public financial holding company whose subsidiaries concentrate their activities primarily on wealth management and private equity with a primary focus on the United States and Europe.

QUILVEST was incorporated in Paris on September 20, 1888 to manage a brewing business in Argentina. Since the spin-off of the industrial activities in 1991, it has solely focused on managing financial assets with a Swiss wealth management institution established in 1932 and a private bank in France established in 1917. QUILVEST's private equity activities date back to 1975.

QUILVEST consists of more than 100 professionals with offices in Luxembourg, Paris, Zurich, New York, Madrid, Hong Kong and Bangkok.

PART I GENERAL SECTION

PART II FINANCIAL SECTION

BOARD OF DIRECTORS

HONORARY CHAIRMAN	Julio E. Nuñez
CHAIRMAN	Alvaro Sainz de Vicuña
DIRECTORS	Christian Baillet
	Peter Bemberg
	André Elvinger
	Serge de Ganay
	Louis-James de Viel Castel
	International Advisory Services

AUDIT COMMITTEE	Peter Bemberg
	Louis-James de Viel Castel

GROUP MANAGEMENT

CHIEF EXECUTIVE OFFICER	Christian Baillet
GENERAL MANAGER	F. Michel Abouchalache
SECRETARY GENERAL	Carlo Hoffmann

STATUTORY AUDITORS	KPMG Audit
	KPMG Klynveld Peat Marwick Goerdeler S.A.

INDEPENDENT AUDITORS	KPMG Audit
	KPMG Klynveld Peat Marwick Goerdeler S.A.

GROUP HIGHLIGHTS

in $ million	2003	2002
Total assets	473	441
Group net equity	326	338 **
Net asset value *	502	420
Group net loss	(50.5)	(21.4)

in $ million	2003	2002
Net loss per share	(9.14)	(4.11)
Net asset value per share (book basis)	58.97	64.99 **
Net asset value per share *	90.87	80.83
Total shares issued	**5'520'000**	**5'200'000**

* Based on management valuation
** Restated

CHAIRMAN'S STATEMENT

2003 was a good year for QUILVEST's two core businesses: private equity and wealth management. Not only the net asset value of the entire portfolio increased by 13%, but also most of our investments continued to strengthen. We stayed the course with our set strategy and sustained a strong investment pace in our two most important assets: our human resources and our value proposition.

QUILVEST recruited in 2003 several senior professionals for both its private equity and wealth management units. The recruiting effort is expected to continue well into the next two years. Our ability to attract and retain qualified and talented professionals is the single most important ingredient of a superior value proposition. Most of our shareholders and our clients achieved in 2003 superior returns with relatively low volatility. Our objective will continue to be to improve on such superior returns.

I would like to thank most of QUILVEST's shareholders who subscribed to the July capital increase. Your board and your senior management read in your overwhelming participation a strong message of trust and commitment. I am pleased that the QUILVEST 2003 performance rewarded you so far with above than expected returns.

We do anticipate a strong 2004 capitalizing on a healthy and diversified portfolio, solid investment programs such as QS PEP and SIF funds of hedge funds and a very committed and driven team.

ALVARO SAINZ DE VICUÑA
Chairman

CHIEF EXECUTIVE OFFICER'S STATEMENT

A Mixed Environment in 2003

Most financial markets continued to suffer in the first half of 2003. A significant positive shift only materialized in the latter half of the year with global financial markets ending the year on a relatively high note. This pattern was also true in private equity. Both venture capital and buyout had a slow first semester and a recovery which was confirmed in the last quarter of the year.

Significant Currency Swings

We continued to live in an environment in which major currencies were highly volatile. Not only are major corporations affected by such swings, global investment portfolios like QUILVEST's are also impacted. QUILVEST's net asset value is measured in United States dollars. Therefore, an appreciating Euro had a significant positive effect on QUILVEST's net asset value in 2003. The reverse could happen in upcoming years so QUILVEST, to reduce its currency exposure, started to hedge and will continue to hedge part of its portfolio.

An 13% Increase in Net Asset Value

After two consecutive years of net write downs, the QUILVEST portfolio achieved a 13% net asset value increase in 2003. This solid performance compares very favorably with relevant benchmarks, estimated to have been flat for a similar portfolio in 2003. More importantly, this performance is well in line with QUILVEST's long term objectives.

An Income Statement Penalized by Significant Provisions

The recovery of the private equity asset class only materialized in the latter half of 2003. This, for most private equity investors, translated into a net asset value recovery for 2003 but into very few realizations. Exits are expected to pick up in 2004 but were scarce in 2003. This reality was also true for QUILVEST. Despite a net increase in the value of our investments, we had a limited number of capital gain realizations.

On the other hand, consistent with our strict provisioning policy, we continued to write down our troubled investments, in particular in the United States. This led to a consolidated loss of approximately $50M. Because of the continued strengthening of our portfolio and a pick up in the realizations pace, we expect consolidated profits in 2004.

Large Write Downs in the United States

Despite a net overall positive portfolio performance, some large investments were written down or off in 2003. Garden Ridge, QUILVEST's largest investment, continued to face difficulties with declining comparable sales and eroding profitability. The company was put into Chapter 11 in early 2004. The Chapter 11 process is still under way and it is difficult at this point in time to predict what will be the final outcome. While a partial recovery is possible, to stay consistent with our conservative valuation policy, we decided to completely write off Garden Ridge.

CHIEF EXECUTIVE OFFICER'S STATEMENT

Other significant write-downs or write-offs include Factory 2-U, Leslie Fay, Well Well Well and Haviland.

- **Strong Overall Portfolio Performance Especially in Continental Europe**

Overall, despite a challenging 2003 economic environment, most portfolio companies continued to be on or above budget. Indeed, several portfolio companies had an exceptional year, in particular in France and in Spain. The performance of those companies, if sustained, should contribute positively to QUILVEST's income statement and net asset value in the next few years. As a matter of fact, Segur Ibérica was sold in early 2004 with a significant capital gain.

With the exception of Garden Ridge, Factory 2-U and Leslie Fay, the rest of the United States portfolio continued to develop nicely and is now much more diversified with a lower risk profile.

- **A New Joint Venture in Asia**

Asia continues to be an 'intellectual' challenge for private equity investors. On one hand, this part of the world continues to exhibit very favorable macro trends and staggering growth. On the other hand, private equity performance in Asia for most investors has been lower than that of the United States and Europe. For this reason QUILVEST decided to continue to invest in private equity in Asia while not increasing its relative exposure and commitments. However, it is essential that QUILVEST maintain in Asia a critical mass of human and financial resources. To that end, we have merged our team into the team of Navis which has an excellent reputation and a tangible experience in private equity in the region. QUILVEST will now continue its Asia private equity activity through and with the Navis team.

- **A Successful Approach To Third Party Funds Investing**

As of early 2002, QUILVEST put in place, through its QS PEP programs, a systematic approach to analyzing, screening and accessing 'top quartile' buyout and venture capital funds. The objective is to make annual commitments to 10 to 15 high quality and promising United States and European teams. While it is too early to make a credible assessment, the QS PEP program is developing nicely and has so far accessed 26 of the most promising buyout and venture managers. Overtime, we expect the QS PEP vintages to grow to a large percentage of the QUILVEST portfolio.

- **Tangible and Promising Developments In Wealth Management**

Our two financial institutions, Banque Privée QUILVEST (BPQ) and Société Internationale de Finance (SIF), achieved significant growth in assets under management. This growth was driven by new clients as well as by the positive returns of existing assets under management. To capitalize on this very favorable momentum, QUILVEST decided to continue to invest heavily in its wealth management human resources and capabilities.

Despite the positive trends at both BPQ and SIF, the profitability of those two institutions remained flat in 2003. This trend is expected to reverse itself as some of the current growth in business should be reflected in the profitability of those two business units.

Acceleration of the Recruitment Process

QUILVEST's two core businesses, private equity and wealth management, continued to grow in 2003. We are strong believers that the single most important driver of success in such businesses are capable and motivated professionals. It is our responsibility to ensure that our recruitment policy and pace are in phase with our ambitions. Therefore, on the private equity side, we have doubled the size of the QUILVEST European team and we have kicked off the recruiting process of senior professionals for our United States team. All of the QUILVEST team members we have recruited or intend to recruit come with very solid educational backgrounds and professional experiences.
On the wealth management side, we continued to recruit in the investment and marketing departments of both BPQ and SIF. Our objective is to continue to build around our unique value proposition by strengthening our 'production' and relationship management capabilities.

Dividend Policy

2003 was a good year and we expect the trend to continue. We will recommend to our shareholders a dividend for this year. It has always been and will continue to be our objective to regularly distribute a dividend and to contribute to the growth of our shareholders' capital. The proposed dividend will be applied for the fiscal year 2003.

Based on our current reading of our portfolio and of the private equity asset class in general, we expect the positive trend to continue and we expect to be in a position to uphold our dividend objectives.

A Committed Shareholder base and Management Team

By several accounts the 2001-2003 cycle was the worst ever for private equity, especially for venture capital. During this difficult period, QUILVEST's shareholders and the team remained committed. Most of our shareholders participated in a 2003 capital increase. Our management team launched several initiatives and our recruitment process was never slowed down. In retrospect, our shareholders and QUILVEST management did the right thing.

Barring an adverse global macro or political event, we expect the positive trend to continue and we are committed to create shareholder value. In order to achieve those objectives, we will encourage leadership at all levels of the QUILVEST organization and we will continue to develop our two core businesses with the greatest level of ethics. This is QUILVEST's heritage and our credo.

CHRISTIAN BAILLET
Chief Executive Officer

PRIVATE EQUITY

I. PORTFOLIO PERFORMANCE

Overall, the QUILVEST private equity portfolio net asset value increased by 8% in 2003. Most portfolio companies met or exceeded their 2003 budget despite challenging global and local economic environments. Most portfolio funds had a significant upswing in valuations as of the fourth quarter. In addition, the portfolio continued to become more diversified with the largest 10 investments adding up to approximately 25% of the total portfolio versus 40% two years ago.

Realizations were scarce in 2003 with an average liquidity hovering around 8% versus an expected liquidity above 15%. After two years of below average liquidity, we expect realizations to pick up as several funds and companies in our portfolio have nicely matured and are ready to be realized.

United States Portfolio

The United States remains our single most important target country with a 50% long term allocation. In the past two years, the US portfolio performance remained weak. This trend continued to be true in 2003 with a 32% decrease in the net asset value of the TCF portfolio. This decrease was mostly driven by the write-off of two large investments: Garden Ridge and Leslie Fay. The rest of the portfolio continued to behave reasonably well with some promising companies such as ARI, Meridian Rail and RedMedPar. We do believe that the USA portfolio is likely to have bottomed out and that a recovery can be expected in the short to medium term.

A tangible and somewhat positive consequence of the continued write-downs of the past three years is an increasing diversification of the US portfolio. Whereas three years ago, investments such as Garden Ridge and Factory 2-U each accounted for more than 10% of the total QUILVEST portfolio, today no single company accounts for more than 5% of the portfolio.

Another consequence of three years of higher write-downs in the US than in Europe as well as an appreciating Euro is now an underweighted US portfolio. As of the end of 2003, the US represented less than 30% of our private equity investments. While this is significantly below our targeted 50%, we expect this trend to reverse itself in the medium term for the following three reasons: First, our new funds commitments and direct investments do and will continue in the medium term to overweight the United States. Second, by increasing the number of the QUILVEST Direct team senior professionals based out of New York, we expect our direct activity to pick up quite promptly in the United States. Finally, it is fair to assume that the US portfolio net asset value is likely to increase in the short term.

French Portfolio

The French portfolio performed very well in 2003, mainly driven by a 37% net asset value increase of all investments done by and with TCRE and TCRIP. Sede Axoma continued its upward trend with improved sales and profitability. Two new investments, Entrepose Echaffaudage and Nocibé exceeded their budgets. The other large investments continued to meet objectives with the exception of Haviland which faced a steep decline in sales, mainly due to general market conditions. A significant or full Haviland write-off should not be excluded.

Spanish Portfolio

The QUILVEST portfolio in Spain had an outstanding year with a 42% increase in net asset value. Most Spanish companies in which QUILVEST has a stake met or exceeded their business plan in 2003. Segur Ibérica sustained its revenue and EBITDA growth trend and was exited in early 2004 with an IRR in excess of 35% and a cash-on-cash multiple close to 3.4. Azulev, Irestal and Grupo Euro continued their upward trends while the Restmon Group continued to be challenged and therefore was written down by 75%.

United Kingdom Portfolio

The UK portfolio had a relatively disappointing year despite a 3x cash-on-cash exit of Yxlon, a German investment managed by Botts. The main write-downs were driven by the Botts Capital portfolio and by several co-investments with Botts, mainly Well Well Well, the troubled water company. While the prospects of the US portfolio are quite promising, the visibility on the UK portfolio is less obvious. More write-downs could be taken on the Botts portfolio in the years to come.

Asia Portfolio

After several consecutive years of disappointing performance in Asia, the QUILVEST private equity portfolio net asset value in this region increased by approximately 10% in 2003. QUILVEST direct investments in Asia remained flat with E.Pak continuing to perform well, a successful exit of Digital ONPA and a write-off of Convac. Third party funds in Asia increased in net asset value by 17%, signalling a potential comeback of private equity in this vibrant region of the world.

PRIVATE EQUITY

II. NEW INVESTMENTS

QUILVEST continued to invest quite actively in private equity in 2003. Those investments were driven by QUILVEST's three teams: 1-The QS PEP team, focusing on investing in 'top quartile' funds. 2-The QUILVEST Direct team, leading all of QUILVEST direct and co-investments. This team is now mainly focused on the United States and Europe. 3-The QUILVEST Ventures team with a focus on technology and biotech co-investments and investments. All teams work closely together and leverage their respective know-how and networks.

QS PEP

Since its inception in 2002, this program made commitments to 26 funds. The selection and screening process is extremely disciplined, thorough and rigorous. QS PEP only commits to what we believe will be 'top quartile' managers. Recent commitments include Abingworth, Altor, Benchmark, Cinven, Cerberus, Charterhouse, General Catalyst, Golden Gate, Harbourvest, Kodiak, Permira, Silver Lake, Sevin Rosen, TPG, NEA, Nordic, and Venrock.

QUILVEST Direct

2003 was a very active year for QUILVEST Direct with 6 direct or co-investments. Those include a women's clothing designer, manufacturer and distributor in Germany, a bus manufacturer in the UK, a piping distributor in France, a perfume distributor in France, a plastic crates manufacturer in Europe and a pharmaceutical equipment sterilization specialist in France.

Since early 2004, 4 more co-investments or direct investments were or are in the process of being closed. Those include an 'intelligent rooms' furniture manufacturer in the United States and a security company in Spain.

QUILVEST Ventures

2003 was a mixed year for QUILVEST Ventures with a complete write-off of one of its early investments, Quantaflow. The company, specialized in people counting hardware and software, witnessed a significant decrease in sale and faced a severe cash flow shortfall as of early 2003. Subsequently, the company filed for bankruptcy.

During the year, QUILVEST Ventures focused on sourcing co-investment opportunities with leading venture teams in the United States and Europe. The strategy is so far paying off with two recent investments: A European developer of mobile phones software and an oncology drugs company with three products in phase II and phase III. QUILVEST Ventures will continue to source such co-investments and will seek to partner with leading healthcare and technology teams with proven track records.

III. THE QUILVEST PRIVATE EQUITY TEAM

QUILVEST has more than doubled its European private equity team in 2003. The objective is to continue to build our internal capabilities to successfully source and parallel process several lead or co-investment opportunities in our European target countries. Those include France, the United Kingdom, Spain and, in the near future, Italy or Germany.

As for the United States, we have kicked off a major recruitment undertaking with an objective to add to our existing team several senior private equity professionals. In the meantime we continued to forge privileged relationships with established and emerging buyout and venture teams to source attractive co-investment and lead opportunities.

We feel very encouraged by the progress so far on the human resources front. Our team showed resilience and determination during the down cycle. We should be in a good position to capitalize on this unique asset moving forward.

LIST OF LARGEST DIRECT INVESTMENTS

Direct Investments	Country	Investment date	Cost	Current valuation
Segur Ibérica	Spain	1999	8.3	32.9
Entrepose Echaffaudage (Scaff'Holding)	France	2002	8.0	23.6
SEDE Holding (Axoma)	France	1997	11.1	22.2
ReMedPar/Masterplan	USA	1998	7.7	13.1
Snacks International	France	2000	6.8	12.8
OE Holding	France	2000	4.5	11.2
Azulev	Spain	1999	2.9	10.0
Nocibé	France	2002/2003	5.6	9.2
Farley & Sathers	USA	2002	5.0	9.0
ARI	USA	1993	19.0	8.7
IB Group	France	1999-2000	14.9	8.6
Jost Werke	Germany	1998	7.1	8.4
ERP Holdings	France	2003	7.5	7.5
Grupo Euro 56	Spain	2000	1.1	7.3
Alartec (formerly Alarmas 24)	Spain	2001	5.1	6.8
Haviland	France	1998	10.9	6.6
Meridian Rail Corp	USA	2002	6.1	6.1
CA Holding	France	1996-2000	3.0	6.0
Finn	USA	1998	5.8	5.8
Norcros (Stormgrange)	UK	1999	3.7	5.5
Produits du Soleil (Condifresh)	France	1998	3.4	5.1
CMC Coe Manufacturing	USA	2000-2002	9.2	4.9
Combursa	Spain	2001	5.1	4.9
Irestal	Spain	2000	3.4	4.7
HMY Investissements	France	2000	3.7	4.3
Générale de Santé	France	2003	3.6	3.7

Direct Investments	Country	Investment date	Cost	Current valuation
Qualytel Teleservices	Spain	2001	1.7	3.3
Financière Mandragore	France	2003	2.7	2.7
CIAT (AGC)	France	2002	1.9	2.6
Esmertec	Switzerland	2003	2.3	2.5
Frans Bonhomme/Trocadéro FIN.	France	2003	2.4	2.5
Schottdorf	Germany	1996	1.8	2.4
Tema (Lontinium/Norema)	SA	2000	0.9	2.3
Basler Group	Germany	2003	1.7	2.0
E.Pak	Asia	2001	1.9	1.9
CMR (ex Financière Coreci)	France	1995-1997	1.9	1.9
Myalert /Buongiorno/Vitaminic	Spain	2000	1.6	1.9
Botts Holdings Ltd	UK	1998	3.4	1.9
Zetamind	France	2002	1.9	1.9
Well Well Well Ltd	UK	2000	8.0	1.8
Maguin	France	1990	3.4	1.7
Chicken Pie Ltd	Asia	1997	1.3	1.7
Marco Polo	France	2003	1.5	1.5
BR Holding	USA	2000	10.9	1.4
GIASA	Argentina	1999	9.2	0.9
Factory 2-U	USA	1997	6.6	0.5
Garden Ridge Holdings LLC	USA	1999	64.9	-
Leslie Fay	USA	1999	7.8	-
Precision Industries Inc./Monarch	USA	1992/1999/2000	5.1	-
all other direct investments			48.0	18.8
Total Direct Investments			**364.7**	**306.9**

LIST OF LARGEST THIRD PARTY FUNDS

Fund Investments	Country	Investment date	Cost	Current valuation
Botts Capital Partners	UK	1998	22.7	13.8
Navis Asia Fund III	Asia	2003	10.7	10.0
Advent Atlantic & Pacific IV	USA	1999	7.6	7.9
QS PEP 2002		2002	5.9	6.4
Global Private Equity III	USA	1999	5.7	5.8
Vencap 6 (MC Partners III)	USA	1999	2.0	5.6
Advent Private Equity Fd II	UK	1998	6.2	5.1
Asia Pacific Fund II	Asia	1994	4.4	4.4
Alpha Private Equity Fund 3	UK	1999	2.2	4.2
Advent Private Equity Fd III	UK	2000	4.7	3.7
Advent Atlantic & Pacific III	USA	1996	0.0	3.6
Abingworth Bioventures II	UK	2000	2.1	2.7
Abingworth Bioventures III	UK	2001	2.8	2.7
Transpac Capital 1996 Fund	Asia	1997	4.1	2.6
GS Capital Partners 2000	USA	2000	2.5	2.5
SCM Growth Fund II	Asia	1997	2.2	2.3
GS Private Equity Partners II	USA	2000	2.5	2.3
Phoenix Equity Partners II	USA	1997	3.4	2.3
Bain Capital Fund VII	UK	2002	2.5	2.2
QOL PEP 2003		2003	2.4	2.1
Schroder Ventures Asia Pacific	Asia	2000	2.5	1.8
Développement et Partenariat II	France	1996	2.2	1.8
GS PEP 2000	USA	2000	1.8	1.6
all other Fund investments			30.8	24.8
Total Fund Investments			**133.9**	**122.2**

WEALTH MANAGEMENT

All along, wealth management has been a QUILVEST core activity. Several reasons recently led us to significantly invest into the development of this business:

- First, we have a tradition in wealth management. Our two main entities (SIF and Banque Privée QUILVEST) have existed for about 80 years and have been part of QUILVEST for more than 20 years.
- Second, wealth management is a healthy balance to the QUILVEST private equity activity. Realized gains volatility is reduced and dividend flow can be stabilized.
- Finally, there are some important revenue and cost synergies between private equity and wealth management. We can mention at least two of them:
    - First, the rigor of the process and the analysis of private companies is very useful in all advisory services rendered to important clients
    - Second, wealthy clients are looking more and more for non traditional investments, and private equity as an asset class addresses such needs quite well

The long term strategy is to continue to build and enhance our capabilities through our two existing institutions. The analysis of the market place indicates that it is a fast growing business in Europe and that there is a great potential for smaller firms with niche qualifications and a high level of service.

However, in order to remain competitive, it is essential to sustain a critical size which explains our ambitious development plans.

SOCIÉTÉ INTERNATIONALE DE FINANCE

AMBITIOUS GROWTH INITIATIVE

At the closing of 2003, Société Internationale de Finance embraced a major growth initiative, aiming to expand its non family related investor base over the next five years, helping it evolve into a broader based investment boutique. SIF has set out to achieve this goal with a clearly defined three pronged approach:

> one, to attract top talent in the market with extensive private investor experience;
>
> two, to explore strategic acquisition opportunities within the independent financial advisor community and family office market; and
>
> three, to establish distribution agreements with select financial institutions, promoting the group's private equity and hedge fund capabilities.

Implementing this strategy, SIF will continue to adhere to its credo to be an entrepreneurial, meritocratic and equity driven investment firm.

In Fiscal 2003, SOCIETE INTERNATIONALE DE FINANCE (SIF) and its subsidiaries reported a significant increase in net interest income, commissions and other service fees. As expenses remained under control and the foreign exchange exposure was properly hedged, operating income nearly tripled in comparison to the prior year. All this despite the fact that the USD/CHF rate dropped 11% year over year.

BANQUE PRIVÉE QUILVEST

SUSTAINED DEVELOPMENT

The year 2003 ended on a positive note for the French market, putting an end to the downcycle that began in 2000.

For the Banque Privée QUILVEST, this was reflected positively in the management fees during the second half of the year, while the volume of transactions stabilised after three years of declines.

This favourable environment enabled the consolidated operating profits to increase by 11%. After an allowance for extraordinary items, consolidated net income fell by 15%.

Assets under management of the Banque Privée QUILVEST and its subsidiary Gestor Finance resumed their expansion after having stabilised during the previous year.

The new investment funds for which the bank is the promoter, Saint Germain Patrimoine and Croissance Asie Capital Garanti, have fulfilled their objectives, with their net asset values progressing regularly.

Development of the multi-manager activity has continued and now represents a significant share of assets managed.

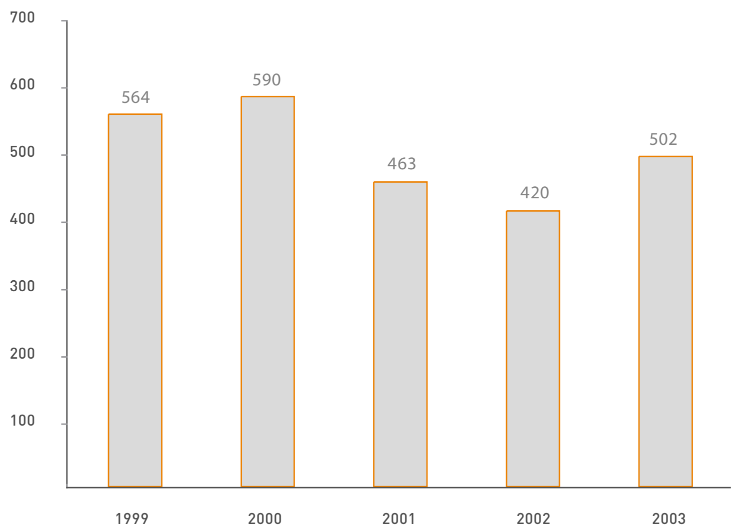
Finally, the merger and reinforcement of the bank's patrimonial engineering team with the Bureau de Gestion et de Service (BGS) has resulted in the creation of the "patrimonial engineering and private services" pole of the bank, now named QUILVEST Service Privé.

STRATEGIC & FINANCIAL INVESTMENTS

	Cost	Current valuation
Banque Privée Quilvest	12.5	45.7
Société Internationale de Finance	2.1	31.3
Quilvest SA (Autocontrol)	6.2	7.9
Real estate	3.3	13.9
Total Strategic & Financial Assets	**24.0**	**98.8**

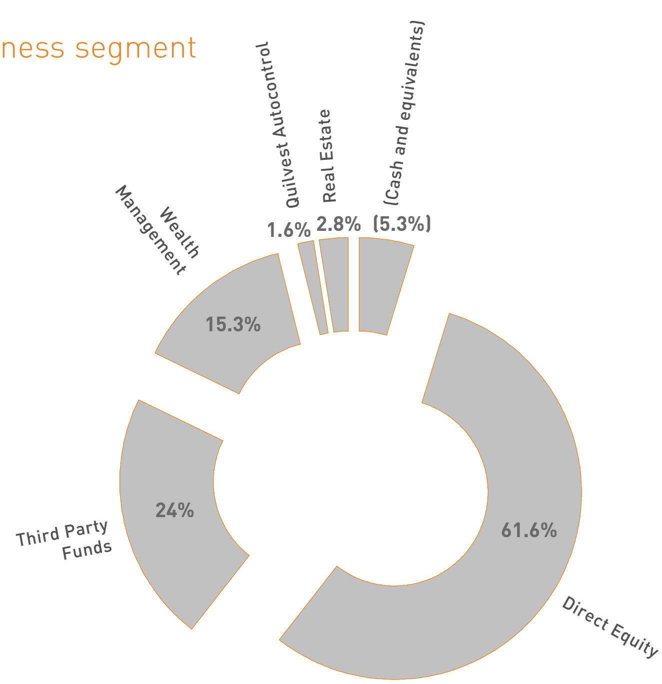
Key figures

in $ million



Net Asset Value Based on Management valuation

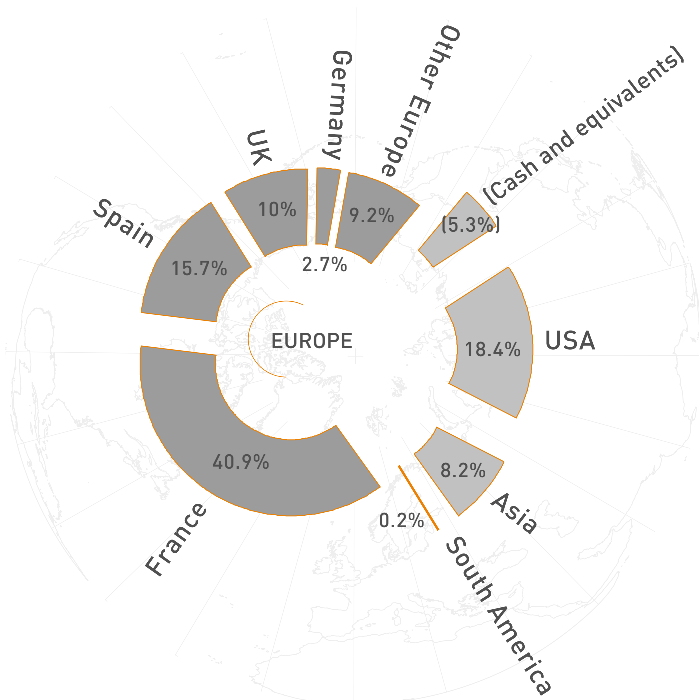
Distribution by business segment



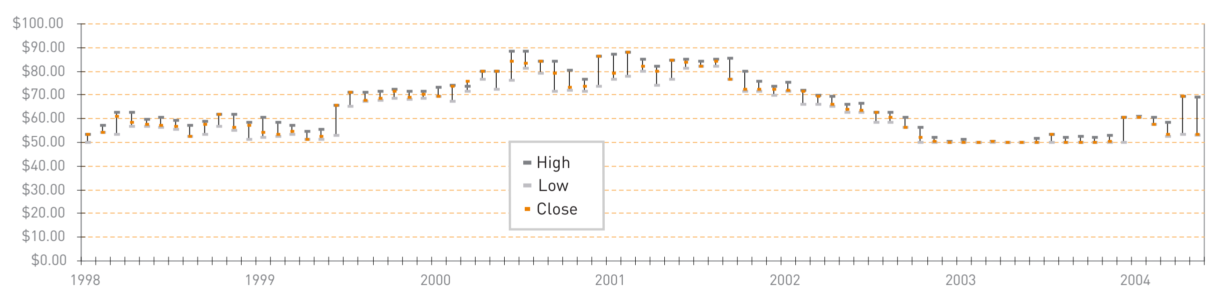
Quilvest

Annual Report 2003

Geographical distribution



QUILVEST S.A.
Luxembourg Stock Exchange



date include May 2004