QUILVEST

Annual Report 2009

Directors' Report

General Section — Part One

Financial Section — Part Two

QUILVEST

QUILVEST is a public financial holding company whose activities are in the wealth management and private equity business.

QUILVEST was incorporated in Paris on September 20, 1888. 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 global Private Equity activities date back to 1972.

QUILVEST consists of almost 300 professionals with offices in Luxembourg, New York, Zurich, Paris, Dubai, London, Montevideo. The Company will also open an office in Hong Kong during the current financial year.

List of Directors and Managers

Board of Directors

Honorary Chairman	Julio E. Nuñez
Chairman	Peter Bemberg
Vice-Chairman	Christian Baillet
Directors	F. Michel Abouchalache François de Carbonnel Serge de Ganay André Elvinger François Manset Stanislas Poniatowski Alvaro Sainz de Vicuña International Advisory Services

Audit Committee

Peter Bemberg
François Manset
Christian Baillet

Remuneration Committee

Serge de Ganay
Alvaro Sainz deVicuña
Christian Baillet

Group Management

Chief Executive Officer
F. Michel Abouchalache

CEO Quilvest Switzerland
Philippe Monti

CEO Quilvest Banque Privée
Guillaume Dozinel

Secretary General and Group Controller
Jean-Benoît Lachaise

Statutory and Group Auditors

KPMG Audit S.à.r.l.

Quilvest

Group Highlights

In $ million	2009	2008
Total assets (IFRS)	1,329.6	1,083.1
Group equity (IFRS)	746.9	736.0
Restatement of goodwill Quilvest Switzerland	42.6	44.0
Restatement of goodwill Quilvest Banque Privée	29.9	25.2
Restatement of goodwill Quilvest Private Equity	28.0	22.0
Accounting policy differences	22.3	13.0
Net asset value (Management valuation)	869.7	840.2
Group net result (IFRS)	18.5	(144.6)

In $	2009	2008
Group net basic earnings per share (IFRS)	2.8	(22.1)
Group net asset value per share (IFRS)	112.2	110.6
Net asset value per share (Management valuation)	130.7	126.2
Total shares issued as of reporting date	6,656,000	6,656, 000

"Net asset value (Management valuation)" differs from "Group equity (IFRS)" on the following points mainly: Management valuation includes a restatement of goodwill arising on Quilvest Switzerland, Quilvest Banque Privée and Quilvest Private Equity, based on the volume and nature of third party assets under management. The accounting policy differences relate mainly to the Fair Value valuation of the controlled Private Equity investments, which are fully consolidated in the IFRS consolidated financial statements, the de-recognition of deferred tax liability arising from the revaluation of land and buildings in Quilvest France and the revaluation of treasury shares presented in equity under IFRS accounting policies.

Chairman's Statement

2009 was a year of global economic depression and recovering yet fragile financial markets. In such context Quilvest continued to perform well, to best serve its clients and to create value to its shareholders. As ever, Quilvest professionals were mobilized to ensure that our client portfolios were wisely and prudently invested, that our services rendered were second to none in the world of wealth management and family offices and that our private equity QS Companies and QS PEP portfolios remained top quartile. Looking back, I can say that most of our objectives over the past two years were achieved and that, today, our performance stands out. After the turmoil, Quilvest has certainly distinguished itself as a harbor of stability and wealth preservation.

We view 2010 with cautious optimism. Markets and economies are undoubtedly recovering. Some however remain fragile. The shareholders of Quilvest have had 120 years of investing experience, sometimes in more volatile and higher risk environments. What those years have taught us is that in such times lie opportunities. For us, Quilvest demonstrated once more its role as an effective platform to best mitigate the global risks while yielding attractive absolute returns. Such performance has, among many other drivers, contributed over the years to the unity of our core shareholders.

Peter Bemberg
Chairman of the Board

QUILVEST

Management Responsibility Statement

I, F. Michel Abouchalache, Chief Executive Officer confirm, to the best of my knowledge, that the consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the QUILVEST Group and the undertakings included in the consolidation taken as a whole and that the Directors' report includes a fair review of the development and performance of the business and the position of the QUILVEST Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, April 27, 2010

Chief Executive Officer's Statement

After a massive meltdown of the global financial markets in 2008, the world witnessed a real slowdown of its major economies in 2009. The crisis was severe in several geographies, especially in the United States and Europe, our two main markets. De-leveraging, increasing unemployment and government debt, and shrinking consumer spending were among the many drivers of this past year macro picture. Headwinds were tangible and multi-directional. Despite this rather depressed environment, Quilvest continued to perform relatively well and to achieve most of its stated objectives.

Our primary "raison d'être" is that of preserving the wealth of our shareholders and of our clients. We are proud to report today that over the 2008 and 2009 period our average shareholder and client had a positive portfolio performance. This was mainly driven by our prudent, principal, and highly diversified investment and asset allocation approaches. Our leading objective is also to create shareholder value. Our Net Asset Value (NAV) increase for 2009 was +6%. We have distributed a $2.6 per share dividend in July 2009 and are recommending a $3 per share dividend for July 2010. This will represent a 15% increase.

Most importantly, 2009 was marked by the successful placement of our inaugural public bond. The Group raised 150 Million Euros with 5 year Euro denominated bonds maturing in 2014. The issue was well received and oversubscribed despite the sever headwinds in the market at that time. 92% were placed by the Quilvest distribution professionals, a testimony for the effectiveness of this team during down markets. 72% of our bond investors are Europe-based and 57% are new relationships. To all of them, including our shareholders, we extend our gratitude and do thank them for their trust and support.

Both Quilvest Banque Privee and Quilvest Switzerland met or exceeded their budgets in 2009 and were profitable. We consider this performance as well as that of 2008 as exceptional and highly encouraging in a period during which most banks in the world witnessed real losses and write downs. On the private equity front, markets went into a quasi stand still during the first two quarters of the year and started picking up in the third quarter. New direct investments and exits were rare. Quilvest was no exception. We have not closed any new investment during the year. We had two add-on investments, IGPS and BBB, and a handful of equity cures such as JDI Fashion ("Swoon"), Hydrex and Pomme de Pain. Our portfolio impairment relative to some of our esteemed top quartile peers remains limited. The year was marked with one direct exit from CIAT with a 3.8x cash on cash and an 18% IRR performance. Our direct investment and exit activity picked up in the last quarter and continued on a very encouraging trend in the first quarter of 2010.

On the funds front, we made close to 20 new commitments over the year with a focus on emerging markets, distressed, leveraged loans and secondaries. The year saw also the launch of QS REP, our real estate funds program, which had recently a $230M closing, well above our initial target. The real estate dedicated team is now six professionals strong with a global presence and reach.

Both the wealth management and the alternative assets teams continued to contribute to our business development. Close to $1 Billion of new monies were raised with a significant contribution by the Quilvest Copagest and the Quilvest Private Equity teams. Group assets under management (AUM) increased from $10.7 Billion to $12.0 Billion, representing a 12.1% growth for 2009 and a 16.9% compounded annual growth rate for the 2004 to 2009 period. This trend is highly encouraging as it confirms the market relevance of our value proposition and our investors satisfaction and trust.

Our 2010 objectives are well defined. We would like to continue to build on our strong and unique multi family office, wealth management and alternative assets platforms. We would like to expand our footprint and continue to build

Chief Executive Officer's Statement (continued)

scale. Scale will allow us to continue to enhance our value proposition and to create long term shareholder value. We would like to achieve this while not compromising on our investment approach and philosophy, that of being a principal, independent and prudent investor. Walking this fine line is our challenge but also our commitment to our shareholders and to our clients. We have done it successfully for the past 93 years. We have every reason to believe we can continue to walk the talk.

2010 should also witness the re-opening of our Hong Kong office. Asia in particular and emerging markets in general are immediate priorities for us. Quilvest and our shareholders presence in those markets date back to 1888 in Latin America and to 1980 in Asia. However our presence can and will be enhanced in those critical markets.

As for our outlook, we remain prudent and believe that many markets and asset classes might trend sideways for a while. This does not mean that we should not be opportunistic and present. On the contrary, we think the next cycle will be an interesting investment environment, presenting a new paradigm and also real opportunities.

Lastly, I would like to extend my thanks to all of the Quilvest professionals worldwide. The past two years, to say the least, were interesting and challenging times. Your commitment, hard work and utmost professionalism led to a stronger and even more promising platform. I view the future of Quilvest with a lot of ambition and optimism. For that, all of you in Montevideo, Dubai, Luxembourg, Zurich, Paris, New York, London and soon in Hong Kong, I say keep it up and thank you.

F. Michel Abouchalache
Chief Executive Officer

Private Equity

List of Largest Direct Investments

In $ million

	Country	Investment date	Management valuation
Farley & Sathers	USA	2002	27.5
Paprec	France	2008	20.7
IDI (IDHC Holding Corp.)	USA	2007	17.3
Algeco/Scotsman	Benelux	2005	14.5
Command Alkon	USA	2005	12,6
Viawest	USA	2008	12.4
Marco Aldany	Spain	2007	10.8
Radiation Therapy Services	USA	2008	10.3
Hydrex	UK	2006	9.3
Comess	Spain	2000	8.7
Pay-o-Matic	USA	2008	7.2
Price Minister (Babelstore)	France	2005	7.1
Kismet (SKS)	India	2007	6.8
Grupo Segur	Spain	2004	5.9
5 à Sec	France	2008	5.1
IGPS	USA	2007	4.7
Altea	USA	2005	3.8
Laney Directional Drilling	USA	2008	3.6
Pomme de Pain	France	2008	3.0
Irestal (Aceros Bergara)	Spain	2000	2.8
Frontier Silicon	USA	2005	2.8
Myriad Group (previously Esmertec)	Switzerland	2003	2.3
Neotract	USA	2009	2.0
Intrinsic Therapeutics	France	2007	2.0
Allsystem SPA	Italy	2006	2.0
China Education	Asia	2007	1.9
Intarcia	USA	2007	1.9
Crescent Masterkill	Asia	2006	1.8
Performance Food Group	USA	2008	1.7
Pasha's Restaurant	USA	2001	1.7
Solola	France	2003	1.6
OSI	USA	2007	1.5
Chop't Salad	USA	2007	1.4
Nocibé	France	2006	1.2
Seguriber-Alartec	Spain	2001	1.2
Management fair value of controlled Private Equity investments, fully consolidated under IFRS accounting policies:			
YO! Sushi Group	UK	2008	29.1
JDI Fashion Group ("Swoon")	France	2007	10.4
Hill and Valley Group	USA	2005	4.0
All other direct investments			26.6
Total Direct Private Equity Investments			291.2

QUILVEST

Private Equity (continued)

List of Largest Third Party Funds

In $ million

	Country	Investment date	Management valuation
MCH Iberian Capital Fund II	Spain	2005	25.8
Faceax FCPR	France	2008	11.1
Synergia	Italy	2005	10.3
Acto FCPR (ex Finama)	France	2002	5.5
Navis Asia Fund III	Asia	2003	4.7
Advent Atlantic & Pacific IV	USA	1999	4.0
Vencap 6 (MC Partners III)	UK	1999	4.0
Actoline 2 FCPR	France	2007	3.9
Bain Capital Fund VII	UK	2002	2.6
GS PEP 2000 Offshore	USA	2000	2.5
Advanced Technology Venture VII	USA	2001	2.3
Catterton Partners V	USA	2004	2.3
Développement et Partenariat IV	France	2006	2.3
Abingworth Bioventures III	UK	2001	2.1
Pacven Walden Ventures V LP	Asia	2001	2.1
GS Capital Partners 2000 Offshore	USA	2000	1.9
Vencap 9 (PEI II)	UK	2000	1.7
Navis Asia Fund IV	Asia	2004	1.3
Chase Capital Partners II	USA	2000	1.3
MCH Iberian Capital Fund III	Spain	2005	1.1
Sterling Capital Partners (SCP)	USA	2003	1.1
Blackstreet Capital Partners	USA	2005	1.0
GS PEP Technology FD 2000	USA	2000	1.0
All other third party funds			8.7
Total Third Party Funds invested directly			104.6
QS PEP 2002		2002	24.8
QOL PEP 2003		2003	24.2
QOL PEP 2004		2004	28.6
QOL PEP 2005		2005	41.5
QPE PEP 2006		2006	31.1
QPE PEP 2007		2007	28.8
QPE PEP 2008		2008	13.0
QPE PEP 2009		2009	12.1
Quilvest Ventures II FCPR		2007	5.9
QS GEO PEP		2007	6.6
QS REP SIF		2009	3.1
Total Fund of Funds structures			219.7
Total Private Equity Funds			324.3

Goodwill Private Equity	28.0

Wealth Management and Corporate

Strategic & Treasury Portfolio

in $ million

	Management valuation
Quilvest Banque Privée	73.3
Quilvest Switzerland	75.5
Quilvest SA (Autocontrol)	3.3
Real Estate	31.0
Treasury Portfolio (net of debt)	43.1
Total Strategic & Treasury Portfolio	226.2

Capital & Net Debt 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 2009, both entities had to apply the Basel II requirements.

in $ million

	QVS	QBP
Total regulatory capital	30.8	14.6
Capital required for credit risks	5.8	4.8
Capital required for market risks	2.7	-
Capital required for operational risks	6.2	4.0
Total capital required	14.7	8.8
Capital adequacy ratio 2009	15.47%	13.29%

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.

As at December 31, 2009, the Group is complying with the Net Debt Covenant as defined in the Terms and Conditions of the Bonds, section 3 - Negative Pledge and other Covenants, of the Senior Bond issue prospectus closed on December 7, 2009. The Net debt components are presented below:

- Cash and cash equivalents (IFRS): USD 295.9 million;
- Consolidated indebtness (IFRS): USD 292.5 million;
  of which:
- Limited recourse Private Equity Acquisition indebtness (IFRS): USD 51.9 million.

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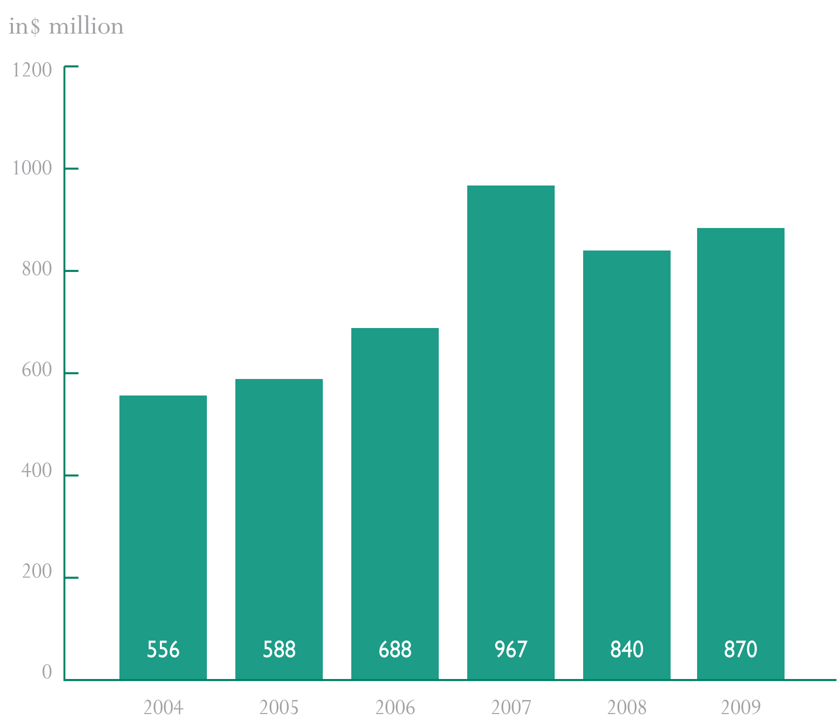
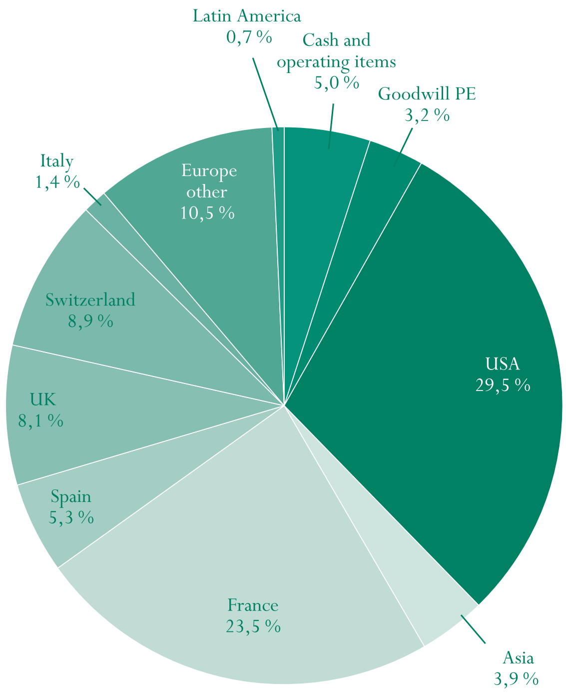
Key figures

Group Net Asset Value (based on management valuation)

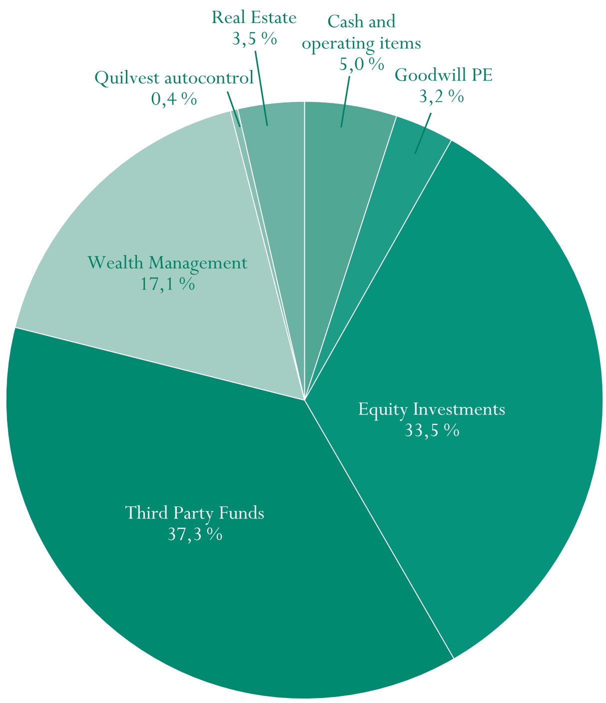


Geographical distribution of Net Asset Value (based on management valuation)

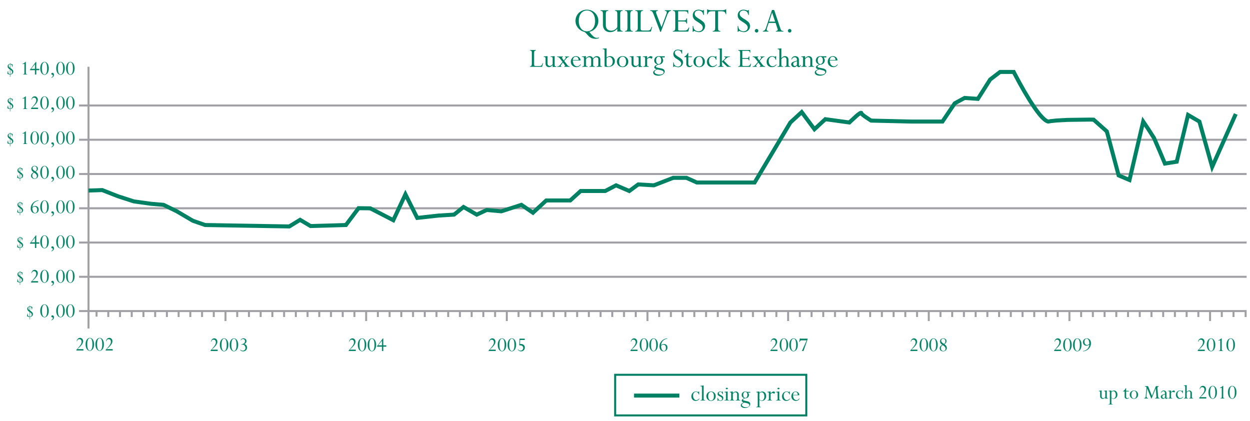


Key figures (continued)

Distribution by business segment of Net Asset Value (based on management valuation)



Stock price evolution



QUILVEST

Corporate Governance

Quilvest adopted its Corporate Governance Charter on June 4, 2007. An exhaustive version is available on the website of the company.

Quilvest follows the Ten Principles of Corporate Governance. The principle related to the evaluation of the performance of the board of Directors has been implemented in 2008. The process included the Audit Committee and the Remuneration Committee as from 2009.

Quilvest is a Luxemburg limited holding company managed by a Board of Directors. The functions of Chairman of the Board and Chief Executive Officer are separated.

Two Committees assist the Board of Directors in the decision-making process, the Audit Committee created in 2002 and the Remuneration Committee created in 2005.
No Nomination Committee has been created as relevant decisions are prepared directly by the Board.

The Board of Directors held 4 meetings during the financial year 2009. The attendance rate at the meetings was very high in 2009, with full or nearly full (90%) participation at all meetings.

Members of the Board of Directors are the following:

- Peter Bemberg, Chairman of the Board of Directors
- Christian Baillet, Vice-Chairman of the Board of Directors
- F. Michel Abouchalache, Chief Executive Officer
- François de Carbonnel (Independent Director)
- Serge de Ganay
- André Elvinger (Independent Director)
- François Manset
- Stanislas Poniatowski
- Alvaro Sainz de Vicuña
- International Advisory Services, represented by Christian Baillet

Directors' CVs as well as their positions in other listed and non listed companies are communicated in the Corporate Governance Charter available on the website.

Jean-Benoît Lachaise acts as Secretary.

The Board of Directors is supported in its work by two special-focus Committees of which it appoints the members and the Chairman.
The Company is administered and managed by a Board of Directors (the "Board of Directors") consisting of a minimum of three and a maximum of fifteen members appointed by the general meeting. The terms of their office shall not exceed six years; they may be reappointed and dismissed at any time.

The Board of Directors shall elect a chairman from among its members and, if considered appropriate, one or several vice-chairmen and shall determine the period of their office, not exceeding their appointment as director. The chairman has a casting vote in case of a tie and presides at all meetings of the Board of Directors and general meetings of shareholders.

Corporate Governance (continued)

The Board of Directors is invested with the broadest powers to act on behalf of the Company and accomplish or authorize all acts and transactions of management and disposal which are within its corporate purpose and which are not specifically reserved to the general meeting.

The auditors' statements follow the International Standards on Auditing (ISA) prepared by the International Federation of Accountants. The statements and opinions therein regarding the responsibilities of the Board of Directors are those of the auditors only.

The responsibilities of the Board of Directors are determined by law. In this respect the Board is in charge of preparing the annual accounts and the fair representation thereof in accordance with EU directives as transposed into Luxembourg law as well as the consolidated accounts in accordance with International Financial Reporting Standards (IFRS), as set forth by EU Regulations.

The Board of Directors considers that it has fully complied with these obligations.

The Board of Directors may delegate to one or several directors the powers necessary to carry out its decisions and day-to-day management, and to one or several persons, directors or not, powers deemed to be appropriate for the general technical, administrative and commercial management of the Company, and constitute any committee and determine their functions and authority.
Any director who may, with respect to a transaction submitted to the approval of the Board of Directors, have an interest adverse to that of the Company, shall so notify the Board of Directors and cause such notification to be reflected in the minutes of that meeting. He shall not deliberate on any such transaction. Specially reported at the next succeeding general meeting, prior to any other agenda, shall be those transactions in which a director may have had an interest adverse to that of the Company.

The main duties of the Audit Committee are the following:

Its mandate is principally to assist the Board of Directors in continually supervising the internal control and risk environment of Quilvest (including the role of external auditors), its compliance with regulatory and accounting requirements and the quality of financial reporting. The Audit Committee is responsible for alerting the Board to any irregularities it may detect in the Group's financial statements and internal control procedures.

In relation to its responsibility to ensure the relevance and consistency of the accounting methods used to prepare the financial statements and its role of overseeing the relations with the external auditors, the Audit Committee:

- Performs a quality review of the annual and interim consolidated financial statements and the annual accounts of the company submitted by the Executive Management, prior to their examination by the Board of Directors;
- Reviews and challenges the critical and significant accounting policies and disclosure of any unusual transactions;
- Reviews the findings and financial adjustments, and appraises the management letter of the external auditors;
- Conducts the process for the selection of the Group external auditors in charge of the audit of the consolidated financial statements, forms an opinion on the amount of fees charged for the performance of audits and submits the results of the selection process to the Board of Directors.

In order to ensure the external auditors' independence and objectivity, it also examines the advisory and other services directly provided by the auditors and their network.

QUILVEST

Corporate Governance (continued)

In relation to its responsibility to optimize the internal control system within the Group, the Audit Committee gives its opinion on the organization of the internal audit function, reviews the group internal audit planning and receives a summary of internal audit reports on a regular basis.

Audit Committee 2009 activity report

The Audit Committee met five times in 2009. The attendance rate was 100%. Group auditors were present except once. Its work was particularly concerned with the following points:

- Group internal audit
- Group internal control system;
- IFRS consolidated financial statements;
- Group internal and external auditors' recommendations;
- Group external auditors' fees.

The Remuneration Committee

The Remuneration Committee implements the compensation policies which have been discussed and determined by the Board. In particular, it negotiates and finalizes the packages granted to executive management and the compensation schemes of each business unit. On these issues it reports regularly to the Board of Directors.

Share Capital

As of December 31, 2009, the Company has an authorized share capital of USD 100,000,000, consisting of a single class represented by 14,794,520 shares without par value, such number including the 6,656,000 shares without par value of the subscribed share capital of USD 44,989,630. All of the issued shares are paid up in full. The shares are registered or bearer, at the option of the shareholder.

Variation of Rights Amendments of the Company's Articles of Incorporation

All or any of the rights attached to the Shares may from time to time (whether or not the Company is being wound up) be amended by decision of the extraordinary general shareholders' meeting in the manner required for the amendment of the Company's articles of incorporation except that the nationality of the Company may be changed and the commitments of its shareholders may be increased only with the unanimous consent of the shareholders. Any provisions of the Company's articles of incorporation may be amended by resolution of the shareholders at an extraordinary general shareholders' meeting.

Changes in Share Capital

The subscribed and the authorized capital of the Company may be increased or reduced by decision of the shareholders in general meeting whose resolutions shall be taken as for the amendment of the Articles.

Corporate Governance (continued)

Ownership threshold

The Board of Directors may restrict or prevent the ownership of shares in the Company by any person if it appears to the Company that such ownership results in a breach of law in Luxembourg or abroad, may make the Company subject to tax in a country other than the Grand Duchy of Luxembourg or may otherwise be detrimental to the Company. For the purpose of this Article, the term "person" includes any physical person, firm or corporate body.

In addition, no person may, without the prior approval of the Board of Directors, directly or indirectly, alone or in connection with his spouse or descendants in direct line, hold on record or as beneficial owner more than 15% of the shares of the Company.

For such purpose the Board of Directors may:

1 decline to issue any share and decline to register any transfer of a share, where it appears that such issue or transfer would or might result in record or beneficial ownership of such share by a person who, by infringement of the provisions set forth above, would hold more than 15% of the shares of the Company;

2 at any time require any person whose name is entered in, or any person seeking to register the transfer of shares on the register of shareholders to furnish the Company with any information which it may consider necessary for the purpose of determining whether or not record or beneficial ownership of more than 15% of the shares of the Company rests or will rest on such person;

3 decline to pay dividends or other distributions to and refuse the admission and the vote at general meetings of shareholders of any person to the extent that such person holds more than 15% of the shares of the Company.

Major Shareholders

A number of individual shareholders are descendants of the Bemberg family, the Company's founders. However, there is no natural or legal person who, to the knowledge of the Company, directly or indirectly, severally or jointly, has exercised or is exercising control of the Company. There is no agreement, known to the Company, binding its shareholders. As at December 31, 2009, two companies declared, pursuant to the Luxembourg transparency law of January 11, 2008, to hold more than 5% of the voting rights of the Company. Arconas Holding Limited declared holding 15.76% of the voting rights and Lagel Limited declared holding 5.67%.

There are no different voting rights for the major shareholders.

Insider Dealing

Any director and/or employee of the Group who wishes to deal in Quilvest securities must obtain prior written permission from the Group Controller acting as Group Compliance Officer.

As an exception to the rule, the first four months of the first semester and the first two months of the second semester of each year are defined as closed periods where no director or employee is allowed to carry out transactions in Quilvest securities.

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