

absolute

■■■■■■■■ private equity



Table of Contents

1. Semi-Annual Report of the Board of Directors	2
1.1 Absolute Private Equity Ltd.	3
1.2 Financial Markets Review	5
1.3 Absolute Private Equity Ltd. Portfolio	10
1.4 Private Equity Outlook	18
2. Semi-Annual Financial Statements	21
2.1 Consolidated Financial Statements for Absolute Private Equity Ltd.	21
2.2 Financial Statements for Absolute Private Equity Ltd.	46
3. Company Profile	54
3.1 Structure of Absolute Private Equity Ltd.	55
3.2 Corporate Bodies	56
3.3 Contact Details	58



semi-annual
report
of the board
of directors

1. Semi-Annual Report of the Board of Directors

1.1 Absolute Private Equity Ltd.

Performance of Absolute Private Equity Ltd.

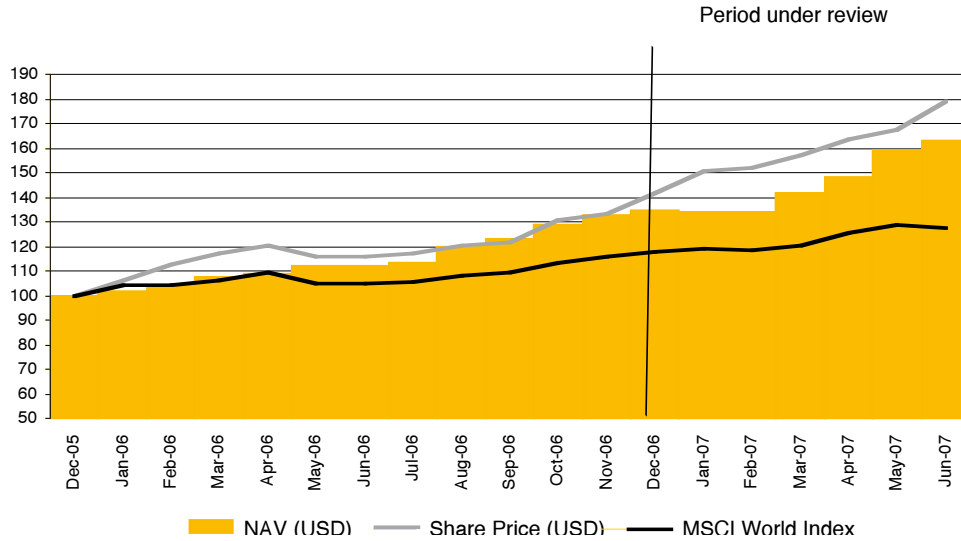
Absolute Private Equity Ltd. as of June 30, 2007		USD
Absolute Terms		
Share Price		106.70
Net Asset Value per Share		112.24
Discount		4.94%
Performance since Inception		
Share Price		88.78%
Net Asset Value per Share		110.98%
Performance 31.12.2006 – 30.06.2007		
Share Price		26.50%
Net Asset Value per Share		22.67%
Capitalisation (Free Float)		1'078'472'490

Performance Review of the Portfolio

Absolute Private Equity's net asset value increased by 22.67% whilst the share price gained 26.50% during the period under review. In comparison the MSCI World Index showed a performance of 8.01% for the first six months of 2007.

From the time of the Company's launch in September 2000, the net asset value of Absolute Private Equity rose by 110.98% and the share price 88.78%. During the same period the MSCI World Index increased by 22.76%.

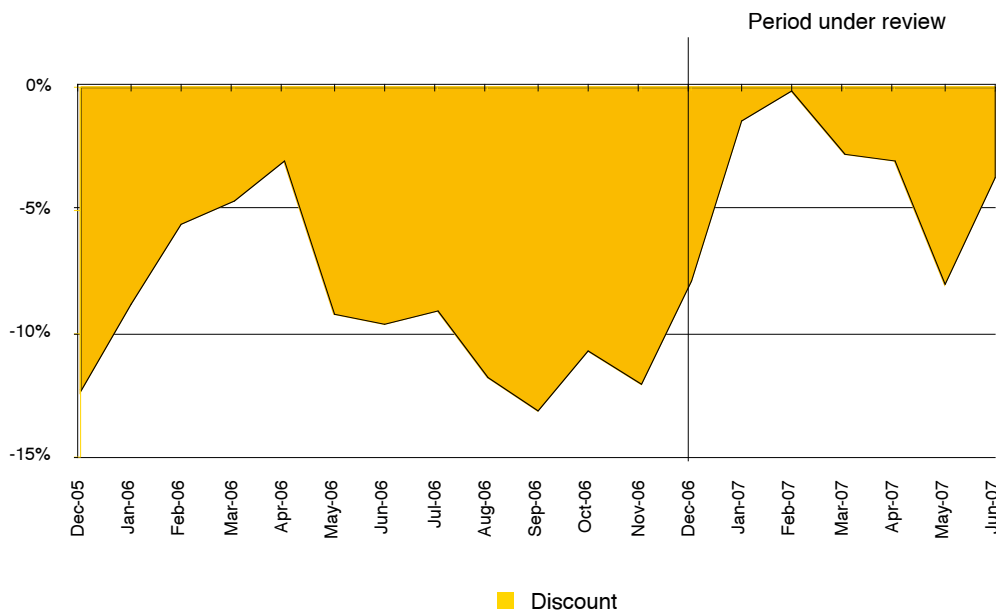
Performance of Absolute Private Equity Ltd. share price and net asset value (NAV) compared to the MSCI World Index (in USD) for the period January 1, 2006 to June 30, 2007.



Premium / Discount discussion

The net asset value represents the overall value of the underlying investments of Absolute Private Equity valued at current prices while the share price is determined by supply and demand conditions in the market. Supply and demand are often influenced by short-term trends and investors individual perceptions, which can cause the share price to deviate from the net asset value, thereby creating either a premium or a discount.

Premium / discount comparison for the period January 1, 2006 to June 30, 2007



1.2 Financial Markets Review

The U.S. economy grew at an annual rate of 0.7% in the first quarter representing the weakest quarter of growth since the fourth quarter of 2002. The increase in real GDP in the first quarter primarily reflected positive contributions from personal consumption expenditures and state and local government spending that were partly offset by negative contributions from private inventory investment, residential fixed investment and federal government spending. The deceleration in first-quarter GDP growth primarily reflected a downturn in net exports. Imports, which are a subtraction in the calculation of GDP, increased. The economy rebounded in the second quarter, expanding at a pace of approximately 3.0%. The higher projected GDP growth in Q2 2007 was driven by robust sales data and lean inventory. The real GDP growth for the whole year is projected to be in the range of 2.0%-2.3%.

Inflation

Higher energy and labor costs are pushing inflation to a new level. Energy prices led to an increase in the consumer price index, up by 0.7% in May, the largest increase since Hurricane Katrina and the second largest in 16 years. The CPI increased from 202.0 (beginning of the year) to 207.0 at the end of the second quarter (2.4% increase). The core rate of inflation, which excludes food and energy costs, increased by just 0.1%. Core inflation (excluding food and direct energy) has been receding recently because of the slowdown in economic growth since early last year. The core price index for Personal Consumption Expenditures dipped to 2.0% (year-on-year) in April. An emerging slowdown in residential rents should contribute to slowing core inflation in the coming quarters. Oil prices have shown an increasing trend from USD 55 per barrel in the beginning of the year to USD 65 per barrel at the end of the second quarter. However, oil prices are expected to decline in the coming quarters. From May 2006 to May 2007, finished goods prices rose 4.1%. Over the same period, the index for finished consumer foods increased 8.5%, prices for finished energy goods rose by 7.2% and the index for finished goods, less foods and energy, moved up 1.6%. For the twelve months ended May 2007, prices received by manufacturers of intermediate goods advanced 3.7% and the crude goods index climbed 11.5%.

Unemployment

The U.S. labor market continues to be tight as the unemployment rate dropped marginally to 4.5% (6.9 million persons) in June compared to 4.6% in December 2006. In the first half of the year, job growth averaged 145'000 a month, weaker than the average monthly gain of 189'000 for 2006. Nonfarm payroll employment increased by 132'000 in June and the unemployment rate remained unchanged at 4.5% as compared to the end of 2006. New hiring in education, health care, food services and government helped drive overall job growth. Construction companies also expanded employment even as they coped with fallout from the housing market decline. Those gains swamped job cuts in manufacturing, retailing, real estate, legal services, and banking. Companies have continued to hire at a decent pace even as the economy has endured a period of sluggishness. However, the strain of the ailing housing market and problems in the automotive industries have clearly been felt in the job market. The unemployment rate is expected to decline further and is expected to drop to 4.4% by the end of November 2007.

Housing

The rising interest rates and increased inventory have affected home prices in H1 2007. The deteriorating supply-demand balance in housing markets has been putting heavier downward pressure on home prices and has been compelling builders to intensify their use of non price incentives to bolster sales and limit cancellations. The market value of household real estate and owners' equity in household real estate grew at modest rates in the first quarter. Large homebuilders are experiencing sharper reductions in gross home sales and higher cancellation rates than the rest of the housing industry, primarily because of their relatively heavy geographic concentration in previously hot markets that now are experiencing relatively sharp reversals. New home sales in May 2007 were down 1.6% from April and down 15.0% from May 2006. Existing home sales slipped 0.3% in May 2007 and are down 10.3% from 2006. Total unsold housing inventory rose 5.0% over the month of May representing about a nine-month supply at the current sales pace, up from an 8.4 month supply in April. The median home price fell for the 10th month in a row in May to USD 223'700, which is down almost 14.0% from its April 2006 peak. In May, the median price of an existing home fell to USD 233'700, which is down 2.1% from a year earlier but up 1.8% from the previous month. While the inventory of unsold homes dropped by 1.1% in May to 536'000 units, the slower sales pace lengthened the time it would take to deplete inventories (up to 7.1 months from 7.0 months in April). Sales of new and existing homes are expected to continue declining this year due largely to investors pulling out of the housing market.

Industrial Production

Industrial production remained unchanged in May 2007 after an increase of 0.4% in April. Output in the manufacturing sector edged up 0.1% in May and mining output moved up 0.5% after declining 0.6% in April. Overall industrial production for May was 1.6% above its year-earlier level of 112.7. The rate of capacity utilization for total industry was 81.3%, which is 0.3% above its 1972-2006 average. The major contributors for the increase in industrial production from May 2006 to May 2007 were consumer goods (2.4%), final products (2.8%), business equipment (4.6%) and manufacturing (1.9%). The major decline was in the construction sector (2.5%). The Purchasing Managers Index (PMI) was 56.0% at the end of the second quarter as compared to 51.4% for the last year end, which reflects positive growth for the overall economy.

Public Markets

The rising concerns over economic growth, a weak U.S. housing market, and the sub-prime mortgage market, in particular, has made the Federal Reserve maintain the Fed rate at 5.25%. The Fed rate was increased from 4.25% at the beginning of 2006 to 5.25% at the end of 2006. Long term rates have risen as U.S. and global economies have strengthened. The rise in bond yields in June drove investors to bid share prices back to near-record highs. The U.S. Dow Jones Industrial Average moved to 13,408 from 12,300 in first half of 2007, an increase of 9.0%. The Standard & Poor's 500 index closed June 2007 at 1,503.0, an increase of 7.0% from the start of the year. NASDAQ closed in the first half of 2007 up 8.2% compared to 2,430.0 at the start of 2007. The expected decline in energy prices and inflation is expected to improve the overall economy in the coming months.

Consumer Confidence

Concerns about the business conditions and job market drove the consumer confidence to its lowest level in the first half of 2007. Consumer confidence slid in June due to concerns that high gas prices and a slumping housing industry may be undermining the health of the job market. The Consumer Confidence Index (CCI), which had bounced back in May, declined again in June. CCI at the end of June was 103.9, down from 108.5 in May and 109.0 in December 2006. The near-term outlook remains cautious and rising gasoline prices are negatively impacting consumers' inflation expectations.

Source: Credit Suisse

Private Equity Market Review

Buyout

Fundraising activity grew 8.0% in the first half of 2007 (108 buyout funds raised USD 98.5 billion) compared to the same period of 2006 (140 buyout funds raised USD 91.2 billion). There were several mega-sized funds in the market during the first half of 2007. For example, Carlyle Partners V raised USD 7.9 billion for its fifth fund, while Providence Equity Partners VI raised USD 6.7 billion. Other large funds included GS Capital Partners VI (USD 6.3 billion raised) and Sun Capital Partners V (USD 6.0 billion raised). Even though the number of funds decreased compared to the same period in 2006, the average fund size increased from USD 651.2 million in the first half of 2006 to USD 912.0 million in the first half of 2007.

U.S. buyout investment activity for H1 2007 (USD 49.8 billion across 900 deals) increased by 178.6% compared to 2006 for the same period (USD 17.9 billion across 894 deals) even though the number of deals has not increased materially. Notable investments of H1 2007 include the USD 24.7 billion buyout of Equity Office Properties Trust by The Blackstone Group and the USD 10.9 billion buyout of Univision Communications by Madison Dearborn Partners, Providence Equity Partners, Texas Pacific Group and Thomas H. Lee Partners. Investments in the non-high technology sector (USD 33.6 billion) increased by 277.0% for H1 2007 compared to H1 2006. The communications and media sector also witnessed a substantial jump in investments (USD 11.6 billion compared to USD 0.8 billion in H1 2006). Conversely, investment in semiconductors/other electronics companies saw a decline (USD 0.1 billion) in H1 2007 compared to H1 2006 (USD 3.9 billion).

Private equity firms will continue to be a large and permanent player in the M&A market on both the buy side and the sell side. However, the first half of 2007 witnessed a decline in buyout-backed M&A deals compared to the previous year that saw higher than normal deal activity. The first half of 2007 witnessed 28 M&A deals totaling USD 5.5 billion, compared to 80 deals worth USD 17.8 billion in the corresponding period of 2006. One of the largest buyout-backed deals of H1 2007 was the USD 1.9 billion acquisition of TravelCenters of America by Hospitality Properties Trust. Another notable deal was the acquisition of AmeriPath by Quest Diagnostics for over USD 2.0 billion. Private equity accounted for 48.0% of M&A value and 20.0% of volume during the first five months of 2007, compared with 32.0% and 17.0%, respectively, for all of 2006. Private equity deals accounted for approximately 34% of the USD 1.0 trillion in U.S. merger activity in the first half of 2007.

Buyout-backed IPOs declined in the first half of 2007 compared to the previous year. The first half of 2007 witnessed 14 buyout-backed IPOs with a total offer amount of USD 3.8 billion, compared to 32 IPOs in H1 2006 with offers totaling USD 8.5 billion. IPO activity during H1 2007 was largely driven by the non-high technology sector that accounted for 12 out of the total 14 IPOs and 85.7% of the total offer amount. The remaining two IPOs were in the semiconductors/other electronics and medical/health/life science sectors. Some of the largest public offerings of H1 2007 were National CineMedia (USD 798.0 million), Cinemark Holdings (USD 532.0 million) and RSC Holdings (USD 458.3 million).

Venture Capital

Venture capital fundraising in H1 2007 (USD 11.4 billion across 129 funds) declined by 28.2% compared to USD 20.8 billion raised in H1 2006 (148 funds). For the first half of 2007, venture capital firms have raised approximately 62% of volume raised in the first half of 2006. A number of larger funds drove fundraising this quarter, with the top 10 funds accounting for almost 70% of the total. Major funds raised in the first half of 2007 included Insight Venture Partners VI (USD 931.0 million), Institutional Venture Partners XII (USD 600.0 million), Draper Fisher Jurvetson IX (USD 600.0 million) and MPM BioVentures IV (USD 550.0 million). In addition to the number of funds, average fund size also decreased substantially in H1 2007 (USD 88.4 million) compared to the previous year (USD 140.3 million).

In terms of the number of deals, venture capital investments in H1 2007 dropped to 1,622 deals compared to 2,216 deals in the corresponding period of 2006. The total investments decreased from USD 17.4 billion in H1 2006 to USD 14.8 billion in H1 2007. The computer related industry saw the largest number of deals (USD 5.1 billion across 886 deals) followed by the medical and life sciences industry with USD 3.4 billion across 366 deals. One of the largest deals was the USD 135.9 million investment in Affinity Media by Goldman Sachs and Oak Investment Partners, and the USD 110.0 million investment in CardioNet, a leading supplier of mobile cardiac outpatient telemetry, by Sanderling Ventures and an undisclosed venture capital firm.

Venture-backed M&A activity slowed down in the first half of 2007 compared to the same period of 2006. The number of deals decreased from 199 in H1 2006 to 143 in H1 2007. The total deal value in H1 2007 (USD 7.2 billion) saw a 21.5% decline compared to the corresponding period of 2006 (USD 9.1 billion). Average deal sizes witnessed a marginal increase in the first half of 2007. Some of the largest deals of H1 2007 were the USD 564.0 million acquisition of Currenex by State Street and the USD 550.0 million acquisition of Good Technology by Motorola. The technology sector dominated the venture-backed M&A landscape, with 52 deals worth approximately USD 1.7 billion. Within technology, the computer software and internet specific industries saw 21 and 18 transactions, respectively. The largest venture-backed M&A of Q2 2007 was Microsoft's USD 800.0 million purchase of Mountain View, California-based Tellme Networks.

There were 42 venture-backed IPOs in H1 2007 representing total offerings of USD 6.2 billion. This represents a significant increase of 201.9% compared to H1 2006 (27 offers amounting to USD 2.1 billion). The medical/health/life sciences sector had the highest number of IPOs accounting for 12 out of the 42 IPOs, followed by the communications and media and computer related sectors with eight IPOs each. The largest IPO in this sector was that of TomoTherapy, a precise radiation technology development company. The company completed its IPO in May 2007 with a total offer value of USD 223.1 million, making it the fourth largest life sciences issue of all time. Communication and media sector companies raised the highest amount in H1 2007 (USD 2.6 billion). One of the largest IPOs of the first half was that of MetroPCS Communications with an offer amount of USD 1.2 billion. More venture-backed technology companies are opting to take advantage of the favorable IPO market,

compensating for the slight downturn in the number of overall mergers and acquisitions, which had been the most common path to liquidity for several years.

International Private Equity

During the first half of 2007, European private equity market witnessed USD 55.0 billion worth of completed deals, registering an increase of nearly 7% over the corresponding period last year. During the same period, European private equity experienced the largest ever leveraged buyout deal, the USD 22.0 billion purchase of British pharmacy giant Alliance Boots by Kohlberg Kravis Roberts. The deal is also the first private equity buyout deal of a FTSE100 company. Among European regions, the U.K. private equity market has picked up significantly after a slow start to 2007. Private equity buyouts, excluding the mega Alliance Boots deal, totaled GBP13.9 billion in H1 2007, up 31.0% over H1 2006.

During Q1 2007, European private equity attracted EUR 51.8 billion of capital investment compared to EUR 56.0 billion in Q4 2006. During the same period, there were 404 deals, of which 12 deals were valued over EUR 1.0 billion, suggesting that mega deals may dominate the rest of 2007. The largest deal of the quarter was the EUR 3.2 billion buyout of Austrian bank BAWAG PSK Bank. However, the surge in deal volume has not resulted in a similar rise in average deal value, which has declined from EUR 190.0 million (Q4 2006) to EUR 128.0 million (Q1 2007). Both growth investments, as well as early-stage ventures, grew to EUR 3.3 billion (287.3% increase over Q4 2006) and EUR 397.0 million (28.9% increase over Q4 2006), respectively. Despite an increase of over 21% in volume, the total value of buyout deals were down 12.3% to EUR 48.1 billion.

Private equity firms in Asia are on track for another record year for investments as the industry becomes entrenched in a region where it was barely present a few years ago. The value of announced transactions in Asia, excluding Japan, in the first half of this year was USD 22.1 billion, up 73.5% compared to the previous year. India saw USD 3.7 billion in private equity investment during H1 2007. This puts India just behind Japan, which drew private equity funds worth USD 4.9 billion, but ahead of China's (including Hong Kong) USD 2.6 billion in the same period. Prominent deals in India include the USD 650.0 million committed by The Carlyle Group to Housing Development Finance Corporation. Among all sectors in India, banking and financial services sectors have emerged as the most active space for private equity, capturing 75.9% of the total deal value during H1 2007.

The overall spurt in private equity activity across Asia is mainly driven by the easy availability of funds and rapid growth in economies such as China and India as well as a growing familiarity with the private equity industry among Asian governments and companies. But the industry's progress remains far from smooth, with several high-profile deals falling by the wayside this year including The Carlyle Group's USD 6.0 billion bid for Taiwanese chip-testing company Advanced Semiconductor Engineering.

Source: Credit Suisse

1.3 Absolute Private Equity Ltd. Portfolio

Commitments Review (in USD):

Total committed Capital	1'071'977'002
Total ABSP Capital	1'134'491'663
Under committed Capital	62'514'661
Commitment level in %	94.50%

Performance Review of the Portfolio

As of June 30, 2007, Absolute Private Equity had capital commitments totaling USD 1,071.98 million, of which USD 729.7 million or 68.07% had been called. Absolute Private Equity had received distributions of USD 567.2 million or 79.7% of contributed capital. Based on the portfolio adjusted reported value (reported value plus cumulative distributions), the portfolio's return is above cost, with a 1.77x net multiple, a 16.4% increase from the fourth quarter of 2006. This increase is attributed to a number of realizations and distributions from the portfolio's investments summarized below.

PRIVATE SEVEN LTD

CSFB Fund Investment VII Holdings, L.P.

As of June 30, 2007, Private Seven Ltd. had invested USD 129.1 million in CSFB Fund Investment VII Holdings, L.P., or 91.4% of aggregate capital commitments of USD 141.3 million. The estimated net multiple increased from 1.76x cost to 2.01x cost from the fourth quarter of 2006, an increase of approximately 14.2%. Eight out of the nine underlying funds improved their performances over the first half of 2007. T3 Partners II, L.P. continues to be the best performing fund, with a portfolio multiple of 3.14x invested cost. Apax Europe V-A, L.P. and Blackstone Capital Partners IV, L.P. also had significant increases in their performances, with multiples of 2.26x and 2.31x invested cost, respectively. Fund distributions totaled approximately USD 168.2 million or 130.3% of contributed capital.

PRIVATISSIMO LTD

As of June 30, 2007, Privatissimo Ltd. had invested USD 190.6 million, or 93.4% of aggregate capital commitments of USD 204.0 million. The estimated net multiple increased from 1.52x cost to 1.73x cost from the fourth quarter of 2006, an increase of approximately 13.8%. Three out of the five underlying funds that Privatissimo Ltd. directly invested in improved their performances over the first half of 2007. PAI (Paribas) Europe III –B, L.P. (and PAI (Paribas) Europe III –B3, L.P.) was the best performing fund, returning a multiple of 2.78x invested cost. DLJ Merchant Banking Partners III, L.P. and GRP II, L.P. also had significant increases in their performances, with multiples of 1.68x and 1.32x invested cost, respectively. Overall distributions totaled approximately USD 185.8 million or 97.5% of contributed capital.

CSFB MMV Investor, L.P.

As of June 30, 2007, CSFB MMV Investor, L.P. had invested USD 65.2 million, or 86.9% of aggregate capital commitments of USD 75.0 million. Distributions totaled approximately USD 51.9 million or 79.6% of contributed capital. The estimated net multiple increased from 1.59x cost to 1.75x cost from the fourth quarter of 2006, an increase of approximately 10.1%. Successful realizations from all of the underlying funds attributed to the positive performance of the portfolio.

Absolute Fiduciary Global Opportunities Partners, L.P.

As of June 30, 2007, Absolute Fiduciary Global Opportunities Partners, L.P. had invested USD 50.7 million in MatlinPatterson Global Opportunities Partners (Bermuda), L.P., representing 101.4% of capital commitments of USD 50.0 million. Distributions totaled approximately USD 51.5 million or 103.0% of contributed capital. The estimated net multiple increased significantly from 1.57x cost to 1.60x cost from the fourth quarter of 2006, an increase of approximately 1.9%.

DLJ Venture Partners II, L.P.

As of June 30, 2007, DLJ Venture Partners II, L.P. had invested USD 5.7 million, representing 89.0% of aggregate capital commitments of USD 6.4 million. Distributions total approximately USD 5.4 million or 94.7% of contributed capital. The estimated net multiple increased significantly from 1.54x cost to 1.74x cost from the fourth quarter of 2006, an increase of approximately 13.0%.

PRIVATE INVEST LTD

As of June 30, 2007, Private Invest Ltd. had invested USD 319.7 million, or 76.5% of aggregate capital commitments of USD 417.8 million. Distributions total approximately USD 208.2 million or 65.1% of contributed capital. The estimated net multiple increased from 1.49x cost to 1.86x cost from the fourth quarter of 2006, an increase of approximately 24.8%. In first half of 2007, Private Invest Ltd. committed approximately USD 5.0 million to Beacon India Private Equity Fund.

BLUEBEECH SPC

As of June 30, 2007, Bluebeech SPC had invested USD 72.6 million, or 29.5% of aggregate capital commitments of USD 246.0 million to its three series. Since the last report, Bluebeech SPC added a third series with commitments to nine diverse underlying funds. The estimated net multiple is held approximately at cost since the underlying funds within Bluebeech SPC are in their early stages of investing.

The following are fund strategies for funds in the 2007 Series that Bluebeech SPC has committed to recently.

Apax Europe VII-A, L.P. (“Apax Europe VII”)

Commitment: USD 15.0 million

Apax Partners (the “Firm”) is one of the longest-standing and largest private equity organizations operating on a global basis, with a strong presence in Europe and the United States. Apax Partners’ balanced fund strategy has steadily evolved over the past two decades. In the early 1980s, Apax Partners concentrated on being a hands-on investor in high-technology start-ups. In the mid-1980s, it added turnarounds and, in the late 1980s, leveraged transactions. In 1989, the Firm decided to move to a balanced portfolio strategy and since has invested in a balanced portfolio spanning venture capital (predominately late-stage venture), growth capital, and buyouts in Firm-specialized sectors. Over the life of the Apax Europe funds, the Firm’s strategy has evolved even further to focus predominantly on large buyout transactions of companies with enterprise value of between EUR 1.0 billion and EUR 5.0 billion. Typical equity investments per transaction for Apax Europe VII are expected to be between EUR 300 million and EUR 600 million. Apax Europe VII will also opportunistically make growth capital investments, but does not anticipate that more than 5% of the total fund will be dedicated to this strategy.

H.I.G. Europe Capital Partners, L.P. (“H.I.G. Europe”)

Commitment: USD 15.0 million

Based in Miami, Florida, H.I.G. Europe was founded in 1993 by Sami Mnaymneh and Tony Tamer to capitalize on the need for capital, as well as operating and financial expertise in the small middle-market space. H.I.G. Europe will seek to make private equity, growth capital and other equity-related investments in lower middle-market companies, primarily in Europe, with the initial focus on three markets: The United Kingdom, Germany and France. H.I.G. Europe will target investments in companies in the basic manufacturing, distribution and service sectors, and expects to make approximately 25 to 30 investments. H.I.G. Europe will seek to make controlling equity/equity-related investments or influential minority investments of EUR 5.0 million to EUR 25.0 million in lower middle-market companies with revenues in the range of EUR 25.0 million to EUR 300.0 million and enterprise value of less than EUR 150.0 million.

Hellman & Friedman Capital Partners VI, L.P. (“H&F VI”)

Commitment: USD 15.0 million

Hellman & Friedman LLC (“H&F” or the “Firm”), founded in 1984, is a private equity investment firm specializing in leveraged recapitalizations, acquisitions, traditional buyouts, financial restructurings and growth investments. During its 22-year history, H&F has raised and managed approximately USD 8.4 billion of committed capital and invested in over 54 companies. H&F VI intends to invest in a variety of transaction structures ranging from buyouts to restructurings and various types of minority investments. Based on the anticipated size of this partnership, H&F VI will generally seek investment opportunities that require the Firm to invest between USD 200 million and USD 750 million of equity capital, primarily in the United States and Western Europe. H&F VI will mainly focus on service industries, including media, financial services, professional services, vertical software and information services.

MatlinPatterson Global Opportunities Partners III, L.P. (“MatlinPatterson III”)

Commitment: USD 10.0 million

MatlinPatterson Asset Management LLC (“MatlinPatterson”) was founded in 2002. Prior to forming MatlinPatterson, its founding members were responsible for the investment activities of the Global Distressed Securities Group of Credit Suisse from 1994 through 2002. MatlinPatterson III will invest globally in financially and operationally distressed companies and assets. MatlinPatterson III will make investments and acquisitions of severely discounted securities, obligations, assets and businesses, over which it can exercise corporate control or substantial influence through leading complex restructurings; initiating operational improvements; enhancing the inherent value of the acquired businesses; and impacting the manner and timing of exits. MatlinPatterson III seeks to generate superior risk-adjusted returns, operating globally in the control segment of the distressed investing sector, where MatlinPatterson believes there are few competing sources of capital that have the breadth and depth of MatlinPatterson’s experience and resources.

Point 406 Venture I, L.P. (“Point 406”)

Commitment: USD 5.0 million

Point 406 Ventures (the “Firm”) was co-founded by Larry Begley, Maria Cirino and Liam Donohue (collectively, the “Partners”) in August 2005. The Firm’s investment objective is to generate long-term capital appreciation by creating and/or investing in market-innovative growth technology and services companies. Point 406 intends to make four to five investments per year for a total portfolio of 20 to 25 companies. Point 406 will invest approximately USD 6 million to USD 10 million in each portfolio company and expects to be the lead, first institutional investor in its investments as well as take a board seat in each portfolio company. The Partners intend to develop long-term relationships with Point 406’s portfolio companies, and will participate in follow-on rounds through the complete investment lifecycle. Point 406 will target investments in sectors where the Partners have unique domain expertise, a successful track record and established networks – IT Security and IT Infrastructure; Technology-enabled business services; and Next Generation Software.

Providence Equity Partners VI L.P. (“Providence VI”)

Commitment: USD 15.0 million

Rhode Island based Providence (the “Firm”) was founded in 1991 by Jonathan Nelson to specialize in media and communications investing. The Firm has offices in Providence, London and New York, which allows the Firm to take advantage of the full spectrum of global investment opportunities and maximize the time and attention it can offer its portfolio companies. Providence Equity Partners VI, L.P. (“Providence VI” or the “Fund”) will seek to acquire either a controlling interest or a non-controlling interest accompanied by certain negative control features and board representation in its portfolio companies. The Fund works closely with the management teams of those companies to develop and execute strategies to increase value with the intention of generating multiple exit strategies.

The Resolute Fund II, L.P. (“Resolute II”)

Commitment: USD 10.0 million

The Jordan Company (“TJC”) was founded in 1982 by John W. (“Jay”) Jordan, II and David W. Zalaznick. Resolute II represents the fifth pool of capital that the Principals will have responsibility for investing. Resolute II will continue to follow the same investing strategy that TJC has employed over the past three decades. Resolute II will target companies with purchase prices ranging from USD 50 million to over USD 1.0 billion that are well-established, historically profitable and well-managed niche players in their respective industries. Some differentiating factors of Resolute II are its strong, time-tested track record, cohesive, experienced investment team, deep network of global contacts, hands-on operating approach and significant GP commitment.

TPG Star, L.P. (“TPG Star”)

Commitment: USD 5.0 million

TPG Star was formed by Texas Pacific Group (“TPG”) to pursue transactions requiring an average equity investment of USD 25 million to USD 50 million (and up to USD 75 million) in operating companies through expansion capital, acquisitions, turnarounds and strategic venture capital. TPG Star anticipates making investments across a wide range of stages including expansion capital, small buyouts and traditional venture deals. While TPG Star will invest across all major industries and sectors, it will focus more toward areas in which TPG has had substantial investing experience, including consumer technology, media, travel services, retail, financial services, on-demand software, business process outsourcing, life sciences, healthcare services and clean technology and renewable-energy deals. TPG Star will concentrate on investing in geographies where TPG believes companies are experiencing substantial growth, such as North America, China and India.

Trident IV, L.P. (“Trident IV”)

Commitment: USD 5.0 million

Stone Point Capital (“Stone Point”) and its predecessor operations began in 1989 and operated as MMC Capital under the ownership of Marsh & McLennan Companies, Inc. (“MMC”). The Stone Point team is led by the four members of its Investment Committee, Charles Davis, Stephen Friedman, Meryl Hartzband and James Carry, all of whom have spent their entire careers operating in and investing in the insurance and financial services industries. Trident IV, L.P. (“Trident IV” or the “Fund”), the Stone Point team’s fifth fund, will target growth equity and buyout acquisitions of companies in the global insurance and financial services industries, typically investing between USD 25 million and USD 300 million of equity per transaction. This includes investments in the property and casualty, life and health insurance, insurance and financial services distribution, services and technology, healthcare, asset management and retirement savings, banks and depository institutions and human resources and employee benefits industries. The Fund will generally target control positions or substantial minority positions with board representation and extensive shareholder rights. In addition it may also invest in start-up underwriting businesses, in which critical mass in revenues and profitability can be achieved in the first few years of operations. Trident IV expects to invest primarily in the United States, the United Kingdom, Western Europe and Bermuda.

Source: Credit Suisse

Swiss Oil & Gas Investment Corporation

Absolute Private Equity Ltd. is the sole owner of Swiss Oil & Gas Investment Corporation, a Delaware corporation which invests in Lucas Energy Ventures Fund I, L.P. and Lucas Energy Ventures II, L.P., two private equity funds organized as Delaware limited partnerships ("LEV1" and "LEV2"). Each fund invests, directly and indirectly, in North American oil and gas assets, such as ownership interests in oil and gas wells, oil and gas production facilities, exploratory oil and gas prospects and similar assets relating to the oil and gas industry. LEV1 closed in April 2006 with a total commitment of USD 52.5 million. Swiss Oil & Gas Investment Corporation's commitment of USD 20 million represents 38.1% of LEV1. LEV2 closed in December 2007 with a total commitment of USD 107.3 million. Swiss Oil & Gas Investment Corporation's commitment of USD 20 million represents 18.6% of LEV2. Following is a brief summary of activity in LEV1 and LEV2.

Lucas Energy Ventures Fund I, L.P.

In January 2006 LEV1 held investments through nine oil and gas ventures based on its strategic relationships with oil and gas operating companies. During 2007, LEV1 sold its investment in two entities, transforming an investment of approximately USD 11'633'500 to USD 24'022'100. LEV1 owns direct interest in oil and gas assets in Colorado, Oklahoma, Louisiana and Montana, and indirect interest in oil and gas assets through three entities in Alberta, Louisiana and the Gulf of Mexico. Through direct investment and controlled entities, 30 wells have been drilled or are in the process of being drilled. Wells began producing in May 2006. The portfolio is 54% production/development and 46% exploration. LEV1 expects additional drilling activity during 2007 and 2008.

Lucas Energy Ventures II, L.P.

Since its launch in June 2006, LEV2 has closed nine transactions providing alliances with seven operators in North America. The ventures provide drilling opportunities in Alberta, Colorado, the Gulf of Mexico, Louisiana, Oklahoma and Texas, and acquisition opportunities across a broader footprint. 10 wells have been drilled or are in the process of being drilled. The portfolio, based on budgeted activity, is 53% production/development and 47% exploration. LEV2 is actively working on additional opportunities, including production-based acquisitions, and believes it is well positioned for current market conditions. LEV2 expects an increase in drilling activity during the remainder of 2007 and 2008.

Source: Lucas Capital Management

Jade Invest SA

Jade Invest SA, founded in 2005 by CSEM (Centre Suisse d'électronique et de microtechnique), Absolute Private Equity Ltd., and the Delarive Groupe, targets investments mainly in the sectors of innovative products enabled by micro- and nanotechnology. Having obtained a tax exemption status at a Swiss federal level, Jade Invest is a Capital Risk Company which, on one hand, focuses on financing new high-tech start-ups and, on the other hand, aims at identifying innovative businesses with high growth potential.

During the first semester of 2007, the operational activities of Jade Invest SA included:

- Investments of CHF 5.3 million in existing companies of JADE's portfolio (Silsens, Colibrys and Arrayon) and in a new company Daylight Solutions (DLS). DLS is a high-potential development company active in developing and commercializing imaging instruments and molecular detections systems for biomedical applications (non-invasive measure (optical) of glucose levels), Industrial applications (detection and monitoring of a variety of gas emissions from various industrial processes), and homeland security and military applications (detection of explosives, infectious diseases, illegal drug, harmful chemicals, etc.).
- Divestments of CHF 6.6 million for the sale of the equity participation in two companies: Fully exiting Posic and partially selling shares of Adamant to a strategic partner.

As compared to our previous report, depreciations of participations for an amount of CHF 2.2 million have been booked on the exercise 2006.

The portfolio of Jade at June 2007 consisted of ten companies (from seed to early stage) and a to-date fair net asset value estimation puts the company's portfolio value estimated by Innobridge at CHF 45.9 million. Thus the value of JADE Invest SA for 100% of the shares amounts to CHF 49'000, taking into account the net cash available but already committed. The return on the capital invested (ROIC) for the shareholders corresponds to annual yield of about 24.2 %. This value must still be confirmed by the Board of Directors of JADE and the Auditor KPMG.

Changes in the past six months in the NAV of the portfolio are essentially due to:

- the partial divestment of Adamant, for which JADE now holds 45 % of shares
- a more pessimistic valuation of Colibrys taking into consideration the risks associated with moving the company to a new location to respond to a higher capacity requirement.
- a higher valuation of Xemtec taking into consideration the confirmation of its customers of ramping up sales in high volumes (> million-devices/year) within the next 18 months.

In view of the current deal flow and commitments, Jade Invest SA expects to invest approximately CHF 15.0 to 20.0 million in the second semester of 2007. Pursuing strongly this course, it aims to reach the objective to manage a portfolio of an average of 15 companies per year, whilst divesting successfully about 3 to 4 companies per year and invest, for the same period of time, into 3 to 4 "seed-to-early stage" new companies.

Source: Jade Invest SA

Greenstone Partners Private Capital Fund 1

Fund Overview for the period 1 January to 30 June 2007

This report covers the operations of Greenstone Partners Private Capital Fund 1, L.P. and Greenstone Partners Private Capital (Australia) Fund 1 (together the "Fund"). In summary, the Fund made a loss of AUD 0.37 million for the period. This result is not unexpected given the Fund was founded less than 12 months ago. During the period AUD 5.44 million, or 15% of the Fund's committed capital, was called primarily to finance the Fund's first acquisition (see below). It is too early in the life of the Fund and not meaningful to calculate the net IRR to investors at this stage.

Portfolio Summary

Transaction Services Holding Limited (“TSHL”)

In May 2007, the Fund invested AUD 4.57 million to acquire a 45% shareholding in TSHL. TSHL is the largest independent provider of third party billing services to fitness centres in Australasia. The company charges fees for each transaction processed, for entering and maintaining membership data and for following-up on any debit transactions that are dishonoured. The Manager will work with TSHL to achieve another four to five years organic growth and to identify potential acquisition opportunities in the “payment solutions” space to create further value. The fair value of the Fund’s investment in TSHL as at 30 June 2007 was the carrying value of AUD 4’568’901.

Amber Group Australia Limited (Amber)

On June 30, 2007, the Fund entered into a sale and purchase agreement which provides the Fund with an option to acquire 72% of Amber. Amber is Australia’s largest speciality franchisor of premium quality pavers, tiles and natural stone. Amber has been trading for more than 25 years and currently supports a network of 33 franchisees which in aggregate had store revenue of approximately USD 80 million in FY2006. The Manager is currently working with Amber to satisfy the conditions precedent to exercising the call option. The Manager expects the acquisition to be completed on or around August 31, 2007, which will involve an equity investment by the Fund of approximately AUD 5.43 million.

Deal Pipeline

The Manager is undertaking due diligence on two other potential acquisitions.

Source: Greenstone Partners

Beacon India Private Equity Fund

The Fund was launched in November 2006. As at 30 June 2007, Beacon India Private Equity Fund (“Fund” or “BIPEF”) has received commitments for USD 97’750,000 from a combination of institutional investors, family offices and HNWs based in Switzerland, UK and the GCC. Post the end of the quarter we have received signed commitments for a further USD 3’000’000 which takes us to USD 100’750’000 and are finalizing a further USD 15’000’000 commitment from a financial institution.

The Fund Manager is focused on attracting a well diversified group of global investors who will support this Fund and who bring strategic value. Fund raising is progressing well and we anticipate reaching our USD 200’000’000 target by the end of the year.

As at June 30, 2007 the Fund’s Investment Advisor had reviewed 108 deals. They have very robust deal flow despite the increasingly competitive landscape. Of these deals 25 were in different stages of review with 3 live deals in late stage of due diligence. On July 27, 2007, the first deal was closed – investing USD 7 mio. for a 8% stake in India’s leading art auction business in a deal co-led by Sequoia India and Beacon.

The Investment Adviser is confident that they will continue to find exciting investment opportunities at attractive entry valuations through our proprietary sourcing network. In particular they are seeing attractive deals in the manufacturing, hospitality & leisure, services, technology, infrastructure and maritime services sectors.

Source: Baer Capital Partners

1.4 Private Equity Outlook

General Outlook

After a sluggish 2.1% growth in the last few months of 2006, the U.S. economy is expected to gradually accelerate and grow by a moderate 2.9% in 2007 followed by 2.8% in 2008. The Federal Reserve is expected to ease monetary policy slightly in 2007 by lowering the federal funds rate by about 0.5%-0.75% to a more-neutral level of 4.50%-4.75% by mid-2007. In 2007, the economy is projected to create 1.3 million net new jobs, down from 1.7 million created in 2006. In addition, the unemployment rate is forecasted to increase modestly to 5.0% in 2007. Manufacturing employment is expected to decrease marginally from 14.2 million in 2006 to 14.1 million in 2007.

U.S. house prices are likely to fall this year after the number of people buying homes fell by the most in 17 years in 2006. Most industry analysts expect sales and construction activity to bottom out before the end of the year and are forecasting either a slight fall or modest increase in prices. Sales of new and existing homes will continue to decline this year, largely due to investors pulling out of the housing market. Sales of new homes are expected to drop by about 7.0% in 2007 while sales of existing homes are expected to drop by about 8.0%. Fixed-mortgage rates are expected to rise to approximately 6.5% by the end of 2007.

The U.S. industrial output is expected to mirror the overall economy in 2007 and is expected to increase by 2.8%. Mining and oil and gas field equipment sectors promise to be the big gainers of 2007, with production of such equipment expected to increase by 11.0% from 2006. Overall productivity is expected to increase by 2.2% in 2007. Energy prices are not expected to change significantly (in the absence of any supply shocks) and core inflation (CPI less food and energy) is expected to be around 2.5%, in-line with unit labor costs.

The global economy is set for a favorable 2007 with strong growth in Europe and the Asia Pacific region, balancing a possible moderate growth phase in the U.S. Major risks include a weak U.S. housing market, rising oil prices and soaring interest rates. It is expected that China and India's expansion will help the world economy to grow at 4.8% overall in 2007.

Private Equity

Private equity and corporate buyers are increasingly finding it mutually beneficial to pursue industry targets together through new joint venture vehicles. Corporate partners bring deep industry knowledge, the potential for synergistic growth and an additional avenue for sharing risk to these relationships. For their part, private equity firms offer more flexible financial arrangements than traditional sources, expertise in enhancing the corporate development function, and motivation and capacity to improve the acquired business. Pension funds are increasing participating in co-investments with private equity firms and are beginning to invest directly, while hedge funds are finding many ways to

participate. These include forming private equity side pockets, co-investing with other acquirers, buying out owners who do not receive their target price in an auction, and investing in distressed debt and equity tranches of collateralized debt obligations. Along with new acquisition vehicles, private equity firms are relying on other capital structures that could provide some shock absorption should the economy soften. These include lighter covenants, longer grace periods, and more flexible debt structures such as Payment in Kind options and toggle notes, which allow a cash-constrained borrower to roll the monthly payment into the principal and thus buy more time.

In addition to tax concerns, the beginning trend of private equity firms raising money by going public has drawn scrutiny due to the high degree of risk inherent in the business. Questions are being raised as to whether the industry can continue to successfully invest in the huge deals that have fueled its breakneck growth. The biggest threat that has arisen from the debt markets, which has been providing leverage to the sector. Rising interest rates have boosted the cost of doing deals, while the sub-prime mortgage market's collapse has increased concern about risk in general.

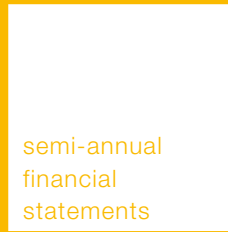
Private equity firms are expected to continue to be a large and permanent fixture in the M&A landscape on both the buy side and sell side. Private equity accounted for 48% of M&A value and 20% of volume during the first five months of 2007, compared with 32% and 17%, respectively, for all of 2006. Since the current recovery began in 2003, private equity's share of the U.S. deal value rose from 20% to 48%, while its share of deal volume increased from 17% to 20%. The accelerated rate of growth in deal value reflects private equity's capacity to do bigger deals as competitive lending practices and infusions of capital from institutional and overseas investors have pushed liquidity to new heights. Capital funding for deals is pouring in from more diverse sources than in previous cycles with hedge funds, mezzanine and pension funds providing an increasing portion of M&A capital along with high yield and leveraged loans. Furthermore, lenders are bearing less risk, as some 60% of buyout loans made last year were packaged and sold as collateralized loan obligations. While private equity's deal-making engine continues to remain vibrant, a potential softening seems increasingly likely.

Public to private deals continue to fuel the market. The level of activity is expected to depend on the amount of liquidity available to finance deals and the availability of targets that offer sufficient upside potential relative to purchase price. Furthermore, public to private opportunities exist in many sectors, including defense, software, financial services, and telecommunications and media.

Private equity deals have helped drive the stock market by lifting sentiment and reducing the supply of shares available to the public. However, going forward, this benefit may begin to fade as cheap credit becomes less available. In addition to tougher market conditions, private equity has come under a harsh spotlight. In the U.S. and U.K., concerns have been raised over unfair tax advantages, which buyout firms enjoy. For a confluence of reasons, ranging from rising prices for target companies to shareholder activism, private equity firms are expected to buy more subsidiaries than entire companies, resulting in a number of spin-offs in the future. The current pace of M&A activity is expected to continue, driven by a variety of factors, including historically low interest rates and an extremely liquid debt financing market, record private equity funds available for investment, a stable economy and higher stock prices. These factors have been driving M&A volume for the last several years and show no signs of a near-term reversal.

In Asia, India is emerging as one of the largest centers of attention for private equity players. Large private equity firms such as The Blackstone Group, The Carlyle Group, and Kohlberg Kravis Roberts, have all announced that India will be significant in their Asia plans. More than 100 private equity firms are already in India and the size of the India private equity market in 2007 is expected to hit USD 10 billion. China has already announced its intention to deploy a part of its trillion-dollar-plus reserves into equity buyouts, through its recently formed State Investment Corporation (SIC).

Source: Credit Suisse



2. Semi-Annual Financial Statements

2.1 Consolidated Financial Statements for Absolute Private Equity Ltd.

Consolidated statements of assets and liabilities as of

		June 30, 2007 (unaudited)	December 31, 2006 (audited)
Assets			
	Note	USD	USD
Investments at fair value	3	963'337'678	893'527'857
Cash and cash equivalents	2	186'953'942	64'656'269
Withholding tax receivables		297'300	581'304
Receivables for investments redeemed and prepaid subscriptions	6	20'000'000	10'000'000
Investment in associate	4	748'811	296'658
Prepaid expenses, accrued income and other receivables		8'032'948	1'544'980
Total assets		1'179'370'679	970'607'068
Liabilities			
Loan due to Credit Suisse, a related party		0	13'203'445
Accrued management fees due to related party	10	4'181'570	3'552'307
Accrued performance fees due to related party	10	34'817'979	21'290'643
Accrued administration fees		7'875	14'182
Accrued custody fees		6'003	7'171
Accrued directors' fees		81'860	173'625
Accrued other expenses		650'304	488'565
Other payables		0	953'330
Capital tax liability		-12'279	71'370
Total liabilities		39'733'312	39'754'638
Minority interests	13	5'145'704	5'973'745
Net assets		1'134'491'663	924'878'685
Analysis of net assets			
Share capital	8	310'230'127	310'230'127
Treasury shares	8	-45'689'610	-45'689'610
Additional paid-in capital		278'278'020	278'278'020
Accumulated increase in net assets		588'141'314	378'531'504
Accumulated other comprehensive income		3'531'812	3'528'644
Net assets	8	1'134'491'663	924'878'685
Net asset value per share based on 10,107,521 bearer shares outstanding at June 30, 2007 and December 31, 2006, respectively	8	112.24	91.50

See accompanying notes to consolidated financial statements.

**Consolidated statements of operations
for the periods ended**

June 30, 2007
(unaudited)

June 30, 2006
(unaudited)

Investment income			
	Note	USD	USD
Share of profit from associate	4	432'100	18'146
Dividends received		279'225	0
Interest income		3'290'879	1'797'467
Income from contractual rights and performance fees		0	331'606
Other income		330'764	21'901
Total income		4'332'968	2'169'120
Expenses			
Management fees to related party	10/14	-7'857'002	-6'994'798
Performance fees to related party	10/14	-13'527'336	0
Administration fees	11	-50'158	-59'647
Custody fees		-40'171	-44'182
Service fees to related party	14	-566'393	-457'841
Directors' fees to related party	14	-104'810	-94'114
Bank and broker expenses		-30'831	-747'228
Professional fees		-618'056	-620'894
Interest expense on loan due to Credit Suisse, a related party	14	-93'905	-1'223'337
Capital taxes		-95'508	-50'482
Expenses related to the acquisition of Absolute Managers Ltd.		0	-765'506
Miscellaneous expenses		-1'478'289	-1'925'185
Total expenses		-24'462'459	-12'983'214
Net investment losses		-20'129'491	-10'814'094
Realized and unrealized gains / (losses) from investments and foreign currency			
Realized gains on investments	3	146'159'574	56'686'716
Realized losses on investments	3	-2'355'001	-1'738'655
Net realized gains from investments		143'804'573	54'948'061
Net realized and unrealized foreign exchange (losses) gains		46'418	-1'132'463
Unrealized gains on investments	3	134'727'464	60'405'749
Unrealized losses on investments	3	-48'380'360	-33'390'134
Net unrealized gains on investments		86'347'104	27'015'615
Net realized and unrealized gains from investments and foreign currency		230'198'095	80'831'213
Minority interests	13	-669'556	-614'133
Net increase in net assets from operations before extraordinary items		209'399'048	69'402'986
Extraordinary gain from purchase shares of Absolute Managers Ltd.	13	210'762	19'260'872
Net increase in net assets from operations		209'609'810	88'663'858

See accompanying notes to consolidated financial statements.

Consolidated statements of changes in net assets for the periods ended

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Note	USD	USD
Increase (decrease) in net assets from operations		
Net investment losses	-20'129'491	-10'814'094
Net realized gains from investments	143'804'573	54'948'061
Net realized and unrealized foreign exchange (losses) gains	46'418	-1'132'463
Net unrealized gains on investments	86'347'104	27'015'615
Minority interests	-669'556	-614'133
Extraordinary gain from purchase of Absolute Managers Ltd.	210'762	19'260'872
Net increase in net assets from operations	209'609'810	88'663'858
Translation adjustment	3'168	-794'110
Total increase in net assets	209'612'978	87'869'748
Net assets:		
Beginning of period	924'878'685	730'260'727
End of period	1'134'491'663	818'130'475

Consolidated statements of comprehensive income for the periods ended

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Note	USD	USD
Net increase in net assets from operations	209'609'810	88'663'858
Other comprehensive gain (loss):		
Foreign currency translation adjustment	3'168	-794'110
Other comprehensive loss	3'168	-794'110
Comprehensive income	209'612'978	87'869'748

See accompanying notes to consolidated financial statements.

**Consolidated statements of cash flows
for the periods ended**

**June 30, 2007
(unaudited)**

**June 30, 2006
(unaudited)**

	Note	USD	USD
Cash flows from operating activities:			
Net increase in net assets from operations		209'609'810	88'663'858
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:			
Proceeds on disposals of investments	3	316'678'790	258'007'613
Purchase of investments	3	-165'523'770	-74'458'464
Return of capital from investments	3	9'186'836	25'427'007
Realized gains on investment	3	-146'159'574	-56'686'716
Realized losses on investment	3	2'355'001	1'738'655
Net realized and unrealized foreign exchange gains (losses)		-46'418	1'132'463
Unrealized gains on investment	3	-134'727'464	-60'405'749
Unrealized losses on investment	3	48'380'360	33'390'134
Extraordinary gain from purchase of Absolute Managers Ltd.	13	-210'762	-19'260'872
Share of profit of associate	4	-432'100	-18'146
Minority interests		669'556	614'133
Changes in operating assets and liabilities:			
Change in accounts receivables and other assets		-16'203'964	15'807'726
Change in accounts payable and other liabilities		13'182'119	-589'646
Net cash flows provided by (used in) operating activities		136'758'420	213'361'996
Cash flows from investing activities:			
Purchase shares Absolute Managers Ltd.	13	-1'389'166	-221'048'535
Purchase shares Absolute Investments Services Ltd.		-18'352	0
Repayment share capital Absolute Managers Ltd. to minorities	13	0	-6'010'150
Disposal of shares of associate Absolute Investment Services Ltd.	4	0	18'403
Net cash flows used in investing activities		-1'407'518	-227'040'282
Cash flows from financing activities:			
Repayment loan due to Credit Suisse, a related party	7	-13'203'445	0
Purchase of treasury shares	8	0	0
Net cash flows used in financing activities		-13'203'445	0
Foreign exchange effect on cash and cash equivalents		150'216	-2'237'582
Net decrease in cash and cash equivalents		122'297'673	-15'915'868
Cash and cash equivalents at the beginning of the period		64'656'269	132'055'956
Cash and cash equivalents at the end of the period		186'953'942	116'140'088

* Changes in subsidiaries are included. For further details see note 6 of the consolidated financial statements of Absolute Private Equity Ltd.

See accompanying notes to consolidated financial statements.

**Consolidated financial highlights
for the periods ended**

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
	USD	USD
Per share operating performance: *		
Number of shares at the beginning of the period	10'107'521	10'732'101
Number of shares at the end of the period	10'107'521	10'732'101
Weighted average number of shares	10'107'521	10'732'101
Net asset value, beginning of period	91.50	68.04
Income from investment operations:		
- Net investment loss	-1.99	-1.01
- Net realized and unrealized gains from investments and foreign currency	22.77	7.53
- Effect of minority interest	-0.07	-0.06
Total from investment operations before extraordinary items	20.72	6.47
- Extraordinary items	0.02	1.79
Total from investment operations	0.02	1.79
- Change in accumulated other comprehensive (loss) income	0.00	-0.07
Total distributions	0.00	-0.07
Net asset value, end of period	112.24	76.23
Total investment return from investment operations on a net asset value basis	22.64%	9.50%
Total investment return from investment operations on a net asset value basis including changes in other comprehensive income	22.64%	9.40%
Supplemental data:		
Net assets, end of period	1'134'491'663	818'130'475
Ratio of expenses to average net assets **	-2.51%	-1.67%
Ratio of net investment loss to average net assets **	-2.06%	-1.39%

* The Company has only one class of shares (bearer shares).

** These ratios do not reflect the Company's proportionate share of income and expenses of the underlying investee funds.

See accompanying notes to consolidated financial statements.

Notes to the consolidated financial statements

(1) Summary of Significant Accounting Policies

(1a) Organization and business activity

Absolute Private Equity Ltd. (the "Company") was incorporated on July 19, 2000 and is duly organized and existing under the laws of Switzerland.

The Company is an investment company listed on the SWX Swiss Exchange, which primarily conducts its business through its wholly owned investment company Subsidiaries, Privatissimo Ltd., Private Seven Ltd., Private Invest Ltd., Barry Ltd., Bluebeech SPC, Swiss Oil & Gas Investment Corp., Absolute Managers Ltd. (97.18%) and Technissimo Ltd. (the "Subsidiaries"). The Company and its Subsidiaries have no employees.

As of June 30, 2007, Credit Suisse Group, a related party, held under 5% of the outstanding voting shares of the Company (previous year: between 10 and 20%). As of June 30, 2007, AIG Financial Products Corp., (US) held 5.16% of the outstanding voting shares of the Company and Absolute Private Equity Ltd. Held 5.82% own shares.

The Company seeks to earn above average returns for its investors, through investments purchased by its Subsidiaries. The Company will, with the advice of the Investment Manager under the investment management agreements, invest the assets of the Subsidiaries with underlying private equity funds, and, in some circumstances directly in private equity investments on a side-by-side basis with such funds ("direct co-investments") as well as other non-traditional investment funds.

The Company may invest through its Subsidiaries in listed securities such as bonds and stocks until the commitments to the various underlying private equity funds are called by those funds. The Board of Directors of the Company may hedge such investments at its discretion.

The Company's Investment Guidelines were amended as of June 30, 2003 in order to enlarge the investment opportunities to be able to flexibly adapt it to prevailing market conditions. As a result of these amendments, the Company now has the ability to invest in additional alternative investments such as managed futures and default swaps.

A listing of the Subsidiaries is as follows:

Privatissimo Ltd., Private Seven Ltd. and Private Invest Ltd., all wholly owned Subsidiaries, are duly organized and existing under the laws of the Cayman Islands. These entities invest in private equity investment vehicles and were incorporated on July 31, 2000 with a share capital of USD 50'000 each.

Barry Ltd., a wholly owned Subsidiary, is duly organized and existing under the laws of the Cayman Islands and primarily invests in a portfolio of securities, financial instruments and partnership interests. The company was incorporated on July 31, 2001 with a share capital of USD 50'000. As per January 31, 2007 Barry Ltd. was sold to Absolute Managers Ltd. an other Subsidiary.

Bluebeech SPC, a wholly owned Subsidiary, is duly organized and existing under the laws of the Cayman Islands and invests in private equity investment vehicles. The company was incorporated on August 10, 2005 with a share capital of USD 50'000.

Swiss Oil & Gas Investment Corporation, a wholly owned Subsidiary, is duly organized and existing under the laws of the state of Delaware and invests primarily in partnership interests. The company was incorporated on May 5, 2005 with a share capital of USD 15.

On November 28, 2005, Absolute Private Equity Ltd. initiated a public takeover offer for Absolute Managers Ltd., a related party, for USD 47.50 per share. By January 19, 2006, the end of the additional acceptance period, the Company had purchased a total of 3'575'959 bearer shares. Combined with the 1'081'936 bearer shares owned at December 31, 2005 and additional purchases of 81'603 bearer shares at the end of 2006 for USD 30.11 per share, the Company's ownership equaled 96.30% of all outstanding voting rights at December 31, 2006. Until the end of June 2007 Absolute Private Equity Ltd. purchased further 43'148 shares for USD 34.94 (average) per share, equaled 97.18%.

As of December 31, 2005, the Company treated Absolute Managers Ltd. as an investment which was reported at fair market value. Based on above mentioned transaction in January 2006, Absolute Managers Ltd. became a fully consolidated entity. For further details see Note 13.

Absolute Managers Ltd. is duly organized and existing under the laws of Switzerland. The investment strategy involves providing initial capital to early-stage hedge funds that are managed by experienced hedge fund managers. The overall strategies employed by these hedge funds are diverse, in respect to focus, style and asset class targeted, in order to put together a diversified portfolio. Absolute Managers Ltd. is an investment company listed on the SWX Swiss Exchange, which primarily conducts its business through its wholly owned investment company Subsidiaries, Technissimo Ltd., Cayman Islands (until May 31, 2007), Carry Ltd., Cayman Islands (until January 31, 2007) and Barry Ltd., Cayman Island (since January 31, 2007).

The following entities are considered related parties whose results are not consolidated into the Company's financial statements:

Pearl Investment Management Ltd., a related party, is a company duly organized and existing under the laws of the Bahamas and is a wholly owned subsidiary of Credit Suisse Group, Zurich, a related party. It acts as investment manager (the "Investment Manager") and is responsible for investing the assets of the Subsidiaries of the Company in accordance with the investment objectives and policies.

Absolute Investment Services Ltd., Zurich, a related party, provides all Absolute Companies with management, marketing and administrative services since January 1, 2005. The company was incorporated on November 19, 2004 with a share capital of CHF 250'000. As per March 31, 2007 the Company holds 50% (CHF 122'500) of the share capital of CHF 250'000 (prior year 41%) as a joint venture with Absolute Invest Ltd., a related party, which holds the remaining 50%.

Effective April 1, 2005, Credit Suisse Securities (USA) LLC, a related party, a U.S. limited liability company organized under the laws of the state of Delaware (the "Administrator"), began providing financial, accounting and administrative services to Privatissimo Ltd., Private Seven Ltd., Private Invest Ltd. and Bluebeech SPC under the administrative services agreements. Until March 31, 2005, the New Jersey Corporation Northport Partnership Management, Inc. was the Administrator.

The following entities provide services to the Company:

Merchant Capital, Inc., is a U.S. corporation organized under the laws of the state of Delaware and an indirect Subsidiary of Credit Suisse, a Swiss bank, and acts as investment advisor (the "Investment Advisor") and supports the Investment Manager in selecting and monitoring private equity investments made through Privatissimo Ltd., Private Seven Ltd. and Bluebeech SPC. The Investment Advisor receives no direct compensation from the Company or its Subsidiaries.

Citco Fund Services (Curaçao) N.V., a Netherlands Antilles corporation (the "Administrator"), provides financial, accounting and administrative services to Barry Ltd., Technissimo Ltd. and Carry Ltd. under the administrative service agreements.

Citco Global Custody (N.A.) N.V., a Netherlands Antilles corporation (the "Custodian"), acts as custodian for the Subsidiaries.

(1b) Principles of Consolidation

The consolidated financial statements include Absolute Private Equity Ltd., Zug and its Subsidiaries. All significant intercompany balances and transactions have been eliminated. The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") from the financial records of the Company. They also comply with the provisions of the Swiss Law and the accounting principles of the Additional Rules for the Listing of Investment Companies issued by the SWX Swiss Exchange.

Although the Company is domiciled in Switzerland, the consolidated financial statements are presented in US Dollars ("USD") as the Company holds the vast majority of its assets (investments) and liabilities in USD. Furthermore, the shares of the Company are quoted on the SWX Swiss Exchange in USD and the net asset value per share is disclosed in USD.

Certain amounts in the prior period financial statements have been reclassified to conform with the current year presentation.

No variable interest entities as defined by FIN 46 (R) Consolidation of Variable Interest Entities exist at June 30, 2007.

(1c) Foreign currency translation

The assets and liabilities of entities whose functional currency is other than USD are translated at the exchange rates applicable at each balance sheet date. The statements of operations and cash flows of such consolidated entities are translated at the average exchange rates during the year. Resulting translation adjustments are included as a component of accumulated other comprehensive income within net assets.

Transactions in currencies other than each Subsidiaries' functional currency are recorded at the rate of exchange at the transaction date. Monetary assets and liabilities are translated to their functional currency at the rate of exchange existing at the balance sheet date. Resulting exchange differences are recognized in the statement of operations.

The following exchange rates were applied during consolidation:

	Period	Asset and liability items (balance sheet date)	For profit and loss and cash flow items (average rate for the half year ended June 30)
1 USD to CHF ¹	2006	1.2190	1.2702
1 USD to CHF	2007	1.2216	1.2280
or			
1 CHF to USD	2006	0.8203	0.8305
1 CHF to USD	2007	0.8186	0.8143

¹ CHF = Swiss Franc

(1d) Valuation of investments

Securities for which quotations are not readily available are valued at fair values as determined by the Investment Manager of the underlying investee funds, in conformity with the fund's prospectus, which the Company believes to be an appropriate estimate of fair value. The Board of Directors takes into consideration the fair value as established by the Investment Manager supported by financial information and approves the values. These investments are initially valued at cost, with subsequent adjustments to the fair values determined in this manner. The Company records security transactions based on trade date.

Due to the inherent uncertainty of the valuation of these assets, the estimated values may differ significantly from the values that would have been recorded had a ready market for these investments existed. These differences could be material.

The fair value of any investment listed on a stock exchange or traded in another regulated market will be the last paid price as per close of market (fair value).

Changes in the fair value of investments are recognized in the consolidated statements of operations for the period as unrealized gains or losses. Any additional gain or loss on sale arising from the difference between the sales price and the carrying amount of the investment is recognized in the consolidated statement of operations as a realized gain or loss.

(1e) Valuation of investment in associate

The Company records its investment in associate for which it is able to exercise significant influence using the equity method of accounting.

(1f) Cash and cash equivalents

Cash and cash equivalents include all time deposits held in banks and certain highly liquid investments with maturities of 90 days or less.

(1g) Treasury shares

The consideration paid for treasury shares including transaction costs, are deducted from net assets.

(1h) Recognition of income

Interest income derives from the effective yield on the respective asset and is recognized on an accrual basis.

Income from contractual rights derives from the revenues, in which the Company is generally entitled to a predetermined percentage that includes management and performance fees, generated by the seeded managers. It is recognized when earned.

Dividend income derives from investments in shares of listed companies and is recognized on the ex-dividend date.

(1i) Income taxes

The Company has the status of a holding company for Swiss income tax purposes and, as such, it benefits from the participation exemption at the cantonal and communal level. Further, the dividends received deduction is granted on qualifying dividend income and capital gains on Subsidiaries for Swiss federal income tax purposes. The applicable federal income tax rate is 7.83%. The Subsidiaries in the Cayman Islands are not subject to any income taxes.

Deferred income tax assets and liabilities are recognized for the future tax consequences attributed to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards are expected to be recovered or settled. A valuation allowance is recorded to reduce deferred tax assets to amounts expected to be realized. The consolidated financial statements do not take into consideration the deferred taxes, if any, arising on the undistributed earnings of the Subsidiaries as management does not currently intend to repatriate any foreign earnings.

(1j) Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Notes to the consolidated statements of assets and liabilities and statements of operations

(2) Cash and cash equivalents

	June 30, 2007	December 31, 2006
	USD	USD
Cash at banks (current accounts)	41'683'813	11'293'015
Cash at banks (Credit Suisse, a related party)	51'839	4'557'151
Time deposits (Credit Suisse, a related party)	1) 145'218'290	2) 48'806'103
Cash and cash equivalents	186'953'942	64'656'269

Cash at banks are denominated principally in USD, CHF and EUR. The applicable interest rates for the cash at banks were 0.125% for both 2007 and for 2006.

1) Description	Interest rate	Original currency	Presentation
Time deposit on call	0.400%	CHF 90'000	USD 73'290
Time deposit on call	4.750%	USD 37'800'000	USD 37'800'000
Time deposit on call	5.000%	USD 6'980'000	USD 6'980'000
Time deposit on call	5.125%	USD 100'365'000	USD 100'365'000
			USD 145'218'290

2) Description	Interest rate	Original currency	Presentation
Time deposit on call	1.500%	CHF 300'000	USD 246'103
Time deposit on call	4.750%	USD 2'110'000	USD 2'110'000
Time deposit on call	5.000%	USD 2'300'000	USD 2'300'000
Time deposit on call	5.125%	USD 44'150'000	USD 44'150'000
			USD 48'806'103

(3) Investments

The Company has investments in several funds. A significant portion of the Company's investments are denominated in USD and held with Citco Global Custody (N.A.) N.V. The following table is an analysis of the investment portfolio, sorted by managed segments, which provides the details of realized and unrealized gains and losses for the period January 1 to June 30, 2007.

Investments	Historical cost of investments Jan 1, 2007		Market value of investments Jan 1, 2007		Purchase of investments USD		Return of Capital USD		Sale of investments		Change in unrealized gains/losses USD		Market value of investments June 30, 2007		% of NAV June 30, 2007		Historical cost of investments June 30, 2007			
	USD	USD	USD	USD	USD	USD	USD	USD	Historical cost of inv. sold	Realized gains	Realized losses	USD	USD	USD	USD			USD	USD	
Absolute Fiduciary																				
Global Opportunities Partners, L.P.	21'582'512	28'523'374	458'458	-458'458	-2'119'396	326'821	0	1'678'593	28'082'570	0	0	1'678'593	28'082'570	2.48%	19'463'115					
AC Private Equity Invest, L.P.	8'966'240	10'099'197	0	0	-770'670	0	0	1'313'290	10'641'818	0	0	1'313'290	10'641'818	0.94%	8'195'571					
ADM Maculus Fund, L.P.	7'694'014	9'443'714	44'895	-44'895	-3'385'519	-13'024	0	-578'516	5'479'679	-13'024	0	-578'516	5'479'679	0.48%	4'308'495					
ADM Maculus Fund III, L.P.	600'000	491'818	5'430'000	0	0	0	0	0	5'921'818	0	0	0	5'921'818	0.52%	6'030'000					
Bay Partners X, L.P.	4'410'967	4'614'132	400'000	0	-58'484	0	0	-133'049	4'822'599	0	0	-133'049	4'822'599	0.43%	4'752'483					
Beacon India Private Equity Fund	0	0	900'000	-203'483	0	0	0	-203'483	696'517	-203'483	0	0	696'517	0.06%	696'517					
Clarity Partners, L.P.	5'826'676	5'258'022	218'552	-42'375	0	0	0	-42'375	5'450'084	-42'375	0	15'885	5'450'084	0.48%	6'002'853					
CSFB MMV Investor, L.P.	44'597'021	62'324'730	1'519'756	-302'316	-5'920'408	4'105'892	0	4'969'081	62'590'844	0	0	4'969'081	62'590'844	5.52%	39'894'054					
CSFB Fund Investments																				
VII Holdings, L.P.	77'988'459	118'353'779	2'407'677	-61'329	-10'164'092	39'230'523	0	-12'238'769	98'297'267	39'230'523	0	-12'238'769	98'297'267	8.66%	70'170'715					
DLJ Merchant Banking Partners III, L.P.	6'760'519	9'666'043	118'520	-287	-1'821'534	1'713'408	0	256'719	8'219'461	1'713'408	0	256'719	8'219'461	0.72%	5'057'218					
DLJ Venture Partners II, L.P.	5'319'914	6'800'909	17'450	-17'450	-155'641	1'031'008	0	-983'380	5'661'887	1'031'008	0	-983'380	5'661'887	0.50%	5'164'273					
DLJ Offshore Partners IV, L.P.	3'262'804	3'076'358	1'340'026	-11'302	0	181'705	0	241'016	4'646'099	181'705	0	241'016	4'646'099	0.41%	4'591'529					
Greenstone Partners																				
Private Capital Fund, L.P.	757'548	516'102	4'073'337	-602'614	0	0	0	-602'614	4'308'230	-602'614	0	321'404	4'308'230	0.38%	4'228'272					
GRP II, L.P.	9'226'981	12'239'105	615'000	0	-469'268	1'654'383	0	2'221'312	14'606'149	1'654'383	0	2'221'312	14'606'149	1.29%	9'372'713					
Jade Invest SA	12'041'422	11'999'398	0	0	0	0	0	0	17'296'953	0	0	5'297'555	17'296'953	1.52%	12'041'422					
PAI Europe III-B	5'513'319	13'381'283	80'126	0	-4'075'044	11'865'457	0	3'305'935	12'692'300	11'865'457	0	3'305'935	12'692'300	1.12%	1'518'402					
PAI Europe III-B3	5'489'882	13'261'797	79'405	0	-4'038'332	11'758'561	0	3'276'226	12'579'096	11'758'561	0	3'276'226	12'579'096	1.11%	1'530'954					
Warburg Pincus International Partners	129'679'353	200'994'995	0	0	-13'998'951	42'717'603	0	75'830'893	262'826'937	42'717'603	0	75'830'893	262'826'937	23.17%	115'680'402					
Warburg Pincus Private Equity VIII, L.P.	17'215'076	25'968'150	0	0	-1'865'320	3'465'965	0	7'410'634	31'513'464	3'465'965	0	7'410'634	31'513'464	2.78%	15'349'756					
Terra Firma Capital Partners II, L.P.-C	40'730'899	100'783'922	1'329'765	-1'329'765	-4'200'202	502'181	0	-6'501'867	90'081'853	502'181	0	-6'501'867	90'081'853	7.94%	36'530'697					
Terra Firma Capital Partners III, L.P.-C	0	0	101'085	-101'085	0	0	0	-101'085	262'717	0	0	-101'085	262'717	0.02%	0					
The Lightyear Fund, L.P. (2005 Series)	3'881'923	2'956'209	81'988	0	-548'420	230'943	0	374'139	2'863'916	230'943	0	374'139	2'863'916	0.25%	3'415'491					
Blackstone Capital Partners V, L.P. (2005 Series)	5'189'490	5'003'946	1'131'861	-37'947	0	629'664	0	689'676	6'787'536	629'664	0	689'676	6'787'536	0.60%	6'283'404					
The Lightyear Fund II, L.P. (2005 Series)	177'453	177'145	140'956	-30'113	0	0	0	-12'039	298'989	0	0	-12'039	298'989	0.03%	288'296					
VSS Communications parallel Partners IV, L.P. (2005 Series)	2'263'273	2'221'481	1'751'470	-97'080	-386'605	153'023	0	730'186	4'219'452	153'023	0	730'186	4'219'452	0.37%	3'531'058					

Investments	Historical cost of investments Jan 1, 2007		Market value of investments Jan 1, 2007		Purchase of investments		Return of Capital		Sale of investments		Change in unrealized gains/losses		Market value of investments June 30, 2007		Historical cost of investments June 30, 2007	
	USD	USD	USD	USD	USD	USD	USD	USD	Historical cost of inv. sold	Realized gains	Realized losses	USD	USD	USD	USD	% of NAV
Nordic Capital Fund VI, L.P. (2005 Series)	4'352'107		4'355'062		109'632		-109'632		0	0	-109'632	168'219		4'523'281		0.40%
Apollo Investment VI, L.P. (2005 Series)	1'314'307		1'411'484		2'242'229		-657'074		0	9'770	0	-34'398		2'962'241		0.26%
Wayzata Opportunities Fund, LLC (2006 Series)	8'000'000		7'959'863		1'380'000		-1'067'722		0	120'278	0	1'331'551		9'603'692		0.85%
Centerbridge Capital Partners, L.P. (2006 Series)	0		9'040		188'646		-50'052		0	0	-49'494	544		148'178		0.01%
Credit Suisse CFGI BCIX SPV, LLC (2006 Series)	6'225'489		6'226'035		2'887'500		-112'500		0	0	-111'767	61'129		9'062'165		0.80%
(vehicle for investment in "Bain Capital IX, Co-Investment Fund, L.P.")	0		0		0		0		0	0	0	0		0		0.00%
Credit Suisse CFGI TV SPV, L.P. (2006 Series)	1'846'140		1'728'484		2'868'317		-536'680		0	335	0	203'483		4'263'604		0.38%
(vehicle for investment in "TPG Partners V, L.P.")	0		0		0		0		0	0	0	0		0		0.00%
CSFB CFGI SPV Investor II, LLC (2006 Series)	1'171'958		1'088'481		225'947		0		0	0	0	-35'920		1'278'508		0.11%
(vehicle for investment in "TPG Biotechnology Partners II, L.P.")	0		0		0		0		0	0	0	0		0		0.00%
Cerberus Institutional Partnership, L.P. (2006 Series)	500'000		500'000		825'000		0		0	0	0	-7'552		1'317'448		0.12%
Credit Suisse CFGI BPII SPV, LLY (2006 Series)	339'123		262'997		1'017'334		-1'184		0	0	-1'184	-1'1616		1'267'531		0.11%
(vehicle for investment in "Blue Point Capital Partners II, L.P.")	0		0		0		0		0	0	0	0		0		0.00%
Credit Suisse CFGI PIV SPV, LLC (2006 Series)	629'180		629'180		1'482'011		0		0	0	0	385		2'111'577		0.19%
(vehicle for investment in "Permira IV, L.P.")	0		0		0		0		0	0	0	0		0		0.00%
Madison Dearborn Capital Partners V, L.P. (2006 Series)	541'059		541'059		7'839'220		-453'703		0	0	-57'179	-7'574		7'919'002		0.70%
The Fourth Civen Fund (2006 Series)	0		0		4'036'671		-162'120		0	0	-162'120	0		3'874'552		0.34%
Apax Europe VII-A, L.P. (2007 Series)	0		0		1'289'663		-116'070		0	0	-116'070	0		1'173'594		0.10%
Matlin Patterson Global Opportunities Partners III, L.P. (2007 Series)	0		0		200'000		0		0	0	0	0		200'000		0.02%
Point 406 Ventures I, L.P. (2007 Series)	0		0		875'000		-31'250		0	0	-31'250	0		843'750		0.07%
Providence Equity Partners VI, L.P. (2007 Series)	0		0		2'079'562		-127'489		0	0	-79'844	0		1'952'073		0.17%

(page 3/4)	Investments	Historical cost of investments Jan 1, 2007		Market value of investments Jan 1, 2007	Purchase of investments USD	Return of Capital USD	Sale of investments		Change in unrealized gains/losses		Market value of investments June 30, 2007	% of NAV June 30, 2007	Historical cost of investments June 30, 2007
		USD	USD				Historical cost of inv. sold	Realized gains	Realized losses	USD			
	H.I.G Europe Capital Partners IV, L.P. (2007 Series)	0	0	0	430'970	0	0	0	0	0	430'970	0.04%	430'970
	Hellman & Friedman Capital Partners VI, L.P. (2007 Series)	0	0	0	2'733'321	-126'416	0	0	0	0	2'606'905	0.23%	2'606'905
	The Resolute Fund II, L.P. (2007 Series)	0	0	0	963'270	-657'810	0	0	-113'808	0	305'460	0.03%	305'460
	TPG Star, L.P. (2007 Series)	0	0	0	1'070'939	-768'768	0	0	-164'249	0	302'171	0.03%	302'171
	Trident IV, L.P. (2007 Series)	0	0	0	1'335'497	-867'870	0	0	-36'775	17'042	484'669	0.04%	467'627
	Private equity Total	444'095'109	672'867'294	672'867'294	58'321'058	-9'186'836	-53'977'887	119'697'522	-2'007'991	89'450'973	757'474'603	66.77%	439'251'444
	Audley European Opportunities Class B	0	0	0	10'000'000	0	0	0	0	119'320	10'119'320	0.89%	10'000'000
	Castle Private Equity Ltd.	5'840'227	7'673'113	0	0	0	-2'335'904	1'401'170	0	378'553	5'715'762	0.50%	3'504'323
	Cheyne Investment Grade CDO	0	0	0	25'547'421	0	0	0	0	893'850	26'441'271	2.33%	25'547'421
	China HealthCare Holdings Ltd. Ordinary	992'169	324'053	0	0	0	0	0	0	261'808	585'861	0.05%	992'169
	Crosby Active Opportunities Feeder Fund Ltd.	0	0	0	21'595'899	0	0	0	0	57'559	21'653'458	1.91%	21'595'899
	Eidesis Special Opportunities Series 2	0	0	0	10'000'000	0	0	0	0	-860'548	9'139'452	0.81%	10'000'000
	EPL1 Unit Trust Class A	0	0	0	9'982'045	0	-9'982'045	0	-8'990	0	-0	0.00%	0
	EPL1 Unit Trust Units USD	0	0	0	10'002'557	0	0	0	0	476'122	10'478'679	0.92%	10'002'557
	European Capital Ltd. Shares	12'700'874	13'093'407	0	0	0	0	0	0	1'233'501	14'326'908	1.26%	12'700'874
	F.I.T. Timber Growth Fund	0	0	0	10'024'790	0	0	0	0	216'070	10'240'860	0.90%	10'024'790
	Lucas Energy Ventures Fund I, L.P.	16'750'000	20'215'591	0	50'000	0	0	0	0	-5'256'463	15'009'128	1.32%	16'800'000
	Lucas Energy Ventures Fund II, L.P.	4'000'000	3'981'749	0	0	0	0	0	0	-205'779	3'775'970	0.33%	4'000'000
	Osiris Therapeutics Inc. Common	3'000'000	7'596'000	0	0	0	-3'000'000	1'692'250	0	-4'596'000	0	0.00%	0
	Private Equity Holding AG, Zug	0	0	0	0	0	0	0	0	0	0	0.00%	0
	Namen-Aktien	3'721'924	4'961'553	0	0	0	-3'721'924	2'403'808	0	-1'239'629	0	0.00%	0
	Paulson Credit Opportunities L Series 1	20'000'000	22'232'597	0	0	0	-10'000'000	2'246'464	0	13'414'566	25'647'163	2.26%	10'000'000
	Paulson Credit Opportunities L Series 2	0	0	0	5'000'000	0	0	0	0	3'012'500	8'012'500	0.71%	5'000'000
	US Venture 05 Inc.	12'535'004	20'847'287	0	0	0	0	0	0	-3'410'544	17'436'743	1.54%	12'535'004
	Platypus Australian Long/Short Fund Class U	25'622'775	29'908'750	0	0	0	-25'622'775	4'404'150	0	-4'285'975	0	0.00%	0
	Eastern Eagle Fund Ltd.	0	0	0	0	0	0	0	0	0	0	0.00%	0
	Participating Shares	15'317'141	21'228'888	0	0	0	-15'317'141	6'015'160	0	-5'911'747	0	0.00%	0
	Absolute Invest Ltd., a related party	21'052'448	22'600'000	0	0	0	0	0	0	4'680'000	27'280'000	2.40%	21'052'448
	Thomas Lloyd-Butler Long/Short Class C01	22'904'541	24'008'383	0	0	0	-22'904'541	1'103'842	0	-1'103'842	0	0.00%	0

(page 4/4)	Investments	Historical cost of investments Jan 1, 2007		Market value of investments Jan 1, 2007		Purchase of investments		Return of Capital		Sale of investments		Change in unrealized gains/losses		Market value of investments June 30, 2007		% of NAV investments June 30, 2007		Historical cost of investments June 30, 2007		
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	
	PMA Koryo Fund Series 1	5'000'000	5'584'528	0	0	-5'000'000	206'991	0	-584'528	0	0.00%	0	0	0	0.00%	0	0	0	0	
	PMA Koryo Fund Series 8	0	0	5'000'000	0	-5'000'000	0	-338'021	0	0.00%	0	0	0	0	0.00%	0	0	0	0	
	Trio Finance Ltd.	6'012'000	6'120'000	0	0	-6'012'000	258'000	0	-108'000	0	0.00%	0	0	0	0.00%	0	0	0	0	
	Paulson Credit Opportunities L Series 1	0	0	0	0	0	0	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0	
	Paulson Advantage Plus Ltd.	10'000'000	10'284'663	0	0	-10'000'000	1'101'235	0	-284'663	0	0.00%	0	0	0	0.00%	0	0	0	0	
	Absolute return Total	185'449'103	220'660'562	107'202'712	0	-118'896'330	26'462'052	-347'011	-3'103'870	205'863'074	0	173'755'485	0	173'755'485	0	173'755'485	0	173'755'485	0	
	Grand total, including Absolute Managers Ltd.	629'544'211	893'527'856	165'523'770	-9'186'836	-172'874'217	146'159'574	-2'355'001	86'347'104	963'337'678	84.91%	613'006'928	86'347'104	963'337'678	84.91%	613'006'928	86'347'104	613'006'928	86'347'104	613'006'928

Proceeds on disposals of investments: 316'678'790

Unrealized gains: 134'727'464

Unrealized losses: -48'380'360

86'347'104

The Company has committed to invest in certain private equity funds and investments. Such commitments are payable upon demand at the request of the funds' administrator. The remaining capital commitments at June 30, 2007 were as follows:

	Capital commitments June 30,2007	Remaining capital commitments June 30,2007
	USD	USD
Absolute Fiduciary Global Opportunities Partners, L.P.	50'000'000	0
AC Private Equity Invest, L.P.	10'000'000	258'855
ADM Maculus Fund, L.P.	15'000'000	3'754'462
Bay Partners X, L.P.	8'000'000	1'000'000
Clarity Partners, L.P.	10'000'000	1'358'994
CSFB Fund Investments VII Holdings, L.P.	140'000'000	9'211'379
CSFB MMV Investor, L.P.	74'925'000	11'228'972
DLJ Merchant Banking Partners III, L.P.	15'000'000	441'994
DLJ Venture Partners II, L.P.	7'111'396	0
DLJ Offshore Partners V, L.P.	10'000'000	6'737'196
GRP II, L.P.	15'000'000	1'567'868
The Lightyear Fund, L.P. (2005 Series)	5'000'000	198'389
PAI Europe III-B	12'444'477	749'829
PAI Europe III-B3	12'123'012	743'074
Warburg Pincus International Partners, L.P.	200'000'000	0
Warburg Pincus Private Equity VIII, L.P.	25'000'000	0
Wayzata Opportunities Fund, LLC (2006 Series)	10'000'000	1'687'722
Terra Firma Capital Partners II, L.P.-C	94'475'329	40'455'008
Blackstone Capital Partners V, L.P. (2005 Series)	15'000'000	8'716'596
The Lightyear Fund II, L.P. (2005 Series)	1'000'000	676'810
VSS Communications parallel Partners IV, L.P. (2005 Series)	10'000'000	5'645'531
Nordic Capital Fund VI, L.P. (2005 Series)	12'109'727	7'433'197
Apollo Investment VI, L.P. (2005 Series)	8'325'000	5'296'584
Centerbridge Capital Partners, L.P. (2006 Series)	5'000'000	4'750'927
Credit Suisse CFG BCIX SPV, LLC* (2006 Series)	15'000'000	5'887'011
Credit Suisse CFG TV SPV, L.P.** (2006 Series)	15'000'000	10'821'677
CSFB CFG SPV Investor II, LLC*** (2006 Series)	5'000'000	3'602'096
Credit Suisse CFG BPII SPV, LLC**** (2006 Series)	5'000'000	3'633'577
Credit Suisse CFG PIV SPV, LLC***** (2006 Series)	8'235'846	6'124'655
Madison Dearborn Capital Partners V, L.P. (2006 Series)	15'000'000	6'894'350
The Fourth Cinven Fund (2006 Series)	16'864'185	12'827'513
ADM Maculus Fund III, L.P.	20'000'000	19'400'000
Greenstone Partners Private Capital Fund I, L.P.	26'024'001	25'266'453
Terra Firma Capital Partners III, L.P.	13'202'247	12'915'586
Cerberus Institutional Partnership, L.P. (2006 Series)	5'000'000	3'675'000
Arch Capital Group Ltd.	0	0
Beacon India Private Equity Fund	5'000'000	4'100'000
Apax Europe VII-A, L.P. (2007 Series)	15'222'553	13'932'890
H.I.G Europe Capital Partners IV, L.P. (2007 Series)	12'356'272	11'925'302
Hellman & Friedman Capital Partners VI, L.P. (2007 Series)	15'000'000	12'393'095
Matlin Patterson Global Opportunities Partners III, L.P. (2007 Series)	10'000'000	9'800'000
Point 406 Ventures I, L.P. (2007 Series)	5'000'000	4'125'000
Providence Equity Partners VI, L.P. (2007 Series)	15'000'000	12'968'083
The Resolute Fund II, L.P. (2007 Series)	10'000'000	9'571'546
TPG Star, L.P. (2007 Series)	5'000'000	4'522'214
Trident IV, L.P. (2007 Series)	5'000'000	4'491'514
Jade Invest SA	24'557'957	12'278'978
Lucas Energy Ventures I	20'000'000	3'200'000
Lucas Energy Ventures II	20'000'000	16'000'000
Total	1'071'977'002	342'269'927

* Investment in "Bain Capital IX Co-Investment Fund L.P." is made through "Credit Suisse/CFG BC IX SPV, LLC"

**Investment in "TPG Partners V, L.P." is made through "Credit Suisse/CFG TV SPV, L.P."

***Investment in "TPG Biotechnology Partners II, L.P." is made through "Credit Suisse /CFG SPV Investors II, LLC"

****Investment in "Blue Point Capital Partners II, L.P." is made through "Credit Suisse/CFG BPII SPV, LLC"

*****Investment in "Permira IV, L.P." is made through "Credit Suisse/CFG PIV SPV, LLC"

The principle investment objectives of investees exceeding 5% of the Company's net asset value as of June 30, 2007 are as follows:

Investment

Investment Focus

CSFB MMV Investor, LP

CSFB MMV Investor, L.P. was created to provide investors access to private equity managers with proven expertise in creating value through investment in traditional industries. The managers have built a diversified portfolio of equity investments, offering investors the opportunity to earn attractive absolute and risk-adjusted returns.

CSFB Fund VII Investor, LP

CSFB Fund Investment VII Holdings, L.P. is a diversified portfolio of private equity fund investments, which are weighted towards buyout and venture capital funds in the United States, but also includes international and mezzanine funds. The investment strategy is to generate superior risk-adjusted returns.

Warburg Pincus International Partners, LP

Warburg Pincus International Partners, L.P. ("WPIP") invests in venture capital transactions, developing growth opportunities, buyouts, recapitalizations, and other special situations in companies whose principal place of business is outside of the United States. WPIP invests primarily in seven main industry sectors: business services, communications, financial services, healthcare and life sciences, information technology, media and natural resources. WPIP is the second international private equity fund for Warburg Pincus, a firm with a thirty-year history of private equity investing.

Terra Firma Capital Partners, L.P.-C

Terra Firma Capital Partners II, L.P. - C ("Terra Firma") employs a contrarian investment strategy. Terra Firma focuses on buying large "orphaned assets" or businesses most other private equity firms tend to avoid. It primarily targets large, out-of-favor, asset-intensive companies with strong and reliable cashflows, operating primarily in basic service industries. Terra Firma makes equity, debt, equity-related and/or debt-related investments, predominantly in unquoted shares and securities of companies in Europe, with the principal objective of providing investors with a return by means of long-term capital appreciation.

(4) Investment in associate

The Company has the following investment in its associate Absolute Investment Services Ltd.:

	CHF	USD
Net asset value December 31, 2005	116'815	88'928
Inclusion of Absolute Managers Ltd.'s investment	65'689	50'015
Disposal of shares	-22'500	-18'403
Deemed capital contribution to Absolute Invest Ltd., a related party	-17'683	-14'463
Share of profit from associate	219'307	174'998
Currency translation effect	0	15'583
Net asset value December 31, 2006	361'628	296'658
Purchase of shares from Absolute Europe Ltd.	22'500	18'352
Share of profit from associate	530'619	432'100
Currency translation effect	0	1'701
Net asset value June 30, 2007	914'747	748'811

As discussed in Note 1a, Absolute Private Equity Ltd. holds 50% of the share capital of Absolute Investment Services Ltd. of CHF 250'000 as of June 30, 2007 (2006: 41%).

In connection with the acquisition of Absolute Managers Ltd., the Company and its Subsidiaries's holdings in Absolute Investment Services Ltd. increased to 50%. In June 2006, Absolute Managers Ltd. sold 9% of its participation to Absolute Invest Ltd., a related party. The difference between the cash received from the disposal of these shares and Absolute Managers Ltd.'s net book value as of the date of the transaction has been treated as a deemed capital contribution to Absolute Invest Ltd. in the amount of CHF 17'683 (USD 14'463). In March 2007 the Company purchased 9% from Absolute Europe Ltd., a related party and holds now 50% of the share capital as a joint venture with Absolute Invest Ltd., a related party.

Absolute Investment Services Ltd. provides Absolute Private Equity Ltd., Absolute Managers Ltd., Absolute Invest Ltd. and Absolute Europe Ltd. with management, marketing and administrative services since January 1, 2005.

Summarized financial information of Absolute Investment Services Ltd. as of June 30, 2007 are as follows:

	June 30, 2007	December 31, 2006
	USD	USD
Assets	2'719'755	2'818'349
Liabilities	1'222'134	1'936'330
Equity	1'497'621	882'019
Revenue	1'224'069	4'286'254
Profit	748'811	495'204

(5) Changes in subsidiaries

Disposal of subsidiaries

The company sold the following subsidiaries:

Carry Ltd., Cayman Islands was sold as of January 31, 2007 at net asset value to Absolute Europe Ltd., a related party.

Summarized financial information as of January 31, 2007 are as follows

Carry Ltd. Cayman Islands	January 31, 2007
	USD
Investments at fair value	90'845'894
Cash and cash equivalents	24'644'176
Other assets	323'233
Liabilities	30'393
Net asset value	115'782'910

(6) Receivables for investments redeemed and prepaid subscriptions

As at June 30, 2007, receivables for investments redeemed and prepaid subscriptions amounted to USD 20'000'000. This amount represented prepaid subscriptions in Audley European Opportunities and EPL1 Unit Trust.

(7) Income Tax

The tax effects of temporary differences and operating loss carryforwards that give rise to significant components of deferred tax assets and liabilities are as follows:

	June 30, 2007	December 31, 2006
	USD (in thousands)	USD (in thousands)
Deferred tax assets:		
- Operating loss carryforwards	17'458	26'199
Less: valuation allowance	17'917	-5'845
Deferred tax liabilities:		
- Investments in consolidated Subsidiaries	-35'375	-20'354
Net deferred tax assets	0	0

Reconciliation from the expected tax expense using the applicable federal income tax rate of 7.83% to the effective income tax expense is as follows:

	June 30, 2007	December 31, 2006
	USD (in thousands)	USD (in thousands)
Profit before tax	209'564	241'141
Tax at the federal rate	16'409	18'881
Effect of different tax rates	66	23
Effect of non taxable income	-16'074	-18'083
Effect of non taxable deductible losses	0	83
Other	-401	-904
Income tax expense	0	0

For the periods ended June 30, 2007 and December 2006, no current income taxes or provisions were recognized. As of June 30, 2007, the Company and Absolute Managers Ltd. had Swiss federal net operating loss carryforwards of approximately USD 416 million (CHF 507 million). These operating loss carryforwards generally begin expiring as follows:

	CHF	Expiry date
Loss from financial year 2000/2001	0	31.12.2008
Loss from financial year 2002	-149'695'255	31.12.2009
Loss from financial year 2003	- 82'819'775	31.12.2010
Loss from financial year 2004	-11'962'629	31.12.2011
Loss from financial year 2005	-83'294'527	31.12.2012
Total loss carryforwards	-327'772'186	

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized prior to expiration of the tax losses. Absolute Private Equity Ltd. and Absolute Managers Ltd. are the only taxable entities in the group. Their income mainly consists of dividends derived from their Subsidiaries in the Cayman Island, which are not subject to income taxes. As these dividends qualify for participation relief under Swiss domestic law, future income of their Subsidiaries will most likely not be taxed. However, dividend income is only virtually tax exempt as available tax losses are set against dividend income even though it would not be taxed. As a result, available operating loss carryforwards are only recognized to the extent they are more likely than not of being utilized through taxable profit of the Company or Absolute Managers Ltd.

(8) Share capital and net asset value

The share capital (including treasury shares) as of June 30, 2007 consists of 10'732'101 (previous year 11'432'101) bearer shares with a par value of CHF 50 each, fully paid in. The Company has only one class of shares. Each share carries one voting right. The following is a calculation of the net asset value of the Group as of June 30, 2007 and 2006 based on the consolidated financial statements:

	June 30, 2007	December 31, 2006
	USD	USD
Net assets	1'134'491'663	924'878'685
Total numbers of shares outstanding	10'107'521	10'107'521
Net asset value per share	112.24	91.50

At the Annual General Meeting of May 30, 2006, the shareholders entitled the Board of Directors to repurchase up to 10% of the outstanding shares (max. 1'073'210 shares) over a period from June 2006 until the Annual General Meeting in the year 2007 in order to reduce the share capital. According to the Board of Directors' resolution, the treasury shares are required to be cancelled upon vote at the Company's Annual General Meeting.

During the period from July 11, 2006 to December 31, 2006, Absolute Private Equity Ltd. purchased 624'580 own shares in the amount of CHF 55'695'635. At the Annual General Meeting of May 29, 2007, the shareholders decided to reduce the share capital in the amount of CHF 31'229'000 by liquidating the 624'580 shares. The reducing of the numbers of shares is not yet effective in the commercial register.

At the Annual General Meeting of May 29, 2007, the shareholders entitled the Board of Directors to repurchase up to 10% of the outstanding shares (max. 1'010'752 shares) over a period from June 2007 until the Annual General Meeting in the year 2009 in order to further reduce the share capital.

According to article 4a of the Articles of Association of Absolute Private Equity Ltd., the Board of Directors is authorized to issue additional shares with a total nominal value of CHF 252'688'000 (5'053'760 shares) during a period of two years expiring on June 26, 2007.

(9) Contingent liabilities and pledged assets

At June 30, 2007 the shares of the Subsidiaries Private Seven Ltd., Privatissimo Ltd., Private Invest Ltd., Jade Invest SA, Swiss Oil & Gas Investment Corp., Barry Ltd, Bluebeech Ltd., Absolute Managers Ltd., as well as the securities, the treasury shares and all cash and cash equivalents and the fixed term deposits at Credit Suisse, a related party, of Absolute Private Equity Ltd., are pledged due to an existing agreement for a credit line with Credit Suisse.

(10) Management fees and performance fees

According to the Investment Management Agreements between the Subsidiaries and Pearl Investment Management Ltd., a related party, the management fees are based on the net asset value of the Subsidiaries at an aggregate annual rate of total 1.7% accrued as of the end of each month. The management fees are paid quarterly in arrears.

Absolute Managers Ltd. is required to pay to Pearl Investment Management Ltd., a related party, a management fee of 1.4 % per annum based on the net asset value of the Subsidiary Technissimo Ltd.

The Investment Manager of Privatissimo Ltd., Private Seven Ltd., Private Invest Ltd. and Bluebeech SPC is entitled to a performance fee, based on the proceeds received by from the Investment Vehicles, which will be distributed in the following order of priority: First, the Subsidiary receives the

invested capital, all management fees paid, plus 8% per annum compounded return. Secondly, the Investment Managers receives a 10% performance fee. Thereafter, 10% of the remaining net cash flows shall be distributed to the Investment Manager and 90% to the Subsidiary.

For Barry Ltd., the Investment Manager is entitled to a performance fee of 10% of the annual appreciation of the net asset value of the Subsidiary computed as of December 31 each year. Any previous losses shall be recouped before payment of the fee.

(11) Administration fees, custody fees and service fees

As of April 1, 2005 Credit Suisse Securities (USA) LLC, a related party, as Administrator of Privatissimo Ltd., Private Seven Ltd. and Private Invest Ltd. is entitled to annual fees of USD 160'000, USD 90'000 and USD 130'000 respectively from the three afore-mentioned Subsidiaries. These fees are subject to a yearly increase of 4%. As of July 12, 2005 Credit Suisse Securities (USA) LLC, as Administrator of Bluebeech SPC, is entitled to USD 102'000 for the first year of the agreement, USD 145'000 for the second year and USD 184'000 for the third year.

Citco Fund Services (Curaçao) N.V. is the Administrator of Barry Ltd., Technissimo Ltd. and Carry Ltd.. It receives a monthly administration fee of 0.05 % per annum based on the month end net asset value of the Subsidiaries. The administrator is also reimbursed for out-of-pocket expenses incurred on the Subsidiaries's behalf.

Citco Global Custody (N.A.) N.V. in its capacity as custodian of Barry Ltd., Technissimo Ltd. and Carry Ltd. receives monthly custodian fees at a rate of 0.02% per annum based on the month end values of assets in custody.

Effective January 1, 2005, Absolute Investment Services Ltd., Zurich, a related party, provides Absolute Private Equity Ltd., Absolute Managers Ltd., Absolute Invest Ltd. and Absolute Europe Ltd. with management, marketing and administrative services. Absolute Investment Services Ltd. receives service fees at a rate of 0.1% per annum based on the NAV of Absolute Private Equity Ltd., payable quarterly.

(12) Cash flows relating to interest and dividends

	June 30, 2007	June 30, 2006
	USD	USD
Interest received	3'290'879	1'797'467
Interest paid	93'905	1'223'337
Dividends received	279'225	0

(13) Acquisition of Absolute Managers Ltd.

On November 28, 2005, Absolute Private Equity Ltd. initiated a public takeover offer for Absolute Managers Ltd., a related party, for USD 47.50 per share. By January 19, 2006, being the end of the additional acceptance period, the Company had purchased a total of 3'575'959 bearer shares. From January 19, 2006 until December 31, 2006 the Company purchased additional 81'603 shares at the stock exchange for USD 30.11 per share as well as 43'158 shares for USD 34.94 until the end of June 2007. Due to the fact that purchase prices were below the fair value of Absolute Managers Ltd., as determined by the Board of Directors and as initially recognized upon the consolidation of Absolute Managers Ltd., the Company recognized extraordinary gains of USD 19'279'106 in 2006 and USD 210'762 in 2007 in connection with the acquisition as follows:

	Number of shares	USD
Opening balance as of December 31, 2005	1'081'936	51'391'960
Public takeover transaction (January 19, 2006)		
Purchase of shares for USD 47.50 per share	3'575'959	169'858'052
Fair value of net assets acquired	0	- 240'309'406
Purchase after January 19, 2006		
Purchase of shares for USD 30.11 per share	81'603	2'457'251
Fair value of net assets acquired	0	- 2'676'963
Extraordinary gain from acquisition 2006	4'739'498	19'279'106
Opening balance as of January 1, 2006	4'739'498	0
Purchase of shares for USD 34.94	43'148	1'389'166
Fair value of net assets acquired	0	-1'599'928
Extraordinary gain from acquisition 2007	4'782'646	210'762

The shareholders of Absolute Managers Ltd. decided at the Extraordinary General Meeting of December 5, 2005 to reduce its share capital in the amount of USD 112'157'827 (CHF 147'156'679) by reducing the nominal amount from originally CHF 30 to CHF 0.10 per share. The difference was paid back in cash to existing shareholders of Absolute Managers Ltd. This resulted in a cash payment to minority interests of USD 6'010'150. The decrease in capital was publicized in the commercial register as of February 20, 2006.

The reconciliation of the minority interests can be summarized as follows:

	Number of shares	USD
Opening balance as of December 31, 2005	0	0
Minority interests as of January 19, 2006	263'733	13'606'460
Purchase of additional shares for USD 30.11 per share	- 81'603	- 2'457'251
Share capital repayment to minority interests	0	- 6'010'150
Minority interest as of December 31, 2006	0	897'491
Translation difference	0	-62'805
Minority interests as of December 31, 2006	182'130	5'973'745
Purchase of additional shares for USD 37.08	-43'148	-1'389'166
Minority interest as of June 30, 2007	0	669'556
Translation difference	0	-108'431
Minority interests as of June 30, 2007	138'982	5'145'704

(14) Related parties

Overview of significant expenses to related parties:

Payer	Recipient	Reason for payment	June 30, 2007	June 30, 2006
			USD	USD
Privatissimo Ltd.	Pearl Investment Management Ltd.	Management fees	1'659'415	1'338'112
Private Invest Ltd.	Pearl Investment Management Ltd.	Management fees	3'484'487	2'526'750
Private Seven Ltd.	Pearl Investment Management Ltd.	Management fees	1'089'978	1'042'801
Barry Ltd.	Pearl Investment Management Ltd.	Management fees	1'008'741	1'048'065
Technissimo Ltd.	Pearl Investment Management Ltd.	Management fees	64'309	931'645
Bluebeech SPC	Pearl Investment Management Ltd.	Management fees	550'072	107'425
Private Seven Ltd.	Pearl Investment Management Ltd.	Performance fees	1'300'495	0
Private Invest Ltd.	Pearl Investment Management Ltd.	Performance fees	12'226'841	0
Barry Ltd.	Members of the Board	Directors' fees	10'086	10'000
Absolute Managers Ltd.	Members of the Board	Directors' fees	44'777	41'727
Technissimo Ltd.	Members of the Board	Directors' fees	9'231	11'154
Absolute Private Equity Ltd.	Members of the Board	Directors' fees	40'717	31'233
Absolute Private Equity Ltd.	Absolute Investment Services Ltd.	Service fees	469'991	356'658
Absolute Managers Ltd.	Absolute Investment Services Ltd.	Service fees	96'402	0
Absolute Private Equity Ltd.	Absolute Investment Services Ltd.	Transaction costs related to the public offer		
		Absolute Managers Ltd.	0	284'290
Absolute Private Equity Ltd.	Credit Suisse	Interest expense on current account	2'851	0
Absolute Managers Ltd..	Credit Suisse	Interest expense on current account	9	0
Absolute Private Equity Ltd.	Credit Suisse	Interest on loan	91'045	726'315
Absolute Managers Ltd.	Credit Suisse	Interest on loan	0	496'916
Barry Ltd.	Credit Suisse	Administration Fees	32'821	0
Absolute Managers Ltd.	Credit Suisse	Administration Fees	7'244	27'503
Technissimo Ltd.	Credit Suisse	Administration Fees	10'093	32'144

(15) Risks

The Company is exposed to various risks in respect to its investments. A summary of these risks is as follows:

(15a) Market risk

The markets and certain investment vehicles in which the Company will primarily invest may prove to be highly volatile from time to time as a result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the level of foreign ownership in companies. Such changes may affect the price at which the Company may liquidate positions to meet repurchase requests or other funding requirements.

(15b) Valuation risk

As a result of the timing of when information regarding the price of its various investments and/or from the various companies in which it makes its investments becomes available to the Company, the Company's reported net asset value may from time to time fail to accurately state the current aggregate value of the investments of the Company.

(15c) Reliance on Investment Manager

Quality and execution of management is key to a successful business development. The Company will be relying on the Investment Manager and its ability to evaluate investment opportunities and to further develop the Company's investments. The Investment Manager exercises a central role in the investment decision process. Accordingly the returns of the Company will primarily depend on the performance of the Investment Manager and could be adversely affected by the unfavorable performance of the Investment Manager.

(15d) Foreign currency risk

A significant portion of the Company's investments and cash and cash equivalents are denominated in USD and held by entities whose functional currency is other than the USD. As a result, the Company is exposed to changes in foreign currency exchange rates. The Company has a policy of not hedging the resulting foreign currency exchange risks.

(15e) Credit risk

The Company is furthermore exposed to the risk that counterparties for cash and cash equivalents, investments or other assets fail to discharge their obligation to repay. Due to the diversified structure of the Company's investment portfolio there is no significant concentration of risk.

(15f) Political and/or regulatory risk

The net asset value of the Company's assets may be affected by uncertainties such as international political developments, changes in governmental policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which the Company's assets are invested.

(16) Subsequent events

The Board of Directors authorized the consolidated financial statements for issue on August 29, 2007. The shareholders have the power to amend the consolidated financial statements at their annual meeting.

The Board of Directors is not aware of any other events between the closing date and August 29, 2007 that would materially impact the consolidated financial statements or require disclosure.

2.2 Financial Statements for Absolute Private Equity Ltd.

Balance sheet as of

		June 30, 2007 (unaudited)	December 31, 2006 (audited)
Assets			
	Note	CHF	CHF
Current assets			
Cash and cash equivalents at Credit Suisse, a related party		44'103'723	1'333'558
Treasury shares	2	55'695'635	55'695'635
Securities		6'982'375	9'353'526
Withholding tax receivables		222'665	59'236
Accounts receivables from Absolute Managers Ltd.		6'108'000	0
		113'112'397	66'441'955
Non-current assets			
Private Invest Ltd.	1	232'933'348	260'851'605
Private Seven Ltd.	1	67'815'810	98'623'710
Privatissimo Ltd.	1	145'210'578	176'047'078
Barry Ltd.	1	0	6'006'801
Absolute Investment Services Ltd.	1	125'000	80'000
Swiss Oil & Gas Investment Corp.	1	26'703'085	26'703'085
Jade Invest SA	1	8'827'209	8'827'209
Bluebeech SPC	1	87'389'954	47'143'796
Absolute Managers Ltd.	1	146'199'252	144'495'776
Technissimo Ltd.	1	36'847'944	0
		752'052'180	768'779'060
Total assets		865'164'578	835'221'015
Liabilities and shareholders' equity			
	Note	CHF	CHF
Current liabilities			
Current accounts payable		320'338	1'155'074
Accrued expenses		127'103	216'386
Time loan due to Credit Suisse, a related party		0	16'095'000
Time loan due to Barry Ltd, a subsidiary		0	62'853'841
Time loan due to Absolute Managers Ltd., a subsidiary		0	25'655'204
Current tax liability		3'000	76'000
		450'442	106'051'505
Shareholders' equity			
Share capital	2	536'605'050	536'605'050
Legal reserves		269'473'742	439'473'742
Reserve for treasury shares	2	55'695'635	55'695'635
Free reserves		275'304'365	105'304'365
Other retained losses		-407'909'282	-455'111'148
Net profit/loss for the period		135'544'628	47'201'865
		864'714'137	729'169'509
Total liabilities and Shareholders' equity		865'164'578	835'221'015

Income statement for the periods

January 1, 2007
to
June 30, 2007
(unaudited)

January 1, 2006
to
June 30, 2006
(unaudited)

Income

	Note	CHF	CHF
Dividend from investments	1	137'742'027	68'654'131
Gains on securities		2'167'268	1'503'573
Interest income		466'942	86'252
Foreign exchange gains		2'978'172	5'721'345
		143'354'409	75'965'301

Expenses

	Note	CHF	CHF
Interest on loan due to Credit Suisse, a related party		-115'305	-922'667
Interest on loan due to Barry Ltd., a subsidiary		-218'749	-921'684
Interest on loan due to Absolute Managers Ltd., a subsidiary		-169'883	-495'283
Bank and broker expenses		-32'527	-947'132
Other financial expenses		-17'059	-14'990
Foreign exchange losses		-6'257'133	-9'979'554
Directors' fees		-55'824	-39'671
Legal and professional fees		-131'729	-1'104'119
Administration fees		-577'149	-453'017
Value adjustment on investments	1	-197'114	-8'656'201
Capital taxes		-13'211	-47'049
General and other expenses		-24'097	-41'629
		-7'809'781	-23'622'996
Profit/Loss before income taxes		135'544'628	52'342'305
Income taxes		0	0
Net profit/loss for the period		135'544'628	52'342'305

Notes to the financial statements

(1) Investments (unaudited)

Name /(Purpose)	Share capital	Percentage held	CHF
Private Invest Ltd. , Cayman Islands incorporated July 31, 2000; Investment Company	USD 50'000 USD 1/share	100%	
Carrying amount at December 31, 2005			305'758'205
Capital surplus increase (USD 7 million)			8'593'200
Capital surplus repayment (USD 43 million)			-53'499'800
Carrying amount at December 31, 2006			260'851'605
Capital surplus repayment (USD 22.775 million)			-27'918'257
Carrying amount at June 30, 2007			232'933'348
Private Seven Ltd. , Cayman Islands incorporated July 31, 2000; Investment Company	USD 50'000 USD 1/share	100%	
Carrying amount at December 31, 2005			120'879'860
Capital surplus repayment (USD 18 million)			-22'256'150
Carrying amount at December 31, 2006			98'623'710
Capital surplus repayment (USD 25 million)			-30'807'900
Carrying amount at June 30, 2007			67'815'810
Privatissimo Ltd. , Cayman Islands incorporated July 31, 2000; Investment Company	USD 50'000 USD 1/share	100%	
Carrying amount at December 31, 2005			198'827'500
Capital surplus repayment (USD 17 million)			-20'936'700
Valuation adjustment			-1'843'722
Carrying amount at December 31, 2006			176'047'078
Capital surplus repayment (USD 25 million)			-30'836'500
Carrying amount at June 30, 2007			145'210'578

Privatissimo Ltd., Private Seven Ltd. and Private Invest Ltd. are duly organized and existing under the laws of the Cayman Islands. These entities invest in private equity investment vehicles and were incorporated on July 31, 2000 with a share capital of USD 50'000 each.

(1) Investments (cont.)**(unaudited)**

Name /(Purpose)	Share capital	Percentage held	CHF
Barry Ltd. , Cayman Islands incorporated July 31, 2001; Investment Company	USD 50'000 USD 1/share	0%	
Carrying amount at December 31, 2005			1
Capital surplus increase (USD 4.9 million)			6'006'800
Carrying amount at December 31, 2006			6'006'801
Capital surplus increase (USD 5 million)			6'268'500
Dividend from investment			137'742'027
Sale of investment as per January 31, 2007 at NAV			-143'799'828
Repayment Capital surplus (USD 5 million)			-6'217'500
Total investments at June 30, 2007			0

Barry Ltd. is duly organized and existing under the laws of the Cayman Islands and primarily invests in a portfolio of securities, financial instruments and partnership interests. The company was incorporated on July 31, 2001 with a share capital of USD 50'000. Barry Ltd. was sold as per January 31, 2007 to Absolute Managers Ltd., a further investment of Absolute Private Equity Ltd.

Absolute Investment Services Ltd. , Zurich incorporated November 19, 2004; Service Company	CHF 250'000 CHF 100/share	32%	
Carrying amount at December 31, 2005			80'000
Carrying amount at December 31, 2006			80'000
Purchase part of investment			45'000
Total investments at June 30, 2007			125'000

Absolute Investment Services Ltd., Zurich, provides Absolute Private Equity Ltd., Absolute Managers Ltd., Absolute Invest Ltd. and Absolute Europe Ltd. with management, marketing and administrative services. The company was incorporated on November 19, 2004. As of June 30, 2007 the Company holds 50% (CHF 125'000) of the share capital of CHF 250'000. Absolute Invest Ltd. holds the remaining 50%. Each of these companies are related party investment companies.

Swiss Oil & Gas Inv. Corp. , Delaware incorporated May 6, 2005; Investment Company	USD 16'800'000 USD 0.01/share	100%	
Carrying amount at December 31, 2005			21'736'240
Capital surplus increase (USD 4 million)			4'966'845
Carrying amount at December 31, 2006			26'703'085
Carrying amount at June 30, 2007			26'703'085

Swiss Oil & Gas Investment Corporation is duly organized and existing under the laws of the state of Delaware and invests primarily in partnership interests. The company was incorporated on May 5, 2005 with a share capital of USD 15.

(1) Investments (cont.)**(unaudited)**

Name /(Purpose)	Share capital	Percentage held	CHF
Jade Invest SA, Neuchâtel incorporated June 30, 2005; Investment Company	CHF 10'699'789 CHF 1/share	43.63%	
Carrying amount at December 31, 2005			15'000'000
Valuation adjustment			-6'172'791
Carrying amount at December 31, 2006			8'827'209
Carrying amount at June 30, 2007			8'827'209

On June 30, 2005, Absolute Private Equity Ltd. invested USD 11'419'001 (CHF 15 million) in Jade Invest SA, whereof USD 67'181 (CHF 88'249) represented share capital (47.42%) with the remainder being a loan. On such date, Jade Invest SA was incorporated with a share capital of CHF 186'100. On December 8, 2005, Jade Invest SA increased its share capital to CHF 10'699'798 (nominal CHF 1/share). On such date, the loan from Absolute Private Equity Ltd. was converted into share capital. In connection with the capital increase, Absolute Private Equity Ltd's participation decreased to 43.63% representing 4'668'419 shares out of 10'699'798 shares outstanding. Jade Invest SA intends to invest in private equity investment vehicles particularly in start-up and spin-off companies.

Bluebeech SPC, Cayman Islands incorporated August 10, 2005; Investment Company	USD 7'898'659 USD 10/share	100%	
Carrying amount at December 31, 2005			10'250'145
Capital surplus increase (USD 31.7 million)			38'891'430
Valuation adjustment			-1'997'779
Carrying amount at December 31, 2006			47'143'796
Capital surplus increase (USD 32.775 million)			40'246'158
Carrying amount at June 30, 2007			87'389'954

Bluebeech SPC is duly organized and existing under the laws of the Cayman Islands and invests in private equity investment vehicles. The company was incorporated on August 10, 2005 with a share capital of USD 50'000.

Absolute Managers Ltd, Zug incorporated March 9, 2000; Investment Company	CHF 492'163 CHF 0.10/share	97.18%	
Purchase of shares	4'657'562 shares		216'402'255
Dividend in kind from Barry Ltd.	1'081'936 shares		67'364'581
Capital decrease			-139'271'060
Carrying amount at December 31, 2006			144'495'776
Purchase of shares	43'148 shares		1'703'476
Carrying amount at June 30, 2007			146'199'252

Absolute Managers Ltd. is duly organized and existing under the laws of Switzerland. The investment strategy involves providing initial capital to early-stage hedge funds that are managed by experienced hedge fund managers. The overall strategies employed by these hedge funds are diverse, in respect to focus, style and asset class targeted, in order to put together a diversified portfolio.

(1) Investments (cont.)**(unaudited)**

Name /(Purpose)	Share capital	Percentage held	CHF
Technissimo Ltd., Cayman Islands (Investment Company)	USD 50'000 USD 1/share	100%	
Purchase of investment			37'045'058
Valuation adjustment			-197'114
Carrying amount at June 30, 2007			36'847'944

Technissimo Ltd., Cayman Islands, was a wholly-owned subsidiary of Absolute Managers Ltd., incorporated on March 14, 2000 with a share capital of USD 50'000. Technissimo Ltd. was purchased as per May 31, 2007.

Summary of all investments:

Carrying amount at December 31, 2005	672'531'951
New investment: Absolute Managers Ltd.	283'766'836
Capital increases	58'458'275
Capital decrease	-139'271'060
Capital repayments	-96'692'650
Valuation adjustments	-10'014'292
Total investments at December 31, 2006	768'779'060
New investment: Technissimo Ltd.	37'045'058
Dividend from investment	137'742'027
Sale investment: Barry Ltd.	-143'799'828
Capital increases	48'263'134
Capital decrease	-95'780'157
Valuation adjustments	-197'114
Total investments at June 30, 2007	752'052'180

A list of further details of investments are set out in Note 3 to the consolidated financial statements of Absolute Private Equity Ltd. as of June 30, 2007.

The values of the investments have been adjusted to reflect the net asset value of the Subsidiaries at period end.

(2) Share capital**(unaudited)**

Name/(Purpose)	June 30, 2007		December 31, 2006	
	Total nominal value CHF	Number of shares	Total nominal value CHF	Number of shares
Share capital (bearer shares)	536'605'050	10'732'101	536'605'050	10'732'101
Total share capital	536'605'050	10'732'101	536'605'050	10'732'101

All bearer shares are entitled to dividend. Legal reserves partially are restricted on the distribution of dividends and repayment.

At the Annual General Meeting of May 30, 2006, the shareholders entitled the Board of Directors to repurchase up to 10% of the outstanding shares (max. 1'073'210 shares) over a period from June 2006 until the Annual General Meeting in the year 2007 in order to reduce the share capital. According to the Board of Directors' resolution, the treasury shares are required to be cancelled upon vote at the Company's Annual General Meeting.

During the period from July 11, 2006 to December 31, 2006, Absolute Private Equity Ltd. purchased 624'580 own shares in the amount of CHF 55'695'635. At the Annual General Meeting of May 29, 2007, the shareholders decided to reduce the share capital in the amount of CHF 31'229'000 by liquidating the 624'580 shares. The reducing of the numbers of shares is not yet effective in the commercial register.

At the Annual General Meeting of May 29, 2007, the shareholders entitled the Board of Directors to repurchase up to 10% of the outstanding shares (max. 1'010'752 shares) over a period from June 2007 until the Annual General Meeting in the year 2009 in order to further reduce the share capital.

According to article 4a of the Articles of Association of Absolute Private Equity Ltd., the Board of Directors is authorized to issue additional shares with a total nominal value of CHF 252'688'000 (5'053'760 shares) during a period of two years expiring on June 26, 2007.

(3) Significant shareholders

As of June 30, 2007 the following major shareholders were known by the company:

5.16% AIG Financial Products Corp. (direct)

(4) Pledged assets

The shares of all subsidiaries as well as the securities, the treasury shares and all cash and cash equivalents of Absolute Private Equity Ltd. are pledged due to an existing agreement for a credit line with Credit Suisse.

(5) Further disclosures according to Art. 663b of the Swiss Code of Obligations

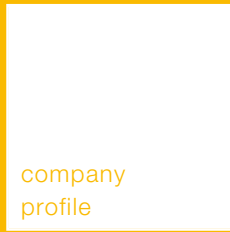
There are no further facts which require disclosure in accordance with Art. 663b of the Swiss Code of Obligations.

(6) Compensations for acting members of governing bodies

During the first six month of the year under review, CHF 100'000 has been paid out in cash as compensation for the members of the Board of Directors for their term of 2006. CHF 50'000 were paid out to Dr. Kurt Arnold, Member of the Board of Directors and CHF 50'000 were paid out to Hans Rudolf Zehnder, Member of the Board of Directors. The Company has only non-executive directors.

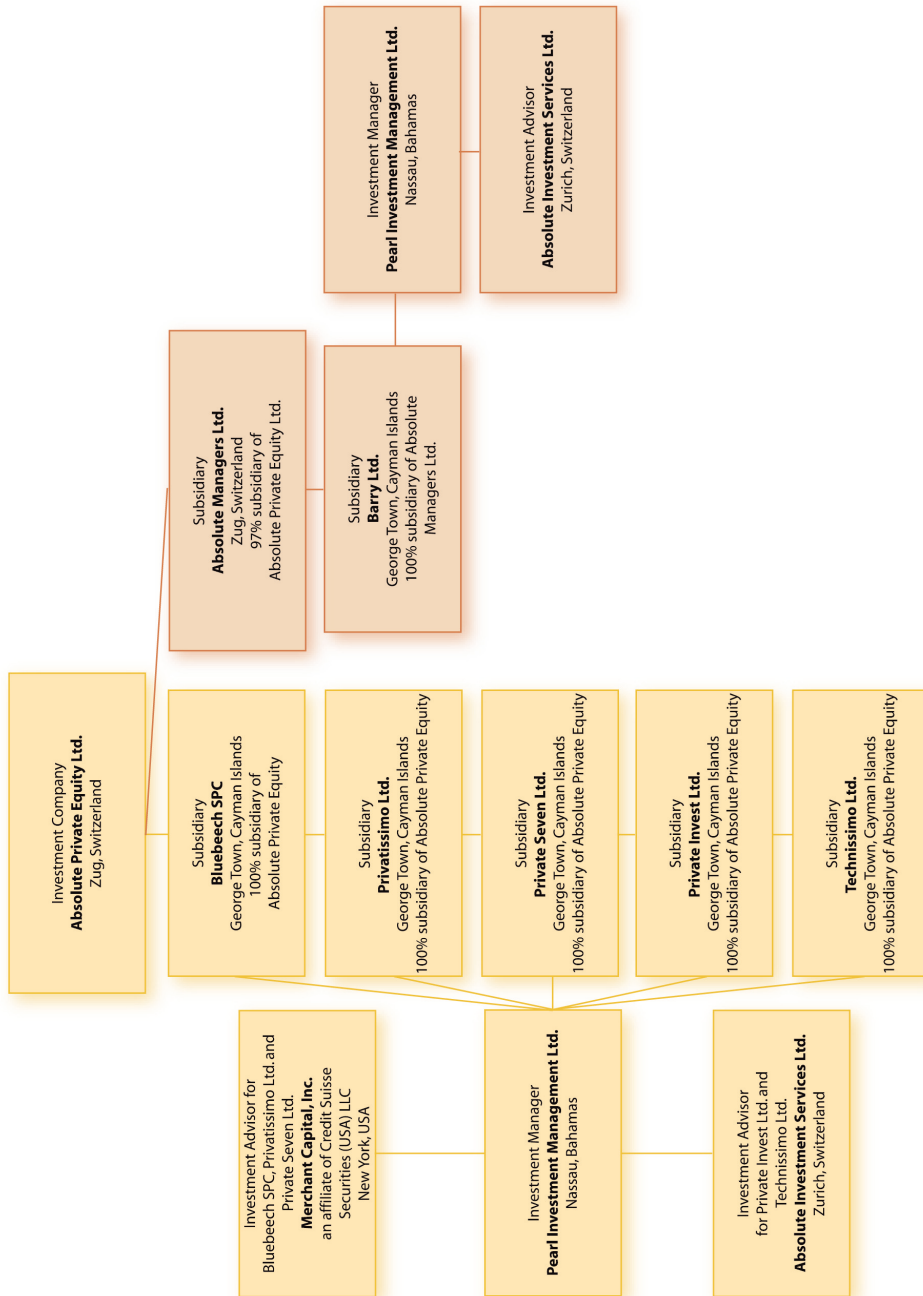
During the first six month of the year under review Dr. Kurt Arnold and Hans Rudolf Zehnder each received CHF 50'000 for their term of 2006 as compensation for their duty as Board of Director of the Subsidiary Absolute Manager Ltd.

As of August 23, 2007 these Board of Directors held the following amount of shares of the Company: Thomas Amstutz, President of the Board of Directors, 25'126 bearer shares, Dr. Kurt Arnold, Member of the Board of Directors, 2'560 bearer shares, Hans Rudolf Zehnder, Member of the Board of Directors, 8'000 bearer shares.



3. Company Profile

3.1 Structure of Absolute Private Equity Ltd.



3.2. Corporate Bodies

Absolute Private Equity Ltd.

Registered Office

c/o Credit Suisse
Bahnhofstrasse 17
P.O. Box 553
CH-6301 Zug
Switzerland

Board of Directors

- Thomas Amstutz, Chairman of the Board of Directors; Chief Executive Officer of Absolute Investment Services Ltd.
- Hans Rudolf Zehnder, Member of the Board of Directors
- Dr. Kurt Arnold, Member of the Board of Directors
- Daniel Brupbacher, Member of the Board of Directors, Member of the Executive Board of Credit Suisse

The Board of Directors is responsible for managing the business affairs of the Company in accordance with its Articles of Association. This includes determining the general policy, including the investment policy, to be followed by the Subsidiaries.

The Subsidiaries

Bluebeech SPC
Privatissimo Ltd.
Private Seven Ltd.
Private Invest Ltd.
Technissimo Ltd.
Privatissimo Ltd.

c/o Aston Corporate Managers Ltd.
The Charles Building
P.O. Box 1981
George Town, Grand Cayman
Cayman Islands, BWI

Board of Directors

- Desmond Campbell, Director, Aston Corporate Managers Ltd.
- Stuart T. Brankin, Director, Aston Corporate Managers Ltd.
- Michael Bridge, Chief Operating Officer, Absolute Investment Services Ltd.

Absolute Private Equity Ltd. invests a portion of its assets through Bluebeech SPC, Privatissimo Ltd., Private Seven Ltd., Private Invest Ltd. and Technissimo Ltd. in accordance with its investment guidelines and policy.

Investment Manager

Pearl Investment Management Ltd.
Third Floor
Bahamas Financial Centre
Shirley & Charlotte Streets
Nassau, Bahamas

Board of Directors

- Patrizio Manzuoli, Member of the Executive Board, Banca di Gestione Patrimoniale SA
- Michael L. Paton, Lennox Paton, Counsel & Attorneys-at-Law, Notaries Public, Nassau (Bahamas) Ltd.

Pearl Investment Management acts as Investment Manager to Absolute Private Equity Ltd.'s Subsidiaries and is responsible for investing their assets in accordance with the investment objectives and policy.

Investment Advisor

Merchant Capital Inc.
(an affiliate of Credit Suisse Securities (USA) LLC)
11 Madison Avenue
New York, NY, 10010
USA

Merchant Capital acts as Investment Advisor for Bluebeech SPC, Privatissimo Ltd. and Private Seven Ltd. and supports the Investment Manager in selecting the Private Equity investments and in carrying out the Investment Manager's other duties under the Investment Management Agreement such as due diligence.

3.3 Contact Details

Absolute Investment Services Ltd.

Börsenstrasse 26
CH-8001 Zurich
Switzerland

Hotline: +41 (0)43 888 63 00

Absolute Private Equity Ltd. intends to inform its shareholders with the utmost transparency and as early as possible. The most updated source of information is the Company's web page (www.absoluteprivateequity.ch) where an investor can find, among others, information on the share price and net asset value development, performance of the strategies, details on the allocation as well as other supplementary information.

For additional questions, please contact us via e-mail (info@absoluteinvestments.com) or at the telephone number given above.

Absolute Private Equity Ltd. - How to invest

The shares of Absolute Private Equity Ltd. are listed on the SWX Swiss Exchange. You can buy and sell shares of the Company through your bank.

Swiss Security Number:	1111333
ISIN Code CH:	CH 0011113336
SWX code:	ABSP

Before investing, please read the legal disclaimer.

Restrictions Absolute Private Equity Ltd.

Neither this document nor any copy hereof may be sent or taken or transmitted into the United States, Canada or the Cayman Islands or distributed, directly or indirectly, in the United States or Canada or to any U.S. or Canadian person. Any failure to comply with this restriction may constitute a violation of U.S. securities law. This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities.

www.absoluteprivateequity.ch



Absolute
Private Equity Ltd.
c/o Credit Suisse
Bahnhofstrasse 17
P.O.Box 553
CH-6301 Zug

