

absolute

private equity

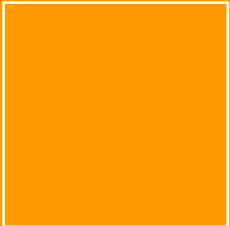
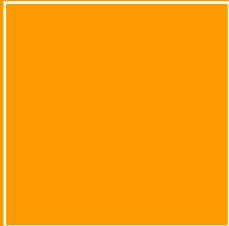
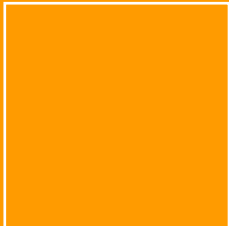
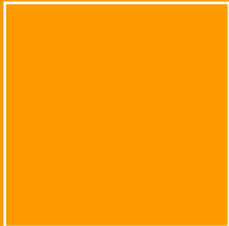


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semi-annual
report
of the board
of directors

1. Semi-Annual Report of the Board of Directors

1.1 Absolute Private Equity Ltd. Review

Performance of Absolute Private Equity Ltd. as of June 30, 2005

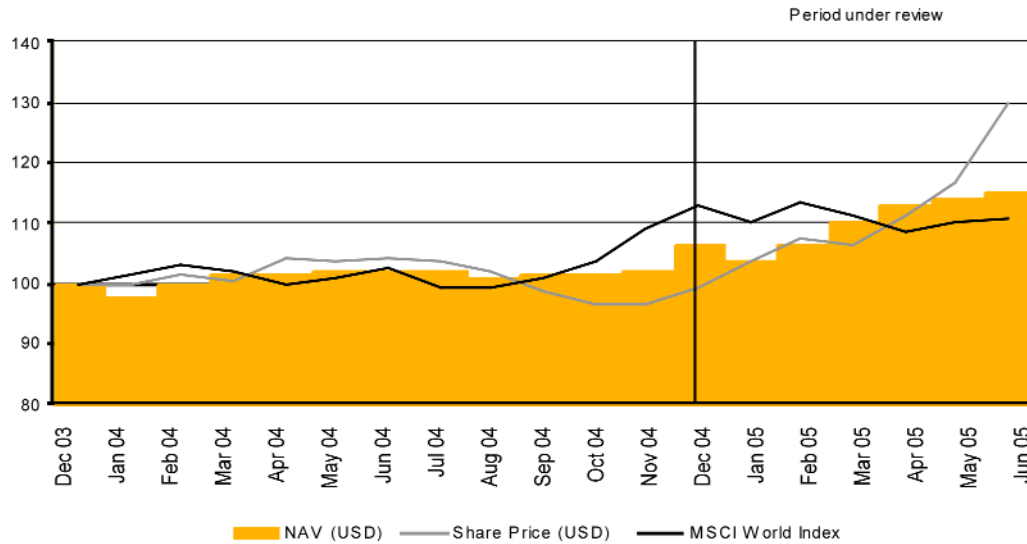
	USD
Absolute terms	
Share Price	56.50
Net Asset Value per Share	64.32
Discount	-12.16%
Performance period under review 31.12.2004 - 30.06.2005	
Share Price	31.40%
Net Asset Value per Share	8.14%
Performance since inception	
Share Price	-0.04%
Net Asset Value per Share	20.90%
Capitalisation	645'913'706

Performance Review

The net asset value of Absolute Private Equity rose 8.14% for the period of January 1 to June 30, 2005. The Board of Directors is very pleased with the performance. The share price during the same time moved up 31.40%, reflecting the J-Curve Effect of the underlying private equity portfolio. The discount between net asset value and share price was greatly reduced to around 12%.

At the Annual General Meeting the Board of Directors' proposal to buy back 10% of the outstanding shares was accepted. This should help reduce the discount even more over the next few months.

Performance comparison of Absolute Private Equity Ltd. share price, net asset value (NAV) and MSCI World Index (in USD).

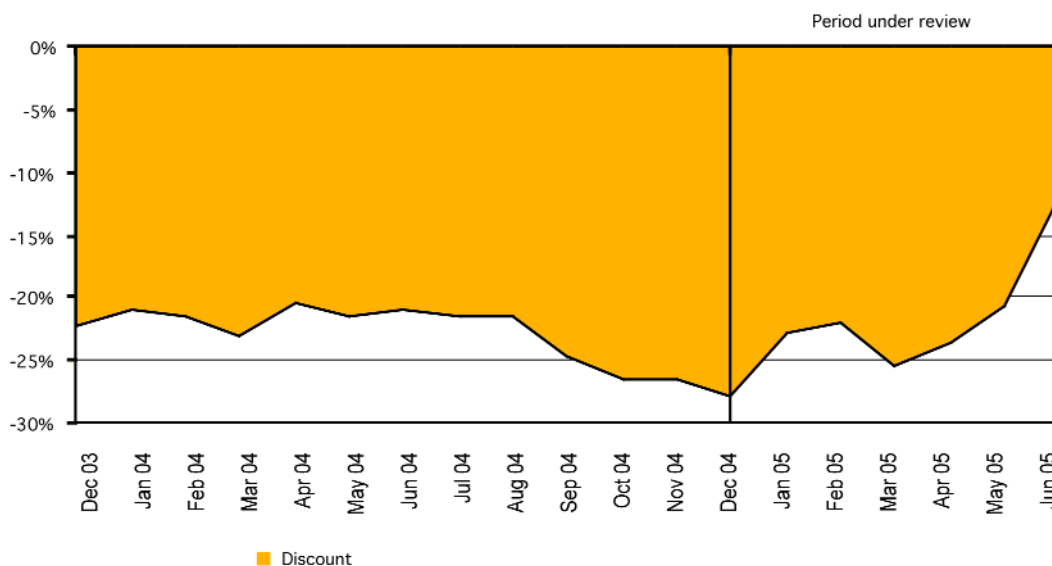


Premium / discount discussion

The net asset value represents the overall value of the underlying investments of Absolute Private Equity valued at the current prices. The share price on the other hand is determined by supply and demand conditions in the market for capital investments, which are often influenced by emotional factors and expectations about future investment opportunities.

As a result, discrepancies between net asset value and share price can occur and result in a premium or discount.

Premium / discount comparison for the year under review



1.2 Financial Markets Review

After rallying in the final ten weeks of 2004, the major equity market indices struggled in January of 2005. Profit-taking, oil, and tax-loss selling may have contributed to the sell-off. Investors who were sceptical of the world economy also sought evidence on the sustainability of economic and profit growth in the year ahead. Equity indices generally declined in the first four weeks of the year. High yield and fixed income indices managed to squeeze out modest gains in January.

Financial markets strengthened in February as non-inflationary economic data along with solid corporate earnings news helped drive markets from January's levels. Large cap value indices tended to outperform. The bond market gyrated back and forth between economic data and speculation on the Fed's intentions for future interest rate moves.

March was generally a challenging month for most asset classes. High oil prices, inflation concerns, and rising interest rates dominated market sentiment during the month as most major equity market indices finished lower. Gains in Europe and some Asian markets helped offset U.S. domestic weakness. The fixed income markets weakened as the yield on the 10-year U.S. Treasury rose by approximately 50 basis points and negative news from General Motors forced spreads to widen in the corporate sector.

Negative corporate earnings news and the threat of credit rating downgrades in GM and Ford caused a flight to quality reaction in the bond markets during April. The U.S. Treasury Index rose +1.6% and the CSFB Liquid U.S. Corporate Index returned +1.5% while the CSFB High Yield II Index declined -1.0%. April's weakness turned into May's strength in the financial markets. At the start of May, isolated automobile sector troubles caused problems for investment managers with correlation trades, as credit widening in a few issues caused implied market correlations to decline, which in turn caused actively traded deltas in correlation trades to rise. This triggered a forced buying of protection in the market to compensate for lower implied correlations and as a result credit spreads widened during the early part of May. The major equity market indices generally enjoyed solid gains near the end of April, as fears of dramatically higher interest rates and inflation diminished. An improved outlook for inflation benefited high-grade bond investors, as the yield on the 10-year U.S. Treasury hovered near 4%.

In June, technology gains led the NASDAQ Index higher as technology investing gained traction once again in the markets. Bonds continued to post positive returns, despite the U.S. Federal Reserve's yearlong interest rate tightening campaign, low yields in longer dated U.S. Treasuries and the threat of an inverted yield curve.

Private Equity Market Review

Buyout

Private equity markets have been in a state of heightened activity, posting several profitable exits and high profile deals. There has been a huge influx of funds, strategic buyers and attractive investment opportunities, which have in turn given rise to mega size buyout funds and very strong deal flow to match it. In the first quarter of 2005, U.S. buyout firms raised \$15.4 billion, which was almost three times the amount raised during Q1 2004. Several well-known players have been engaged in raising funds this year. Of the \$15.4 billion raised during Q1 2005, almost 64% was raised by just five firms. For example, Goldman Sachs raised \$8.5 billion for its fifth fund, while Oak Hill closed on a \$2.5 billion fund. Others include Advent International, which raised a \$2.3 billion fund, and Code, Hennessy & Simmons, which raised \$1.3 billion.

During Q1 2005, buyout firms invested \$5.6 billion in equity compared to \$6.9 billion invested during the same period last year. In terms of transaction size, Apax Partners, Apollo Management, Madison Dearborn Partners and Permira entered into the single largest investment, with the \$5.0 billion Intelsat deal that closed in Q1 2005. Another notable deal that occurred in the first quarter was Veritas' acquisition of Dyncorp, an information technology company, for \$850.0 million from Computer Sciences. In April 2005, a consortium comprised of Providence Equity Partners, Texas Pacific Group, DLJ Merchant Banking and Sony made a \$4.9 billion acquisition of film production studio, Metro-Goldwyn-Mayer.

A number of other significant transactions were announced in the first half of 2005. Silver Lake and six other private equity firms announced the \$11.3 billion purchase of Sungard Data Systems, which would be the largest private buyout of a technology firm and the second-largest buyout of any type of company, after Kohlberg Kravis Roberts' \$25.0 billion acquisition of tobacco and food conglomerate RJR Nabisco in 1989. Also in March 2005, a buyout consortium acquired Toys "R" Us for \$6.6 billion of equity and debt. Texas Pacific Group and Warburg Pincus drove the trend of retail deals with the \$5.0 billion acquisition of Neiman Marcus Group, which is expected to close by November 2005.

The M&A market saw a decline in activity during Q1 2005. Of the five completed deals, three had a disclosed transaction value of \$111.3 million. This was significantly lower than the disclosed deal value of \$2.8 billion (also representing three deals) during Q1 2004. This is matched by a consistent decrease in average deal size since the beginning of 2004. For example, the Q1 2004 average deal size of \$955.7 million fell to \$238.0 million by year end, and then to \$37.1 million at the end of Q1 2005. Initial public offerings ("IPO") completed by buyout-backed companies increased from 13 in Q1 2004 to 15 in Q1 2005. However, offer sizes increased from \$2.8 billion in Q1 2004 to \$6.2 billion in the first quarter of 2005. PanAmSat's \$900.0 million IPO, a year after being sold to Kohlberg Kravis Roberts, was a notable transaction during the first quarter. The Carlyle Group and Providence Equity Partners are the other stakeholders in the company.

Venture Capital

58 venture capital funds entered the fundraising market in Q1 2005 and raised a total of \$5.5 billion. Weston Presidio topped the fund raising league by raising \$1.0 billion for its fifth fund, followed by AIG Capital Partners' \$750.0 million fundraise and August Capital Management's \$550.0 million fundraise.

VC funds invested \$6.4 billion in Q1 2005, compared to \$6.8 billion invested in the same period last year. In the past two years, VC investment activity has generally been lower in the first quarter only to gain momentum thereafter. Notable investments include: (i) the \$108.8 million investment in Colorado-based Webroot Software by Accel Partners, Mayfield and Technology Crossover Ventures; (ii) the \$107.3 million Series F financing of FibroGen, a drug discovery company, by a group of venture investors including Adage Capital Management, Apothecary Capital, BioFund Management and Bain Capital affiliate Brookside Capital Partners; and (iii) the \$200.0 million investment in Vonage Holdings, a digital telephony company, by a syndicated comprised of 3i, Bain Capital, Institutional Venture Partners, Meritech Capital Partners and New Enterprise Associates.

Venture-backed merger and acquisition activity remained stable in the first half of 2005. During Q1 2005, a total of 78 deals were completed, which is consistent with Q1 2004's M&A activity level. Disclosed transaction value amounted to \$4.2 billion for 45 deals, a 7.9% increase in aggregate value, compared to \$3.9 billion made for 44 deals in Q1 2004. There has been a corresponding increase in the average M&A deal value from \$88.6 million in Q1 2004 to \$93.6 million in Q1 2005.

The IPO market was rather lackluster in Q1 2005, where regulatory and market hurdles marked the lowest level of IPO activity since the third quarter of 2003, when only eight venture-backed companies approached the markets to raise \$678.5 million. Q1 2005 designates an end to the flurry of IPO activity, which saw three consecutive quarters of more than twenty IPOs per quarter and over \$1.0 billion in total offering size per quarter. Only 7 venture-backed IPOs raised \$462.9 million in Q1 2005, which is almost half of the \$832.1 million raised during the first quarter of 2004. While historically the first quarter of the year is the slowest in terms of IPO activity, these lower levels suggest a potential shift in exit strategies among venture-backed companies. In terms of sector, computer-related companies led with three companies raising a total of \$291.1 million in the first quarter of 2005. This was followed by four venture-backed IPOs in the biotechnology sector raising a total of \$171.8 million. For the quarter, OptionsXpress had the largest IPO of \$198.0 million that was backed by Summit Partners.

International

Private equity fundraising in Europe totaled \$8.5 billion in Q1 2005, a 67.3% increase over the \$5.1 billion raised in Q1 2004. The top fund raisers were Barclays Private Equity, with \$2.1 billion for its second fund, followed by Doughty Hanson & Co., which raised \$1.3 billion. In April 2005, Paris-based PAI Partners raised \$3.5 billion for its fourth fund. Despite this increase in flow of funds, the European markets saw a decline in investment activity. During Q1 2005, only \$1.8 billion was invested in European companies, a drop of 56.2% from the corresponding quarter of 2004 and the only quarter since 2001 with investments below \$3.0 billion. In terms of sector, the non-high technology sector topped with 43.2% of investments, followed by the medical and life sciences sector and the computer-related sector with 15.8% each, respectively. While buyout and expansion stage companies were in favor during the first half of 2005, on the whole buyout and expansion stage investments decreased by 59.7%.

Similarly, early stage and start-up investments decreased by 8.0% when compared to corresponding Q1 2004 figures.

While six of the 20 largest European buyouts of Q1 2005 were UK based, the largest deal of the quarter was seen in France. The Rexel deal, backed by a syndicate of equity investors comprised of Clayton, Dublier & Rice, Merrill Lynch Global Private Equity and Eurazeo, was valued at over €3.0 billion. Other notable transactions include the \$925.0 million acquisition of Vetco International from Swiss-based ABB by an inter-continental consortium consisting of Candover Investments, JPMorgan Capital Partners and 3i. In addition, Nikko Principal Investments, the European principal finance arm of Nikko Cordial Corporation, acquired Menzies Hotels for £120.0 million. Note also that the LBO activity in Italy reached an all-time high with Weather Investments' \$12.8 billion buyout of Wind Telecomunicazioni.

European IPO markets were tremendously active in the first half of 2005. Q1 2005 saw 98 IPOs across Europe, which further increased to 169 during Q2 2005. Notable investments include Celanese AG, the European arm of U.S. based Celanese Chemicals, which went public with an \$800.0 million IPO. In addition, PartyGaming, an online gaming company, led the IPO surge in Q2 2005, raising more than \$1.2 billion on the London Stock Exchange.

The value of European mergers completed so far this year has rocketed largely due to the boom in private equity buyouts and resumed consolidation in industries such as telecommunications. In Q1 2005, mergers and acquisitions, representing \$230.0 million, have been sealed in Europe. Two of this year's largest deals were: (i) Mexico-based Cemex's \$5.5 billion acquisition of rival cement maker RMC Group of UK and (ii) Switzerland's Holcim purchasing UK's Aggregate Industries for \$4.2 billion. In the telecommunications industry, France Telecom purchased a large stake in Telekomunikacja Polska of Poland for \$3.4 billion and Germany's Deutsche Telekom completed its \$1.9 billion purchase of T-Online International. Moreover, in January 2005, Saratoga Partners agreed to sell Sericol International to Fuji Photo films in a deal valued at \$230.0 million. Should this trend continue, European M&A activity is expected to surpass that of the U.S. during the coming six months.

Asian markets are attracting considerable attention this year with several large private equity firms looking to tap the high returns that these markets seem to promise. Although Japan and South Korea absorb the bulk of private equity capital, China and India are growing as the latest investment hotspots as investors have begun to raise funds exclusively dedicated to deals in these countries. Capital is flowing in from newcomers to the Asian region such as Blackstone Group, which is expected to dedicate \$1.0 billion to invest in India. A number of veteran Asia-focused private-equity players continue to be interested in the region as well. For example, CVC Capital Partners just raised over \$1.9 billion in new assets for its second fund. This is more than double their first Asia fund, which was launched in 2000 with \$750.0 million. A number of other private equity shops, including JP Morgan Partners, Carlyle Group and Newbridge Capital, are also raising their second Asia-focused funds, each targeting \$1.0 billion. U.S. based VC group, Softbank Capital, has a dedicated \$640.0 million Asia Infrastructure Fund that is exclusively designed for investment opportunities in China. DCM (Doll Capital Management) has partnered with Chinese VC firm, Legend Capital, and will invest in the latter's \$55.0 million fund.

Asian exit markets have begun to yield more impressive returns. Over the past year and a half, veteran private-equity players in Asia have exited from investments made shortly after the Asian crisis of 1997-98. Most recently, Newbridge realized three times its original investment by selling Korea First Bank to Standard Chartered. Gravity Company and Hurray! Solutions were two Asian companies to go public with an offer size of \$50.0 million each during Q1 2005. M&A activity in Asia was relatively brisk with some high-profile deals occurring in the first quarter of 2005.

Notable deals include China-based Lenovo Group's \$1.8 billion acquisition of IBM's personal computing business, and the 2-step acquisition of Hanjaya Sampoerna Tbk by Philip Morris International for just under \$5.2 billion (the largest takeover in Indonesian corporate history). Though Japan is by far the biggest player in the Asian M&A market, with \$128.5 billion in deals in the first half of 2005, China is catching up fast. The ongoing China National Offshore Oil Corporation's (CNOOC) bid for oil company Unocal highlights China's growing appetite for U.S. companies. However, expect deals like CNOOC's \$18.5 billion bid to be rare, as most deals will likely range from \$50.0 million to a few hundred million dollars.

Asian markets attracted considerable attention in 2004 from private equity firms eager to harness the untapped potential in these markets. New York-based Ripplewood Holdings doubled its original investment in Shinsei Bank when it floated 35% of the bank last February, raising \$2.4 billion. Its sale of about \$3 billion in Shinsei Bank shares during 2005 is expected to deliver profits worth more than four times the initial investment. Although the number of Asia-focused private equity funds (especially those targeting companies in Japan, South Korea and China) have increased substantially, such funds will increasingly compete for deals with domestic companies driven by strategic considerations. Funds in Asia are under pressure to deliver significant returns after securing more than \$10.6 billion in commitments last year, the largest in four years. Auto components, telecom, banks and finance companies have seen particular interest from private equity firms. The Carlyle Group recently set up a Japanese venture capital team to invest growth capital in young Japanese companies. In June, Carlyle joined forces with electronic parts maker Kyocera Corp. to acquire a wireless unit from Japanese telecoms operator KDDI Corp. for 220 billion yen (\$2.0 billion), marking the largest leveraged buyout in Japan in 2004. Carlyle and JP Morgan Corsair II sold their 36.6% stake in KorAm Bank to Citigroup in February 2004 for almost \$1 billion.

Source: CSFB Private Equity

1.3 Absolute Private Equity Ltd. Portfolio

Commitments Review (in USD):

Total committed Capital	685'454'408
Total ABSP Capital	735'291'989
Undercommitted Capital	49'837'581
Commitment level in %	93.22%

As of June 30, 2005, Absolute Private Equity had capital commitments totaling \$685.5 million, of which \$495.6 million or 72.3% had been called. Absolute Private Equity had received distributions of \$161.8 million or 32.6% of contributed capital. Based on the portfolio adjusted reported value (reported value + cumulative distributions), the portfolio's return is above cost, with a 1.24 net multiple. The increase from the fourth quarter of 2004 is attributed to a number of realizations and distributions from the portfolio's investments summarized below.

Private Equity Investments as of June 30, 2005

Private Equity Funds	Investment Focus	Commitments USD	Market Value* June 30, 2005 USD	% of Commitments	% of Assets
Clarity Partners	Software & technology companies in telecom, media and internet	10'000'000	3'215'076	32.15%	0.43%
Bay Partners	Early stage investment in US technology companies	8'000'000	3'419'336	42.74%	0.46%
GRP II	Start-up and venture capital in the US and EU	15'000'000	8'140'767	54.27%	1.10%
PAI III Europe	Focus on buyouts, lesser extent growth capital, in Western Europe	24'450'558	25'072'108	102.54%	3.38%
CSFB Middle Market Value Investor, LP	Focus on middle market buyouts in the US	74'925'000	51'790'083	69.12%	6.99%
CSFB Global Opportunities Partners	Investments into distressed companies world-wide	50'000'000	44'020'269	88.04%	5.94%
DLJ Merchant Banking Partners III	Buyout in a broad range of industries mainly in the US	15'000'000	9'809'180	65.39%	1.32%
DLJ Venture Partners II	Venture & growth capital in a broad range of industries world-wide	7'111'396	5'063'822	71.21%	0.68%
AC Private Equity Invest	Private Equity with focus on Southern Europe	10'000'000	8'011'590	80.12%	1.08%
Warburg Pincus International Partners, LP and affiliates	Venture capital, buyouts and recapitalizations in a broad range of industries world wide	200'000'000	134'471'740	67.24%	18.14%
Warburg Pincus Private Equity VIII	Venture & growth capital and buyouts in a broad range of industries	25'000'000	18'894'083	75.58%	2.55%
Terra Firma Capital Partners	Investments into large, distressed companies world-wide	90'967'454	45'781'780	50.33%	6.18%
ADM Maculus Fund, L.P.	Distressed assets and undervalued situations in Asia	15'000'000	12'614'080	84.09%	1.70%
CSFB Fund VII Investor, LP	Venture & growth capital and buyouts in a broad range of industries	140'000'000	94'002'327	67.14%	12.68%
Total		685'454'408	464'306'240	67.74%	62.64%
Total Net Assets Absolute Private Equity		735'291'989			

* All figures are on a consolidated basis

Private Equity Portfolio Highlights

CSFB Fund Investment VII Holdings, L.P. (“CFI VII”)

As of June 30, 2005, CFI VII had invested \$103.1 million, or 73.2% of aggregate capital commitments of \$140.9 million. The estimated net multiple increased significantly from 1.25x cost to 1.41x cost from the fourth quarter of 2004, an increase of approximately 12.8%. The positive performance is mainly attributed to four of the nine underlying funds. T3 Partners II, L.P. has the best performance among the four funds, with approximately 2.01x cost. Fund distributions total approximately \$53.8 million or 52.2% of contributed capital and resulted mostly from Apax Europe V-A, L.P., Blackstone Capital Partners IV, L.P., DLJ Merchant Banking Partners III, L.P. and T3 Partners II, L.P.

Apax Europe V-A, L.P. (“Apax V-A”)

On June 27, 2005, Apax V-A received €244.5 million from partial realizations of Inmarsat Holdings Limited (“Inmarsat”) for €74.8 million and New Look Group Plc (“New Look”) for €84.3 million, and the total realization of Azimut Holdings S.p.A (“Azimut”) for €85.4 million. Inmarsat is a provider of mobile satellite communications services, including data and voice connectivity to end-users, through its satellite and ground infrastructure network. New Look is a leading women's wear retailer in the UK and France. Azimut is an integrated retail financial services company in Italy.

Blackstone Capital Partners IV, L.P. (“BCP IV”)

In February 2005, BCP IV and certain Blackstone Real Estate Partner funds (“BREP”) acquired **NHP Plc** (“NHP”), a public company in the UK care home sector. As part of the acquisition of NHP, BCP IV contributed its investment in **Southern Cross Healthcare Holdings Ltd.** as additional equity, resulting in ownership of 59.3% by BCP IV and 40.7% by BREP. In May 2005, NHP successfully sold 20 of its care homes at a 6.25% cap rate, over 200 basis points better than Blackstone's underwriting. BCP IV and BREP received a distribution totaling \$27.4 million. BCP IV's shares of NHP's proceeds (net of Blackstone side-by-side proceeds of \$876,935) is approximately \$17.7 million.

In May 2005, **New Skies** priced its IPO at \$16.50 per share (NYSE: NSE). In the offering, 13.7 million shares were sold, generating proceeds of approximately \$211.1 million to the company. The company used the proceeds to pay down \$131.2 million of existing debt, pay fees and general corporate expenses of \$9.2 million and distributed the remaining amount of \$70.8 million as dividends to its pre-IPO equity shareholders. Blackstone's allocable share of the dividend is approximately \$68 million (split 75% Blackstone Communications Partners I, L.P. / 25% BCP IV). After the dividend from the IPO and the \$85.5 million dividends previously distributed in February 2005, Blackstone's distributions from New Skies have totaled approximately \$153.5 million or 1.0x Blackstone's investment made in November 2004. After the IPO, Blackstone continues to hold approximately 18 million shares with a cost basis of \$9.07 per share or approximately 55.7% of the company, and retain 4 board seats out of 7.

Since Blackstone's initial investment in **Extended Stay America** (“ESA”) in May 2004, financial performance has materially improved as a result of revenue per available room (“RevPAR”) increases, cost reductions and a limited amount of new properties being opened. RevPAR grew 7.9% in 2004 as compared to 2003, and grew 11.5% in Q1 2005 as compared to Q1 2004. On February 28, 2005 and May 18, 2005, BCP IV received income distributions of approximately \$5.2 million and approximately \$8.4 million, respectively, from ESA that implies an annualized cash-on-cash return for BCP IV's investment capital of approximately 21.3%.

DLJ Merchant Banking Partners III, L.P. (“MBP III”)

On June 24, 2005, **American Ref-Fuel Holdings Corp.** (“American Ref-Fuel”) was sold to Danielson Holding Corporation and MBP III distributed \$399.9 million of proceeds. ARFH is one of the largest owners and operators of waste-to-energy facilities in the U.S. The transaction was valued at approximately \$1.94 billion. The sale generated proceeds to MBP III of \$399.9 million, representing 2.2x the fund's remaining cost of \$180 million. In total, MBP III's investment in American Ref-Fuel yielded a total of \$573.6 million, or 2.0x its invested capital and a gross IRR of 74.5%.

CSFB MMV Investor, L.P. (“CSFB MMV I”)

As of June 30, 2005, CSFB MMV I had invested \$54.6 million, or 72.8% of aggregate capital commitments of \$75.0 million. Distributions total approximately \$18.7 million or 34.2% of contributed capital. The estimated net multiple increased significantly from 1.05x cost to 1.26x cost from the fourth quarter of 2004, an increase of approximately 20%. Successful realizations received from all of the underlying funds attributed to the positive performance of the portfolio.

Apollo Investment Fund V, L.P. (“Apollo V”)

In June 2005, Apollo V received total proceeds of approximately \$669 million that resulted in an aggregate gain of approximately \$368 million from the sale of **iesy Hessen GmbH** (“iesy”) and **Kabelnetz NRW** (“ish”). In March 2005, iesy acquired ish through the establishment of **Unity Media SCA** (“Unity Media”), creating a premier cable operator in Germany with over 5 million subscribers and combined revenues and EBITDA of approximately 0560 million and 0260 million, respectively, for the fiscal year ended December 31, 2004. The combined business will be able to offer more television products, Internet access services and telephony and benefit from revenue as well as cost synergies. The investment opportunity is to participate in the funding of Unity Media from which Apollo V will gain an approximate 40% ownership interest as well as a majority representation on the company's board of directors.

In August 2004, Apollo V acquired **Borden, Inc.** (“Borden”) for approximately \$1.2 billion. Borden is a leading global producer of thermoset resins and adhesives for the global forest products and industrial markets. In May 2005, Borden merged with Resolution Performance Products, Inc. and Resolution Specialty Materials Holdings, Inc., portfolio companies of Apollo Investment Fund IV, L.P. (“Fund IV”), creating the world's largest producer of thermoset resins which is now known as **Hexion Specialty Chemicals, Inc.** (“Hexion”). After the merger, Apollo holds approximately 52% interest in Hexion with Fund IV holding approximately 35% interest. Apollo V received approximately \$280 million and Apollo IV received approximately \$145 million.

CapStreet II, L.P. (“CapStreet II”)

CapStreet II called capital to fund a number of new investments. The first is a new control investment of \$10.5 million in **WorldWise, Inc.**, an environmentally responsible company based in San Rafael, California, focused on the design, manufacture and marketing of specialty branded products for the pet supplies market.

The second is a \$4.5 million investment in **Centricon HRA, Inc.** On April 21, 2005, Centricon, Inc. merged with HR America, Inc. to form **Centricon HRA, Inc.** The merger combined two like-size providers of outsourced human resources services focused on serving middle-market employers and should accelerate growth and profitability for the combined organization.

The third investment is a \$2.5 million investment in Davidson Media Group, LLC (“Davidson”) as part the fund's original capital commitment of \$17.6 million. Davidson continues to perform in accordance with its original plan and is systematically expanding its network of Hispanic radio stations.

Additional investments include \$1.2 million for Hart InterCivic, a provider of election and e-government solutions for the state and local governments and \$0.5 million for MessagePro, Inc., a provider of telephone answering services to corporations, healthcare service providers, medical professionals, and contractors.

Charlesbank Equity Fund V, L.P. (“Charlesbank V”)

In June 2005, Charlesbank V made an additional investment of approximately \$14.8 million in **Computer Sales International (“CSI”)** to purchase 144,207 shares of common stock from a senior member of management who recently retired. This represents 10.6% of the fully diluted common stock of the Company and when combined with Charlesbank V's initial investment made in January 2002, Charlesbank V's ownership interest increases to approximately 33%. Based in St. Louis, Missouri, CSI is the largest independent information-technology equipment leasing company.

Charlesbank V made further distributions of \$16.5 million from the **Regency Gas Services** escrow related to the sale of the Company in December 2004. The remaining escrow account is approximately \$2.5 million. Total proceeds to date on Charlesbank V's investment of \$65.9 million are \$219.5 million.

Madison Dearborn Capital Partners IV, L.P. (“MDCP IV”)

In June 2005, MDCP IV called \$340 million of capital to invest in Sirona Group (“Sirona”). Based in Germany, Sirona is a leading manufacturer of dental equipment.

MDCP IV received additional proceeds of \$20 million from **Magellan Midstream Holdings, L.P. (“Magellan”)** due to the sale of Magellan's common unit, which was sold in a privately negotiated transaction at a net price of \$30.48 per common unit on a cost basis of \$16.51. Magellan is a holding company for Magellan Midstream Partners, L.P. (NYSE: MMP) (“MMP”), which is publicly traded on the New York Stock Exchange. MMP owns, operates and acquires a diversified portfolio of energy assets. Including this distribution, MDCP IV has received \$319.4 million of proceeds relative to its investment of \$165.4 million in Magellan.

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

As of June 30, 2005, MPGOP had invested \$30.7 million, representing 61.4% of aggregate capital commitments of \$50.0 million. Distributions total approximately \$26.9 million or 87.6% of contributed capital. The estimated net multiple increased significantly from 1.31x cost to 2.00x cost from the fourth quarter of 2004, an increase of approximately 52.7%.

DLJ Venture Partners II, L.P. (“DLJ VP II”)

As of June 30, 2005, DLJ VP II had invested \$4.4 million, representing 68.8% of aggregate capital commitments of \$6.4 million. Distributions total approximately \$1.8 million or 40.9% of contributed capital. The estimated net multiple increased significantly from 1.17x cost to 1.30x cost from the fourth quarter of 2004, an increase of approximately 11.1%.

Blackstone Communications Partners I, L.P. (“BCOM”)

On May 9, 2005, **New Skies Satellites N.V.** (“New Skies”) priced its IPO at \$16.50 per share (NYSE: NSE) and sold 13.7 million shares that generated approximately \$211.1 million of proceeds. Blackstone's share of the dividend is approximately \$68 million (75% from BCOM and 25% from BCP IV). After the IPO, Blackstone continues to hold approximately 18 million shares with a cost basis of \$9.07 per share or approximately 55.7% of the company. Headquartered in Amsterdam, New Skies is a Dutch satellite communications company with global operations and service coverage, operating a network of five fixed satellite services (“FSS”) satellites located at different orbital positions above the earth. New Skies primarily earns its revenues by providing capacity for satellite communications and ground-based services to customers for contracted periods varying from less than one year to 15 years. These satellites are focused on high growth markets, including India, Africa, the Middle East and Asia.

Providence Equity Partners IV, L.P. (“PEP IV”)

In June 2005, PEP IV called \$122 million of capital to acquire the assets of Physicians' Education Resource, LP and Cancer Information Group, LP (“PER”). PER is a leading provider of oncology-focused information and continuing medical education in the United States.

Source: CSFB Private Equity

1.4 Private Equity Outlook 2005

General Outlook

As 2005 starts with blockbuster fund raising activities, high profile investments and profitable exits, the stage is set for a rewarding year for private equity investors. Several aspects are driving this increased pace of activity in the U.S. and European markets. One of them is the substantial amount of new capital committed to U.S. venture funds by investors who feel they missed, or hope to resurrect, the remarkable returns of the late 1990s. Another aspect stems from the overhang of capital raised during the boom that is only now being invested. As a result, start-ups are seeing a fast influx of financing, which is pushing up valuations as managers compete for investment opportunities. Moreover, there is a concern that with the advent of the mega fund targeting equally mega deals, there might be a substantial increase in competition, resulting in inflated company valuations. Exit opportunities abound as the markets show an increased appetite for private equity-backed IPO's, trade sales and sales to larger financial sponsors. The attractive exit environment bodes well for investors as private equity distributions are expected to rise as funds will soon pass on these high returns to their investors.

U.S. Buyout

The U.S. buyout market has experienced a flurry of fundraising and investment activity in the first half of 2005. Leading the way are buyout firms that are raising mega funds and showing an increasing interest in Asian opportunities. The continued availability of cheap financing, as well as the latest trend toward consortium deals, may lead to an active year for the U.S. buyout market.

Note, however, that the credit markets have become increasingly volatile, suggesting that the cheap debt that facilitated many leveraged-buyout deals in the past might not be available in the foreseeable future. This shift implies that private equity firms may have to part with more of their own capital in order to make larger equity investments. This may bode well for private equity firms that have recently raised mega buyout funds, allowing them to put more capital to work in good deals.

In terms of investment, the defense sector may prove attractive due to increased government spending and technological advances in information security, personal identification and aerospace. Additionally, private equity players have also begun to show an interest in the tech sector, an area in which most firms resisted playing aggressively until now.

U.S. Venture Capital

Venture capital is poised for a profitable year with several industries and economies expanding and offering interesting investment opportunities. Exit opportunities are also on the rise as the markets are responding eagerly to IPOs and strategic sale opportunities. The tech sector is making a comeback with investors, with several funds focusing on specialized spaces such as semiconductors and communications. While VC investment has improved substantially, there remains overhang of uninvested capital, which may continue to grow. For example, this year U.S. venture capital funds more than doubled the amount of capital they raised from investors, taking in \$26.7 billion, compared to \$12.2 billion raised in Q1 2004.

Emerging technologies, specialized spaces and later stage R&D within life science and technology are witnessing increased attention from VC firms. Other areas generating interest have been energy, financial services and consumer services. There is also a visible shift to investing in highly focused opportunities, concentrating on particular regions or industry sectors.

Expect to continue to see an influx of emerging venture capital firms with professionals from established firms spinning out on their own. This trend is encouraged by institutional investors' proactive hunt for small and emerging managers to fill their portfolios.

International Private Equity

European private equity, especially leveraged buyouts, has been especially active since the start of this year. Deregulation, an excess of undervalued companies and a trend towards conglomerate spin-offs have all led to a strong leveraged buyout deal flow, especially across Western Europe. Deal volume in Europe is expected to remain robust with large companies requiring restructuring in order to compete in the global economy and family businesses discovering private equity as an option. U.S. investors have also been focusing attention on European funds.

Amidst a boom in private equity investing around the world and hike in trans continental investment activity, buyout firms have been increasingly involved in consortiums to tackle ever-larger acquisitions. In September 2004, Apax teamed up with fellow London buyout firm Cinven for the €2.08 billion (\$2.76 billion) acquisition of VNU World Directories NV, a Dutch yellow-pages business. As the value of buyouts in Europe has exceeded those in the U.S., several of the largest U.S. buyout firms have established substantial practices in Europe including the Blackstone Group, Kohlberg Kravis Roberts and Texas Pacific Group.

The exit markets should continue their robust investment pace with the value of European mergers completed so far this year rocketing past the pace of deal making in the U.S., fueled by a boom in private equity buyouts and resumed consolidation in some industries, such as telecommunications. Nearly \$23.0 billion of mergers and acquisitions have been sealed this year in Europe. If the trend remains for the rest of the month, it will be the first time Europe will have surpassed the U.S. in M&A activity during a six-month period since the second half of 2003.

Source: CSFB Private Equity

	semi-annual financial statements	

2. Semi-Annual Financial Statements

2.1 Consolidated Financial Statements for Absolute Private Equity Ltd.

Consolidated statement of assets and liabilities as of		June 30, 2005 (unaudited)	December 31, 2004 (audited)
Assets			
	Note	USD	USD
Cash and cash equivalents	4	168.289.443	168.770.478
Tax receivables	5	84.914	43.359
Investments at fair value	6	570.380.910	465.897.792
Receivables for investments redeemed		-	48.719.532
Investment in associates			
Absolute Investment Services	7	62.413	70.283
Jade Invest SA	7	68.848	-
Prepaid expenses and accrued income		11.550	50.964
Total assets		738.898.078	683.552.408
Liabilities			
Accrued management fees due to related parties		3.072.412	3.177.433
Accrued other expenses		289.728	319.713
Other payables		209.622	2.285
Current capital tax liability		34.327	85.218
Total liabilities		3.606.089	3.584.649
Net assets		735.291.989	679.967.759
Analysis of net assets			
Share capital	8	324.398.523	324.398.523
Additional paid-in capital		305.057.781	305.057.781
Accumulated increase in net assets		100.863.794	44.074.713
Accumulated other comprehensive income		4.971.891	6.436.742
Net assets	8	735.291.989	679.967.759
Net asset value per share based on 11,432,101 bearer shares outstanding	8	64,32	59,48

See accompanying notes to the consolidated statements.

**Consolidated statement of operations
for the periods**

January 1, 2005
to June 30, 2005
(unaudited)

January 1, 2004
to June 30, 2004
(unaudited)

Investment Income

	Note	USD	USD
Interest income		1.975.160	431.761
Other income		6.898	12.946
Total income		1.982.058	444.707

Expenses

Management fees to related parties	9/11	-6.088.921	-5.969.167
Administration and custody fees	10	-447.473	-109.399
Directors fees	11	-49.495	-42.922
Bank and broker expenses		-67.765	-22.315
Professional fees		-318.956	-382.484
Interest expenses		-10.394	-
Capital taxes		-38.603	-39.411
Miscellaneous expenses		-92.213	-968.143
Total expenses		-7.113.820	-7.533.841
Net investment loss		-5.131.762	-7.089.134

Realized and unrealized gain / (loss) from investments and foreign currency

Realized gains on investments	6	34.769.758	18.176.485
Realized losses on investments	6	-2.224.783	-1.630.981
Net realized gain from investments		32.544.975	16.545.504
Net realized and unrealized foreign exchange gain		1.443.136	80.600
Unrealized gains on investments	6	36.073.275	12.789.308
Unrealized losses on investments	6	-8.140.544	-8.448.382
Net increase in unrealized appreciation on investments		27.932.731	4.340.926
Net realized and unrealized gain from investments and foreign currency		61.920.842	20.967.030
Net increase in net assets from operations		56.789.080	13.877.896

See accompanying notes to the consolidated statements.

**Consolidated statement of changes
in net assets for the periods**

January 1, 2005
to June 30, 2005
(unaudited)

January 1, 2004
to June 30, 2004
(unaudited)

	USD	USD
Increase in net assets from operations		
Net investment loss	-5.131.762	-7.089.134
Net realized gain from investments	32.544.975	16.545.504
Net realized and unrealized foreign exchange gain	1.443.136	80.600
Net increase in unrealized appreciation on investments	27.932.731	4.340.926
Net increase in net assets resulting from operations	56.789.080	13.877.896
Translation adjustment	-1.464.850	-86.407
Total increase	55.324.230	13.791.489
Net assets		
Beginning of period	679.967.759	638.796.023
End of period	735.291.989	652.587.512

See accompanying notes to the consolidated statements.

**Consolidated statement of cash flows
for the periods**

January 1, 2005
to June 30, 2005
(unaudited)

January 1, 2004
to June 30, 2004
(unaudited)

	Note	USD	USD
Cash flows from operating activities			
Net increase in net assets from operations		56.789.080	13.877.896
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities			
Proceeds on disposals of investments	6	72.005.995	25.546.458
Return of capital from investments	6	14.618.422	2.462.331
Purchase of investments	6	-130.629.828	-66.278.415
Realized gains on investment	6	-34.769.758	-18.176.485
Realized losses on investment	6	2.224.783	1.630.981
Unrealized gains on investment	6	-36.073.275	-12.789.308
Unrealized losses on investment	6	8.140.544	8.448.382
Net realized and unrealized foreign exchange gains		-1.443.136	-80.600
Changes in operating assets and liabilities			
Change in accounts receivables and other assets		48.725.261	-52.488
Change in accounts payable and other liabilities		21.440	169.054
Net cash flows (used in) / provided by operating activities		-390.472	-45.242.194
Cash flows from investing activities			
Investment in associate Jade Invest SA	7	-68.848	0
Net cash flows used in investing activities		-68.848	0
Exchange effect on cash and cash equivalents		-21.715	5.893
Net (decrease) / increase in cash and cash equivalents		-481.035	-45.236.301
Cash and cash equivalents at the beginning of the period		168.770.478	194.045.793
Cash and cash equivalents at the end of the period		168.289.443	148.809.492

See accompanying notes to the consolidated statements.

**Consolidated financial highlights
for the periods**

January 1, 2005
to June 30, 2005
(unaudited)

January 1, 2004
to June 30, 2004
(unaudited)

	USD	USD
Per share operating performance: *		
Number of shares at the beginning of the period	11.432.101	11.432.101
Number of shares at the end of the period	11.432.101	11.432.101
Weighted average number of shares end of period	11.432.101	11.432.101
Net asset value, beginning of period	59,48	55,88
Income from investment operations		
- Net investment loss	-0,45	-0,62
- Net realized and unrealized gain on investment transactions and foreign currency	5,42	1,83
Total from investment operations	4,97	1,21
- Change in accumulated other comprehensive income	-0,13	-0,01
Total distributions	-0,13	-0,01
Net asset value, end of period	64,32	57,08
Total investment return on a net asset value basis	8,35%	2,17%
Supplemental data:		
Net assets, end of period (in millions)	735,29	652,59
Ratio of expenses to average net assets **	1,03%	1,19%
Ratio of net investment loss to average net assets **	-0,74%	-1,12%

* 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 the consolidated statements.

Notes to the consolidated financial statements for the period from January 1, 2005 to June 30, 2005

(1) 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. and Barry Ltd. as well as, until May 19, 2003 the partially owned subsidiary Carry Ltd., Cayman Islands (together the "Subsidiaries"). The Company and the Subsidiaries have no employees.

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 have been changed (valid 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 changes, the Company now has the ability to invest in additional alternative investments such as managed futures and default swaps.

A listing of the Company's subsidiaries is as follows:

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.

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.

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

PEARL INVESTMENT MANAGEMENT LTD., Nassau, Bahamas is a company duly organized and existing under the laws of the Bahamas and is a wholly owned subsidiary of Credit Suisse, Zurich, a Swiss bank. 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, is a newly founded company, which provides all Absolute Companies with management, marketing and administrative services, starting January 1, 2005. The company was incorporated on November 19, 2004 with a share capital of CHF 250,000. Absolute Private Equity holds 32% (CHF 80,000) of the share capital of CHF 250,000. Absolute Managers Ltd. and Absolute Europe hold 18% each and Absolute US Ltd. holds the remaining 32%. All these companies are related party investment companies.

JADE INVEST SA, Neuchâtel, is a newly founded company, which will invest in private equity investment vehicles particularly in start-up and spin-off companies. The company was incorporated on June 30, 2005 with a share capital of CHF 186'100. Absolute Private Equity holds 47,42% (CHF 88'249) of the share capital.

The following entities provide services to the Company:

MERCHANT CAPITAL, Inc., a related party, 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. and Private Seven Ltd. The Investment Advisor receives no direct compensation from the Company and its Subsidiaries.

CREDIT SUISSE FIRST BOSTON LLC, a non-related U.S. limited liability company organized under the laws of the State of Delaware (the "Administrator"), provides financial, accounting and administrative services to Privatissimo Ltd., Private Seven Ltd. and Private Invest Ltd. under the administrative services agreements.

CITCO FUND SERVICES (Curaçao) NV, a non-related Netherland Antilles corporation (the "Administrator") provides financial, accounting and administrative services to Barry Ltd. under the administrative service agreements.

(2) Basis of presentation

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"). 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"), which is considered the Company's functional currency given that the Company holds the vast majority of its assets (investments) and liabilities in USD. Shares of the Company are quoted on the SWX Swiss Exchange in USD and the net asset value per share is disclosed in USD.

(3) Summary of significant accounting policies

(3.1) Foreign currency translation

The assets and liabilities of consolidated 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 in shareholders' equity.

Transactions in currencies other than each consolidated entity's 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 (June 30)	For statement of operations and cash flow items (average rate for the half year ended June 30)
1 USD to CHF 1)	1.1. - 30.6.2004	1.2494	1.2657
1 USD to CHF	1.1. - 30.6.2005	1.2818	1.2041
or			
1 CHF to USD	1.1. - 30.6.2004	0.8004	0.7901
1 CHF to USD	1.1. - 30.6.2005	0.7802	0.8305

1) CHF = Swiss Franc

(3.2) Valuation of investments

Securities for which quotations are not readily available are valued at fair values as determined in good faith 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.

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.

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.

(3.3) Valuation of investments in associates

The Company records investments in associates in which it is able to exercise significant influence using the equity method of accounting.

(3.4) Cash and cash equivalents

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

(3.5) Treasury shares

The consideration paid for treasury shares, net of transaction costs, are deducted from shareholder's equity.

(3.6) Recognition of income

Interest income is recognized in the consolidated statement of operations as it accrues, taking into account the effective yield on the asset.

(3.7) 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 Swiss federal level and from the complete exemption at the cantonal and communal level. The applicable federal income tax rate is 8.5%. 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 arising on the undistributed earnings of the Subsidiaries as management does not currently intend to repatriate any foreign earnings.

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

	June 30, 2005 USD (in thousands)	December 31, 2004 USD (in thousands)
Deferred tax assets:		
- Net operating loss carryforwards	24,545	27,764
Less: valuation allowance	-16,928	-26,876
Deferred tax liabilities:		
- Investments in consolidated subsidiaries	-7,617	-888
Net deferred tax assets	0	0

Reconciliation from the Swiss federal statutory income tax rate of 8.5% to the effective income tax rate is as follows:

	June 30, 2005 USD (in thousands)	December 31, 2004 USD (in thousands)
Tax at the statutory rate	4,827	3,413
Foreign tax less than Swiss statutory rate	-9,948	-5,733
Increase in valuation allowance	5,121	2,320
Income tax expense	0	0

For the years ended December 31, 2004 and 2003, no current income taxes or provisions were recognized. As of December 31, 2004, the Company had Swiss federal net operating loss carryforward of approximately USD 327 million (CHF 372 million), as of December 31, 2003, USD 290 million (CHF 360 million). These carryforwards generally begin expiring as follows:

	CHF	Expiry date
Loss from financial year 2000/2001	-118,840,749	31.12.2008
Loss from financial year 2002	-202,222,515	31.12.2009
Loss from financial year 2003	-38,790,727	31.12.2010
Loss from financial year 2004	-11,962,629	31.12.2011
Profit from 1.1.-30.6.2005	1,670,308	31.12.2008
Total loss carryforward of Absolute Private Equity Ltd., Zug	-370,146,312	

Due to its history of operating losses, management has determined it is more likely than not, that they will not be fully realized since the utilization of deferred tax assets depends on future profits, which are not assured. Therefore, the Company has provided a valuation allowance on the net deferred tax assets.

(3.8) 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 reported amounts and related disclosures. Actual results could differ from those estimates.

Notes to the consolidated statement of assets and liabilities and statement of operations (unaudited)

(4) Cash and cash equivalents

	June 30, 2005	December 31, 2004
	USD	USD
Cash at banks (current accounts)	18,527,004	68,992,399
Cash at banks (Credit Suisse, a related party)	277,615	236,117
Time deposits (Credit Suisse, a related party)	1) 149,484,824	2) 99,541,962
Cash and cash equivalents	168,289,443	168,770,478

1) Description	Interest rate	Original currency	Presentation
Time deposit on call	0.325%	CHF 160,000	USD 124,824
Time deposit on call	2.500%	USD 6,000,000	USD 6,000,000
Time deposit on call	3.125%	USD 36,560,000	USD 36,560,000
Time deposit on call	2.875%	USD 12,660,000	USD 12,660,000
Time deposit on call	2.875%	USD 80,770,000	USD 80,770,000
Time deposit on call	3.125%	USD 13,370,000	USD 13,370,000
2) Description	Interest rate	Original currency	Presentation
Time deposit on call	0.300%	CHF 560,000	USD 491,962
Time deposit on call	1.850%	USD 1,750,000	USD 1,750,000
Time deposit on call	2.125%	USD 16,000,000	USD 16,000,000
Time deposit on call	2.000%	USD 5,300,000	USD 5,300,000
Time deposit on call	2.125%	USD 21,000,000	USD 21,000,000
Fixed time deposit (31.01.05)	2.130%	USD 10,000,000	USD 10,000,000
Fixed time deposit (24.01.05)	2.230%	USD 45,000,000	USD 45,000,000

(5) Tax receivables

Tax receivables are composed of the following items:

	June 30, 2005	December 31, 2004
	USD	USD
Withholding taxes Switzerland	84,914	43,359
Tax receivables	84,914	43,359

(6) Investments

The Company has investments in several funds. All 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 - June 30, 2005.

Investments	Historical cost of investments		Historical cost after adjustments		Market value of investments		Purchase of investments (real costs)		Return of Capital		Sale of investments		Unrealized gains/losses		Market value of investments		Historical cost of investments		
	1-Jan-05	USD	1-Jan-05	USD	1-Jan-05	USD	1-Jan-05	USD	USD	USD	Historical cost of inv. sold	Realized gains	Realized losses	30-Jun-05	USD	30-Jun-05	USD	30-Jun-05	USD
Absolute Fiduciary Global Opportunities Partners, LP	33,471,909		33,471,909		30,587,765		229,700		-1,051,218			2,450,606		14,254,021		44,020,269		32,650,392	
AC Private Equity Invest, LP	8,137,100		8,137,100		7,365,264									646,326		8,011,590		8,137,100	
ADM Maculus Fund, LP	6,525,000		6,525,000		6,263,902		4,740,000							1,610,178		12,614,080		11,265,000	
Bay Partners X, LP	3,397,633		3,397,633		2,642,317		800,000							-22,981		3,419,336		4,197,633	
Clarity Partners, LP	3,654,318		3,654,318		2,802,725		446,058		-95,916					62,209		3,215,076		4,004,460	
CSFB MMV Investor, LP	38,831,937		38,831,937		43,179,702		9,563,491		-1,260,333		-2,573,046	3,128,337		2,880,270		51,790,083		44,562,048	
CSFB Fund VII Investor, LP	69,369,151		69,369,151		81,783,021		16,948,098		-1,713,915		-6,847,838	13,539,618		3,832,961		94,002,327		77,755,496	
DLJ Merchant Banking Partners III, LP	8,769,975		8,769,975		9,239,497		1,697,817		-179,288		-1,589,124	1,810,563		640,279		9,809,180		8,699,380	
DLJ Venture Partners II, LP	4,562,132		4,562,132		5,052,379		46,534				-65,077	500,471		29,986		5,063,822		4,543,589	
GRP II, LP	6,942,630		6,942,630		7,102,689		675,000		-5,482,727		-708,248			363,078		8,140,767		7,617,630	
PAI Europe III-B	4,924,642		4,924,642		9,692,589		8,936,744							153,843		12,592,201		7,670,411	
PAI Europe III-B3	4,906,290		4,906,290		9,606,464		7,721,135		-4,428,091		-572,012			152,411		12,479,907		7,627,322	
Warburg Pincus International Partners, LP-Adjustments rever to consolidation	106,093,024		106,093,024		134,903,402		8,466,100		2,734,416		-3,775,500	13,266,501		-7,856,679		134,471,740		113,518,040	
Warburg Pincus Private Equity VIII, LP	14,704,267		14,704,267		16,808,947		4,000,000				-2,500,000	3,375		585,136		18,894,083		16,204,267	
Terra Firma Capital Partners II, L.P.-C	28,410,565		28,410,565		30,963,336		12,344,686		-3,141,349					5,615,106		45,781,779		37,613,902	
Private equity Total	342,700,572		342,700,572		397,993,998		76,615,364		-14,618,422		-18,630,846	34,699,472		22,946,144		464,306,239		386,066,668	

Investments	Historical cost of investments 1-Jan-05		Historical cost after adjustments 1-Jan-05		Market value of investments 1-Jan-05		Purchase of investments (real costs)		Return of Capital		Sale of investments		Unrealized gains/losses 30-Jun-05		Market value of investments 30-Jun-05		Historical cost of investments 30-Jun-05		
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	
Absolute Managers Ltd.																			
Ordinary (Swiss exchange)	49.355.076	49.355.076	49.355.076	47.943.440	6.877.260									2.750.036	57.570.737	56.232.337			
Castle Private Equity Ltd.					6.668.464									385.271	6.225.498	5.840.227			
Cheyne Discovery Fund I Inc. Class A					30.000.000									557.945	30.557.945	30.000.000			
China HealthCare Holdings Ltd. Ordinary	994.106	994.106	994.106	1.020.353										-247.058	771.358	992.169			
Platypus Macro Fund Class B Series I	20.000.000	20.000.000	20.000.000	18.940.000										1.060.000					
Private Equity Holding AG, Zug																			
Namen-Aktien					5.468.739									494.219	5.962.958	5.468.739			
US venture 05 Inc.					5.000.000									-13.826	4.986.174	5.000.000			
Absolute return Total	70.349.182	70.349.182	70.349.182	67.903.793	54.014.464									-20.830.174	70.286	-1.200.000	4.986.586	106.074.670	103.533.472
Grand Total	413.049.754	413.049.754	465.897.792	465.897.792	130.629.828	-14.618.422	-39.461.020	34.769.758	-2.224.783	27.932.731	570.380.908	489.600.140							

Proceeds on disposals of investments: 72.005.995

Unrealized gains: 36.073.275

Unrealized losses: -8.140.544

The Company has committed to invest in certain private equity funds and investments. Such commitments are payable upon demand at the request of the fund's administrator. The remaining capital commitments as per June 30, 2005 were as follows:

	Capital commitments	Remaining capital commitments
	June 30, 2005	June 30, 2005
	USD	USD
Absolute Fiduciary Global Opportunities Partners, LP	50'000'000	19'300'000
AC Private Equity Invest, LP	10'000'000	1'600'000
ADM Maculus Fund, L.P.	15'000'000	3'700'000
Bay Partners X, LP	8'000'000	3'200'000
Clarity Partners, LP	10'000'000	4'600'000
CSFB Fund VII Investor, LP	140'900'000	40'600'000
CSFB MMV Investor, LP	75'000'000	20'900'000
DLJ Merchant Banking Partners III, LP	15'000'000	2'300'000
DLJ Venture Partners II, LP	6'400'000	2'100'000
GRP II, LP	15'000'000	5'400'000
PAI Europe III-B	12'300'000	1'500'000
PAI Europe III-B3	12'100'000	1'500'000
Warburg Pincus International Partners, LP	200'000'000	36'000'000
Warburg Pincus Private Equity VIII, LP	25'000'000	4'000'000
Terra Firma Capital Partners II, L.P.-C	91'000'000	49'700'000
Total	685'700'000	196'400'000

The principle investment objectives of investees exceeding 5% of the Company's net asset value as per June 30, 2005 are as follows:

Fund	Investment Focus
CSFB Fund VII Investor, LP	Venture and growth capital and buyouts in a broad range of industries
CSFB Middle Market Value Investor, LP	Focus on middle market buyouts in the US
Warburg Pincus International Partners, LP	Venture capital, buyouts and recapitalizations in a broad range of industries world wide
Absolute Managers Ltd.	Provides initial capital to early-stage hedge funds that are managed by experienced hedge fund managers. Absolute Managers Ltd. is an investment company listed on the SWX Swiss Exchange.

(7) Investment in associate

The Company has the following investment in an associate:

	Net asset value June 30, 2005	Share of profit of associate	Net asset value December 31, 2004
	USD	USD	USD
Absolute Investment Services Ltd., Zurich	62,413	0	70,283
Jade Invest SA, Neuchâtel	68,848	0	0

Absolute Private Equity Ltd. holds 32% of the share capital of Absolute Investment Services of CHF 250,000. The associate will provide all Absolute Companies with management, marketing and administrative services as of January 1, 2005.

Absolute Private Equity Ltd. holds 47.42% of the share capital of Jade Invest SA of CHF 186,100. Jade Invest SA intends to invest in private equity investment vehicles particularly in start-up and spin-off companies. The company was incorporated on June 30, 2005.

(8) Share capital and net asset value

The share capital as of June 30, 2005 consists of 11,432,101 bearer shares with a par value of CHF 50 each, fully paid in. The following is a calculation of the net asset value of the Company as of June 30, 2005 based on the consolidated financial statements:

	June 30, 2005	December 31, 2004
	USD	USD
Net assets	735,291,989	679,967,759
Total number of shares outstanding	11,432,101	11,432,101
Net asset value per share	64.32	59.48

The nominal value and the number of shares are:

	June 30, 2005		December 31, 2004	
	Total nominal value CHF	Number of shares	Total nominal value CHF	Number of shares
Share capital (bearer shares)	571,605,050	11,432,101	571,605,050	11,432,101
	USD		USD	
Translated at the historical exchange rate	324,398,523	11,432,101	324,398,523	11,432,101

At the Annual General Meeting as of June 24, 2005, the shareholders resolved to issue another authorized capital of a maximum of nominal CHF 285,802,525 until June 26, 2007.

At the Annual General Meeting of June 24, 2005, the shareholders entitled the Board of Directors to repurchase up to 10% of the outstanding shares (max. 1,143,210 shares) over a period from July 2005 until the Annual General Meeting in the year 2006 in order to reduce the share capital. The repurchased shares have to be cancelled. The decision has not yet been published in the commercial register as of June 30, 2005.

(9) Management fees

According to the Investment Management Agreements between the Subsidiaries and the Investment Manager, 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. 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 Subsidiaries computed as of December 31 each year. Any previous losses shall be recouped before payment of the fee. For Privatissimo Ltd., Private Seven Ltd. and Private Invest Ltd. the Investment Manager is entitled to a performance fee, based on the distribution during the business year.

For the period January 1 - June 30, 2005, management fees amounting to USD 6,088,921 were charged (previous year: USD 5,969,167).

(10) Administration fees and custody fees

Until March 31, 2005 the New Jersey corporation Northport Partnership Management, Inc., Administrator of Privatissimo Ltd., Private Seven Ltd. and Private Invest Ltd., was entitled to annual fees of USD 160,000, USD 90,000 and USD 130,000 respectively from the three afore-mentioned Subsidiaries. These fees were subject to a yearly increase of 4%. This revised fee schedule took effect on October 1, 2004; previously the Administrator was entitled to an annual fee of USD 200,000 from each of the three Subsidiaries.

As of April 1, 2005 Credit Suisse First Boston, LLC., 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%.

With regard to Barry Ltd, Citco Fund Services (Curaçao) N.V., incorporated under the laws of the Netherlands Antilles, having its principal office in Curaçao, Netherlands, Antilles is the Administrator. It is entitled to annual fees of 0.05% of Barry Ltd.'s month-end net assets. The Administrators are in charge of calculating the net asset values, producing financial statements and establishing and maintaining bank, brokerage, custodian and other accounts of the Subsidiaries.

Absolute Investment Services Ltd. service provider for all Absolute companies, is entitled to annual compensation fees of 0.1% of Absolute Private Equity Ltd.'s net asset value (NAV). For the period ended June 30, 2005, service fees amounting USD 389,501 were charged.

Other notes

(11) Related parties

As indicated in note 1, Credit Suisse is a related party to the Company. One out of four members of the Board of Directors is a member of the executive board of Credit Suisse.

Overview of significant payments to related parties:

Payer	Recipient	Reason for payment	June 30, 2005 USD	June 30, 2004 USD
Privatissimo Ltd.	Pearl Investment Management Ltd.	Management fees	1,583,172	1,299,518
Private Invest Ltd.	Pearl Investment Management Ltd.	Management fees	2,120,107	1,659,379
Private Seven Ltd.	Pearl Investment Management Ltd.	Management fees	871,269	649,957
Barry Ltd.	Pearl Investment Management Ltd.	Management fees	1,514,373	2,360,313
Barry Ltd.	Members of the Board	Directors fees	9,615	10,000
Absolute Private Equity Ltd.	Members of the Board	Directors fees	39,880	32,922
Absolute Private Equity Ltd.	Absolute Investment Services Ltd.	Service fees	389,501	0

(12) Risks

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

(12.1) 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, and this may affect the price at which the Company may liquidate positions to meet repurchase requests or other funding requirements.

(12.2) 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 could fail to accurately state the current aggregate value of the investments of the Company.

(12.3) 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.

(12.4) Currency risk

Most of the investment activities of the Company and a large portion of the cash and cash equivalents are denominated in USD while the books of Absolute Private Equity Ltd. are kept in CHF. As a result, the Company is exposed to positions measured in currencies other than the functional or reporting currency (USD). However the Company does not intend to hedge against the resulting currency exposure.

(12.5) 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.

(12.6) 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.

(13) Subsequent events

According to contract dated June 27, 2005, Absolute Private Equity Ltd., Zug, grants a interest-free loan of CHF 14,911,751 to Jade Invest SA, Neuchâtel for a period of max. 5 years. This loan will be set against future increases of capital effected by Jade Invest SA.

The Board of Directors is not aware of any other events between the closing date and August 31, 2005 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, 2005
(unaudited) December 31, 2004
(audited)

Assets			
	Note	CHF	CHF
Current assets			
Cash and cash equivalents		26.684	268.772
Fixed term deposit at Credit Suisse		7.850.800	13.934.438
Current acc. receivable from Barry Ltd.		17.108	17.108
Withholding tax receivables		108.843	49.353
Prepaid expenses and accrued income		0	7.307
		8.003.436	14.276.978
Investments			
Private Invest Ltd., Cayman Islands	1	294.725.446	294.725.446
Private Seven Ltd., Cayman Islands	1	140.871.733	140.871.733
Privatissimo Ltd., Cayman Islands	1	369.401.964	369.401.964
Barry Ltd., Cayman Islands	1	1	1
Absolute Investment Services Ltd.	1	80.000	80.000
Jade Invest SA	1	88.249	0
Castle Private Equity		7.979.843	0
		813.147.236	805.079.144
Total assets		821.150.672	819.356.122
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable		268.693	2.600
Other payables		135.000	223.851
Current tax liability		44.000	97.000
		447.693	323.451
Shareholders' equity			
Share capital	2	571.605.050	571.605.050
Legal reserves		619.244.242	619.244.242
Other retained losses		-371.816.620	-359.853.991
Net profit (loss) for the period		1.670.308	-11.962.629
		820.702.979	819.032.671
Total liabilities		821.150.672	819.356.122

Income statement for the periodsJanuary 1, 2005
to June 30, 2005
(unaudited)January 1, 2004
to June 30, 2004
(unaudited)

Income			
	Note	CHF	CHF
Unrealized gains on investments		493.841	0
Interest income		162.674	51.654
Foreign exchange gains		1.708.582	104.786
		<u>2.365.097</u>	<u>156.440</u>
Expenses			
Bank and broker expenses		-673	-14.463
Other financial expenses		-11.843	-12.259
Directors fees		-48.019	-41.669
Legal and professional fees		-79.781	-55.760
Administration fees		-483.026	0
Capital taxes		-46.481	-49.882
General and other expenses		-24.966	-14.029
		<u>-694.789</u>	<u>-188.062</u>
Profit (loss) before income taxes		1.670.308	-31.622
Income taxes		0	0
Net profit (loss) for the period		1.670.308	-31.622

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, 2001			401.169.409
Valuation adjustment			-81.013.280
Carrying amount at December 31, 2002			320.156.129
Valuation adjustment			-14.999.780
Carrying amount at December 31, 2003			305.156.349
Valuation adjustment			-10.430.903
Carrying amount at December 31, 2004			294.725.446
Valuation adjustment			0
Carrying amount at June 30, 2005			294.725.446
Private Seven Ltd. , Cayman Islands incorporated July 31, 2000; Investment Company	USD 50'000 USD 1/share	100%	
Carrying amount at December 31, 2001			235.500.200
Capital surplus repayment (USD 42 mio.)			-63.012.600
Valuation adjustment			-31.615.867
Carrying amount at December 31, 2002			140.871.733
Valuation adjustment			0
Carrying amount at December 31, 2003			140.871.733
Valuation adjustment			0
Carrying amount at December 31, 2004			140.871.733
Valuation adjustment			0
Carrying amount at June 30, 2005			140.871.733
Privatissimo Ltd. , Cayman Islands incorporated July 31, 2000; Investment Company	USD 50'000 USD 1/share	100%	
Carrying amount at December 31, 2001			488.536.800
Capital surplus repayment (USD 12 mio.)			-18.003.600
Valuation adjustment			-78.305.974
Carrying amount at December 31, 2002			392.227.226
Valuation adjustment			-22.825.262
Carrying amount at December 31, 2003			369.401.964
Valuation adjustment			-
Carrying amount at December 31, 2004			369.401.964
Valuation adjustment			-
Carrying amount at June 30, 2005			369.401.964

1) Investments (continued)

Name / (Purpose)	Share capital	Percentage held	CHF
Barry Ltd. , Cayman Islands incorporated July 31, 2001; Investment Company	USD 50'000 USD 1/share	100%	
Carrying amount at December 31, 2001			1
Carrying amount at December 31, 2002			1
Carrying amount at December 31, 2003			1
Carrying amount at December 31, 2004			1
Carrying amount at June 30, 2005			1
Absolute Investment Services Ltd. , Zurich incorporated November 19, 2004; Service Company	CHF 250.000 CHF 100/share	32%	
Carrying amount at December 31, 2004			80.000
Valuation adjustment			-
Carrying amount at June 30, 2005			80.000
Jade Invest SA , Neuchâtel incorporated June 30, 2005; Investment Company	CHF 186.100 CHF 1/share	47,42%	
Purchase of investment			88.249
Carrying amount at June 30, 2005			88.249
Castle Private Equity , Baar incorporated March, 1997, Investment Company	CHF 216.000.000 CHF 50/share	1,74%	
Purchase of investment			7.274.391
Valuation adjustment			705.452
Carrying amount at June 30, 2005			7.979.843
Summary of all investments:			
Total investments at December 31, 2001			1.125.231.592
Total capital surplus repayments			-81.016.200
Total valuation adjustments			-190.935.121
Carrying amount at December 31, 2002			853.280.271
Valuation adjustments			-37.825.042
Sale of investment Carry Ltd. (book value)			-25.182
Carrying amount at December 31, 2003			815.430.047
Valuation adjustments			-10.430.903
New investment Absolute Investment Services Ltd.			80.000
Carrying amount at December 31, 2004			805.079.144
Valuation adjustments			705.452
New investment Jade Invest SA			88.249
New investment Castle Private Equity			7.274.391
Total investments at June 30, 2005			813.147.236

A list of further details of investments are set out in note 5 to the consolidated financial statements of Absolute Private Equity Ltd. as of June 30, 2005.

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

2) Share capital

Name / (Purpose)	June 30, 2005 (unaudited)		December 31, 2004 (unaudited)	
	Total nominal value CHF	Number of shares	Total nominal value CHF	Number of shares
Share capital (bearer shares)	571'605'050	11'432'101	571'605'050	11'432'101
Total share capital	571'605'050	11'432'101	571'605'050	11'432'101

All bearer shares are entitled to dividend.

At the Annual General Meeting as of June 24, 2005, the shareholders resolved to issue another authorized capital of a maximum of nominal CHF 285'802'525 until June 26, 2007.

At the Annual General Meeting of June 24, 2005, the shareholders entitled the Board of Directors to repurchase up to 10% of the outstanding shares (max. 1'143'210 shares) over a period from July 2005 until the Annual General Meeting in the year 2006 in order to reduce the share capital. The repurchased shares have to be cancelled. The decision has not yet been published in the commercial register as of June 30, 2005.

3) Significant shareholders

As of June 30, 2005 the following major shareholders were known by the company:

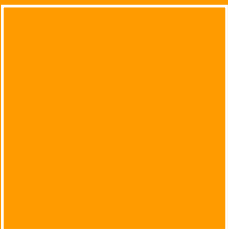
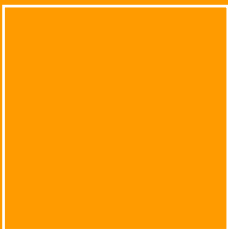
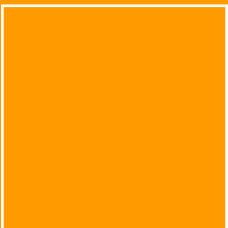
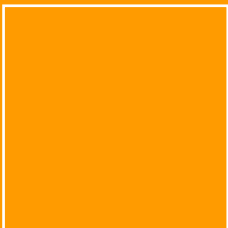
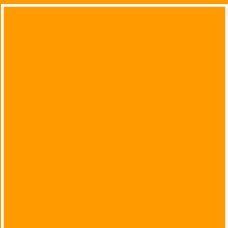
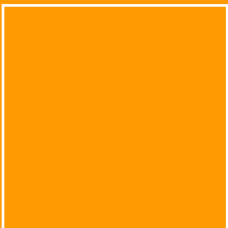
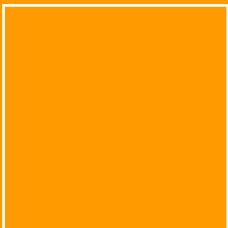
between 5 % and 10%	Laxey Partners Ltd., Onchan, Isle of Man (indirect)
between 10% and 20%	Credit Suisse Group, Zurich (direct and indirect)

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

According to contract dated June 27, 2005, Absolute Private Equity Ltd., Zug, grants a interest-free loan of CHF 14'911'751 to Jade Invest SA, Neuchâtel, for a period of max 5 years. This loan will be set against future increases of capital effected by Jade Invest SA.

At the annual General Meeting as of June 24, 2005 Daniel Brupbacher has been elected as member of the Board of Directors.

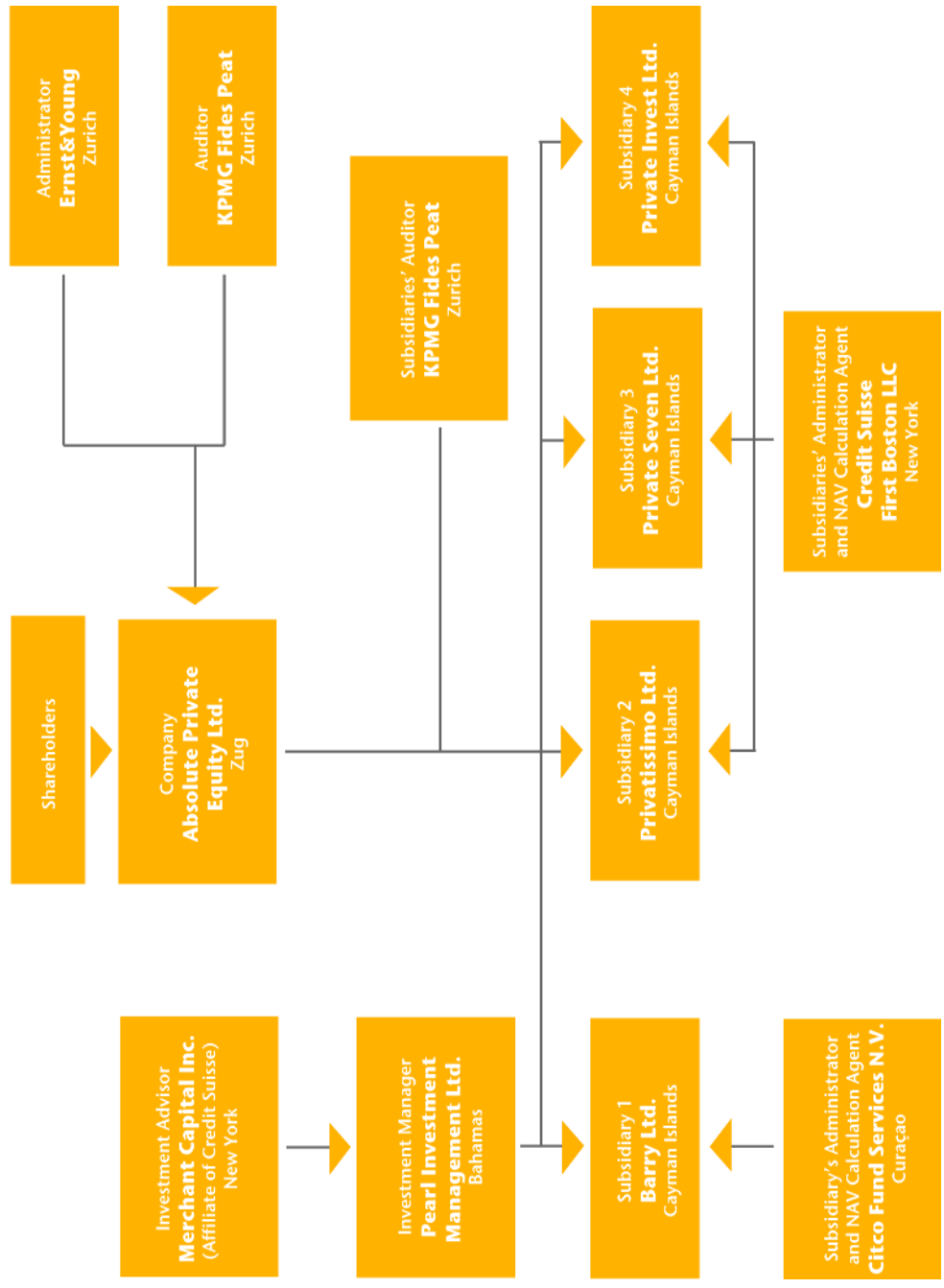
There are no further facts which require disclosure in accordance with Art. 663b of the Swiss Code of Obligations.



company
profile

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 (since 24.06.05); 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

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 C. Bridge, Chief Operating Officer, Absolute Investment Services Ltd.

Absolute Private Equity Ltd. invests a portion of its assets through Privatissimo Ltd. in accordance with the investment guidelines.

Private Seven 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 C. Bridge, Chief Operating Officer, Absolute Investment Services Ltd.

Absolute Private Equity Ltd. invests up to 40% of its assets through Private Seven Ltd. in accordance with the investment guidelines.

Private Invest 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 C. Bridge, Chief Operating Officer, Absolute Investment Services Ltd.

Absolute Private Equity Ltd. invests a portion of its assets through Private Invest Ltd. in accordance with the investment guidelines.

Barry 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 C. Bridge, Chief Operating Officer, Absolute Investment Services Ltd.

Absolute Private Equity Ltd. invests a portion of its assets through Barry Ltd. in accordance with the investment guidelines.

Investment Manager

Pearl Investment Management Ltd.
P.O. Box, Fourth Floor
The Bahamas Financial Centre
Shirley & Charlotte Streets
Nassau, Bahamas

Board of Directors

- Franco Müller, Chief Executive Officer, Banca di Gestione Patrimoniale
- Michael L. Paton, Lennox Paton Council and Attorneys-at-Law, Notaries Public, Nassau (Bahamas) Ltd.
- Remigio Luongo, Director, Credit Suisse

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

Investment Advisor

Merchant Capital Inc.
An indirect subsidiary of Credit Suisse
CSFB Private Equity
Eleven Madison Avenue
New York, NY, 10010
USA

Merchant Capital acts as Investment Advisor 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.

Talstrasse 37
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 at 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.

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