

Leeward Ventures SICAR SCA

Key Numbers (Dec 31, 2008)	
Net Asset Value per Share	€1,959.62
Net Asset Value	€94.43 million
Investment Portfolio	€97.38 million
Assets Under Management	€101.00 million
Number of Portfolio Companies	25
ISIN Code	LU026295815
Bloomberg Code	LEVENTU LX

Leeward Ventures SICAR SCA is a Luxembourg private equity fund with over 100 million euro in assets under management. Our objective is to generate long-term capital gains, by providing growth capital to fast growing, innovative companies and by making targeted investments in companies that are undervalued as a result of business, financial, market or legal uncertainties. Such investments may be made either directly or indirectly, through other vehicles having a venture capital or private equity strategy. Our goal is to provide our investors with superior long-term returns, with low correlation to traditional public debt and equity markets. To this end we employ an opportunistic approach with a special focus on the following types of investments:

- Significant minority ownership positions in the equity capital of innovative early stage and late stage venture capital backed companies;
- Expansion capital, hybrid financing and mezzanine financing for fast growing private companies with superior growth prospects;
- Majority ownership positions in undervalued companies;
- Private equity investments in small-cap public companies;
- Opportunistic investments in the real estate sector.

A strategy of Partnerships

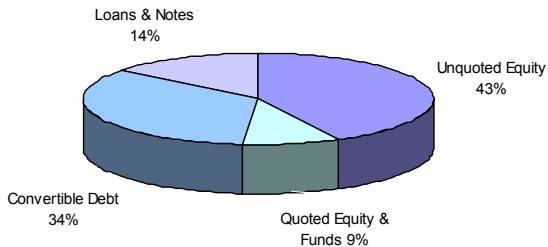
We aim to create value by partnering with our portfolio companies. This means that we try to enhance growth and profitability through a combination of strategic capital and operational insight. To implement this strategy we use a five step process:

- We focus on companies that have the ability to become market leaders in rapidly growing or consolidating industries;
- We target companies to which we can bring substantial value by utilizing our firm's resources;
- We invest in proven business models, with companies experiencing positive business momentum;
- We select outstanding management teams and entrepreneurs;
- We establish strong partnerships with our portfolio companies, built on a shared commitment to excellence.



Performance Update 2008

Portfolio Composition per Asset Class



We are happy to announce that the Net Asset Value per share of Leeward Ventures SICAR SCA as per December 31, 2008 increased to €1,959.62. This translates to an annual performance of 12.43% for 2008 and an internal rate of return of 25.16% over the three years since inception. The size of our investment portfolio grew from €60.50 million to €97.38 million and assets under management grew from €72 million to over €100 million, as we put to work more than €27 million through investments in 5 new portfolio companies and follow-up investments in 8 existing portfolio companies. Income for the year was €12.74 million, of which €56,680 was dividend income, €1.77 million was interest income, €336,494 was capital gains from the sale of fixed assets and €9.9 million was

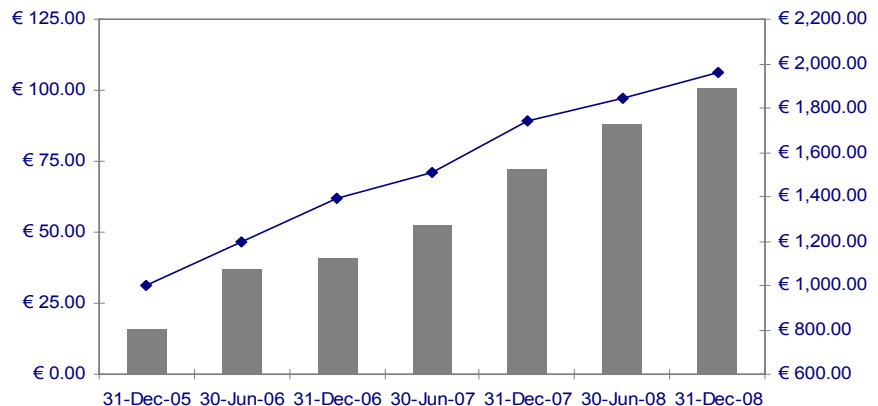
unrealized gains on investments. During the year the fund also completed two subsequent closings, raising a total of €19.5 million.

2008 turned out to be an “annus horribilis” for investors across all asset classes and industries. Given these difficult circumstances we are generally happy with the results for 2008 which, although lower than the previous years, still beat the averages by a wide margin. Results were negatively impacted by the correction in OTC-listed stocks and by the steep decline in the price of crude oil, which negatively affected our investment in Leeward Energy Inc. However most of our private companies seem to weather the economic storm relatively well. In companies where workouts were needed, we were able to neutralize their impact through the negotiation of considerably improved terms, including substantial increases in our shareholding. Results for the year also benefited from the appreciation of the US dollar.

The share of our portfolio devoted to unquoted equity remained largely unchanged at 43%. Except for follow-up investments in existing portfolio companies we are reluctant to take large equity stakes in new companies and prefer to work primarily through convertible debt deals. As a result the share of convertible debt and other debt instruments with equity-like characteristics increased from 20% to 34%. Loans & notes doubled from 7% to 14% of the portfolio. Most of these loans have short maturities and we are actively working with the companies to replace them with other financing options. Quoted equity & funds decreased to 9% of the portfolio.

Assets Under Management & NAV Evolution Since Inception

	AUM MM€ (left)	NAV € (right)
31-Dec-05	€ 16.00	€ 1,000.00
30-Jun-06	€ 36.80	€ 1,197.22
31-Dec-06	€ 40.80	€ 1,393.32
30-Jun-07	€ 52.44	€ 1,508.33
31-Dec-07	€ 72.00	€ 1,743.00
30-Jun-08	€ 87.85	€ 1,840.80
31-Dec-08	€ 100.70	€ 1,959.62



Leeward Ventures SICAR SCA Summary Terms

ISIN Code	LU026295815
Bloomberg Code	LEVENTU LX
Fund Structure	Open-ended SICAR incorporated as Luxembourg S.C.A.
Fund Manager	Leeward Ventures Management S.A.
Fund Adviser	Leeward Fund Management Ltd.
Custodian	ABN Amro Bank (Luxembourg) S.A.
Domiciliary Agent	RSM Henri Grisius & Associates S.a.r.l.
Auditors	Mazars (Luxembourg)
Investment Criteria	<ul style="list-style-type: none"> ▪ €1m. - €5m. per transaction ▪ Mostly meaningful minority equity interests ▪ Positive or negative EBITDA (clear path to profitability) ▪ Strong management ▪ Private and small public companies (PIPE's) ▪ Hybrid forms of financing mixing equity and debt ▪ No pre-set holding period (usually < 5 years) ▪ Industry agnostic
Geographic Focus	<ul style="list-style-type: none"> ▪ Europe (70%) ▪ United States (20%) ▪ Asia (10%)
First Closing	January 31, 2006
Subsequent Closings	November 1 - December 31 of each year
Minimum Subscription	€125,000
Valuation Dates	June 30 and December 31
Liquidity	Annual with 5-year lock-up
Subscription Fee	1.00%
Redemption Fee	None
Management Fee	2% per annum
Incentive Allocation	20% of the fund's net profits after all fees and taxes, over and above a hurdle rate of 8%
Contact Information	<p>Leeward Ventures SICAR S.C.A. C/o RSM Henri Grisius & Associates S.a.r.l. 6, rue Adolphe B.P. 908, L-2019 Luxembourg Tel: +352 26 97971 Fax: +352 26 97973460 E-mail: mail@leeward.lu</p>

Company Directory

Registered Office

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Investment Advisor

Leeward Fund Management Ltd. (HK Branch)
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Board of Directors of the Manager

Peter Vanderbruggen, HIR

Managing Director, Leeward Fund Management Ltd.
Managing Director, Leeward Ventures Management SA

Bart Vanderschrick, ir, MBA

Independent consultant since 1993; investor and executive in several successful startups.

Henri Grisius

Partner of RSM Henri Grisius & Associés S.a.r.l.

Investment Committee

Patrick Cornette

Director Trustteam, Sales Talents and Disfruta. Former director of Hays Belgium, ADMB Interim and Inter Office Select.

Alexander Dewulf

General manager Cebeo. Former CEO Nuon. Former CEO Siemens Business Services Belgium.

Luc Florizoone

Private investor. Former CEO of Bellewaerde Park.

Jan Gesquiere

Chief financial officer Elia.

Paul Potteau

Founder & CEO Paul Potteau Group (De Coene Decor, Fibrocit, Cresco Graphics, Metovan and Reflecta). Chairman Group S (Social Secretariat). Chairman Adhesia (Medical prevention). Former Vice president of the Flemish Constructors Association.

Luc Seynaeve

Independent consultant. Former general manager KBC. Former executive board member CSOB Bank. Former president Centea Bank.

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