Gimv

Good company for companies

Press release

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Financial and economic crisis leads to unrealised capital losses

Strong financial position will be used in all activities

Basic dividend of EUR 2.36 gross and equity value of EUR 48.02 per share

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The results for the first half of the 2008/2009 financial year cover the period from 1 April 2008 to 30 September 2008.

Key elements (limited consolidation)

Results

- Net result (group's share) EUR -159.8 million
- Net realised capital gains: EUR 36.4 million
- Net unrealised capital losses: EUR -175.0 million, reflecting the sharp fall in stock markets and the corresponding change in multiples

Equity

- Equity value (group's share): EUR 1,113.0 million (or EUR 48.02 per share), after payment on 3 July 2008 of the final dividend for the previous financial year of EUR 54.7 million (EUR 2.36 per share).

Dividend

- Basic dividend for the entire 2008/2009 financial year: EUR 2.36 gross (EUR 1.77 EUR net) per share (barring exceptional circumstances and subject to the approval of the general meeting of 24 June 2009).

Balance sheet

- Balance sheet total: EUR 1,170.5 million
- Net cash position: EUR 469.2 million
- Financial assets: EUR 651.0 million

Investments

- Total investments: EUR 94.4 million
  Additional investments by Gimv-managed funds: EUR 4.7 million

- 68% (EUR 63.9 million) in Buyouts & Growth, 20% (EUR 19.2 million) in Technology, 4% (EUR 3.8 million) in Life Sciences and 8% (EUR 7.5 million) in new initiatives (Cleantech, Infrastructure and Buyouts & Growth France).
- 40% (EUR 37.9 million) in Belgium, 22% (EUR 21.0 million) in the Netherlands, 5% (EUR 4.7 million) in France, 8% (EUR 7.3 million) in Germany, 20% (EUR 18.8 million) in the rest of Europe, 4% (EUR 4.2 million) in the USA and 1% (EUR 0.6 million) elsewhere.
- 27% (EUR 25.1 million) in 3 new direct investments, 55% (EUR 52.1 million) in direct follow-up investments and 18% (EUR 17.1 million) invested in third party funds.
- Principal investments: Actogenix, Antisoma, Bandolera, CoreOptics, Dialog Imaging Systems, Emerald Cleantech Fund II, Mondi Foods, Openbravo, OTN, Pragma Capital, Scana Noliko.

Divestments

- Total divestment revenues: EUR 153.4 million. Additional revenue from divestments by Gimv-managed funds: EUR 38.3 million
- 96% (EUR 148.2 million) Buyouts & Growth, 3% (EUR 4.6 million) Technology and 1% (EUR 0.6 million) Life Sciences
- 82% (EUR 125.3 million) in Belgium, 4% (EUR 6.4 million) in the Netherlands, 10% (EUR 15.8 million) in Germany, 3% (EUR 5.2 million) in the rest of Europe and 1% (EUR 0.8 million) in the USA
- 7% (EUR 10.4 million) of loans, 91% (EUR 139.2 million) of unlisted participations and 2% (EUR 3.8 million) of funds
- Additional dividends, interest and management fees from sold participations: EUR 1.0 million
- Revenues from divestments: 31.4% above their carrying value at 31 March 2008, and 184% above their original acquisition value
- Main divestments/refinancings: Arcomet, BMC, Ecophos, Gealan and Westerlund

Commentary

Managing Director Koen Dejonckheere, on the first half results: "*Gimv has over the past years built up a strong financial position. This gives us the clout, in the present financial and economic crisis, to invest the necessary resources in all our activities, and at the same time honour our commitments to both our shareholders and our portfolio companies.*"

"*In the turbulent market conditions of the first half of this year, the application of the IFRS mark-to-market principle has led to significant unrealized capital losses. Gimv is, however, a strong and healthy company which is pursuing an unchanged strategy. In today's market situation we nonetheless remain vigilant and faithful to our conservative policy,"* says Chairman Herman Daems. *"In this way we were able to realise substantial capital gains in the first half. In addition, the resources we have collected, in combination with our extremely solid balance sheet structure, will enable us to take maximum advantage, even in extremely difficult market circumstances, of the many opportunities that we are expecting to present themselves."*

Explanation of the figures (limited consolidation)[1]

Results

For the first six months of FY 2008-2009, Gimv reports a net loss (group's share) of EUR 159.8 million compared with a net gain of EUR 118.9 million during the first half of the FY 2007-2008. This loss is occasioned mainly by the unrealised capital losses on the portfolio companies following the sharp stock market falls and the corresponding changes in multiples. Since the application of IFRS, Gimv's result has been mainly based on the evolution in the value of the portfolio, with the group recording both realised and unrealised value fluctuations in its accounts. As a result capital losses – even if unrealised – give rise to an accounting loss on the portfolio.

Unrealised capital losses totalled EUR -175.0 million (vs. EUR 70.7 million of capital gains in the first half of 2007-2008). These losses were recorded on all activities. EUR 116.0 million relates to the Buyouts & Growth activities, EUR 32.0 million to Technology, EUR 22.2 million to Life Sciences and EUR 4.8 million to new initiatives (Cleantech, Infrastructure and Buyouts & Growth France).
The unrealised capital losses reflect the evolution of the market and are a direct consequence of the application of the prevailing international valuation rules. These unrealised capital gains are explained primarily by: (i) the fall in the market prices of listed shareholdings (EUR 31.1 million), (ii) the fall in multiples of unlisted companies (EUR 25.4 million), (iii) the increased financial debts of the shareholdings (EUR 30.9 million) and (iv) and the writing down of subordinated loans made (EUR 62.3 million, of which EUR 36.5 million because of lower results and EUR 10.5 million because of the fall in multiples)[2].
Given the difficult market situations, Gimv is expecting longer investment trajectories for its venture capital shareholdings. For this reason valuations, which are traditionally based on the most recent capital round, take into account the new economic reality. This gave rise to an additional EUR 27.8 million provision. Given that the only valuations available to Gimv at the end of September for the venture capital funds were those of the end of June, it was decided to take into account the negative evolution of stock markets in the last quarter. This meant an additional EUR 9.8 million write-down on these funds.

Realised net capital gains in the first half of FY 2008-2009 amount to EUR 36.4 million (EUR 60.4 million in the first half of FY 2007-2008). These derive almost exclusively (98%) from the Buyout & Growth activities in Belgium (Arcomet, Westerlund) and Germany. Gimv also divested the Ecophos shareholding in its Technology activity.

The other operating result[3] for the first half of 2008-2009 came out at EUR -1.3 million, compared with EUR -15.7 million for the corresponding period in 2007-2008. This is explained mainly by higher dividend and interest income from shareholdings and also the sharp reduction in variable personnel costs[4].

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[1] All income statement-related figures are compared with the figures for the first half of the 2007/2008 financial year. Balance-sheet related figures are compared with the situation at 31 March 2008.
[2] Whenever a valuation exercise shows the value of a shareholding to be lower than its equity, the balance is taken against the subordinated loan granted to it. These write-downs are not necessarily connected with the fundamental health of the companies involved, but mainly reflect the fall in multiples and lower results because of the tough economic conditions.
[3] Dividends, interest, management fees, turnover and other operating income, after deducting services and other goods, personnel costs, amortisation of intangible fixed assets, depreciation of land, buildings and equipment, and other operating costs.
[4] In line with the development of the portfolio.

The financial result for the first 6 months is EUR 23.1 million negative compared with EUR 6.6 million positive at 30 September 2007. The main reason for the loss is the EUR 30.9 million write-down on securitized loans (CDOs).

As previously announced, Gimv's portfolio of *collateralized debt obligations* (CDOs) amounted at 31 March 2008 to EUR 37.6 million. Gimv is also valuing these instruments at their prevailing market value. Despite the fact that Gimv continues to receive interest payments in the full amount and that no defaults have been reported in this portfolio, it has been decided, based on the market information available to Gimv, to write down these CDOs to EUR 6.7 million (i.e. 15% of the investment amount).

After deducting taxes (EUR 0.9 million) and minority interests (EUR 4.0 million), Gimv realised for the first half of FY 2008-2009 a net loss (group's share) of EUR 159.8 million.

Investments: 82% in direct investments and 95% in European companies

During the first half of FY 2008-2009, Gimv invested a total of EUR 94.4 million. Another EUR 4.7 million was invested by funds managed by Gimv. Gimv invested EUR 63.9 million in Buyouts & Growth (44.7 million in Belgium, 19.0 million in the Netherlands and 0.3 million in Germany), EUR 19.2 million in Technology, EUR 3.8 million in Life Sciences and EUR 7.5 million in new initiatives (Cleantech, Infrastructure and Buyouts & Growth France). EUR 37.9 million of the total investment amount (40%) went to Belgium and EUR 51.7 million to the rest of Europe (55%). The remaining EUR 4.8 million was invested principally in the United States (5%).

The main investments by business unit in the first half were Scana Noliko for Buyouts & Growth Belgium, Bandolera for Buyouts & Growth Netherlands, and Pragma Capital for Buyouts & Growth France. During this period Technology invested, among others, in Dialog Imaging Systems, OTN and Openbravo, and Life Sciences in Actogenix and Antisoma.

Total direct investments amounted to EUR 77.3 million, of which EUR 25.1 million (27%) was spent on new investments and EUR 52.1 million (55%) on follow-up investments. Gimv invested 18% of the total invested amount (EUR 17.1 million) in third party funds, in most cases following its strategy of initially developing new activities and regions in conjunction with partners.

Investments	1H2008-2009		1H2007-2008	
	EUR mio	%	EUR mio	%
Buyouts & Growth	**63,9**	**68%**	**48,7**	**50%**
Belgium	44,7	47%	39,2	40%
Netherlands	19,0	20%	2,7	3%
Germany	0,3	0%	6,9	7%
Venture Capital	**23,0**	**24%**	**40,5**	**41%**
Technology	19,2	20%	31,9	32%
Life Sciences	3,8	4%	8,6	9%
New activities	**7,5**	**8%**	**9,2**	**9%**
(Infrastructure, Cleantech, Buyouts & Growth France)				
Total investments	**94,4**	**100%**	**98,4**	**100%**

Investments	1H2008-2009		1H2007-2008	
	EUR mio	%	EUR mio	%
Belgium	37,9	40%	61,6	63%
Netherlands	21,0	22%	3,6	4%
Germany	7,3	8%	8,0	8%
France	4,7	5%	11,5	12%
Other European countries	18,8	20%	3,4	3%
United States	4,2	4%	7,9	8%
RoW	0,6	1%	2,4	2%
Total investments	**94,4**	100%	**98,4**	**100%**

Investments	1H2008-2009		1H2007-2008	
	EUR mio	%	EUR mio	%
Direct Investments	**77,3**	**82%**	**82,7**	**84%**
New investments	25,1	27%	33,9	34%
Follow-on investments	52,1	55%	48,8	50%
Third party funds	**17,1**	**18%**	**15,7**	**16%**
Total investments	**94,4**	**100%**	**98,4**	**100%**

Realised net capital gains of EUR 36.4 million

In the first half of FY 2008-2009, Gimv sold its shareholdings in, among others, Arcomet, Westerlund, Gealan and Ecophos. In all Gimv sold shareholdings totalling EUR 153.4 million. 96% (EUR 148.2 million) of these divestments were undertaken in Buyouts & Growth, 3% (EUR 4.6 million) in Technology and less than 1% (EUR 0.6 million) in Life Sciences. On top of this come another EUR 38.3 million of divestments by funds under management.

These divestments represented at 31 March 2008 a total value of EUR 117.5 million. The shareholdings sold by Gimv also generated EUR 1.0 million of dividends, interest and management fees for it in the first half of the 2008-2009 accounting year. In this way these sold shareholdings produced a total of EUR 154.4 million, or 31.4% (EUR 36.9 million) more than their carrying value at 31 March 2008 (valued at fair value in the limited consolidation) and 184.3% (EUR 100.1 million) above their original acquisition value of EUR 54.3 million, or a multiple of 2.8.

Divestments	1H2008-2009		1H2007-2008	
	EUR mio	%	EUR mio	%
Buy-outs & Growth	**148,2**	**97%**	**141,4**	**55%**
Belgium	126,0	82%	95,2	**37%**
Netherlands	6,4	4%	22,6	**9%**
Germany	15,8	10%	23,6	**9%**
Venture Capital	**5,2**	**3%**	**117,1**	**45%**
Technology	4,6	3%	112,8	**44%**
Life Sciences	0,6	0%	4,32	**2%**
New activities	-	**-**	-	**-**
(Infrastructure, Cleantech, Buyouts & Growth Frankrijk)				
Total divestments	**153,4**	**100%**	**258,5**	**100%**

Divestments	1H2008-2009		1H2007-2008	
	EUR mio	%	EUR mio	%
Belgium	125,3	82%	155,4	60%
Netherlands	6,4	4%	22,6	9%
Germany	15,8	10%	23,2	9%
France	0,3	0%	9,3	4%
Other European countries	4,8	3%	44,2	17%
United States	0,8	0%	**3,8**	1%
RoW	-	-	-	-
Total divestments	**153,4**	**100%**	**258,5**	**100%**

Divestments	1H2008-2009		1H2007-2008	
	EUR mio	%	EUR mio	%
Listed shareholdings	-	-	118,7	46%
Unlisted shareholdings	139,2	91%	81,4	31%
Third party funds	3,8	2%	47,7	18%
Loans	10,4	7%	10,7	4%
Total divestments	**153,4**	**100%**	**258,5**	100%

Portfolio value stands at EUR 651.0 million

The balance sheet total amounts at 30.09.2008 to EUR 1,170.5 million. The portfolio is valued at EUR 651.0 compared with EUR 848.1 million at 31.03.2008.

Financial assets can be broken down as follows: 56% (EUR 364.7 million) in Buyouts & Growth (Belgium, Netherlands and Germany), 23% (EUR 148.5 million) in Technology, 18% (EUR 119.6 million) in Life Sciences and 3% (EUR 18.2 million) in new initiatives (Cleantech, Infrastructure and Buyouts & Growth France).

42% (EUR 272.5 million) of the value of the portfolio is situated in Belgium, 11% (EUR 70.0 million) in France, 8% (EUR 50.1 million) in Germany, 16% (EUR 107.2 million) in the Netherlands, 11% (EUR 73.9 million) in other European countries, 11% (EUR 69.1 million) in the United States and 1% (EUR 8.3 million) elsewhere.

On 30 September 2008 the unlisted shareholdings formed 75% of the portfolio: 20% of this (EUR 131.8 million) is valued on the basis of multiples, 17% (EUR 109.0 million) at investment cost, 17% (EUR 108.7 million) based on the price established in the most recent financing rounds, 20% (EUR 128.3 million) based on the net asset value of the underlying private-equity funds and 2% (EUR 12.3 million) based on other valuation methods (including sales value). The balance of the portfolio consists 10% of loans (EUR 64.9 million) and 15% (EUR 96.0 million) of listed shareholdings.

Portfolio	1H2008-2009		FY2007-2008	
	EUR mio	%	EUR mio	%
Listed shareholdings	**96,0**	**15%**	**122,7**	**14%**
Unlisted shareholdings	**490,1**	**75%**	**619,8**	**73%**
Valuation on the basis of multiples	131,8	**20%**	220,4	26%
Valuation at investment cost	109,0	**17%**	49,4	6%
Valuation based on the price established in the most recent financing round	108,7	**17%**	124,7	15%
Valuation based on the net asset value of the underlying private-equity funds	128,3	**20%**	134,1	16%
Valuation based on other methods (including sales value)	12,3	**2%**	91,1	11%
Loans	**64,9**	**10%**	**105,7**	**12%**
Total portfolio	**651,0**	**100%**	**848,1**	**100%**

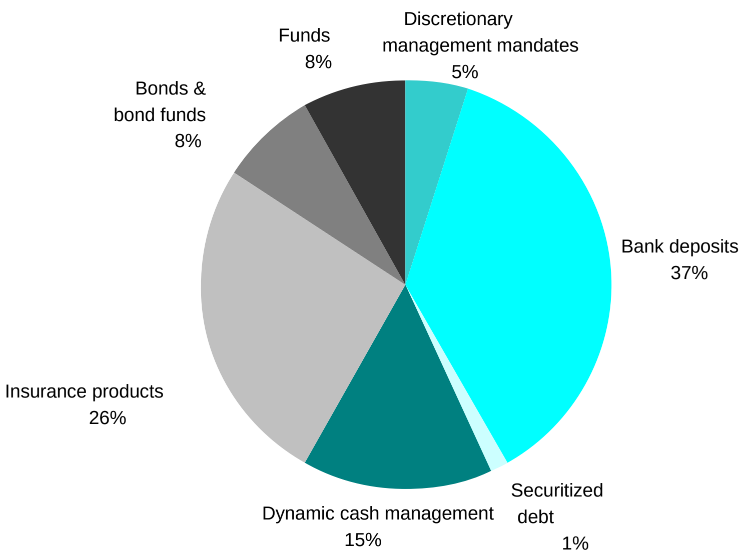
Portfolio	1H2008-2009		FY2007-2008	
	EUR mio	%	EUR mio	%
Europe	**573,6**	**88%**	**762,7**	**90%**
Belgium	272,5	42%	432,4	**51%**
France	70,0	11%	77,5	**9%**
Germany	50,1	8%	56,1	**7%**
Netherlands	107,2	16%	135,2	**16%**
Other European countries	73,9	11%	61,5	**7%**
United States	**69,1**	**11%**	**77,5**	**9%**
RoW	**8,3**	**1%**	**7,9**	**1%**
Total portfolio	**651,0**	**100%**	**848,1**	**100%**

Portfolio	1H2008-2009		FY2007-2008	
	EUR mio	%	EUR mio	%
Buyouts & Growth	**364,7**	**56%**	**527,3**	**62%**
Belgium	264,3	41%	385,2	45%
Netherlands	84,5	13%	111,2	13%
Germany	15,9	2%	30,9	4%
Technology	**148,5**	**23%**	**165,8**	**20%**
Life Sciences	**119,6**	**18%**	**139,6**	**16%**
New activities	**18,2**	**3%**	**15,4**	**2%**
Total portfolio	**651,0**	**100%**	**848,1**	**100%**

Ample cash position of EUR 469.2 million

Gimv's net cash position at 30.09.2008 amounted to EUR 469.2 million compared with EUR 512.5 million at 31.03.2008. This reduction is explained mainly by the payment of a final dividend in respect of the previous financial year (EUR 54.7 million) and the reduction in value of various treasury components (EUR 33.6 million). These reductions are partly offset by the fact that Gimv divested more than it invested during the period.

At 30.09.2008 the cash resources were divided among the following financial instruments: EUR 6.7 million of securitized debt (1%), EUR 70.2 million of dynamic cash management (15%), EUR 123.6 million of insurance products (26%), EUR 35.6 million of bonds and bond funds (8%), EUR 38.8 million of funds (8%), EUR 23.4 million of discretionary management mandates (5%) and EUR 170.9 million of bank deposits (37%). These bank deposits are spread over 7 different banking institutions.



Equity amounts to EUR 1,113.0 million or EUR 48.02 per share

Equity (group's share) (= net asset value) amounted at 30.09.2008 to EUR 1,113.0 million (EUR 48.02 per share after dividend), compared with EUR 1,327.6 million (EUR 57.28 per share) at 31.03.2008 (prior to dividend payment of EUR 2.36 per share). The reduction in equity during the first half of FY 2008-2009, offset against the dividends of EUR 54.7 million paid out during the financial year, represents a negative return on equity during the first half of 12.0%. During the same period the DJ Eurostoxx 50 Return Index fell by 13.9% and the S&P Listed Private Equity Return Index by 19.2%.

Basic dividend of EUR 2.36 gross (EUR 1.77 net) per share

In the given circumstances, the Board of Directors has decided to propose to the General Meeting of June 2009 that the company pay, in respect of FY 2008-2009, an unchanged basic dividend of EUR 2.36 gross (EUR 1.77 net) per share. If approved by the General Meeting, this dividend will be paid out in July 2009. Market circumstances and the result do not, however, justify an extraordinary interim dividend. Barring major unforeseen circumstances, the Board of Directors in this way confirms that it is maintaining its existing dividend policy.

Main events since 30 September 2008 and prospects

- The further negative developments on stock markets since the end of September can mean that the value of the portfolio will again fall in the second half. For example, between then and 14.11.2008, the value of the listed shareholdings fell by a further EUR 25.5 million to EUR 70.5 million.

- The weakening economic situation, tighter financing conditions and the reduced availability of bank credit are requiring greater vigilance with certain portfolio companies.

- Our new CEO Koen Dejonckheere took office on 1 October. He replaces chairman Herman Daems who had been acting as managing director ad interim since July.

Note to the consolidated figures

The above figures for the first half of FY 2008-2009 follow the 'limited consolidation' method. This gives a realistic view of Gimv's performance as a company. From FY 2005 year onwards Gimv has prepared its consolidated annual accounts in accordance with the 'International Financial Reporting Standards' (IFRS) as approved by the European Union.

A consequence of IFRS is that a number of companies in the investment portfolio over which the Group is deemed to exercise control in accordance with IAS 27 *(scope of consolidation)* have to be fully consolidated in the 'statutory consolidation'. This has a major effect on the presentation of the balance sheet and income statement as these now include elements like sales, operating profit, personnel costs, inventories, receivables etc. from a number of companies in the investment portfolio. Given that these investments have been made expressly with a view to creating capital gains and generating income, we believe that the consolidation of enterprises included in the investment portfolio is not a relevant yardstick for measuring the Group's performance and can even be potentially misleading. Gimv has therefore decided to produce two separate types of consolidated financial statements. These are the 'statutory consolidation', in which all IFRS rules are complied with including IAS 27 (scope of consolidation) and a 'limited' consolidation in which all companies belonging to the investment portfolio are included at fair value.

The commentary on Gimv's results for the first half of FY 2008-2009 given below is based on the statutory consolidation.

Reconciliation of the limited and statutory consolidations

The main difference between the limited and the statutory consolidations lies in the fact that the statutory consolidation fully consolidates a number of companies in place of showing them at fair value, as in the limited consolidation.

For the first half of FY 2007-2008 the companies concerned were Bever Zwerfsport Investments, De Groot International Investments, Geveke Investments, Hebu Investments, Interbrush, Low Land Fashion and Operator Groep Delft. In the first half of FY 2008-2009 these were again De Groot International Investments, Interbrush, HVEG Investments (formerly Low Land Fashion) and Operator Group Delft, plus newcomers Grandeco Wallfashion Group, Verlihold, Numac Investments, Ter Stal Investments, Scana Noliko, OTN and Bandolera. The shareholdings in Bever Zwerfsport Investments, Geveke Investments and Hebu Investments were sold in the course of the past financial year.

Connection between equity (attribuable to shareholders of the parent company)	30/09/2008	31/03/2008
Limited consolidation	**1.113.018**	**1.327.554**
Inclusion of Bandolera	-	-
Inclusion of Bever Zwerfsport Investments	-	-
Inclusion of De Groot International Investments	- 5.179	- 8.714
Inclusion of Geveke Investments	-	-
Inclusion of Grandeco Wallfashion Group	18.955	251
Inclusion of Hebu Investments	-	-
Inclusion of Interbrush	10.302	641
Inclusion of HVEG (Lowland Fashion)	28.667	2.778
Inclusion of Numac Investments	865	- 246
Inclusion of Operator Group Delft	- 1.742	- 6.221
Inclusion of OTN	-	-
Inclusion of Scana Noliko	- 21.598	-
Inclusion of Terstal Investments	3.570	- 319
Inclusion of Verlihold	2.809	- 600
Impairment on the goodwill of consolidated companies	- 105.084	-
Legal consolidation	**1.044.583**	**1.315.124**

Connection between the result (attribuable to shareholders of the parent company)	30/09/2008	30/09/2007
Limited consolidation	**- 159.840**	**118.917**
Opname Bandolera	-	-
Opname Bever Zwerfsport Investments	-	- 12.539
Opname De Groot International Investments	3.535	193
Opname Geveke Investments	-	- 6.362
Opname Grandeco Wallfashion Group	18.703	-
Opname Hebu Investments	-	- 4.254
Opname Interbrush	9.660	- 1.327
Opname HVEG (Lowland Fashion)	25.935	2.026
Opname Numac Investments	1.112	-
Opname Operator Group Delft	4.479	1.448
Opname OTN	-	
Opname Scana Noliko	- 21.598	
Opname Terstal Investments	3.889	-
Opname Verlihold	3.410	-
Impairment on the goodwill of consolidated companies	- 105.084	
Legal consolidation	**- 215.799**	**98.103**

Explanation of the figures (statutory consolidation)[5]

Income statement

The net loss of Gimv (group's share) for the first half of FY 2008-2009 amounts to EUR 215.8 million compared with a net profit of EUR 98.1 million in the first half of FY 2007-2008. This loss reflects the unfavourable development of the value of the Gimv portfolio.

Under IFRS, Gimv's profit is largely based on the evolution in the value of the portfolio, including both realised and unrealised value movements. Added to this is the profit/loss of the companies included in the statutory consolidation, after deconsolidating any divestments.

In the first half of 2008-2009, realised and unrealised value movements of EUR -205.7 million were recorded. The difference with the EUR -138.6 million in the limited consolidation can be explained mainly by the elimination of the unrealised value movements of the companies that are included in the statutory consolidation.

The other operating result amounts to EUR 26.5 million. This figure conceals, however, major differences in its composition compared with the EUR – 1.3 million operating result shown in the limited consolidation.

The fact is that by including the above-mentioned companies in the statutory consolidation, Gimv is at once confronted with considerably higher figures for turnover, personnel costs, depreciation of tangible assets and other operating costs compared with the figures recorded in the limited consolidation.

Together with the financial result of EUR -34.0 million, and after deduction of taxes (EUR 5.2 million) and minority interests (EUR 2.6 million), Gimv realised a net loss (group's share) of EUR 215.8 million in the first half of FY 2008-2009.

The main reason for the negative financial result for the first half is the EUR 30.9 million write-down recorded on the securitized debt (CDOs).

Balance sheet

Assets

Non-current assets

Non-current assets in the statutory consolidation fell to EUR 874.6 million from EUR 1,119.0 million at 31.03.2008. Goodwill and other intangible assets fell by EUR 60.1 million to EUR 248.0 million. These figures reflect the acquisitions of Bandolera and OTN, the increased shareholding in Scana

[5] All income statement-related figures are compared with the figures for the first half of the 2007/2008 financial year. Balance-sheet related figures are compared with the situation at 31 March 2008.

Noliko and the consolidation of their respective purchasing holding companies, offset by the recognition of major goodwill impairment losses on the consolidated companies. As a result of the above-mentioned acquisitions, property, plant and equipment rose by EUR 32.6 million to EUR 123.0 million. Financial assets at fair value through P&L and loans to investee companies fell by EUR 220.3 million to EUR 498.9 million, almost entirely as the result of unrealized reductions in value consequent on the mark-to-market valuation of the portfolio. The EUR 152.1 million difference between the financial assets in the statutory and the limited consolidations corresponds to the fair value of the shareholdings that are consolidated in the statutory consolidation.

Current assets

During the first half of FY 2008-2009, current assets rose by EUR 94.0 million to EUR 812.1 million. The EUR 123.3 million of inventories shown in the balance sheet come entirely from the buy-outs consolidated in the statutory consolidation. This is more than twice the amount recorded at 31.03.2008. Trade receivables have increased by EUR 52.5 million to EUR 169.2 million. These trade receivables are located mainly in the buy-out shareholdings in the statutory consolidation, which explains the significant difference with the amount of the trade receivables in the limited consolidation (EUR 35.4 million).

There was also a small increase in loans to investee companies (EUR 7.9 million vs. EUR 4.8 million) and a slight decrease in cash and cash equivalents from EUR 538.3 million at 31.03.2008 to EUR 497.7 at 30.09.2008. The latter is the net effect of divestments, investments, dividend payments and a substantial write-down on the securitized debt portfolio.

Liabilities and equity

Equity

Equity (group's share) fell from EUR 1,315.1 million to EUR 1,044.6 million. This amount consists both of the equity of the limited consolidation (EUR 1,113.0 million) and of the reserves of the companies in the statutory consolidation after eliminating any revaluations of these shareholdings in the limited consolidation of the Gimv Group, amounting to EUR 36.6 million net. Finally there was a major impairment loss on the goodwill of the consolidated companies (EUR - 105.1 million).

Liabilities
Total liabilities rose from EUR 470.9 million to EUR 585.8 million.

Non-current liabilities rose in the first half of FY 2008-2009 to EUR 349.9 million (EUR 309.9 million at 31.03.2008), mainly as a result of the increase in financial liabilities (EUR 29.5 million) and a doubling of deferred taxation (EUR 5.8 million). The financial liabilities figure stands in sharp contrast to the total absence of long-term financial liabilities in the limited consolidation. This reflects the presence of buy-out debts in the purchasing holdings included in the statutory consolidation. It should, however, be emphasized that these debts are not debts of Gimv nv. Gimv's risk is therefore limited to its investment in the various shareholdings.

Current liabilities rose by nearly 50% to EUR 235.9 million (+ EUR 75.0 million). This is explained mainly by a EUR 44.0 million increase in short-term financial liabilities and a EUR 27.3 million rise in trade and other liabilities. Here too, financial liabilities stand in sharp contrast to the total absence of current financial liabilities in the limited consolidation, for the same reasons as given above.

Financial calendar

- Business update third quarter FY 2008/2009 (01/10/08-31/12/08) — 19 February 2009
- Results for FY 2008/2009 (01/04/08-31/03/09) — 26 May 2009
- General Shareholders' Meeting of Shareholders in respect of FY 2008/2009 — 24 June 2009
- Business update first quarter FY 2009/2010 (01/04/09-30/06/09) — August 2009
- Announcement of first half FY 2009/2010 results (01/04/09-30/09/09) — 19 November 2009

Statement by senior management in accordance with Royal Decree of 14 November 2007

Pursuant to article 13 § 2,3 of the Royal Decree of 14 November 2007, CEO Koen Dejonckheere and CFO Marc Vercruysse declare, on behalf of and for the account of Gimv that, as far as is known to them,

a) the half-yearly financial statements at 30 September 2008 are drawn up in accordance with IFRS and with IAS 34 “Interim Financial Reporting” as adopted by the European Union and present a true and fair view of the equity, financial situation and results of Gimv and the companies included in the consolidation.

b) the half-yearly report gives a true and fair view of the main events of the first half-year, their impact on the financial statements, the main risk factors and uncertainties for the remaining months of the financial year, as well as the main transactions with related parties and their possible impact on the abbreviated financial statements.

Statutory Auditor's report on the accounting data given in the Gimv NV half-yearly press release

We have compared the financial information included in the press release on the first half-year's results of Gimv NV with the interim statutory and limited consolidated statements as at 30 September 2008 which are given in the same press release. We confirm that these accounting data do not contain any evident discrepancies with the interim consolidated financial statements.

In respect of these interim statutory and limited financial statements we have delivered a limited audit report in which we state that, based on our limited audit, there is nothing to suggest that these interim consolidated financial statements are not drawn up in every respect in accordance with the reporting and valuation criteria which the Company applies in drawing up its consolidated annual financial statements.

Antwerp, 18 November 2008
Ernst & Young Bedrijfsrevisoren BCVBA
represented by Mr Rudi Bra

For further information, please contact:

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Gimv is a European investment company with nearly 30 years of experience in private equity and venture capital. The company is listed on Euronext Brussels and currently manages around EUR 2.0 billion of assets (including third party funds).

Gimv undertakes buyouts and provides growth capital to established companies. Local teams in Belgium, France, The Netherlands and Germany concentrate on these activities. Gimv makes venture capital investments in the technology sector through its dedicated teams specialised (*can we simplify to* "through its specialist teams"*)* in Life Science, Technology and Cleantech.

Its DG Infra+ fund focuses on infrastructure projects in the Benelux. For growth capital investments in Russia, Gimv has a joint venture with KBC Private Equity.

For more information about Gimv, please visit our website: **www.gimv.com**

Annexes:

1. Gimv Group – Consolidated balance sheet at 30 September 2008 (Limited and statutory consolidations)
2. Gimv Group – Consolidated income statement for the 6 months to 30 September 2008 (Limited and statutory consolidations)
3. Gimv Group – Consolidated statement of changes in equity at 30 September 2008 (Statutory consolidation)
4. Gimv Group – Consolidated cash flow statement for the 6 months to 30 September 2008 (Statutory consolidation)

Annexe 1: Gimv Group – Consolidated balance sheet at 30 September 2008 (limited and statutory consolidations)

Gimv GROUP - Consolidated balance sheet (in EUR 000)	Limited consolidation		Statutory consolidation	
	30/09/2008	31/03/2008	30/09/2008	31/03/2008
ASSETS				
I. NON -CURRENT ASSETS	655.884	853.142	874.563	1.119.032
1. Goodwill and other intangible assets	88	115	247.964	308.108
2. Property, plant and equipment	4.689	4.779	123.037	90.452
3. Participation in non-consolidated subsidiaries	-	-	-	-
4. Investments in associates	-	-	1.217	-
5. Participations in joint ventures	-	-	-	-
6. Financial assets at fair value through P&L	599.109	737.935	446.046	648.398
7. Loans to investee companies	51.916	110.209	52.840	70.758
8. Other financial assets	83	104	852	943
9. Deferred taxes	-	-	1.258	373
10. Pension assets	-	-	-	-
11. Other non-current assets	-	-	1.349	-
II. CURRENT ASSETS	514.580	540.844	812.097	718.135
12. Inventories	-	-	123.260	50.343
13. Current income tax receivables	-	-	5.065	-
14. Trade and other receivables	35.356	17.162	169.217	116.728
15. Loans to investee companies	6.819	4.380	7.936	4.817
16. Cash and cash equivalents	469.227	512.524	497.708	538.337
17. Other current assets	3.177	6.779	8.911	7.909
TOTAL ASSETS	1.170.464	1.393.986	1.686.660	1.837.167

Gimv GROUP - Consolidated balance sheet (in EUR 000)	Limited consolidation		Statutory consolidation	
	30/09/2008	31/03/2008	30/09/2008	31/03/2008
LIABILITIES				
I. EQUITY	1.132.747	1.349.264	1.100.822	1.366.290
A. Equity attributable to equity holders of the parent	1.113.018	1.327.554	1.044.583	1.315.124
1. Issued capital	220.000	220.000	220.000	220.000
2. Share premium account	1	1	1	1
3. Retained earnings	893.018	1.107.553	824.571	1.095.065
Of which net unrealised gains (losses) on fin. assets at fair value through P&L				
4. Translation differences	-	-	11	58
B. Minority interest	19.729	21.710	56.239	51.165
II. LIABILITIES	37.717	44.722	585.839	470.877
A. Non-current liabilities	22.376	27.287	349.900	309.913
5. Pension liabilities	2.886	2.875	5.110	4.010
6. Provisions	19.490	24.412	24.906	26.242
7. Deferred tax liabilities	-	-	11.337	5.571
8. Financial liabilities	-	-	296.182	266.665
9. Other liabilities	-	-	12.365	7.425
B. Current liabilities	15.341	17.435	235.939	160.965
10. Financial liabilities	-	-	98.166	54.190
11. Trade and other payables	11.418	14.254	110.456	83.122
12. Income tax payables	114	217	4.569	6.864
13. Other liabilities	3.809	2.964	22.749	16.789
TOTAL EQUITY AND LIABILITIES	1.170.464	1.393.986	1.686.660	1.837.167

Annexe 2: Gimv Group – Consolidated income statement for the 6 months to 30 September 2008 (limited and statutory consolidations)

Gimv GROUP - Consolidated income statement (in EUR 000)	Limited consolidation		Statutory consolidation	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
1. Operating income	**84.957**	**186.309**	**438.761**	**408.248**
1.1. Dividend income	8.597	4.463	8.597	4.464
1.2. Interest income	6.030	3.111	6.031	2.684
1.3. Gain on disposal of investments	39.629	60.623	39.629	60.623
1.4. Unrealised gains on financial assets at fair value trough P&L	25.240	112.687	3.643	93.308
1.5. Management fees	2.621	2.211	2.621	2.211
1.6. Turnover	2.046	1.669	363.547	243.102
1.7. Other operating income	794	1.545	14.693	1.856
2. Operating expenses (-)	**-224.869**	**-70.972**	**-618.025**	**-298.843**
2.1. Realised losses on disposal of investments	-3.276	-231	-3.276	-231
2.2. Unrealised losses on financial assets at fair value through P&L	-160.724	-34.503	-100.911	-45.248
2.3. Impairment losses	-39.514	-7.522	-144.825	-7.522
2.4. Purchase of goods and services	-8.616	-5.666	-256.986	-176.558
2.5. Personnel expenses	-8.021	-18.729	-79.711	-49.283
2.6. Depreciation of intangible assets	-28	-33	-214	-1.519
2.7. Depreciation of property, plant and equipment	-269	-241	-7.396	-2.915
2.8. Other operating expenses	-4.422	-4.047	-24.706	-15.567
3. Operating result, profit (loss)	**-139.912**	**115.337**	**-179.264**	**109.405**
4. Finance income	**10.989**	**6.680**	**12.679**	**6.713**
5. Finance cost (-)	**-34.050**	**-104**	**-46.653**	**-5.332**
6. Share of profit (loss) of associates	**-**	**-**	**-**	**-**
7. Result before tax, profit (loss)	**-162.974**	**121.913**	**-213.238**	**110.786**
8. Tax expenses (-)	**-904**	**-66**	**-5.194**	**-4.729**
9. Net profit (loss) of the period	**-163.878**	**121.847**	**-218.432**	**106.056**
9.1 Minority interests	-4.037	2.930	-2.633	7.953
9.2 Attributable to equity holders of the parent	-159.840	118.917	-215.799	98.103
EARNINGS PER SHARE (in EUR)				
1. Basic earnings per share	**-6,90**	**5,13**	**-9,31**	**4,23**
2. Diluted gains earnings per share (*)	**-6,90**	**5,13**	**-9,31**	**4,23**
TOTAL NUMBER OF SHARES				
At the end of the accounting period	**23.176.005**	**23.176.005**	**23.176.005**	**23.176.005**

(*) Assumed that all stock options/warrants which were in the money as at the end of the period would be exercized

Annexe 3: Gimv Group – Consolidated statement of changes in equity at 30 September 2008 (statutory consolidation)

Gimv GROUP - Consolidated statement of changes in equity (in EUR 000)	Attributable to equity holders of the parent								
Statutory Consolidation	Issued capital	Share premium account	Uncalled capital	Retained earnings	Translation differences	Treasury shares	TOTAL	Minority interest	TOTAL EQUITY
YEAR 2008-2009									
TOTAL 01/04/2008	220.000	1	-	1.095.065	58	-	1.315.124	51.165	1.366.290
1. Total profit (loss) for the year recognised directly in equity	-	-	-	-	-	-	-	-	-
1.1. Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	-
1.2. Tax on items taken directly to or transferred from equity	-	-	-	-	-	-	-	-	-
2 Net profit (loss) of the period	-	-	-	-215.799	-	-	-215.799	-2.633	-218.432
3. Capital increase	-	-	-	-	-	-	-	-	-
4. Repayment of capital (-)	-	-	-	-	-	-	-	-	-
5. Acquisition/disposal of treasury shares	-	-	-	-	-	-	-	7.706	7.706
6. Dividends to shareholders	-	-	-	-54.695	-	-	-54.695	-	-54.695
7. Other changes	-	-	-	-	-47	0	-47	-	-47
TOTAL 30/09/2008	220.000	1	-	824.571	11	0	1.044.583	56.238	1.100.821
	Attributable to equity holders of the parent								
	Issued capital	Share premium account	Uncalled capital	Retained earnings	Translation differences	Treasury shares	TOTAL	Minority interest	TOTAL EQUITY
YEAR 2007-2008									
TOTAL 01/04/2007	220.000	1	-	1.039.451	110	-	1.259.562	25.994	1.285.557
1. Total profit (loss) for the year recognised directly in equity	-	-	-	-	-	-	-	-	-
1.1. Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	-
1.2. Tax on items taken directly to or transferred from equity	-	-	-	-	-	-	-	-	-
2 Net profit (loss) of the period	-	-	-	168.018	-	-	168.018	17.421	185.439
3. Capital increase	-	-	-	-	-	-	-	-	-
4. Repayment of capital (-)	-	-	-	-	-	-	-	-	-
5. Acquisition/disposal of treasury shares	-	-	-	-	-	-	-	8.225	8.225
6. Dividends to shareholders	-	-	-	-112.404	-	-	-112.404	-	-112.404
7. Other changes	-	-	-	-	-52	0	-52	-475	-527
TOTAL 31/03/2008	220.000	1	-	1.095.065	58	0	1.315.124	51.165	1.366.290

Annexe 4: Gimv Group – Consolidated cash flow statement for the 6 months to 30 September 2008 (statutory consolidation)

Gimv GROUP - Consolidated cash flow statement (in EUR 000)	Statutory consolidation	
	30-09-2008	30-09-2007
I. NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (1 + 2)	**-69.519**	**25.822**
1. Cash generated from operations (1.1. + 1.2. + 1.3.)	**-63.278**	**29.618**
1.1. Operating result	**-179.264**	**109.405**
1.2. Adjustment for	203.370	**-90.724**
1.2.1. Interest income (-)	-6.030	-2.684
1.2.2. Dividend income (-)	-8.597	-4.464
1.2.3. Gain on disposal of investments	-39.629	-60.623
1.2.4. Losses on disposal of investments	3.276	231
1.2.5. Depreciation and amortisation	7.554	4.434
1.2.6. Impairment losses	144.522	7.522
1.2.7.Translation differences	137	18
1.2.8. Unrealised gains (losses) on financial assets at fair value through P&L	97.215	-48.060
1.2.9. Increase (decrease) in provisions	-5.125	11.975
1.2.10. Increase (decrease) pension liabilities (assets)	56	-21
1.2.11. Other adjustments	9.992	948
1.3.Change in working capital	**-87.385**	**10.937**
1.3.1. Increase (decrease) in inventories	-72.917	-6.992
1.3.2. Increase (decrease) in trade and other receivables	-52.489	11.676
1.3.3. Increase (decrease) in trade and other payables (-)	30.998	1.317
1.3.4. Other changes in working capital	7.023	4.936
2. Income taxes paid (received)	**-6.240**	**-3.796**
II. NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12 + 13 + 14)	**47.891**	**163.782**
1. Purchase of property, plant and equipment (-)	-7.223	-1.739
2. Purchase of investment property (-)	-	-250
3. Purchase of intangible assets (-)	-806	-338
4. Proceeds from disposal of property, plant and equipment (+)	236	33
5. Proceeds from disposal of investment property (+)	-	13
6. Proceeds from disposal of intangible assets (+)	-61	-
7. Proceeds from disposal of financial assets at fair value through P&L (+)	121.987	256.865
8. Proceeds from repayment of loans granted to investee companies (+)	7.995	5
9. Investment in financial assets at fair value through P&L (-)	-62.144	-98.414
10. Loans granted to investee companies (-)	-10.503	0
11. Net investment in other financial assets	-4	0
12. Acquisitions of subsidiaries, associates or joint ventures, net of cash acquired (-)	-18.558	-
13. Interest received	6.138	2.684
14. Dividends received	8.597	4.464
15. Government grants received	0	-
16. Other cash flows from investing activities	2.237	460
III. NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11)	**-19.002**	**-64.000**
1. Proceeds from capital increase	0	-
2. Proceeds from borrowings	73.493	9.716
3. Proceeds from finance leases	25	-
4. Proceeds from the sale of treasury shares	-2.000	-
5. Capital repayment	-5.068	-
6. Repayment of borrowings (-)	-2.079	-8.855
7. Repayment of finance lease liabilities (-)	0	-1.527
8. Purchase of treasury shares (-)	-6.570	-
9. Interest paid (-)	-38.225	-6.217
10. Dividends paid (-)	-50.143	-66.052
11. Other cash flows from financing activities	11.566	8.935
IV. NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (II + III + IV)	**-40.450**	**125.604**
V. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**538.337**	**452.535**
VI. EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS	**0**	**-**
VII. CASH AND CASH EQUIVALENTS, END OF PERIOD (I + V + VI)	**497.708**	**578.139**