

AlpInvest
Annual Report
2014



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Report of the Managing Board

Introduction

Over the course of 2014, it became increasingly clear that major economies across the globe are at different points in their business cycles. While advanced economies were leading the current cycle, there were major differences across individual developed markets. These differences were particularly pertinent to the world's two largest economies – the United States and the euro area.

Concurrent and leading indicators suggested that the growth trajectories in the US and in the euro area continued to diverge over the year. While the US showed positive continued recovery in both the production and the job market, in the euro area production slipped in the second half of 2014, unemployment remained high, bank lending to non-financial corporations and households contracted and consumer price inflation decelerated to just 0.3%. Against this background, monetary policies in the two economies were also diverging.

The lack of dynamism in the euro area was compounded by weaker economic growth in China and subdued economic activity in Japan, suggesting that the global economy was mostly running on one engine. The most obvious reflection of diverging growth and monetary policy paths was the strength of the US dollar in the second half of 2014.

Global M&A volume continued to gain momentum over the year, showing an increase of +22% year-on-year. Healthcare, telecom and real estate were the top three sectors, but other sectors also saw a significant increase in deal activity. Most regions contributed to the rise in worldwide M&A activity. The growth was led by strategic buyers that sought to increase earnings in an environment of sluggish economic growth, which was undermining capex based growth, and less by financial sponsors whose annual deal volume increased +14% compared to 2013. Venture capital ('VC') investing gained substantial momentum in the second half of 2014, where the activity in Asia was especially notable.

Exits also had a record year in 2014, both in terms of the number of portfolio companies that were divested and the reported amount of divestments. Preqin reported 1,667 exits last year, 13% more than in 2013. However, towards the end of 2014 private-equity backed divestments lost momentum as equity markets became more volatile. Nearly 50% of all exits in 2014 involved a trade sale, with secondary buyouts accounting for 29% and 17% of private-equity backed exits occurring through an initial public offering ('IPO'). This was not only the highest percentage since the global financial crisis, but it also set a new record in terms of the absolute number of IPOs. Similarly, venture capital backed firms saw a significant rise in IPO activity. In the US market alone, 115 venture-backed companies were exited through this channel, more than in any other year since 2000.

Turning to fundraising, commitments to private equity funds (including buyouts, venture capital, growth capital, distressed debt and mezzanine) in 2014 totaled \$ 295 bn (source: Preqin), a moderate increase from 2013, which made 2014 the best year in the post-crisis period – and the fourth best year ever. We believe in a low-yielding environment, limited partners ('LPs') are likely to continue to seek to harvest the liquidity risk premium that private equity can offer. Further, a significant increase in public valuations in 2014 created a need for many LPs to rebalance their portfolios in-line with their targeted exposures to private equity and other illiquid asset classes. Finally, GPs were developing innovative products that provide (existing and potential) investors with new opportunities in accordance with their risk/return references and liquidity needs.

LPs have numerous alternatives as to how they want to construct their private equity portfolios. In the primary fund market, investors somewhat reduced their commitments to buyout funds in 2014. While they also reduced their commitments on a year-on-year basis to distressed debt funds and mezzanine partnerships, investors decided to increase their capital commitments to VC funds and growth capital funds. However, seen from a medium- to longer-term perspective, the annual variations across strategies remain well within their historical bands and are likely to reflect the lumpiness of the fundraising market rather than strategic shifts in LPs' asset allocation to private equity.

Over the course of the last 15 years, Alpinvest Partners B.V. ('Alpinvest') has become one of the largest private equity investors in the world and today pursues opportunities across a range of private equity investment channels (primary fund investments, secondary and co-investments) covering the entire spectrum of private equity, (e.g., buyout, growth capital, venture and mezzanine).

As of December 31, 2014, aggregate capital committed¹ to Alpinvest has grown to over €60 billion from 30 investors. We believe that this growth is a clear indication of the support we have received from our investors and is also a reflection of the increasing importance of private equity in many developed economies, including many Asian economies.

In July 1, 2011 The Carlyle Group ('Carlyle') and Alpinvest's senior management acquired Alpinvest from APG Algemene Pensioen Groep N.V ('APG') and PGGM Vermogensbeheer B.V. ('PGGM'). As part of the restructuring of their holdings, APG and PGGM signed substantial mandates to be committed for the period 2011-2015.

As of August 1, 2013, Carlyle acquired full control of Alpinvest through the purchase of 40% of the shares that were held by Alpinvest's senior management.

On May 2, 2014, Carlyle undertook an internal reorganization. As part of this, Alpinvest Partners Inc. was merged into Alpinvest US Holdings, LLC (an affiliate of the Carlyle Group) and Alpinvest Partners US Holdings, LLC no longer forms part of the statutory consolidated reporting of Alpinvest. The activities of Alpinvest are not affected by this legal reorganization. Alpinvest US Holdings LLC continues to provide the same services to the Company for which it continues to be paid a management fee. This management fee is reflected in the consolidated income statement as an expense as from the transfer date. Information regarding investment performance, capital committed to Alpinvest, capital commitments by Alpinvest and capital invested provided in this Board Report therefore continues to reflect all activities of the Alpinvest organization.

Alpinvest employs 99 full time employees ('FTE') as of December 31, 2014, and the male/female ratio of all employees is 53:47. The FTE number and the ratio exclude employees formerly employed by Alpinvest Partners, Inc.

The size and composition of the Board are based on the profile and strategy of the Company. The professional expertise, experience and various competences of the members of the Board should support this profile and strategy. As a result of this combination of elements, all four members of the Board were male in 2014. Alpinvest strives to have a balanced composition of the Board, and will consider diversity including, where possible, age and gender, as one of the selection criteria when proposing new members for the Board in the future.

Alpinvest has been ISAE 3402 (previously SAS-70) compliant now for twelve years.

¹ Total capital committed to Alpinvest and its affiliates – includes €7.0bn of investor mandates that are managed on behalf of investors by Alpinvest Partners B.V. (or its controlled affiliates), but for which the investment decisions were made by parties other than Alpinvest or its affiliates (of which €6.7bn was committed up to 2002 and €0.2bn was committed in 2013).

Report of the Managing Board cont'd

AlpInvest is a signatory to the Principles for Responsible Investment, which were developed by a group of leading institutional investors in conjunction with the United Nations. From 2009 to 2014 we have been a member of the steering group, guiding implementation of the principles for the private equity industry.

In 2009, AlpInvest for the first time published a detailed Annual Review, which provides further information on the development of our business and can be found on AlpInvest's website.

Returns²

The table below represents the development of the gross and net life-to-date internal rate of returns¹ of investments made by AlpInvest

on behalf of all investors combined. The net life-to-date internal rate of return improved further in 2014, which reflects the improvement of the economic sentiment during the year and the solid performance of the investment portfolio. The year 2014 ended with a year-to-date net return¹ on the assets under management of close to 14%.

THE DEVELOPMENT OF THE GROSS AND NET LIFE-TO-DATE INTERNAL RATE OF RETURNS¹ OVER THE PAST SIX YEARS

as per December 31

End of year	2009	2010	2011	2012	2013	2014
Gross IRR	7.3%	10.1%	9.8%	11.1%	12.1%	12.5%
Net IRR	5.9%	8.9%	8.8%	10.1%	11.1%	11.6%

New commitments

The table below comprises all commitments received by AlpInvest and its affiliate AlpInvest US Holdings, LLC as of December 31, 2014, both cumulative and per annum.

ALPINVEST CUMULATIVE AND ANNUAL COMMITMENTS³

(€bn)

Cumulative commitments	Up to 2008	2009	2010	2011	2012	2013	2014	2015+
Fund Investments	27.3	29.1	31.7	32.5	34.0	36.3	37.8	38.7
Secondary Investments	3.8	5.0	5.3	5.7	7.0	8.5	9.5	9.9
Co-Investments	4.8	6.0	6.3	6.4	6.9	7.5	8.2	8.6
Mezzanine Investments	2.5	3.2	3.2	3.2	3.3	3.4	3.5	3.6
Direct Investments	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Total	39.5	44.4	47.6	48.9	52.3	56.8	60.2	62.0

Annual commitments	Up to 2008	2009	2010	2011	2012	2013	2014	2015+
Fund Investments	27.3	1.7	2.6	0.8	1.5	2.3	1.5	0.9
Secondary Investments	3.8	1.2	0.3	0.4	1.3	1.4	1.0	0.4
Co-Investments	4.8	1.2	0.3	0.1	0.5	0.7	0.7	0.4
Mezzanine Investments	2.5	0.7	-	-	0.1	0.1	0.2	0.1
Direct Investments	1.1	-	-	-	-	-	-	-
Total	39.5	4.8	3.3	1.3	3.4	4.5	3.4	1.8

¹ Performance information is based on the private equity and mezzanine primary fund investments, secondary investments and co-investments originated and made by AlpInvest and its affiliates on behalf of its investors on a combined basis. Excluded from the performance information shown are a) investments that were not originated by AlpInvest and b) Direct Investments, which was spun off from AlpInvest in 2005.

Gross Internal Rate of Return ("Gross IRR") represents the annualized IRR for the period indicated on Limited Partners' invested capital based on contributions, distributions and unrealized value before AlpInvest management fees, expenses and carried interest, which will reduce returns and in the aggregate are expected to be substantial. Net Internal Rate of Return ("Net IRR") represents the annualized IRR for the period indicated on Limited Partners' invested capital based on contributions, distributions and unrealized value after AlpInvest management fees, expenses and carried interest. To exclude the impact of FX, all non-EUR currency cash flows have been converted to EUR at the reporting period spot rate.

² Past performance is not indicative of future results.

³ Total capital committed to AlpInvest and its affiliates includes €7.0bn of investor mandates that are managed on behalf of investors by AlpInvest Partners B.V. (or its controlled affiliates), but for which the investment decisions were made by parties other than AlpInvest or its affiliates (of which €6.7bn was committed up to 2002 and €0.2bn was committed in 2013).

Risks

AlpInvest regularly assesses and addresses financial risks, business risks, event-driven risks, information risks, and compliance risks. Each risk category has been defined and an assessment has been made of the likelihood of the risk occurring and the resulting impact if the risk event does occur. Control procedures have been put in place to help mitigate these risks.

Adequate segregation of duties and independent review procedures are in place. AlpInvest's Policies and Procedures Manual defines control measures to help assure integrity, reliability, availability, and continuity of data and data processing. Business operations are monitored through management reports and review procedures.

AlpInvest has limited exposure to financial assets. Cash is typically held in short-term deposits with reputable banks and exposure to adverse movements in interest rates and foreign exchange rates is generally limited. With regards to the funding provided to the Company's main operating subsidiaries, any foreign currency exposure is typically hedged. AlpInvest is dependent on funding from its investors which are reputable pension funds and other reputable institutional investors.

Mandates are in place between the parties that define the minimum amounts our investors commit to AlpInvest for investment purposes. These are subject to certain limitations, monitored through compliance procedures.

AlpInvest regularly assesses and maintains appropriate levels of liquidity and solvency and has within the terms of the relevant mandates access to sufficient liquidity from its investors in order to fund its investments. Cash management control procedures include cash flow forecasting and monitoring of liquidity. Controls around, and associated risks in, the investment process are addressed in the ISAE 3402 type II Report, which is audited by Ernst & Young.

On May 11, 2015, AlpInvest obtained an Alternative Investment Fund Managers Directive ('AIFMD') license from the Dutch Authority for the Financial Markets ('AFM') for the management of fund-of-funds and private equity investment products for professional investors. AlpInvest has aligned its existing policies covering transparency, remuneration, service providers, risk management, MiFID, conflicts of interest, compliance, and anti-money laundering with the requirements of the AIFMD.

Operating performance AlpInvest Partners B.V.

Revenues and operating results increased in 2014, which was mainly driven by an increase in performance fees received from investors and cost efficiencies.

Also of particular note is that as part of the internal reorganization, some employees of AlpInvest Partners Inc. were transferred to an affiliate of Carlyle. This resulted in a decrease in the number of employees at AlpInvest, resulting in 99 FTE as of the 2014 year-end². Currently, we foresee moderate growth in total FTE with a view toward expanding our fundraising and investor services efforts as well as further strengthening our investment capabilities.

KEY FIGURES FOR 2014

(€m)

	2009	2010	2011	2012	2013	2014	CAGR 2014/2009
Revenues	60	105	148	104	126	133	17%
Operating result before taxation	9	47	85	40	59	70	51%
Cumulative capital committed by AlpInvest as at year-end ¹	38,000	40,000	43,000	47,000	51,000	54,000	7%
Cumulative capital invested as at year-end ¹	28,000	32,000	36,000	40,000	43,000	46,000	10%
Total number of FTEs as at year-end ²	118	108	119	143	153	99	-3%

¹ Cumulative Capital Committed by AlpInvest and its affiliates and Cumulative Capital Invested as of Year End include €6bn of investments that are managed on behalf of its investors by AlpInvest Partners B.V. and its affiliates, but for which the investment decisions were made by parties other than AlpInvest.

² The total capital under management of the AlpInvest group was managed by 146 FTE as per December 31, 2014 (including FTE associated with AlpInvest US Holdings LLC).

Report of the Managing Board cont'd



- 01 J.P. Chappuis, Chairman
- 02 J.P. de Klerk, CFO & COO
- 03 E.M.J. Thyssen
- 04 G.A. Youngkin

Changes in AlInvest's Board composition

On June 1, 2014, Jacques Chappuis, Head of Carlyle Investment Solutions, who was already a member of the Board, took over as Chairman from Volkert Doeksen, who stepped down from the Board. The Board would like to thank Mr. Doeksen for his valuable contribution to the Company.

On June 18, 2014, Erik Thyssen, Managing Director of AlInvest, joined the Board of the Company.

Outlook for 2015

With signs that economic sentiment continues to improve, we have a positive outlook for all our investment activities. We believe that opportunities will continue to be available for AlInvest as investors look to increase their exposure to private equity, while seeking risk-adjusted outperformance. We expect the year 2015 to develop favorably.

Proposed profit appropriation and dividend

We propose to pay-out €50.5 million from the other reserves as dividend to the shareholders. This amount includes the interim dividends declared.

Amsterdam, May 28, 2015

The Managing Board

J.P. Chappuis
Chairman

J.P. de Klerk
CFO & COO

E.M.J. Thyssen

G.A. Youngkin

AlInvest Partners B.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands

Consolidated financial statements

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Consolidated balance sheet

(before proposed profit appropriation)

(€ thousands)	December 31, 2014	December 31, 2013
ASSETS		
Fixed assets		
Tangible fixed assets ^{4.1}		
Other fixed assets	1,095	2,153
Financial fixed assets ^{4.2}		
Loans	115	182
Investments in private equity funds	5,967	4,100
	7,177	6,435
Current assets		
Accounts receivable		
Receivables ^{4.3}	10,697	8,384
Receivables from Group companies ^{4.4}	2	6
Receivables from other related parties ^{4.4}	291	1,621
Corporate income tax receivables ^{4.5}	46	414
Other tax and social security receivables	-	16
Forward contracts ^{4.6}	3,133	-
Pensions ^{4.11}	611	569
Prepayments and accrued income ^{4.7}	2,533	1,501
	17,313	12,511
Cash^{4.8}		
Call and short-term deposits	76	595
Cash	44,909	49,068
	44,985	49,663
Total assets	69,475	68,609

The reference numbers relate to the notes which form an integral part of the financial statements.

Consolidated balance sheet

(before proposed profit appropriation)

(€ thousands)	December 31, 2014	December 31, 2013
LIABILITIES AND EQUITY		
Group equity		
Equity attributable to shareholders of the parent company ^{4.9}	19,989	28,785
Equity attributable to other shareholders ^{4.10}	12,176	7,438
Provisions		
Provisions ^{4.12}	116	65
Current liabilities		
Creditors	88	205
Payable to Group companies	16,267	-
Payable to other related parties	4	51
Other tax and social security payables	1,574	2,348
Corporate income tax liabilities ^{4.13}	7,795	5,523
Forward contracts ^{4.6}	-	1,173
Other short-term liabilities ^{4.14}	11,466	23,021
	37,194	32,321
Total liabilities and equity	69,475	68,609

The reference numbers relate to the notes which form an integral part of the financial statements.

Consolidated income statement

(€ thousands)	2014	2013
Net revenue ^{5.1}	132,713	126,056
Total operating income	132,713	126,056
Personnel expenses ^{5.2}	35,324	48,512
Social security expenses ^{5.2}	1,129	1,332
Depreciation and amortization ^{5.3}	1,072	1,139
Administrative expenses ^{5.4}	11,524	14,482
Management and other fee expenses ^{5.5}	13,883	1,155
Total operating expenses	62,932	66,620
Operating profit/(loss)	69,781	59,436
Interest and other financial income ^{5.6}	5,363	1,312
Interest and other financial expense ^{5.7}	(1,197)	(1,018)
Total financial income and expense	4,166	294
Result before taxation	73,947	59,730
Corporate income tax ^{5.8}	(23,581)	(16,560)
Result participations in Group companies ^{5.9}	14,315	-
Net result after tax	64,681	43,170
Share third parties ^{5.10}	(14,367)	(7,298)
Net result after tax and share third parties	50,314	35,872

The reference numbers relate to the notes which form an integral part of the financial statements.

Consolidated cash flow statement

(€ thousands)	2014		2013
Cash flow from operating activities			
Net result after tax	50,314		35,872
Adjustments:			
Depreciation ^{4.1}	1,065		1,140
Result on disposals ^{4.1}	7		(1)
Unrealized result financial fixed assets ^{4.2}	(1,289)		(431)
Transfer of Group company ^{5.9}	(8,973)		-
Share third parties ^{4.10}	14,367		7,298
Pensions and other long-term employee benefits ^{4.11}	1,369		1,911
Result outstanding forward contracts ^{4.6}	(4,306)		1,020
Accrued interest loans ^{4.2}	(7)		(86)
	2,233		10,851
Movements in working capital and provisions:			
Receivables	(2,590)		(2,639)
Other provisions	51		65
Other current liabilities	10,248		775
Pensions and other long-term employee benefits ^{4.11}	(1,411)		(1,618)
	6,298		(3,417)
Net cash flow from operating activities	58,845		43,306
Cash flow from investing activities			
Additions to/investments in:			
Tangible fixed assets ^{4.1}	(413)		(999)
Financial fixed assets ^{4.2}	(1,446)		(2,996)
Proceeds from/divestments of:			
Financial fixed assets ^{4.2}	292		469
Transfer of Group company	10,436		2
Net cash flow used in investing activities	8,869		(3,524)
Cash flow from financing activities			
Dividends paid to shareholders of the parent company ^{7.7}	(59,414)		(933)
Change in due to/from affiliates ^{4.2}	-		(42)
Contributions from non-controlling shareholders ^{4.10}	1,192		2,459
Dividends paid to other shareholders ^{4.10}	(11,080)		(6,025)
Net cash flow used in financing activities	(69,302)		(4,541)
Net cash flow	(1,588)		35,241

Movements in cash and cash equivalent deposits can be broken down as follows:

	2014			2013
	Cash	Deposits	Total	Total
Balance on January 1	49,068	595	49,663	15,132
Movements during the year	(1,069)	(519)	(1,588)	35,241
Transfer of Group company	(3,375)	-	(3,375)	-
Currency differences	285	-	285	(710)
Balance on December 31	44,909	76	44,985	49,663

Notes to the consolidated financial statements

General

Unless indicated otherwise, the notes refer to both the consolidated and company financial statements and all amounts are stated in thousands of euros.

Operations

AlpInvest Partners B.V. (the "Company") was incorporated on February 1, 2000, as NIB Capital Private Equity N.V. The Company primarily engages in private equity investment management and financing services, and invests, directly and indirectly, in private equity related instruments on behalf of its clients. This includes participating interests in private equity funds and other such strategic alliances that invest in private equity (both listed and unlisted), as well as public and private participations and interests in, and management of, companies of whatever nature, financing of third parties and performance of such activities as are related or conducive to those listed above.

The statutory seat of the Company is at Jachthavenweg 118, 1081 KJ Amsterdam, the Netherlands. The ultimate owner of AlpInvest Partners B.V. is The Carlyle Group L.P which is incorporated in Delaware, USA.

Group structure

On July 1, 2011, the shares of the Company were acquired by AP B.V., a company ultimately owned by The Carlyle Group and AlpInvest Managing Partners. On August 1, 2013, the AlpInvest Managing Partners transferred their interest to The Carlyle Group.

Reference is made to note 7.3 of these statements for an overview of Group companies.

Consolidation

The consolidated financial statements comprise the financial data of AlpInvest Partners B.V. and all Group companies in which AlpInvest Partners B.V. exercises a controlling influence on management and financial policy ("Group companies"). In case financial instruments are held containing potential voting rights that can be exercised immediately, these are also taken into account. A "Special Purpose Entity" can also be a Group company. The investment entities of which the Company or one of its subsidiaries is only the General Partner or Director are not consolidated.

Companies are consolidated in full from the date on which control is obtained and until the date that control no longer exists. The items in the consolidated financial statements are determined

in accordance with consistent accounting policies. Intercompany transactions, profits and losses and balances among Group companies are eliminated, unless these results are realized through transactions with third parties.

Since the Company income statement is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2, of the Netherlands Civil Code.

Legal Reorganization

On May 2, 2014, The Carlyle Group undertook an internal reorganization. AlpInvest Partners Holdings, Inc., a wholly owned subsidiary of the Company, established AlpInvest US Holdings, LLC and subsequently merged this entity with its wholly owned subsidiary AlpInvest Partners, Inc. with AlpInvest US Holdings, LLC being the surviving entity. All issued and outstanding membership interests in AlpInvest US Holdings, LLC were subsequently transferred to Carlyle Investment Management LLC, a company belonging to The Carlyle Group for an amount of \$ 21.9 million. This transfer resulted in the deconsolidation of AlpInvest US Holdings, LLC from May 2, 2014. AlpInvest Holdings, Inc. realized a gain on the transfer of its participation, which is reflected in the consolidated income statement.

The activities of the Company are not affected by this legal organization. AlpInvest US Holdings LLC continues to provide the same services to the Company for which it continues to be paid a management fee. This management fee is reflected in the consolidated income statement as an expense as from the transfer date.

Related parties

The investment entities managed by the Company or any of its Group companies are considered related parties. Directors and employees that have a significant influence over the reporting entity or are in a Financial Reporting Oversight Role and other shareholders of Group companies are also considered related parties.

All companies belonging to The Carlyle Group that are not consolidated by the Company and related parties of The Carlyle Group are also considered related parties of the Company. These consist of investment funds, employees and partners, external Directors and controlled portfolio companies of the investment funds.

All related party transactions have been executed at arm's length conditions. Related party transactions included in the financial statements consist of:

- Participating interests in investment entities by Group companies (notes 4.2 and 7.3);
- Revenue in the form of management fee and carried interest income received from investment entities and related receivables (notes 4.4 and 5.1);
- Short term loans from the Company to the investment entities managed by the Company or any of its Group companies and related interest income (note 4.4 and note 5.6);
- Loans given to other related parties and related interest income (note 4.2 and note 5.6);
- Recharge of certain cost/revenue paid respectively invoiced by the Company or any of its Group companies on behalf of the investment entities (notes 4.7 and 4.14);
- Other shareholder interests in Group companies of which (former) employees, among which Directors of the Company, are the ultimate beneficial owners (notes 4.10 and 5.10);
- The sale of a subsidiary to an entity of The Carlyle Group (the Legal Reorganization) resulting in a profit in the income statement and deconsolidation of the subsidiary as per the date of transfer (note 5.9);
- Management fees paid to the entity sold to The Carlyle Group (note 5.5).

The relevant amounts are disclosed in the indicated notes to the financial statements.

Notes to the cash flow statement

The cash flow statement is prepared based on the indirect method. Cash recognized in the cash flow statement consists of cash and cash equivalents. Cash flows from Group companies with a different functional currency than the euro are included at the rate that is used for translation in the consolidated profit and loss account and balance sheet respectively. Exchange differences due to exchange rate fluctuations between December 31 of the previous financial year and December 31 of the reporting year are included on the respective line in the cash flow statement.

Interest paid and received, dividend received and cash flows related to corporate income tax are included in cash flow from operating activities.

Estimates

In applying the accounting policies and guidelines for preparing the financial statements, management applies several estimates and judgments that might be essential for the amounts disclosed in the financial statements. This relates to estimated useful life of tangible fixed assets and the calculation of pension premiums for salary increases already communicated. If necessary, for the purposes of providing appropriate insight, the nature of estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

1. Accounting policies for the consolidated balance sheet

1.1 General

The consolidated financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code. The financial statements are denominated in euros.

Assets and liabilities are stated at the amounts at which they were acquired or incurred unless stated otherwise. The balance sheet and income statement include references to the notes.

1.2 Comparison with the previous year

The accounting policies used are consistent with the previous year.

1.3 Goodwill

Tangible fixed assets are stated at historical cost plus additional direct expense or manufacturing price less straight-line depreciation based on estimated useful life. Any impairment at the balance sheet date is taken into account. For details on how to determine whether tangible fixed assets are impaired, please refer to note 1.5.

1.4 Financial fixed assets

Participating interests that enable the Company to exert significant influence are valued using the net asset value method.

Net asset value is calculated using the policies applied in these financial statements. If the net asset value of a participating interest is negative, the participating interest is carried at nil. In this case, if the participant can be held accountable for the debts of the participating interest, a provision is formed.

Investments in equity instruments of companies through which the Company does not exert significant influence are measured at fair market value. The fair market value of the investments in private equity funds is determined quarterly. For fund investments the fair value of the underlying investments is based on the most recent information available (typically previous quarter) from the general partners of the underlying partnerships adjusted for the actual cash flows that occurred from the date of the reported net asset value to the date of the financial statements and the working capital of the underlying investment vehicles. The fair value for underlying direct and co-investments are based on the general partners' determination of the fair value based on the International Private Equity and Venture Capital Valuation Guidelines. This determination involves a significant degree of management judgment such as (but not limited to) current and projected operating performance, trading values on public exchanges for comparable securities and the financing terms currently available.

The fair market value of other investments in equity instruments is determined as the price that would be received in an orderly transaction between market participants at the measurement date.

Any increase or decrease in the carrying value of such an investment is charged to the income statement in the year to which it relates. The results for exits are determined by the difference between sales proceeds and the carrying value of the investments prior to the sale.

Loans are initially valued at fair value and subsequently carried at amortized cost based on the effective interest method.

1.5 Impairment of fixed assets

At each balance sheet date, the Company assesses and tests (if applicable) whether there are any indications of intangible and tangible fixed assets being subject to impairment. An asset is subject to impairment if its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the net realizable value and the value in use.

For financial assets the Company assesses at each balance sheet date whether a financial asset is impaired. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognized in the profit and loss account for financial assets carried at amortized cost.

1.6 Receivables

Short term receivables are recognized initially at fair value and subsequently measured at amortized cost. When a receivable is deemed uncollectible a provision is made and subsequently it is written off against this provision.

1.7 FX forward-contracts

The FX forward-contracts are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The (un)realized movement is recognized through the income statement. Hedge accounting is not applied to these contracts.

1.8 Cash

Cash represents cash in hand, bank balances and call and short-term deposits. Negative balances at a bank in one currency are netted with positive balances in other currencies when it is legally enforceable, contractually agreed and settled on a net basis. Cash is stated at face value.

1.9 Group equity

Group equity is made up of share capital, reserve for currency exchange differences, legal reserve, other reserves and result for the year. The share capital recognized in the balance sheet has been issued and fully paid up. The legal reserve relates to the positive difference of fair value less cost price of participating interests in private equity funds which are accounted for at fair market value. The other reserves consist of the accumulated results realized in previous years.

1.10 Equity attributable to other shareholders

The equity attributable to other shareholders is stated at the amount of the net third party interest in the Group companies concerned.

1.11 Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

1. Accounting policies for the consolidated balance sheet

1.12 Pension obligations

Dutch pension plans

AlpInvest Partners B.V. operates several pension plans. The characteristics of the main plan (open to new employees) are:

- The basis for the defined benefit scheme is average pay;
- The salary in the defined benefit scheme is capped;
- Pensions and deferred pension rights of former employees can be increased yearly with a percentage to be determined by the employer;
- The pensions have been insured with an outside insurance company.

The Company has a guaranteed insurance contract. The assets of the scheme have been allocated 70% to bonds and 30% to equities and are managed by the applicable insurance company.

The conditions of the Dutch Pension Act are applicable to all pensions of AlpInvest Partners B.V. AlpInvest Partners B.V. pays premiums based on contractual requirements to the insurance company. Premiums are recognized as personnel costs when they are due. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are represented as liabilities.

There are no other existing obligations (other than premiums to be paid) to the insurance company or employees that need to be recognized. No other assets need to be recognized.

As all obligations fall due within one year the obligation is stated at nominal value.

Foreign pension plans

The pension plan operated outside the Netherlands is a defined contribution plan under conditions similar to the defined contribution scheme of the Dutch pension plan that was operated until 2014. Accounting policies applied are identical to the ones applied to the Dutch pension plan.

1.13 Foreign currencies

Functional currency

Items included in the financial statements of Group companies are measured using the currency of the primary economic environment in which the respective Group company operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of AlpInvest Partners B.V.

Transactions, receivables and liabilities

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

Non-monetary assets and liabilities are recognized using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

Group companies

Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expense are translated at average exchange rates during the financial year. Any resulting exchange differences are taken directly to the reserve for currency exchange differences within equity.

2. Accounting policies for the consolidated income statement

2.1 General

Net result after tax represents the difference between income from investment management services and operating expenses and other charges for the year.

2.2 Net revenue

Net revenue mainly comprises management fee and carried interest income. Most of the management fees are based on the lower of cost or fair market value of investments under management, except for more recent mandates where management fees are based on investor commitments. Carried interest fees are recognized as income if and when it is certain that the conditions applicable for earning such fees have been fully met, and the investors have received back their full investment, all expenses and a minimum contractual return.

Income is allocated to the period to which it relates.

2.3 Operating expenses

Expenses are allocated to the period to which they relate.

2.4 Personnel expenses

Short-term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Pensions

AlpInvest Partners B.V. has applied the liability method for pension plans. The premiums payable for the financial year are charged to the result.

Foreign pension plans are all defined contribution plans for which premiums payable for the financial year are charged to the result.

2.5 Depreciation charges

Fixed assets are depreciated based on cost plus additional direct expense or manufacturing price. Assets are depreciated according to the straight-line method based on the estimated useful life.

2.6 Taxes

Dutch fiscal practice rules determine domestic corporation tax, taking into account allowable deductions, charges and exemptions. Taxes are calculated on the result disclosed in the profit and loss account, taking account of tax-exempt items and partly or completely non-deductible expenses.

AlpInvest Partners B.V. and some of its wholly owned subsidiaries form a fiscal unity for corporate income tax with AP B.V. and Alp Holdings Coöperatief U.A. since January 1, 2012.

2.7 Foreign currencies

Income and expenditure denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction date. Exchange differences due to exchange rate fluctuations between the transaction date and the settlement date or balance sheet date are taken to the income statement.

2.8 Financial income and expense

Interest paid and received

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned.

3. Financial instruments and risk management

The financial instruments the Company uses are foreign exchange forward contracts to hedge foreign currency exposure and short-term deposits to improve the return on excess liquidity. All financial instruments are held to maturity.

3.1 Currency risk

AlpInvest Partners B.V. mainly operates in the European Union, the United States and Asia. The currency risk for AlpInvest Partners B.V. largely concerns future expenses in US and Hong Kong dollars as its revenues are mainly denominated in euros. The Management Board of the Company has decided to hedge part of the US and Hong Kong dollar exposure for 2014 and 2015 related expenses, which will be paid in 2015 and 2016. For this purpose forward exchange contracts have been entered into. For the accounting policy related to these forward contracts, we refer to note 1.7.

AlpInvest Partners B.V. also incurs currency risk on the net investment in its foreign subsidiary.

3.2 Interest rate risk

AlpInvest Partners B.V. incurs market risk in respect of interest on cash at banks and deposits. No financial derivatives for interest rate risk are contracted with regards to these funds.

3.3 Credit risk

The investor base of AlpInvest Partners B.V. is concentrated. However, the credit risk is considered to be very limited as investors pay the majority of the fees in advance. The creditworthiness of these parties is considered high and is mostly, specifically when they are pension funds, monitored by regulators.

The cash and deposits of AlpInvest Partners B.V. as at December 31, 2014 were held with one credit institution with a rating of A-1 for short-term credits and A for long-term credits (S&P rating). Given the short-term nature of the deposits this is considered acceptable. All Group companies use reputable banks for their cash activities.

3.4 Liquidity risk

The Company has sufficient funds at its disposal in the form of short-term deposits and cash for its current operations.

The investments in private equity funds represent illiquid investments.

4. Notes to the consolidated balance sheet

4.1 Tangible fixed assets

Tangible fixed assets	Computers and software	Furniture and other office equipment	Leasehold improvements	Total 2014	Total 2013
Balance on January 1					
Cost	7,281	1,357	3,610	12,248	11,813
Accumulated impairment and depreciation	(6,021)	(953)	(3,121)	(10,095)	(9,505)
Book value	1,260	404	489	2,153	2,308
Movements in the year					
Additions	61	146	206	413	999
Disposals and deconsolidation	(449)	(184)	(2,252)	(2,885)	(413)
FX Differences on cost and additions	13	22	67	102	(151)
Depreciation	(742)	(118)	(205)	(1,065)	(1,140)
Accumulated depreciation on disposals and deconsolidation	360	59	2,063	2,482	412
FX Differences on depreciation	(24)	(20)	(61)	(105)	138
	(781)	(95)	(182)	(1,058)	(155)
Balance on December 31					
Cost	6,906	1,341	1,631	9,878	12,248
Accumulated impairment and depreciation	(6,427)	(1,032)	(1,324)	(8,783)	(10,095)
Book value	479	309	307	1,095	2,153

Computers and software are depreciated over a period of 3 years, Furniture and other office equipment are depreciated over a period of 5 years and Leasehold improvements are depreciated over 6 years. These terms are determined based on an estimate of the useful life of the assets.

4.2 Financial fixed assets

Loans	2014	2013
Balance on January 1	182	25,786
Movements in the year		
Investments	-	74
Consolidated as of 2014	(74)	-
Repayments	-	(25,764)
Capitalized interest	7	86
	(67)	(25,604)
Balance on December 31	115	182

On June 15, 2012, AlpInvest Partners B.V. provided a loan to its parent company AP B.V. amounting to €25,500 with an interest percentage of 3 months Euribor plus 0.5% and no set repayment schedule. The loan was fully settled with interim dividend during 2013.

On December 21, 2012, AlpInvest Partners B.V. provided a loan amounting to €166 to an employee of a company belonging to The Carlyle Group. The interest on the loan is 7% per annum and there is no set repayment schedule. An amount of €68 was repaid during 2013. No repayments were made during 2014.

These transactions were executed at arm's length conditions.

The fair value of the loans approximates the book value.

4. Notes to the consolidated balance sheet

	2014	2013
Investments in private equity funds		
Balance on January 1	4,100	1,200
Movements in the year		
Investments	1,520	2,996
Distributions	(316)	(469)
Deconsolidated	(911)	-
Exchange differences	285	(58)
Revaluation of participating interests	1,289	431
Balance on December 31	5,967	4,100

The investments in private equity funds represent interests in various funds. Changes (realized and unrealized) in the fair market value of the Investments in private equity funds are recognized through the income statement.

For a list of all companies in which AlInvest Partners B.V. or any of its Group companies have interests, see note 7.3 in the company financial statements.

4.3 Receivables

	December 31, 2014	December 31, 2013
Carried interest receivables	10,392	8,227
Accounts receivables	305	157
Total	10,697	8,384

All receivables fall due in less than one year.

The fair value of the receivables approximates the book value.

4.4 Receivables from related parties

	December 31, 2014	December 31, 2013
Group companies:		
Group companies	2	6
Total Group companies	2	6
Related parties:		
Investment entities in which a Group company participates	291	1,621
Total related parties	291	1,621

All receivables fall due in less than one year.

The fair value of the receivables approximates the book value.

4.5 Corporate income tax receivables

	December 31, 2014	December 31, 2013
Current income tax receivables	-	392
Deferred income tax receivables	46	22
Total	46	414

The deferred income tax receivable relates to a temporary difference in depreciation of assets in AlInvest Partners Hong Kong Ltd.

4. Notes to the consolidated balance sheet

4.6 Forward contracts

AlpInvest Partners B.V. hedged most of its 2014 and 2015 related expenses in US and Hong Kong dollars by buying these currencies on a forward basis. At December 31, 2014 forward contracts for a total amount of \$ 33,800 and HKD 94,400 (2013: \$ 38,600 and HKD 94,500) were outstanding. The delivery dates of the foreign currencies have been set to match the cash outflows up to January 2016. The difference between the total value in euros of the remaining outstanding forward agreements at the spot rate (€37,993 (2013: €36,841)) and the total value in euros at the forward rate (€34,860 (2013: €38,014)) amounted to €3,133 on December 31, 2014 (2013: -/- €1,173).

4.7 Prepayments and accrued income

	December 31, 2014	December 31, 2013
Prepaid rent	19	207
Prepaid management fee	54	52
Prepaid insurance fees	979	233
Amounts prepaid on behalf of related parties	666	271
Deposits	390	268
Other receivables	-	46
Other prepaid items	425	424
Total	2,533	1,501

All receivables fall due in less than one year. The fair value of the receivables approximates the book value.

4.8 Cash

Cash and deposits are at the Company's free disposal, except for an amount of €76 which serves as collateral for a commercial card program facility. There are no deposits outstanding at year end with a maturity date over 6 months after balance sheet date.

4.9 Equity attributable to shareholders of the parent company

See notes to the company balance sheet.

4.10 Equity attributable to other shareholders

	2014	2013
Balance on January 1	7,438	3,707
Movements in the year:		
Share in net profit	14,367	7,298
Transfer of shares	-	(1)
Exchange differences	259	-
Contributions by other shareholders	1,192	2,459
Dividend paid to other shareholders	(11,080)	(6,025)
Balance on December 31	12,176	7,438

Other shareholders are entities whose ultimate beneficial owners are Directors and (former) employees of the Company.

4.11 Liabilities for pensions and provisions for other long-term employee benefits

AlpInvest Partners B.V. has several pension plans in effect which are partly defined benefit and partly defined contribution plans. For the defined benefit plans the following conditions were applicable up to December 31, 2014:

- The pension is calculated according to a defined benefit formula based on 1.9% x number of years in service x final salary less an offset;
- For the pension plan open to new employees since January 2005 the pension above a maximum salary level is based on defined contributions;
- The standard retirement age is 67.

As of January 1, 2015, the conditions of the pension plans have been adjusted so the plans continue to comply with fiscal legislation. The final pay scheme was changed into an average pay scheme with an annual accrual rate of 1.875% and will apply to all salaries up to €100. The AlpInvest Partners B.V. defined contribution plan has been terminated as from January 1, 2015.

	2014	2013
Balance on January 1	(569)	(862)
Cost in income statement (incl. administration cost)	1,369	1,806
Provision for unfunded pension premiums	-	105
Amounts paid to the insurance company in respect of the defined benefit scheme	(1,411)	(1,618)
Balance on December 31	(611)	(569)

4. Notes to the consolidated balance sheet

The Company has a guaranteed insurance contract. The assets of the scheme have been allocated 70% to bonds and 30% to equities and are managed by the applicable insurance company. Pensions and deferred pension rights of former employees can be increased yearly with a percentage to be determined by the employer. As at December 31, 2014 there were no outstanding obligations to finance any increases. The liability and provision relate only to AlInvest Partners B.V. All pension plans operated outside the Netherlands are defined contribution plans and do not have any liabilities outstanding as at December 31 of the year under review.

4.12 Provisions

	2014	2013
Balance on January 1	(65)	(-)
Additions	(51)	(65)
Balance on December 31	(116)	(65)

The provision relates to the estimated cost to reinstate a leased office premise back to its original condition at the end of the lease period (April 2017). The amount of provision is estimated based on a quote from a construction company.

4.13 Corporate income tax liabilities

	December 31, 2014	December 31, 2013
Current income tax payables	7,795	5,523
Total	7,795	5,523

4.14 Other short-term liabilities

	December 31, 2014	December 31, 2013
Personnel related items	8,992	21,325
Holiday leave provision	538	555
Accrued expenses	1,475	887
Rent	185	103
Directors' fee payable to related parties	276	101
Accrued fundraising fees	-	50
Total	11,466	23,021

Personnel related items consist of a provision for bonus payments and a provision for payments to employees that have left the Company.

The decrease in personnel related items is mainly due to the legal reorganization as described in the notes to the consolidated financial statements.

All current liabilities fall due in less than one year.

4.15 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations amount to per annum €2,209 (2013: €2,436). The leases expire on different dates between July 31, 2015 and October 31, 2019.

The monthly obligations for car leases amount to €20 (2013: €18). These contracts have an average remaining life of 27 months (2013: 27 months). The aggregate liability resulting from these contracts amounts to €593.

The monthly obligations for copiers amount to €15 (2013: €17). The contracts have an average remaining life of 32 months (2013: 44 months).

The monthly obligation for Bloomberg terminals amounts to €4 (2013: €5). The contracts, which expire in 2017, will be automatically renewed for a period of 2 years.

The monthly obligation for an ICT service contract amounts to €72 (2013: €80). The contract expires December 31, 2015, but can be ended at any time during that period taking into account a notice period of 3 months.

Guarantees

There are no outstanding guarantees on behalf of the Company.

Liability as general partner

Reference is made to note 7.3.

Tax group liability

The Company forms an income tax group with a number of Group companies. Under the standard conditions, the members of the tax group are jointly and severally liable for any taxes payable by the group.

5. Notes to the consolidated income statement

5.1 Net revenue

Net revenue mainly consists of management fees and carried interest income derived from investors in the Netherlands and the United States.

	2014	2013
Revenue from management fees		
Management fees related parties	53,608	52,098
Management fees other parties	47,969	54,617
Total management fees	101,577	106,715
Revenue from carried interest		
Carried interest related parties	762	1,251
Carried interest other parties	30,374	18,090
Total carried interest	31,136	19,341
Total revenue	132,713	126,056

The increase in carried interest is the result of an increase in distributions received for the mandates already reporting carried interest and for one new mandate that started reporting carried interest in 2014 (€7,917).

From May 2, 2014 the management fees earned by AlpInvest US Holdings LLC are no longer included in the Management fees related parties, due to the legal reorganization as described in the notes to the consolidated financial statements.

5.2 Personnel expenses and social security expenses

	2014	2013
Salaries and wages	31,635	41,467
Pension charges	2,370	2,907
Other personnel expenses	1,319	4,138
Total personnel expenses	35,324	48,512
Social security expenses	1,129	1,332
Total personnel expenses and social security expenses	36,453	49,844

In 2013 a number of employees were awarded Units in The Carlyle Group to which vesting conditions apply. The accumulated expenses recognized on the reporting date (2014: €98, 2013: €39) reflect the degree to which the vesting period has expired, as well as the best estimate of the number of equity instruments that will ultimately vest. The vesting period expires on November 1, 2018.

In 2014 the other personnel expenses contain an amount of nihil (2013: €1,359) relating to crisis tax.

The decrease in personnel expenses is mainly due to the legal reorganization as described in the notes to the consolidated financial statements.

5.3 Depreciation and amortization

	2014	2013
Tangible fixed assets	1,065	1,140
Result on disposal of assets	7	(1)
Total	1,072	1,139

5. Notes to the consolidated income statement

5.4 Administrative expenses

	2014	2013
Rent and office related expenses	3,041	3,300
ICT and communication expenses	1,791	2,267
Travel and related expenses	1,924	2,720
Audit of the financial statements*	189	181
Other audit procedures*	203	261
Tax services from audit firms*	3	62
Other advisory services	2,025	2,281
Other expenses	2,348	3,410
Total	11,524	14,482

* The * marked fees listed above relate to procedures applied to the Company and its consolidated group entities by accounting firms and external auditors as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch Acronym: Wta), including their tax services and advisory groups. These amounts relate to services rendered by Ernst & Young Accountants LLP and other Ernst & Young network firms.

Other advisory services consist mostly of legal and consulting expenses.

5.5 Management and other fee expenses

	2014	2013
Management and other fees paid to related parties	13,304	375
Management and other fees paid to third parties	579	780
Total	13,883	1,155

The management and other fees paid to related parties consist mainly of the management fee paid to AlInvest US Holdings LLC which result from the legal reorganization as described in the notes to the consolidated financial statements. The management fee calculation is based on a Transfer Pricing Model and also takes into account the management fees that AlInvest US Holdings LLC already receives directly from investors (\$9,450 for the relevant period).

5.6 Interest and other financial income

	2014	2013
Interest income related parties	2	77
Interest income other parties	43	16
Income on investments in private equity funds	1,287	432
Currency results	-	787
Result forward contracts	4,031	-
Total	5,363	1,312

The income from investments in private equity funds includes both realized and unrealized results as well as FX results.

5. Notes to the consolidated income statement

5.7 Interest and other financial expense

	2014	2013
Interest expense	(109)	(44)
Currency results	(1,088)	(974)
Total	(1,197)	(1,018)

5.8 Corporate income tax

The total tax charge for the year amounts to €23,581 (2013: €16,560), which to a large extent is related to Dutch fiscal entities and the gains realized on the transfer of the US subsidiary. The overall effective tax rate in 2014 is 31.46% (2013: 27.5%). The statutory tax rate in The Netherlands is 25% (2013: 25%). The difference between the effective tax rate and the statutory tax rate is in 2014 mainly due to the different applicable rates for the gain realized on the transfer of AlInvest Partners Inc. and the statutory rate for AlInvest Partners Ltd.

5.9 Result participations in Group companies

The legal reorganization as described in the notes to the consolidated financial statements resulted in a gain of €14,315 or €8,973 after tax.

5.10 Share third parties

	2014	2013
Share third parties	(14,367)	(7,298)

This amount represents the share in the profit of holders of Certificates of Shares or other equity instruments other than the Company in some of the entities that are part of the consolidation (see note 7.3). These other shareholders are entities whose ultimate beneficial owners are Directors and (former) employees of the Company and its subsidiaries.

6. Supplementary information consolidated financial statements

6.1 Employees

	2014	2013
Average number of FTE – total	94	148
Average number of FTE – located outside The Netherlands	15	67

The decrease in the average number of FTE is mainly due to the legal reorganization as described in the notes to the consolidated financial statements.

Company financial statements

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Company balance sheet

(before proposed profit appropriation)

(€ thousands)	December 31, 2014	December 31, 2013
ASSETS		
Fixed assets		
Tangible fixed assets ^{7.2}		
Other fixed assets	766	1,506
Financial fixed assets ^{7.3}		
Loans	115	108
Participation in Group companies	4,521	18,804
	5,402	20,418
Current assets		
Accounts receivable		
Receivables	3,889	4,346
Receivables from Group companies	610	197
Receivables from other related parties	156	563
Other tax and social security receivables	41	7
Forward contracts ^{7.4}	3,133	-
Pensions	611	569
Prepayments and accrued income ^{7.5}	2,040	1,053
	10,480	6,735
Cash and cash equivalents^{7.6}		
Call and short-term deposits	-	109
Cash	42,664	45,794
	42,664	45,903
Total assets	58,546	73,056

The reference numbers relate to the notes which form an integral part of the financial statements.

Company balance sheet

(before proposed profit appropriation)

(€ thousands)	December 31, 2014	December 31, 2013
LIABILITIES AND EQUITY		
Shareholders' equity^{7,7}		
Share capital	4,000	4,000
Reserve for currency exchange differences	252	[22]
Legal reserve	50	162
Other reserves	(34,627)	(11,226)
Profit for the year	50,314	35,872
Total shareholders' equity	19,989	28,786
Current liabilities		
Creditors	88	4
Payable to Group companies	23,011	29,108
Payable to other related parties	-	21
Corporate income tax liabilities	5,564	2,816
Other tax and social security payables	1,574	2,139
Forward contracts ^{7,4}	-	1,173
Other short-term liabilities ^{7,8}	8,320	9,009
	38,557	44,270
Total liabilities and equity	58,546	73,056

The reference numbers relate to the notes which form an integral part of the financial statements.

Company income statement

(€ thousands)	2014	2013
Income from participating interests after tax	3,097	4,030
Other results after tax	47,217	31,842
Net profit	50,314	35,872

7. Notes to the company balance sheet

7.1 General

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

The accounting policies for the company financial statements and the consolidated financial statements are the same. For the accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement in chapters 1 and 2.

Group companies are stated at net asset value in accordance with note 1.4 to the consolidated financial statements.

7.2 Tangible fixed assets

Tangible fixed assets	Computers and software	Furniture and other office equipment	Leasehold improvements	Total 2014	Total 2013
Balance on January 1					
Cost	6,844	1,042	945	8,831	8,333
Accumulated depreciation	(5,697)	(793)	(835)	(7,325)	(6,586)
Book value	1,147	249	110	1,506	1,747
Movements in the year					
Additions	23	85	-	108	572
Disposals	(89)	(3)	-	(92)	(74)
Depreciation	(719)	(93)	(28)	(840)	(811)
Accumulated depreciation on disposals	82	2	-	84	72
	(703)	(9)	(28)	(740)	(241)
Balance on December 31					
Cost	6,778	1,124	945	8,847	8,831
Accumulated depreciation	(6,334)	(884)	(863)	(8,081)	(7,325)
Book value	444	240	82	766	1,506

Computers and software are depreciated over a period of 3 years, Furniture and other office equipment are depreciated over a period of 5 years and Leasehold improvements are depreciated over 6 years. These terms are determined based on an estimate of the useful life of the assets.

7.3 Financial fixed assets

Loans	2014	2013
Balance on January 1	108	25,786
Movements in the year		
Investments	-	
Disposals	-	(25,764)
Capitalized interest	7	86
	7	(25,678)
Balance on December 31	115	108

On June 15, 2012, AlInvest Partners B.V. provided a loan to its parent company AP B.V. amounting to €25,500 with an interest percentage of 3 months Euribor plus 0.5% and no set repayment schedule. The loan was fully settled with interim dividend during 2013.

On December 21, 2012, AlInvest Partners B.V. provided a loan amounting to €166 to an employee of a company belonging to The Carlyle Group. The interest on the loan is 7% per annum and there is no set repayment schedule. An amount of €68 was repaid during 2013. No repayments were made during 2014.

These transactions were executed at arm's length conditions.

The fair value of the loans approximates the book value.

7. Notes to the company balance sheet

Group companies and participating interests	2014	2013
Balance on January 1	18,804	15,716
Movements in the year		
Other movements	(28)	-
Divestments	(17,001)	-
Exchange differences	274	(780)
Income from participating interests	3,097	4,030
Dividend paid	(625)	(162)
Balance on December 31	4,521	18,804

All Group companies, except for those in liquidation are considered to be going-concern.

The information for the Company is as follows:

Name of company	Registered office	% ownership	Core Activities
AlpInvest Partners B.V.	Amsterdam	NA	Advisory and management services

As at December 31, 2014, AlpInvest Partners B.V. had interests in the following companies:

Name of company	Registered office	% ownership	Core Activities
AlpInvest Holdings, Inc.	New York	100	Advisory and management services
AlpInvest Partners Inc. ⁶	New York	-	Advisory and management services
AlpInvest Partners Ltd	Hong Kong	100	Advisory and management services
AlpInvest Partners UK limited ³	London	100	Advisory and management Services
AlpInvest Partners Later Stage Co-Investments Custodian II B.V.	Amsterdam	100	Acts as custodian of AlpInvest Partners Later Stage Co-Investments II C.V.
AlpInvest Partners Later Stage Co-Investments Custodian IIA B.V.	Amsterdam	100	Acts as custodian of AlpInvest Partners Later Stage Co-Investments IIA C.V.
AlpInvest Partners Fund of Funds Custodian IIA B.V.	Amsterdam	100	Acts as custodian of AlpInvest Partners Fund of Funds IIA C.V.
AlpInvest Private Equity Partners B.V. ²	Amsterdam	100	Acts as general partner of AlpInvest Private Equity Fund C.V. and does everything in connection therewith or ancillary thereto
Betacom XLII B.V.	Amsterdam	100	Acts as limited partner of AlpInvest Partners Later Stage Co-Investments II C.V.
AlpInvest Partners Later Stage Co-Investments II C.V. ⁴	Amsterdam	0.99 through Betacom XLII B.V.	Provides risk bearing capital in any form to existing and new enterprises
Betacom XLV B.V. ²	Amsterdam	100	Enters into and acts as general partner of limited partnerships which aim at making investments and acting as limited partner in limited partnerships
Betacom Beheer 2004 B.V. ²	Amsterdam	100	Manages limited partnerships
AlpInvest Partners Direct Investments B.V. ²	Amsterdam	40.90 ¹	Holding company
AlpInvest Partners Co-Investments B.V. ²	Amsterdam	0 ¹	Holding company
AlpInvest Partners Direct Secondary Investments B.V.	Amsterdam	0 ¹	Acts as advisor and intermediary of investors in relation to the investment in funds in general, and in particular in relation to making investments and divestments in private equity funds
AlpInvest Partners Fund Investments B.V. ²	Amsterdam	0 ¹	Acts as advisor and intermediary of investors in relation to the investment in funds in general, and in particular in relation to the making of investments and divestments in private equity funds

7. Notes to the company balance sheet

Name of company	Registered office	% ownership	Core Activities
AlpInvest Partners Later Stage Co-Investments Management II B.V. ²	Amsterdam	0 ¹	Acts as general partner of AlpInvest Partners Later Stage Co-Investments II C.V.
AlpInvest Partners Later Stage Co-Investments Management IIA B.V. ²	Amsterdam	0 ¹	Acts as general partner of AlpInvest Partners Later Stage Co-Investments IIA C.V. and holding and financing company
AlpInvest Partners Fund of Funds Management IIA B.V. ²	Amsterdam	0 ¹	Acts as general partner of AlpInvest Partners Fund of Funds IIA C.V., holding and financing company
AlpInvest Partners European Mezzanine Investments B.V.	Amsterdam	100 ¹	Makes mezzanine investments and performs all direct and indirect activities in connection therewith
AlpInvest Partners US Mezzanine Investments B.V. ²	Amsterdam	0 ¹	Makes investments in general and in particular investments and divestments in mezzanine funds, and everything ancillary thereto
AlpInvest Partners Direct Investments 2003 B.V. ²	Amsterdam	0 ¹	Holding and financing company
AlpInvest Partners Fund Investments 2003 B.V. ²	Amsterdam	0 ¹	Acts as advisor and intermediary of investors and in relation to the investment in funds in general and especially in relation to making investments in private equity funds
AlpInvest Partners 2003 B.V. ²	Amsterdam	0 ¹	Holding and financing company
AlpInvest Partners Mezzanine Investments 2005/2006 B.V.	Amsterdam	100 ¹	Invests funds, including making investments and divestments in mezzanine funds and everything directly or indirectly related, as well as provides financial (advisory) services
AlpInvest Partners Fund Investments 2006 B.V. ²	Amsterdam	100 ¹	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2006 B.V. ²	Amsterdam	100 ¹	Holding and financing company
AlpInvest Partners Beheer 2006 B.V. ²	Amsterdam	100	Incorporates, participates in (in any form), manages, supervises and/or finances enterprises, companies and partnerships
AlpInvest Beheer 2006 Ltd ²	Grand Cayman, Cayman Islands	100 through AlpInvest Partners Beheer 2006 B.V.	Acts as general partner of AlpInvest Partners Beheer 2006 LP
AlpInvest Partners Mezzanine Investments 2007/2009 B.V. ²	Amsterdam	100 ¹	Holding and financing company
AlpInvest Partners Clean Technology Investments 2007-2009 B.V. ²	Amsterdam	100 ¹	Acts as general partner of one or more limited partnerships and holding companies
AlpInvest Partners 2008 B.V. ²	Amsterdam	100 ¹	Holding and participation company
AlpInvest Partners 2009 B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2009 B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Clean Technology Investments 2010-2011 B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnerships and holding companies
AlpInvest Partners 2011 B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2011 B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2012 I B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2012 II B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2012 I B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2012 II B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Mezzanine 2012-2014 B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Mich B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest United B.V. ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
Oeral Investments B.V.	Zeist	100	Holding company
AP Private Equity Investments I B.V.	Amsterdam	100 through Oeral Investments B.V.	Management and financing services

7. Notes to the company balance sheet

Name of company	Registered office	% ownership	Core Activities
AP Private Equity Investments III B.V.	Amsterdam	100 through Oeral Investments B.V.	Management and financing services
Greenbird Support Services B.V. ⁵	Amsterdam	–	Management and financing services
Newton Support Services B.V. ⁵	Amsterdam	–	Management and financing services
Stichting Project Greenbird ⁵	Amsterdam	–	Management and financing services
Stichting Project Newton ⁵	Amsterdam	–	Management and financing services
AMC 2012 Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AMC 2012 Holdings Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Secondary Investments 2012 I C.V. ⁴	Amsterdam	0.108 through AMC 2012 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Co-Investments 2012 I C.V. ⁴	Amsterdam	0.108 through AMC 2012 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Primary Fund Investments 2012 I C.V. ⁴	Amsterdam	0.108 through AMC 2012 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Mezzanine Investments 2012 C.V. ⁴	Amsterdam	0.108 through AMC 2012 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners SARL ⁵	Luxembourg	–	Acts as general partner of one or more limited partnership(s)
AlpInvest A2 Investment Fund LP ⁶	Delaware	–	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest SF V BV ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
ASF V Co-Invest Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
ASF V Co-Invest Holdings Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Secondaries Fund (Offshore) V LP (Cayman) ⁴	Grand Cayman, Cayman Islands	0.1341 through ASF V Co-Invest Ltd	Provides risk bearing capital in any form to existing and new enterprises
AP H Secondaries BV ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP H Secondaries CV ⁶	Amsterdam	–	Provides risk bearing capital in any form to existing and new enterprises
AP Account Management BV ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2013 II BV ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2013 I BV ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2013 II BV ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AMC 2013 Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AMC 2013 Holdings Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Secondary Investments 2013 I C.V. ⁴	Amsterdam	0.1341 through AMC 2013 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Co-Investments 2013 I C.V. ⁴	Amsterdam	0.1341 through AMC 2013 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Primary Fund Investments 2013 I C.V. ⁴	Amsterdam	0.1341 through AMC 2013 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Indiana GP LLC ⁶	Delaware	–	Acts as general partner of one or more limited partnership(s)
AlpInvest Indiana-A GP LLC ⁶	Delaware	–	Acts as general partner of one or more limited partnership(s)
AlpInvest Indiana Venture GP LLC ⁶	Delaware	–	Acts as general partner of one or more limited partnership(s)
AlpInvest INext GP LLC ⁶	Delaware	–	Acts as general partner of one or more limited partnership(s)

7. Notes to the company balance sheet

Name of company	Registered office	% ownership	Core Activities
CSG Manager LLC ⁶	Delaware	–	Acts as manager in the Indiana Fund II
CSG Special Member LLC ⁶	Delaware	–	Co-Invests in the Indiana Investment Fund II LLC
Indiana Investment Fund II LLC ⁶	Delaware	–	Provides risk bearing capital
AlpInvest IIF GP LLC ⁶	Delaware	–	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Primary Fund Investments 2014 I C.V. ⁴	Amsterdam	0.0952 through AMC 2014 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Secondary Investments 2014 I C.V. ⁴	Amsterdam	0.0952 through AMC 2014 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Co-Investments 2014 I C.V. ⁴	Amsterdam	0.0952 through AMC 2014 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners Mezzanine Investments 2014 C.V. ⁴	Amsterdam	0.0952 through AMC 2014 Ltd	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners 2014 I BV* ¹	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2014 II BV* ¹	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2014 I BV* ¹	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2014 II BV* ¹	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Fondo BV* ¹	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest GGG BV* ¹	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AMC 2014 Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AMC 2014 Holdings Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AP 2011-2014 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2011 LLC	Delaware	60 through AP 2011-2014 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2012 LLC	Delaware	60 through AP 2011-2014 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Sec V GP LLC	Delaware	60 through AP 2011-2014 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AP 2014-2016 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	Acts as general partner of one or more limited partnership(s)
AlpInvest North Rush GP LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2014 LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
Direct Portfolio Management BV ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest EU FoF GP LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest EU FoF BV ²	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest FCR Secondaries GP LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Mezzanine Opportunities V GP LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)

¹ AlpInvest Partners B.V. controls and consolidates all these entities as it holds one priority share in each of the entities. Stichting Administratie Kantoor AlpInvest Partners holds 100% of the ordinary shares in these entities. AlpInvest Partners B.V. holds the indicated percentage of the certificates issued by Stichting Administratie Kantoor AlpInvest Partners.

² These companies act as General Partner of CV's and hence are liable for the debts of these CV's to the extent of the BV's own equity.

³ AlpInvest Partners Limited is in liquidation since July 23, 2013.

⁴ These companies are not consolidated. All other companies in this list are consolidated.

⁵ Companies liquidated during 2014.

⁶ No longer consolidated from the date of the transfer, May 2, 2014.

7. Notes to the company balance sheet

7.4 Forward contracts

AlpInvest Partners B.V. hedged most of its 2014 and 2015 related expenses in US and Hong Kong dollars by buying these currencies on a forward basis. At December 31, 2014 forward contracts for a total amount of \$ 33,800 and HKD 94,400 (2013: \$ 38,600 and HKD 94,500) were outstanding. The delivery dates of the foreign currencies have been set to match the cash outflows up to January 2016. The difference between the total value in euros of the remaining outstanding forward agreements at the spot rate (€37,993 (2013: €36,841)) and the total value in euros at the forward rate (€34,860 (2013: €38,014)) amounted to €3,133 on December 31, 2014 (2013: –/– €1,173).

7.5 Prepayments and accrued income

	December 31, 2014	December 31, 2013
Prepaid rent	19	207
Prepaid management fee	54	52
Amounts prepaid on behalf of related parties	666	198
Other receivables	–	47
Prepaid items	1,301	549
Total	2,040	1,053

7.6 Cash

Cash and deposits are at the Company's free disposal.

7.7 Shareholders' equity

Share capital

The Company's authorized capital at year-end 2014 was €20,000,000 divided into 20,000 ordinary shares of €1,000 each. Issued share capital totals €4,000,000, consisting of 4,000 ordinary shares with a nominal value of €1,000 each. The issued shares are fully paid. (All figures in this paragraph are to the nearest euro.)

Reserve for currency exchange differences	2014	2013
Balance on January 1	(22)	758
Movements in the year	274	(780)
Balance on December 31	252	(22)

This reserve relates to the revaluation of AlpInvest Partners Ltd.

Legal reserve	2014	2013
Balance on January 1	162	121
Released to/added from other reserves	(112)	41
Balance on December 31	50	162

This reserve relates to the positive difference of fair value less cost price of participations in private equity funds which are accounted for at fair market value.

Other reserves	2014	2013
Balance on January 1	(11,226)	(4,369)
Profit previous year	35,872	22,285
Dividend paid out	(59,414)	(26,665)
Dividend in kind	–	(2,436)
Other movements	29	–
Released from/(moved to) legal reserve	112	(41)
Balance on December 31	(34,627)	(11,226)

7. Notes to the company balance sheet

7.8 Other short-term liabilities

	December 31, 2014	December 31, 2013
Personnel related items	6,549	8,279
Accrued expenses	1,495	596
Accrued fundraising fees	-	33
Directors' fee payable to related parties	276	101
Total	8,320	9,009

7.9 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations amount to €727 per annum (2013: €826 per annum).

The monthly obligations for car leases amount to €20 (2013: €18). These contracts have an average remaining life of 28 months (2013: 27 months).

The monthly obligations for copiers amount to €15 (2013: €15). The contracts have an average remaining life of 36 months (2013: 48 months).

The monthly obligation for Bloomberg terminals amounts to €1.9 (2013: €1.7). The contracts, which expire in 2017, will be automatically renewed for a period of 2 years.

The monthly obligation for an ICT service contract amounts to €39 (2013: €47). The contract expires December 31, 2015, but can be ended at any time during that period taking into account a notice period of 3 months.

Guarantees

There are no outstanding guarantees on behalf of the Company.

8. Supplementary information company financial statements

8.1 Remuneration

The remuneration of Directors of the Company included in the income statement amount to the following:

	2014	2013
Personnel expenses		
Salaries and wages	1,359	1,360
Bonuses	1,004	1,460
Pension charges	245	272
Other personnel expenses and social charges	83	114
Total	2,691	3,206

Over time the Directors have been receiving Certificates of Shares in connection with and reflecting profit sharing rights related to investment mandates received by the Company. These profit rights will fall due to the individuals only if and when the qualifying profits (carried interest fees) have been earned by the Company or any of its Group companies. Carried interest fees are recognized as income if and when it is certain that the conditions applicable for earning such fees have been fully met and the investors have received back their full investment, all expenses and a minimum contractual return. Equity value accumulated due to carried interest distributions to which the Directors are entitled amounted to €2,114 [2013: €1,872]*.

AlpInvest Partners' management has agreed to commit, on a going forward basis, an aggregate amount for investment alongside some investors which as a minimum requirement will be calculated (or determined) to be the greater of:

- i) 10% - 30% of carried interest distributed to each member of AlpInvest Partners' management during a preceding calendar year and;
- ii) 10% - 50% of the annual discretionary bonus awards made to each member of AlpInvest Partners' management during the preceding calendar year.

The higher end of the scale will typically be applicable to Managing Directors and each amount is net of taxes.

The crisis tax amounting to €341 for 2013 is not included in this overview, but shown as part of the other personnel expenses in note 5.2.

*This is the Director's part of "Other shareholders" as presented in note 4.9 to the consolidated balance sheet and note 5.10 to the consolidated income statement.

Amsterdam, May 28, 2015

The Managing Board,

J.P. Chappuis **J.P. de Klerk**
Chairman CFO & COO

E.M.J. Thyssen **G.A. Youngkin**

Other information

The Managing Board proposes to pay-out €50.5 million from the other reserves as dividend to the shareholders. This amount includes the interim dividends declared. This proposal has not been recognized in the 2014 company balance sheet.

Subsequent events

On May 11, 2015, AlInvest obtained an Alternative Investment Fund Managers Directive ('AIFMD') license from the Dutch Authority for the Financial Markets ('AFM') for the management of fund-of-funds and private equity investment products for professional investors. AlInvest has aligned its existing policies covering transparency, remuneration, service providers, risk management, MiFID, conflicts of interest, compliance, and anti-money laundering with the requirements of the AIFMD.

Provisions of the Articles of Association governing profit appropriation

Article 38 of the Articles of Association stipulates that the annual profit shall be at the Annual General Meeting of Shareholders' free disposal.

Proposed profit appropriation

The Managing Board proposes to allocate the current year net result after tax and share third parties to the other reserves. This proposal has not been recognized in the financial statements.

The articles of association stipulate that the general meeting of shareholders can decide to declare an interim dividend.

- On May 1, 2014 the shareholders have declared an interim dividend of €0.7 million.
- On May 27, 2014 the shareholders have declared an interim dividend of €22.2 million.
- On August 27, 2014 the shareholders have declared an interim dividend of €7.1 million.
- On November 7, 2014 the shareholders have declared an interim dividend of €11.1 million.

These interim dividends were paid out to the shareholders on declaration date from the other reserves and have been recognized in the 2014 company balance sheet.

Independent auditor's report

To: the shareholders and the Managing Board of AlInvest Partners B.V.

Report on the financial statements

We have audited the accompanying financial statements 2014 of AlInvest Partners B.V., Amsterdam, which comprise the consolidated and company balance sheet as at 31 December 2014, the consolidated and company income statement for the year then ended, the consolidated cash flow statement and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the Management Board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of AlInvest Partners B.V. as at 31 December 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Management Board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the Management Board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, May 28, 2015
Ernst & Young Accountants LLP

Signed by N.Z.A. Ahmed-Karim



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