LEO CAPITAL GROWTH SPC
(Incorporated in the Cayman Islands)

ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS

For the year ended
31 December 2008

LEO CAPITAL GROWTH SPC

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For the year ended 31 December 2008

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COMPANY INFORMATION

DIRECTORS	Pierre Kladny Wolfgang Graebner Jonathan Schwartz /Chairman Ian Cooper Claus Helbig All independent non-executive directors
REGISTERED OFFICE	Leo Capital Growth SPC Ogier Fiduciary Services (Cayman) Limited Queensgate House South Church Street P.O. Box 1234 GT, Grand Cayman Cayman Islands KY1-1108
MANAGER	Leonardo Capital Management Limited 20 Parliament Street P.O. Box HM 2826 Hamilton HM LX, Bermuda
SUB-MANAGER	Leo Fund Managers Limited Liscartin House 127 Sloane Street London, SW1X 9AS United Kingdom
BANKERS	JP Morgan AG Junghofstrasse 14 60311 Frankfurt Germany
CUSTODIAN AND PRIME BROKER	Goldman Sachs International Peterborough Court 133 Fleet Street London, EC4A 4QA United Kingdom
ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT	Citi Hedge Fund Services (Ireland), Limited 4th Floor 1 George's Quay Plaza George's Quay, Dublin 2 Ireland
INDEPENDENT AUDITORS	PricewaterhouseCoopers One Spencer Dock North Wall Quay, Dublin 1 Ireland

COMPANY INFORMATION (Continued)

LEGAL ADVISER ON DUTCH LAW	Loyens & Loeff N.V. Weena 690 3012 CN Rotterdam The Netherlands
LEGAL ADVISER ON CAYMAN LAW	Ogier Queensgate House P.O. Box 1234 Grand Cayman Cayman Islands KY1-1108

Chairman's Statement

Dear Shareholders,

2008 was a year of extreme volatility and deep declines in the global equity markets. The MSCI Europe Index fell by 45% in 2008. The DAX declined 40.4% and the FTSE 100 was off 31.33%.

Compared with its comparable indices Leo Capital Growth did relatively well. It generated a negative yield of 10.36%. Of course we would have preferred to have a stronger performance. It is never satisfying for the Company to generate a loss. However, given the extraordinary conditions in the markets this was by many measures a good result.

Leo Capital Growth achieved these results in part by choosing a conservative investment strategy that maintained a large part of its holdings in cash or in cash-like liquid instruments throughout the year. Another key feature of the Leo Capital Growth strategy was to invest in relatively safe arbitrage investments as spreads reached historic highs.

Leo Capital Growth also continued to invest in core positions where it believed there was significant value and where activism could unlock it. The Investment Manager's Report discusses these positions in detail. On the whole, the performance during 2008 was mixed. However, we remain convinced that these core investments continue to contain substantial value and that patience will be rewarded.

The downturn is not yet over. The news about the global economy continues to be difficult and analysts' expectations about earnings are still bearish.

As a result, Leo Capital Growth believes it is prudent to continue a cautious investment strategy and maintain a relatively high level of cash and cash equivalents in the portfolio for the immediate future. This will give the Company the capacity to seize high quality investment opportunities as they occur.

We believe there are and there will be good opportunities for Leo Capital Growth to invest. In particular, the Company is searching for situations where the potential investments have fundamentally high value, predictable cash flows, acceptable debt levels and where there are opportunities to use activism to unlock the value.

No downturn lasts forever. We look forward to the markets' ultimate recovery and to the investment opportunities that the recovery will bring.

Sincerely,

Jonathan Schwartz
Chairman

DIRECTORS' REPORT
For the year ended 31 December 2008

The Directors present their report and audited financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES
Leo Capital Growth SPC is an investment company whose objective is to achieve long-term capital appreciation through direct or indirect equity investment in European publicly traded companies.

OPERATION OF THE BUSINESS
The Company appointed Leonardo Capital Management Ltd as investment manager (the "Manager"). The Manager in turn delegated its responsibility for investment advice and execution to Leo Fund Managers Ltd (the "Sub-Manager"), an investment management company authorised and regulated in the UK by the Financial Services Authority. The delegation of investment advice and execution to the Sub Manager was as envisaged in the Prospectus.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2008
The Balance Sheet and the Income Statement for the year ended 31 December 2008 are set out on pages 11 and 12, respectively. The Company returned a loss of 10.36% (2007:0.05%) for the year ending 31 December 2008, in comparison to its performance benchmark index, the MSCI Europe index, which fell 45% in the same period. The Investment Manager's report discusses the performance of the company for the year ending 31 December 2008. For information on post year end 31 December 2008 performance, please refer to note 9 'Subsequent Events'.

DIVIDENDS
The Directors do not recommend the payment of a dividend at the year end.

DIRECTORS
The Directors at the date of this report, 31 December 2008, listed on page 3 are as follows:

Pierre Kladny
Wolfgang Graebner
Jonathan Schwartz
Ian Cooper
Claus Helbig

All of the above were non-executive directors.

The Company is not aware of any potential conflicts of interest between any duty of any of the Directors owed to it and their respective private interests. Each Director is paid annual fee of €50,000.

DIRECTORS' REPORT (Continued)
For the year ended 31 December 2008

DIRECTORS (Continued)
The Directors acknowledge their responsibility to maintain books and accounts which disclose with reasonable accuracy the positions held in the Company at any point in time. The Directors also acknowledge their responsibility in the safeguarding of the assets of the company and take reasonable steps in the detection of fraud and other irregularities. The Directors believe they have complied with these guidelines by employing an experienced administrator with appropriate expertise in Citi, who maintain the books and accounts. Citi prepare valuations on a month end basis and annually produce financial statements in accordance with the IFRS (International Financial Reporting Standards).

The Directors are responsible for preparing the annual report and the financial statements in accordance with IFRS as adopted by the EU. In preparing the financial statements, the Directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent and prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors confirm that they have complied with these requirements in preparing the financial statements.

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Irish Financial Services Regulations Authority to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Fund. The Directors confirm that they have complied with the above requirements in preparing the annual report.

The Directors confirm that, to the best of each person's knowledge and belief:
• the financial statements, prepared in accordance with IFRSs as adopted by the European Union , give a true and fair view of the assets, liabilities, financial position and profit of the Fund; and
• the Report of the Directors includes a fair review of the development and performance of the Fund's business and the state of affairs of the business at 31 December 2008, together with a description of the principal risks and uncertainties facing the Fund.

The Board of Directors hold quarterly Board meetings at which key risks facing the Company are discussed (as referred to in note 6 'Financial Risk Management').

OTHER
The Board would also direct your attention to note 7 for 'Related Party Transactions' for the year to 31 December 2008.

With regards to the additional disclosure requirements for closed end companies which flow from the EC (Takeover Bids) Regulations, please note the following:

Please make reference to note 5, 'Shareholders' Interests' which details the rights and obligations of the Participating company Shares and the capital structure, including the total capital in the singular share class.

The Participating Shares of the Company were listed on the Euronext Amsterdam under the symbol "LEO" on the 12 July 2007. Although there is a 7 year lock up period of Participating Shares in the Company, preventing redemption, these Participating Shares may be transferred in accordance with procedures established for this purpose by Euroclear Netherlands or in the alterative through the Company's share registrar. The rights of holders of participating shares will rank pari passu with each other.

Under the Articles of Association of the Company, the Board of Directors is authorised in its absolute

DIRECTORS' REPORT (Continued)
For the year ended 31 December 2008

OTHER (Continued)

discretion and subject to applicable laws, to effect repurchases of up to 20% of its aggregated issued Participating Shares in any one financial year of the company at a price per participating share not being greater than the Net Asset Value per Participating share as at the most recent Valuation Day. The Board of Directors will not, however, be obliged to repurchase Participating Shares and holders of Participating Shares will have no right to require such a repurchase. Repurchased shares will automatically be cancelled.

Please refer to note 5 'Shareholders' Interests' with reference to Management Shares

The Company's schedule of investments shows no positions of controlling ownership at the year end 31 December 2008.

As noted previous, the Directors receive an annual fee as compensation. The general meeting of shareholders of the Company may appoint and remove the Directors pursuant to a resolution adopted by a simple majority of the votes cast at such meeting.

By order of the Board

17 April, 2009

INVESTMENT MANAGER'S REPORT
For the year ended 31 December 2008

For the full year of 2008, Leo Capital Growth ("LCG"/"the Company") generated a negative yield of 10.36%. This compares to the MSCI Europe Index, which fell by 45% during the year, as well as the DAX, CAC and FTSE 100 indices which recorded declines of 40.4%, 41.9% and 31.33% (47.2% if expressed in Euros) respectively.

In 2008, the volatility in the equity markets reached unprecedented levels and significant declines were registered in the year. Global equity markets were characterised with well-known headwinds, which included continued write-downs in the banking sector that were a direct fall out of the credit crisis that started in mid 2007, negative news emerging on the global economic front especially in the developed world and the resulting slowdown in the rest of the world including the emerging economies.

In terms of the news flow on the economic front, both the Eurozone and the US slid officially into recession and an IMF forecast revealed a bleak global 2009 outlook with only 0.5% growth, the lowest rate in 60 years. The first half of the period was marked with high inflation across the globe mostly due to record commodity prices with oil almost breaching the USD 150 per barrel mark. The second half of the year saw a sharp reversal of commodity prices as global demand slowed down. Consequently, inflation fears subsided as policy makers' focus shifted to measures to revive the global economy.

In an extraordinary month of September, Freddie Mac and Fannie Mae were nationalized, Lehman Brothers filed for bankruptcy. Merrill Lynch was taken over by Bank of America, AIG was bailed out by the US Government, and in Europe, Bradford & Bingley was nationalized, HBOS was taken over by Lloyds TSB, and Fortis and Hypo Real Estate had to be rescued. These events led to the deep freezing of money markets and only after various liquidity stimuli measures by global central banks they resumed activity, albeit in a limited manner. Amidst this turmoil, another mega institution, Citigroup, was rescued through state sponsored measures.

To address this crisis in the financial markets, governments and central banks worldwide resorted to aggressive monetary easing and massive fiscal stimulus plans – the most significant being the Troubled Asset Relief Programme ("TARP") and the package pledged by the US president-elect involving large infrastructure construction. Despite these plans, as the year came to its end, there was a growing realisation that costlier and lesser availability of debt to individuals and businesses would be a significant impediment to global economic growth in the short and medium term.

These factors influenced the portfolio construction for the Fund and hence it adopted a strategy of maintaining a large part of its holdings in cash or in cash-like liquid instruments throughout the year. Another key feature of LCG's strategy was to invest in relatively safe, high conviction arbitrage deals as spreads reached historic highs due to the liquidation of several merger-arbitrage funds and prevailing market-related nervousness.

The Fund's position in Aegis Group Plc was completely liquidated by the end of the year, at an average exit price comparable to the average entry price. After a fall in its share price of almost fifty percent in October and November due to global economic concerns, the Fund increased its stake in the stock. We were then subsequently able to exit our position at no loss, as the share price rallied sixty percent from its lows, to 76 pence when CEO Robert Lerwill unexpectedly left the company. This was due to an apparent difference of opinion between him and the Board of Directors over the future strategy of the company, which led to speculation about a merger with Havas or a breakup of the Group into Media and Market Research.

INVESTMENT MANAGER'S REPORT (continued)
For the year ended 31 December 2008

In February this year, the Fund started building a position in Babcock & Brown Wind Partners ("BBW"), a company which is a pure play on existing operational wind power farms across different regulatory regimes and which was trading at a significant discount to its global peers and assets' replacement value. The majority of Babcock and Brown Wind Partners operations at the time of the investment were in Europe. From the time when the Fund first took this position, the stock price fell by approximately 36% due to the general market conditions and also because of the perceived financial association of BBW with its then manager, Babcock & Brown ("BNB") and BNB's (and other Babcock Funds') debt-related issues. As the Fund used the opportunity to increase its position by taking advantage of the dips in the share price, it exited the year with a net loss of 21%.

Meanwhile, BBW proceeded with its announced asset sale strategy to signal its steep undervaluation to the market and took favourable steps to address long – standing corporate governance issues. During this period, the LCG team actively engaged with the company to persuade them to undertake further asset sales without incurring additional developmental capital expenditure and to utilize excess cash to undertake buybacks to the maximum possible extent. This was because, in our opinion, investment in its own shares was the best possible use of cash for the company.

We also pursued the company to address various corporate governance issues, especially the issue regarding the internalization of its management agreement with BNB. By the end of the period, BBW announced some favourable news indicating steps that were much in line with the actions we had proposed. This included the sale of approximately one third of the portfolio that was there at the beginning of the year, the internalization of the management agreement, the change in the constitution of the Board to make it more independent and a resolution to buyback up to 30% of its outstanding shares. We believe that these actions, especially the ongoing share buyback, will contribute significantly to crystallize value for the shareholders.

The slowdown in UK consumer spending had a huge impact on the share price of Mitchells & Butlers ("MAB"), which fell by sixty-two percent over the year. However, the Fund stayed invested in MAB in 2008 and, in fact, increased its position during the period under review, to take advantage of the fall in the share price, as it firmly believes that aside from the external economic drivers, the market is still undervaluing its pub portfolio significantly.

The full year results released in Nov 2008 revealed continued focus on value, food sales and competitive beer pricing, and these were positively received by the equity market, with the stock rallying more than a quarter from its intra month lows in the two days following the announcement.

The Fund continues to believe in MAB's superior management, as it takes suitable measures to counter the UK consumer slowdown effectively, as well as its focus on proactive debt management that includes successful refinancing and debt-reduction. Having a proven strategy and being a superior pub operator, we believe that MAB will translate this into additional share price gains in the medium term even when it sees slower top line growth in 2009.

No major events occurred within Alpha Immobiliare (Alpha") during the year, besides the purchase of one property in December. Following the distribution of a dividend in H108, the Fund manager decided not to pay any dividend relating to H208. Although Alpha's share price suffered substantially (47% decline) due to general poor market conditions in 2008, we remain convinced of the hidden value in its portfolio, as proven in the strategy of Beta fund, which holds similar assets and has adopted a strategy of active disposal of parts of its portfolio. The fund manager of Alpha also stated a more aggressive commercial strategy going forward, to take advantage of potential market opportunities and perhaps liquidating the fund earlier than termination date.

INVESTMENT MANAGER'S REPORT (continued)
For the year ended 31 December 2008

Beta Immobiliare ("Beta") did not suffer the declines like its sister fund Alpha. In fact, after adjusting for all dividends Beta appreciated by 4% as it had an eventful year with fourteen asset disposals. Most of cash generated through these above – referred disposals was returned through special dividends to the shareholders in March and September, and because these asset sales were carried out at a premium to their valuation, the share price throughout the year traded at a substantially less discount (or even at a premium at times) to Net asset Value ("NAV") relative to other Italian real estate funds.

The fund manager of Beta reiterated its commitment of closing down the Fund 'as soon as possible', before its termination date of early 2011; and stated that no further investments were planned other than short term cash generating investments.

Amidst all the negativity in the market, the mergers and acquisitions market saw some activity, notably after the announcement of some mega deals in the pharmaceutical sector. The Fund took this opportunity to invest in twenty four arbitrage positions in the year. Among these positions, those that were entered in the second half of the year, in particular, had spreads that reached historical highs due to the liquidation of several merger-arbitrage funds and prevailing investor anxiety. Most of these positions were closed and expected returns were settled by the end of the year.

The news-flow on global economy continues to be grim and the current equity and credit markets are reflecting the same. Furthermore, the downward revision of earnings estimates that began at the start of 2008 is still not over and analysts' expectations in Europe will continue to moderate in the short term.

Under this depressed and volatile environment, the Company continues to stay cautious and maintain its strategy of high cash preservation. Leo Capital Growth ("LCG") will continue to look for investments with high value, high predictability of cash flows, and debt levels that are not fundamentally unwieldy for the business' sustainability, but might have been punished by the market for issues that can be potentially resolved. We will also be selectively searching for investments in special situations, for example, those where a distressed holder is involved.

Leonardo Capital Management Limited
17 April 2009

To the Shareholders and Board of Directors of Leo Capital Growth SPC:

We have audited the accompanying financial statements of the Leo Capital Growth SPC (the "Company") which comprise the balance sheet and condensed schedule of investments as of December 31, 2008 and the income statement, statement of changes in net assets attributable to holders of participating shares and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, 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.

This report, including the opinion, has been prepared for and only for the Company's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Opinion
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
Dublin

24 April 2009

LEO CAPITAL GROWTH SPC

BALANCE SHEET
As at 31 December 2008
(Expressed in Euro)

	Note	2008 €	2007 €
Current Assets			
Cash and cash equivalents	2	145,431,544	120,367,940
Cash at brokers	2	24,134,024	112,950,300
Due from broker	2	14,194,013	-
Financial assets at fair value through profit or loss	3	86,231,891	73,874,789
Interest and dividends receivable		642,992	900,351
Other assets and prepaid expenses		136,147	151,733
Total current assets		270,770,611	308,245,113
Equity			
Ordinary Share Capital		1	1
Total Equity		1	1
Current Liabilities			
Due to broker		472,683	38,727
Financial liabilities at fair value through profit or loss	2	627,125	5,642,213
Investment management fee payable	4	338,564	377,847
Administration fee payable	4	15,827	36,895
Audit fee payable		36,750	32,500
Directors fee payable	4	124,000	103,334
Other payables and accrued expenses		54,435	131,908
Performance fee payable	4	-	138,538
Current liabilities excluding net assets attributable to holders of Participating Shares	3	1,669,384	6,501,962
Net assets attributable to holders of redeemable participating shares on a bid/ask price basis		269,101,227	301,743,151
Adjustment for bid/ask price to last trade price	2	1,395,390	-
Net assets attributable to holders of redeemable participating shares on a last traded price basis		270,496,617	301,743,151

Net Asset Values per share (NAV)

	2008	2007
EUR Leonardo Leveraged Class Shares		
Shares	2,986	2,986
NAV per share	€90,588.2843	€101,052.6292

On behalf of the Board: (Director) (Director)

Date: 17 April, 2009

See notes to the financial statements.

INCOME STATEMENT
For the year ended 31 December 2008
(Expressed in Euro)

	Note	2008 €	2007 * €
Revenue			
Interest income	2	8,740,163	4,665,503
Dividend income	2	7,792,878	1,269,928
Net loss on financial assets and liabilities at fair value through profit or loss	3	(42,046,567)	(1,427,576)
Total loss/income		**(25,513,526)**	**4,507,855**
Expenses			
Investment management fees	4	4,332,323	2,154,513
Directors' fees and expenses	4	272,666	105,000
Administration fee	4	209,745	103,606
Other expenses		250,515	154,343
Audit fee		40,493	32,500
Prime broker fees		9,319	4,054
Preliminary expenses	4	(41,733)	348,439
Performance fee	4	(138,538)	138,538
Total expenses		**4,934,790**	**3,040,993**
Preliminary expense reimbursements	4	(41,733)	148,439
Operating loss		**(30,490,049)**	**1,615,301**
Finance cost			
Interest expense on cash balances	2	(1,748,554)	(1,061,150)
Total finance cost		**(1,748,554)**	**(1,061,150)**
Loss before tax		**(32,238,603)**	**554,151**
Withholding tax on dividends and other investment income from operations		(403,321)	-
Decrease in net assets attributable to holders of redeemable participating common shares		**(32,641,924)**	**554,151**
Adjustment for bid/ask to price to last trade price	2	1,395,390	-
Decrease in net assets attributable to holders of redeemable participating shares resulting from operations based on last traded price		**(31,246,534)**	**554,151**

* For the period from 25 August 2006 (date of incorporation) to 31 December 2007.

See notes to the financial statements.

LEO CAPITAL GROWTH SPC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING SHARES

For the year ended 31 December 2008

(Expressed in Euro)

		2008		2007 *
	Number of shares	**€**	**Number of shares**	**€**
Euro Leonardo Leveraged Class				
Net assets attributable to holders of Participating Shares at 1 January	2,986	301,743,151	2,986	301,189,000
Net increase from share transactions	**2,986**	**301,743,151**	**2,986**	**301,189,000**
(Decrease)/increase net assets attributable to holders of redeemable participating shares resulting from operations	-	(31,246,534)	-	554,151
Net assets attributable to holders of redeemable participating shares on a last trade price basis	**2,986**	**270,496,617**	**2,986**	**301,743,151**

* For the period from 25 August 2006 (date of incorporation) to 31 December 2007.

See notes to the financial statements.

LEO CAPITAL GROWTH SPC

CASH FLOW STATEMENT
For the year ended 31 December 2008
(Expressed in Euro)

	2008 €	2007 * €
Cash flows from operating activities:		
Decrease in net assets attributable to holders of Participating Shares	(31,246,534)	554,151
Operating profit before working capital changes		
Adjustment from bid/ask price to last trade price	(1,395,390)	-
Adjustments to reconcile realised gain and (appreciation) on investments and derivatives	35,013,372	1,083,420
Net decrease/(increase) in cash at broker	88,816,276	(112,950,300)
Net (increase) in amounts due from broker	(14,194,013)	-
Proceeds from sale of investments	134,619,500	58,550,571
Purchase of investments	(187,005,062)	(127,866,566)
Net decrease/(increase) in interest receivable	245,517	(430,329)
Net decrease/(increase) in dividends receivable	11,843	(470,022)
Net decrease/(increase) in other assets and prepaid expenses	15,585	(151,733)
Net increase in amounts due to broker	433,957	38,726
Net (decrease)/increase in performance fee payable	(138,538)	138,538
Net increase in interest payable	2,701	-
Net increase in directors fees payable	20,666	103,334
Net (decrease)/increase management fee payable	(39,283)	377,847
Net (decrease)/increase in administration fee payable	(21,068)	36,895
Net increase in audit fee payable	4,250	32,500
Net (decrease)/increase in other payables and accrued expenses	(80,175)	131,908
Cash generated from operations	**25,063,604**	**(180,821,060)**
Cash flows from financing activities		
Proceeds from Participating Shares issued	-	301,189,000
Net cash from financing activities	**-**	**301,189,000**
Net increase in cash and cash equivalents	25,063,604	120,367,940
Cash and cash equivalents at beginning of year	120,367,940	-
Cash and cash equivalents at end of year	**145,431,544**	**120,367,940**
Supplemental disclosure of cash flow information:		
Net cash received during the period for dividends	8,251,058	799,905
Net cash received during the period for interest	8,924,975	4,651,498
Net cash paid during the period for interest	(1,751,255)	(1,061,150)

* For the period from 25 August 2006 (date of incorporation) to 31 December 2007.

See notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

1. GENERAL INFORMATION

Leo Capital Growth SPC (the "Company") was incorporated and registered as a closed ended segregated portfolio company in Cayman Islands on 25 August 2006, under the Companies Law (Revised) of the Cayman Islands. On or prior to the seventh anniversary of the first issue of the Participating Shares (being 31 March 2014), the Board of Directors will convene a general meeting of shareholders at which a resolution will be put to all holders of Participating Shares to continue the existence of the Company beyond that date for a period of up to two years. Initially, only one segregated portfolio has been created: the PS Segregated Portfolio. The PS Segregated Portfolio has only one class of shares: the EUR Leonardo Leveraged class. The participating Shares where listed on Euronext Amsterdam on 12 July 2007.

The Company's investment objective is to achieve long-term appreciation of its assets. The Company for and on behalf of PS Segregated Portfolio will seek to achieve its objective by making significant equity investments either directly or indirectly in European publicly traded companies which the Company believes are under-managed and under-valued. The strategy may require medium to longer-term commitment in order to unlock value. There may be at any point in time significant concentration exposures to individual issuers.

The Company's investment activities are managed by Leonardo Capital Management Ltd. (the "Manager") who in turn has delegated responsibility for investment management to Leo Fund Managers Limited (the "Sub-Manager").

The Company's administration is delegated to Citi Hedge Fund Services (Ireland), Limited. The registered office of the Company is Ogier Fiduciary Services (Cayman) Limited, Queensgate House, South Church Street, P.O. Box 1234 GT, Grand Cayman, Cayman Islands KY1-1108.

The financial statements were authorised for issue by the directors on 17 April 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Basis of preparation
The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical-cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Management uses best judgement in estimating and fair value estimates presented are not necessarily indicative of an amount the Company could realise in a current transaction. The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Certain prior year comparatives are reclassified to conform to current year presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interpretations to existing standards that are not yet effective or early adopted by the Fund

The following interpretations are mandatory for the Company's accounting periods beginning on or after 1 January 2009

- IFRS 8, Operating Segments (effective 1 January 2009)
- Amendment to IAS 32 and IAS 1—Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation.
- IAS 39 (Amendment) 'Financial Instruments and measurement' amends the definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading.
- IAS 1 (Revised) 'Presentation of financial statements' requires 'non-owner changes in equity' to be presented separately from owner changes in equity.
- IAS 1 (Amendment) 'Presentation of financial statements' clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39 are examples of current assets and liabilities respectively.
- There are a number of minor amendments to IFRS 7 'Financial Instruments: Disclosures', IAS 8 'Accounting policies, changes in accounting estimates and errors' and IAS 10 'Events after the reporting period'. None of which are likely to have a significant impact on the Company's financial statements.

Financial assets and liabilities at fair value through profit or loss
This category has two sub-categories: financial assets and liabilities held for trading, and those designated by management at fair value through profit or loss at inception. These may include equity shares, convertible debt, contracts for differences, exchange traded and OTC options, warrants, futures and other derivative instruments.

The Company makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

Gains arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are included in the Income Statement in the period in which they arise. Interest income on debt instruments will be calculated using the effective interest method and presented separately in the Income Statement.

Fair value estimation
The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the Balance Sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. When the Company holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies the bid or asking price to the net open position, as appropriate. In the case of money market funds, unaudited net asset valuations are provided by the underlying funds' administrators.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value estimation (continued)
The Company may from time to time invest in financial instruments that are not traded in an active market (for example, in over-the-counter derivatives). The fair value of such instruments is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each Balance Sheet date. As required by IAS 39, a bid/ask adjustment has been made to the traded price.

Derivative financial instruments
Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the Income Statement.

The Company holds the following derivative instrument:

Contracts for Differences (CFDs)
Contracts for differences and equity Swaps are agreements between the Company and third parties, which allow the Company to acquire an exposure to the price movement of specific securities without actually purchasing the securities. During the period in which the CFDs are open, changes in the value of the contracts are recognised as gains or losses by marking to market the contracts on a daily basis and reflect the difference between the value of the underlying securities and the contract price. Variation margin payments are made or received by the Company depending upon the fluctuation in the value of the underlying security.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the Balance Sheet, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not therefore indicate the Company's exposure to credit or market price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

Long and short dividends on CFDs are received or paid based on the dividends paid on the security underlying the CFD. They are posted as variation margin adjustments on the ex date to compensate for the drop in share price which occurs on the ex dividend date. Interest expense or income is charged on the first working day following the day to which it relates and is calculated on the notional value of the open long or short position at rates agreed with the counter party to the contract.

Options
The Company purchases or sells put and call options through listed exchanges and the OTC markets. Options purchased by the Company provide the Company with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option. The Company is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value. The Company held no options at year end.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividends
Dividends are credited to the Income Statement on the dates on which the relevant securities are listed as "ex-dividend".

Interest Income and expense
Interest income and expense are recognised in the Income Statement using the effective interest method.

Foreign currency translation

Functional and Presentation Currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates ('the functional currency'). This is the Euro, which reflects the Company's primary activity of investing in EU securities and derivatives.

The Company has also adopted the Euro as its presentation currency, as the Company is listed in Amsterdam and its main investors are also based in Europe.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Translation differences on non-monetary items, such as equities, held at fair value through profit or loss are reported as part of the fair value gain or loss.

Cash, cash equivalents and cash at broker
The Company considers short term, highly liquid investments with original maturities of three months or less to be cash equivalents. The majority of the Company's cash and cash equivalents are held in a segregated account with JP Morgan International. The remainder is held with Goldman Sachs (the "Prime Broker"). Under a revolving facility with the Prime Broker, the Company is able to borrow amounts in various currencies collateralised by the cash and securities held on its behalf by Goldman Sachs. The receivable of EUR14,194,013 relates to a tender offer on Ciba Holdings with a settlement date of 9 April 2009.

Cash, cash equivalents and cash at broker	**2008**	**2007**
	€	**€**
Goldman Sachs International	24,134,024	112,950,300
Goldman Sachs Funds PLC - Euro Liquid Reserves Fund	-	120,328,109
JP Morgan Chase	145,431,544	39,831
	169,565,568	233,318,240

Taxation
The Company is domiciled in the Cayman Islands. Under the current laws of the Cayman Islands, there is no income, estate, corporation, capital gains or other taxes payable by the Company.

The Company currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Income Statement.

Share Capital
The participating Shares of the PS Segregated Portfolio are classified as financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

3. NET LOSS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AND FOREIGN CURRENCY

	2008 €	2007 €
Net loss on financial assets and liabilities at fair value through profit or loss during the year comprise:		
Realised losses on investments at fair value through profit or loss	(50,159,332)	(3,581,768)
Change in unrealised (loss)/gain on investments at fair value through profit or loss	(8,113,342)	2,340,777
Net realised and change in unrealised loss on investments at fair value through profit or loss	(58,272,674)	(1,240,991)
Realised gain on foreign exchange	3,876,486	23,501
Change in unrealised gain/(loss) on foreign exchange	905,766	(210,086)
Return of capital	11,443,855	-
Net realised and change in unrealised gain/(loss) on foreign currency and return of capital	16,226,107	(186,585)
Net losses on financial assets and liabilities at fair value through profit or loss	**(42,046,567)**	**(1,427,576)**

4. FEES AND EXPENSES

Investment Management Fee

Pursuant to the investment management agreement dated 12 January 2007, the Company pays the Manager a monthly management fee at an annual rate of 1.5% of the Net Asset Value of the PS Segregated Portfolio (payable in arrears every month).

Investment Management fees incurred during the year amounted to €4,332,323 (2007:€2,154,513) and Investment Management fees payable at 31 December 2008 amounted to €338,564 (2007:€377,847).

Performance Fee

On the winding-up of the Company or on the redemption of all of the participating Shares of the PS Segregated Portfolio, the Company shall pay a performance fee to the Manager pursuant to terms of the investment management agreement equivalent to 20% of the appreciation in the Net Asset Value of the PS Segregated Portfolio over the period since a performance fee was last paid or, if no performance fee has been paid, since the date of the first issue of participating Shares. In the event that the Manager's appointment is terminated by the Company prior to the winding-up of the Company or the redemption of all of the participating Shares of the PS Segregated Portfolio for any reason, the Company shall pay a performance fee to the Manager equivalent to 20% of the appreciation in the Net Asset Value of the PS Segregated Portfolio over the period since a performance fee was last paid or, if no performance fee has been paid, since the date of the first issue of participating Shares to the last Business Day on the month immediately prior to which such termination becomes effective. Due to the Performance of the Fund in 2008, all Performance fees accrued in the prior year (2007: €138,538) were drawn back in this period.

Administration fee

The Company has engaged the services of Citi Hedge Fund Services (Ireland), Ltd, to provide secretarial and administrative services for a fee. The Company pays the administrator a monthly fee based on the following breakdown of net assets: 8 basis points of the first €100 million of net assets of the Company, 7 basis points on net assets over €100 million and less than €250 million, and 6 basis points of net assets over €250 million, subject to a minimum of €60,000 per annum, paid monthly in arrears.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

4. FEES AND EXPENSES (continued)

Administration fee (continued)
Administration fees incurred during the year amounted to €209,745 (2007:€103,606) and administration fees payable at 31 December 2008 amounted to €15,827 (2007:€36,895).

Director fees
The listing of the members of the Board of Directors is shown on page 3 of the annual report.

Each Director is paid a fee of €50,000 per annum by the Company. The Directors will also be entitled to payment of all reasonable expenses incurred in connection with their appointment as directors of the Company.

Preliminary expenses
The PS Segregated Portfolio is responsible for paying the preliminary costs and expenses of, and incidental to, the establishment of the Company, the negotiation and preparation of the contracts to which it is a party, preparation of Prospectus and any supplements thereto and the stock exchange listing of the participating Shares on Euronext Amsterdam. These preliminary costs and expenses will be capped at €200,000 and any expenditure in excess of this amount will be borne by the Manager. In accordance with IFRS the costs and expenses borne by the Company will be paid immediately following the Listing Date and therefore expensed in the fiscal year in which they are incurred.

Preliminary expenses charged to the fund in 2007 of €348,439 were over accrued by €41,733. During 2008 the accrual and the rebated expense reimbursement included in other assets from the Manager was reduced accordingly by €41,733 to €306,706. The portion of expense to be borne by the Manager has been reduced by the same amount.

5. SHAREHOLDERS' INTERESTS

The Company has an authorised share capital of €250,000,001 divided into 100 Management Shares with a nominal value of €0.01 each and 5,000 participating Shares with a nominal value of €50,000 each. All management Shares have been issued to the Manager at their nominal value.

However, on incorporation the authorised share capital had been €50,000 divided into 100 Management Shares with a nominal value of €0.01 each and 4,999,900 participating Shares with a nominal value of €0.01 each. At March 31, 2007, 39,800 participating shares had been issued and these were consolidated into 394 participating shares after the increase of the nominal value of the participating share from €0.01 to €50,000 in June 2007.

Each Management Share will carry the right to one vote on all matters in general meetings of the shareholders of the Company, except on a resolution to change the Manager or the wind-up/continue the Company at the end of its seven year life, being March 31, 2014. The Management Shares do not entitle holders to participate in the Company's profits and losses. Upon winding up of the Company the holders of Management Shares are entitled to receive their paid in capital €0.01 per Share after payment of the amounts due to holders of participating Shares.

The holders of participating Shares shall be entitled to receive notice of and attend, in person or by proxy, at each meeting of shareholders, but shall only be entitled to speak or vote at any such meeting on a resolution which proposes to vary the special rights attaching to the participating Shares or to amend the Memorandum or the Articles of Association of the Company, to remove and appoint the Directors of the Company, to vote on the winding-up/continuation of the Company at the end of its seven year life or on vote for a change in Manager. They are entitled to receive, any dividends that may be declared by the Company and upon the winding-up of the Company, the full amount of the assets of the PS Segregated Portfolio available for the distribution will be distributed to registered holders of participating Shares.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

6. FINANCIAL RISK MANAGEMENT

Leo Capital Growth SPC's financial position and performance is affected by a range of financial risks which include: Market Risk comprising Price risk, Currency risk and Interest rate risk, Credit Risk and Liquidity Risk. The Company endeavours to mitigate the effect of these financial risks on its performance through its risk management policies. The responsibility for monitoring risk on a day-by-day basis in the Company rests with key personnel in the Investment Sub Manager, Leo Fund Managers Limited. These key personnel include the Chief Investment Officer, Chief Operating Officer and the Chief Risk Officer. The board regularly receives information from the Investment Manager (including the VaR) at the quarterly meetings. Outside of these meetings any exceptional risks are communicated to the board immediately by the Investment Manager.

These risk management policies facilitate the Company to pursue its primary goal of achieving above average absolute shareholder returns in both rising and falling markets with a low degree of correlation to European equity markets.

Market risk
Market risk is due to changes in actual prices, interest rate changes and currency risk. The Company Manager recognises the interdependency between price, interest and currency risk. As such, the Company Manager employs IT systems which enable real-time monitoring of positions, profit and loss and various other risk factors.

Given the investment strategy and objectives, the Company will tend to have a portfolio comprising a small number of highly concentrated equity positions. The focus of risk monitoring is therefore on real-time profit and loss, concentration as a percentage of the assets under management, the percentage ownership, liquidity in terms of the number of average traded days volume, analysis by industry sector, market capitalization category and country of risk.

(i)Market price risk
The investment objective of the Company is long-term capital appreciation. The Company seeks to achieve this objective by making significant equity investments either directly or indirectly in European publicly traded companies which the Company believes are under-managed or under-valued. Such investments are generally not of a short-term nature.

The Company's holding of financial instruments is susceptible to market price risk rising from uncertainties about future price movements.

The Company's overall market positions are monitored on a daily basis by the Company's Investment Sub Manager through use of its bespoke real time risk management software ("LeoPos").

Overall market exposures at 31 December 2008 and 2007 are described in the Condensed Schedule of Investments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

6. FINANCIAL RISK MANAGEMENT (Continued)

The Investment Sub-Manager monitors Value at Risk ("VaR") on a daily basis using LeoPos. The system uses a historical covariance model based upon a one day time horizon and a 95% confidence limit. At the end of each month the figure is compared to a number produced by downloading portfolio data into the standard Bloomberg VaR model. It is the process that the quarterly average VaR and quarterly closing VaR figures are provided to the Directors of the Company at the quarterly Company board meetings. The VAR figure provided is calculated in taking the EUR Value at Risk figure calculated by the standard Bloomberg VaR model and dividing this by the prior month end confirmed Assets Under Management.

VaR at 31 December 2008:	0.69 % (2007:0.68%)
Average VaR for Period:	0.54 % (2007:0.33%)

(ii)Interest rate risk
The majority of the Company's financial assets and liabilities are either non-interest bearing or held as Cash & Cash equivalents or cash at broker. As a result, the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

(iii)Currency risk
While the functional currency for the Company is the Euro, the Company also holds assets denominated in other currencies. The Company seeks to maintain only minimal currency exposure. This is achieved by funding the purchase of financial assets denominated in non-Euro currencies with borrowings in the same currency. Adjustments to the level of borrowing are made from time to time to offset any exposures arising from mark to market profits or losses on the respective financial assets.

The Sub Manager is responsible for monitoring the Company's exposure to Currency Risk on a daily basis. It is the process that the quarterly average VaR and quarterly closing VaR figures are provided to the Directors of the Company at the quarterly Company board meetings where currency risk to the Company is also considered.

The table below summarizes the Company's exposure to currency risks.

At 31 December 2008

CCY	Cash and bank balances	Financial assets/ liabilities at fair value through profit or loss Long	Other assets	Other liabilities	Total
AUD	(13,308,697)	13,316,556	458,180	-	466,039
CHF	14,194,013	-	-	-	14,194,013
GBP	(12,750,533)	13,239,286	-	-	488,753
NOK	2	-	-	-	2
SEK	2	-	-	-	2
USD	1,719		-	-	1,719
	(11,863,494)	26,555,842	458,180	-	15,150,528

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

6. FINANCIAL RISK MANAGEMENT (Continued)

At 31 December 2007

CCY	Cash and bank balances	Financial assets/ liabilities at fair value through profit or loss Long	Other assets	Other liabilities	Total
GBP	9,882,230	(309,634)	471,439	-	10,044,035
NOK	11,929	-	-	-	11,929
SEK	17,077	166,675	-	-	183,752
USD	778	-	-	-	778
	9,912,014	(142,959)	471,439	-	10,240,494

Credit risk

The Company is exposed to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the Balance Sheet date, if any.

All transactions in listed securities are settled delivery versus payment thereby eliminating credit risk. Counterparty risk will arise in respect of over-the-counter transactions, including contracts for differences. Payment is made on a purchase once the broker has received the securities. The trade will fail if either party fails to meet their obligation. As Goldman Sachs has a AA- Credit Rating the credit risk is deemed minimal.

Per the prime broker agreement between Goldman Sachs (the "Prime Broker") and the Company, any part of the Company's property may be commingled with cash or securities of the same description of other customers of the Prime Broker and accordingly the Company shall not necessarily have the right to any specific securities certificates, but will instead be entitled, to the transfer or delivery of an amount of securities of any issue that is of the same description and in the same amount.

The Company's money will not be segregated from the money of the Prime Broker and will be used by the Prime Broker in the course of the Prime Broker's business.

The credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

All contracts for differences are transacted with the Prime Broker, Goldman Sachs. Collateral and margin management is the process of managing assets pledged by one party to another to mitigate credit risk between the parties and to minimize the effects of potential default. As at 31 December 2008 the Company held no open contracts for differences. At 31 December 2007, the Company had open contracts for differences with Goldman Sachs. The Investment Sub Manager monitors the credit/ counterparty expose to the Company on a daily basis. Please make reference to page 20 of this report for other broker exposure.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

6. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk
Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Company invests predominantly in publicly traded European equities. Illiquidity may result from the size of the positions taken in any one entity and/or adverse market conditions. The Company invests only a limited proportion of it's assets in investments not actively traded on a stock exchange. The Company may from time to time invest in derivative contracts traded over the counter, which are not traded in an organised public market and may be illiquid. As a result, the Company may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements. As the Company is closed ended there is no requirement to provide funding for capital redemptions. At 31 December 2008 all current liabilities are stated in the Balance Sheet are payable within one month.

The Investment Sub Manager monitors liquidity on a daily basis using LeoPos which shows the number of average traded days volume in real-time. At 31 December 2008 19.44% (2007:85%) of the positions in the portfolio were within weekly liquidity with the remaining 80.56%(2007:15%) of positions being greater than weekly liquidity. The Board of Directors monitors the liquidity of the positions in the portfolio at the quarterly board meetings.

7. RELATED PARTY TRANSACTIONS

Islington S.a.r.l invested in 1,485 Participating Shares, which represents a 49.73% holding in the Company. Mr. Pierre Kladny a Director of the Company is Chairman of International Capital Growth (Luxembourg) S.a.r.l which indirectly controls Islington S.a.r.l.

As at 31 December 2008:
- Francesco Marotta a Director of the Investment Manager (Leonardo Capital Management Limited) held 2 participating shares
- Leonardo Capital Management Limited held 1 participating shares of the Company.
- Woodbourne Trustees, as Trustee of the C&C Trust, 50% Owner of Leonardo Capital Management, held 20 participating shares.
- Woodbourne Trustees, as Trustee of the Leonardo Trust, 50% Owner of Leonardo Capital Management, held 64 participating shares.

The above share holdings were the same as at 31 December 2007 with the exception of Leonardo Capital Management Limited which held 2 shares in the Company.

8. FOREIGN CURRENCY RATES VERSUS EUR (Functional Currency)

	2008	2007
AUD	1.9937	1.6651
CHF	1.4794	1.6552
GBP	0.9968	0.7344
NOK	9.7332	7.9387
SEK	10.9924	9.4495
USD	1.3900	1.4620

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2008

9. SUBSEQUENT EVENTS

There were no events of significance subsequent to the year end.

10. APPROVAL OF FINANCIAL STATEMENTS

These Financial Statements were approved on 17 April 2009.

CONDENSED SCHEDULE OF INVESTMENTS
As at 31 December 2008

Description	2008 Fair Value €	% of Net Assets	2007 Fair Value €	% of Net Assets
Financial assets at fair value through profit or loss				
Common stock				
Australia				
Financial	13,316,556	4.92%	-	0.00%
	13,316,556	**4.92%**	**-**	**0.00%**
Spain				
Consumer	-		34,797,000	11.53%
Utilities	-		2,756,606	0.91%
Industrials	21,807,900	8.06%	-	0.00%
	21,807,900	**8.06%**	**37,553,606**	**12.44%**
Italy				
Financial	37,868,150	14.00%	30,821,929	10.21%
	37,868,150	**14.00%**	**30,821,929**	**10.21%**
Great Britain				
Consumer	13,239,285	4.89%	-	0.00%
	13,239,285	**4.89%**	**-**	**0.00%**
Total Common Stock	**86,231,891**	**31.88%**	**68,375,535**	**22.66%**
Contracts for Differences				
Great Britain				
Consumer	-	-	5,239,282	1.74%
Industrials	-	-	78,290	0.03%
Financial	-	-	15,007	0.00%
	-	**-**	**5,332,579**	**1.77%**

See notes to the financial statements.

CONDENSED SCHEDULE OF INVESTMENTS (Continued)
As at 31 December 2008

Description	2008 Fair Value €	% of Net Assets	2007 Fair Value €	% of Net Assets
Financial assets at fair value through profit or loss (Continued)				
Sweden				
Financial	-	-	166,675	0.06%
	-	**-**	**166,675**	**0.06%**
Total Contracts for Differences	**-**	**-**	**5,499,254**	**1.82%**
Total financial assets at fair value through profit or loss	**86,231,891**	**31.88%**	**73,874,789**	**24.48%**
Financial liabilities at fair value through profit or loss				
Common stock				
Spain				
Industrials	(627,125)	(0.23)%	-	-
	(627,125)	**(0.23)%**	-	-
Total Common Stock	**(627,125)**	**(0.23)%**	**-**	**-**
Contracts for Differences				
Great Britain				
Consumer	-	-	(5,642,213)	(1.87)%
	-	**0.00%**	**(5,642,213)**	**(1.87)%**
Total Contracts for Differences	**-**	**0.00%**	**(5,642,213)**	**(1.87)%**
Total financial liabilities at fair value through profit or loss	**(627,125)**	**(0.23)%**	**(5,642,213)**	**(1.87)%**

See notes to the financial statements.

CONDENSED SCHEDULE OF INVESTMENTS (Continued)
As at 31 December 2008

Description	2008 Fair Value €	% of Net Assets	2007 Fair Value €	% of Net Assets
Net assets consist of:				
Total investments	85,604,766	31.65 %	68,232,576	22.61%
Other assets	184,891,851	68.35 %	233,510,575	77.39%
Net assets attributable to holders of redeemable participating shares on a last trade price basis	**270,496,617**	**100.00%**	**301,743,151**	**100.00%**

See notes to the financial statements.