



Public Tender Offer

of

HarbourVest Acquisition GmbH, Zug, Switzerland

(whereby HarbourVest Acquisition S.à r.l., Luxembourg, fully guarantees all obligations of HarbourVest Acquisition GmbH under this public tender offer)

for all publicly held

bearer shares with a nominal value of CHF 10 each

in

Absolute Private Equity Ltd, Zug, Switzerland

Offer Price: USD 17.25 net per bearer share with a nominal value of CHF 10.00 each (the “**Absolute Share**”) of Absolute Private Equity Ltd (“**Absolute**”) in cash (the “**Cash Amount**”), less the gross amount of any dilution effects (e.g., dividend payments, capital increases at an issuance price below the Cash Amount, share buybacks above the Cash Amount, sales of treasury shares below the Cash Amount, issuances, allotments or exercises of options at a strike price below the Cash Amount, capital repayments, demergers etc.) (the “**Offer Price**”).

Initial Offer Period: From June 23, 2011, to July 20, 2011, 4 p.m. (CEST) (subject to extension)

Offer Manager



	Security Number	ISIN	Ticker Symbol
Bearer Shares of Absolute Private Equity Ltd	4'292'738	CH0042927381	ABSP

Offer Restrictions

General

The public tender offer (*Öffentliches Kaufangebot*) (the **“Offer”**) described in this offer prospectus (the **“Offer Prospectus”**) is not being made, directly or indirectly, in any country or jurisdiction (each, a **“Restricted Territory”**) in which the Offer would be illegal or would otherwise violate any applicable law or ordinance, or which would require HarbourVest Acquisition GmbH to change the terms or conditions of the Offer in any way, or to submit any additional filing to, or to perform any additional action in relation to, any governmental, regulatory or legal authority. It is not intended to extend the Offer to any Restricted Territory. Documents relating to the Offer must not be distributed in or sent to any Restricted Territory. Any such documents must not be used for the purpose of soliciting the sale or purchase of securities of Absolute by any person or entity resident or incorporated in any Restricted Territory.

United States

The Offer is not being made directly or indirectly in, into or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States and may only be accepted outside the United States. This includes, but is not limited to, facsimile transmission, telex or telephone or electronic transmission by way of the internet or otherwise. The Pre-announcement (*Voranmeldung*) of the Offer (as described in Section 2.1 (Pre-announcement)), this Offer Prospectus and any other offering materials with respect to the Offer must not be distributed in or sent to the United States and must not be used for the purpose of soliciting the sale or purchase of any securities of Absolute from anyone in the United States. HarbourVest Acquisition GmbH is not soliciting the tender of securities of Absolute by any holder of such securities in the United States. Absolute securities are not accepted from holders of such securities in the United States, including agents, fiduciaries or other intermediaries acting on a non-discretionary basis for holders giving instructions from within the United States. Any purported acceptance of the Offer that HarbourVest Acquisition GmbH or its agents believe has been made in or from the United States is invalidated. HarbourVest Acquisition GmbH reserves the absolute right to reject any and all acceptances determined by it not to be in the proper form or the acceptance of which may be unlawful.

United Kingdom

The offer documents in connection with the Offer (including the Pre-announcement (*Voranmeldung*) of the Offer and this Offer Prospectus) are not for distribution to persons whose place of residence, seat or habitual abode is in the United Kingdom. This does not apply, however, to persons in the United Kingdom who are qualified investors within the meaning of Section 86(7) of the Financial Services and Markets Act 2000 who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **“Order”**), (ii) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc”) of the Order, or (iii) are persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as **“Relevant Persons”**). The Pre-announcement (*Voranmeldung*) of the Offer and this Offer Prospectus and any other offering materials must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Australia, Canada and Japan

The Offer is not addressed to Absolute shareholders whose place of residence, seat or habitual abode is in Australia, Canada or Japan, and such shareholders may not accept the Offer.

This Offer Prospectus does neither constitute a listing prospectus according to the Listing Rules of the SIX Swiss Exchange nor an issue prospectus according to Article 652a and Article 1156 of the Swiss Code of Obligations.

1. Background of the Offer

HarbourVest Acquisition GmbH, Zug, ("**HarbourVest Acquisition GmbH**") is an indirect wholly-owned subsidiary of Dover Street VII L.P. and is ultimately managed and controlled by HarbourVest Partners, LLC, a limited liability company organised under the laws of Delaware, based in Boston, USA ("**HarbourVest Partners, LLC**"). HarbourVest Partners, LLC ultimately manages and controls a large group of entities (the "**HarbourVest Group**"), including Secondary Overflow Fund L.P. and HarbourVest Global Private Equity Limited ("**HVPE**"), which together with Dover Street VII L.P. may also acquire (directly or indirectly) shares in HarbourVest Acquisition S.à r.l. (for more information see Section 3.2 (Significant and Controlling Shareholders)).

HarbourVest Partners, LLC is a leading independent private equity fund manager with a long history of investing in global venture capital, buyout, mezzanine debt and distressed debt through primary partnerships, secondary purchases, and direct investments. Since 1986, HarbourVest-managed funds have been leading buyers of private equity assets in secondary transactions, acquiring USD 8 billion of assets.

Dover Street VII L.P. and Secondary Overflow Fund L.P. are HarbourVest-managed funds that focus on secondary investments in venture capital, leveraged buyout and other private equity assets, as well as portfolios of operating companies.

HVPE is a Guernsey-authorized closed-end investment company which has a dual listing on both the London Stock Exchange and Euronext Amsterdam. HVPE is registered as an investment institution with the Netherlands Authority for the Financial Markets. HVPE is designed to offer shareholders long-term capital appreciation by investing in a diversified private equity portfolio. HVPE invests in and alongside HarbourVest-managed funds.

The Offer for Absolute represents an opportunity for funds managed by HarbourVest Partners, LLC to gain exposure to a portfolio which is principally comprised of mature private equity investments. The ultimate intention of HarbourVest Acquisition GmbH is to secure control of Absolute with a view to initially continuing the existing investment realization strategy, which was implemented by the board of directors of Absolute in late 2008 when it decided to no longer make new commitments to private equity investments. Subject to the ultimate outcome of the tender process, HarbourVest Acquisition GmbH will seek to operate Absolute as a privately held entity. The Offer allows existing shareholders of Absolute to achieve immediate and full liquidity of this listed investment company, which is otherwise subject to limited liquidity and which requires a long holding period to achieve full realization of value. Further information about the current intentions of HarbourVest Acquisition GmbH with regard to Absolute is included in Section 5.2 (Intentions of HarbourVest Acquisition GmbH with regard to Absolute).

Credit Suisse AG contacted several parties, among them HarbourVest Partners, LLC, in December 2010 in order to explore a potential transaction in which HarbourVest Partners, LLC managed funds would have acquired a substantial stake in Absolute Shares controlled or managed by Credit Suisse AG.

Subsequently, Absolute started a competitive auction process for which they mandated the investment banking division of Credit Suisse AG as financial advisors. HarbourVest Partners, LLC decided to explore the option of launching a public tender offer for all Absolute Shares and participated in such auction process.

After winning the competitive auction process and concluding subsequent negotiations with the board of directors of Absolute, HarbourVest Acquisition S.à r.l. entered into a transaction agreement with Absolute on April 25, 2011 (the "**Transaction Agreement**"), pursuant to which HarbourVest Acquisition S.à r.l., itself or through a subsidiary, agreed to submit an Offer of USD 17.25 per share to all Absolute shareholders subject to a 50.01% acceptance threshold and other customary conditions (described in Section 2.8 (Conditions)), and the board of directors of Absolute agreed to recommend this Offer to its shareholders (see Section 8 (Report of the Board of Directors of Absolute pursuant to Article 29 Federal Act on Stock Exchanges and Securities Trading ("**SESTA**")) and Article 30 to 32 Takeover Ordinance of the Swiss Takeover Board regarding public tender offers ("**TOO**")).

On April 26, 2011 HarbourVest Acquisition S.à r.l. pre-announced this Offer (see Section 2.1 (Pre-announcement)).

2. Offer

2.1 Pre-announcement

HarbourVest Acquisition S.à r.l. pre-announced the Offer in accordance with Articles 5 et seq. T00 (the “**Pre-announcement**”). The Pre-announcement was distributed to and published in the electronic media on April 26, 2011 (prior to the opening of the stock market on SIX Swiss Exchange). The Pre-announcement was published in the Neue Zürcher Zeitung (in German) and in Le Temps (in French) on April 28, 2011.

Under the Pre-announcement HarbourVest Acquisition S.à r.l. reserved the right to make this Offer through one of its subsidiaries, in which case HarbourVest Acquisition S.à r.l. would fully guarantee all such subsidiary’s obligations.

2.2 Object of Offer

The Offer extends to all publicly held Absolute Shares issued by the end of the Additional Offer Period (as described in Section 2.7 (Additional Offer Period)), excluding the Absolute Shares held by Absolute or its subsidiaries at that time.

As per April 21, 2011, the last trading day before the publication of the Pre-announcement, Absolute had issued 45’112’605 bearer shares and did not have any authorized or conditional capital. On April 25, 2011 Absolute confirmed that as per such date Absolute and/or its direct or indirect subsidiaries held 1’530’000 Absolute Shares (the “**Treasury Shares**”). Absolute confirmed as per June 2, 2011 the number of Treasury Shares. Because Absolute undertook in the Transaction Agreement described in Section 5.3 (Agreements between HarbourVest Acquisition GmbH and other HarbourVest Group Entities on one hand and Absolute and its Directors, Officers and Shareholders on the other hand; Transaction Agreement) (i) not to issue new shares or share capital, (ii) not to issue or allocate financial instruments having shares of Absolute as underlying, or (iii) not to enter into any acquisition or sale of Absolute Shares, the number of Absolute Shares by the end of the Additional Offer Period is expected to be as follows (assuming that the Transaction Agreement remains in force and Absolute complies with its obligations thereunder and that the capital reduction approved at the ordinary general meeting of Absolute held on May 26, 2011 will not have been completed (i.e., entered into the commercial register of the Canton of Zug) by the end of the Additional Offer Period):

Total number of issued Absolute Shares	45’112’605
Treasury Shares	<u>-1’530’000</u>
Total number of Absolute Shares to which the Offer extends	<u>43’582’605</u>

2.3 Offer Price

The Offer Price amounts to USD 17.25 net per Absolute Share in cash, less the gross amount of any dilution effects (e.g., dividend payments, capital increases at an issuance price below the Cash Amount, share buybacks above the Cash Amount, sales of Treasury Shares below the Cash Amount, issuances, allotments or exercises of options at a strike price below the Cash Amount, capital repayments, demergers etc.).

This implies a premium of 6.2% to the volume-weighted average price of all on-exchange transactions in Absolute Shares on the SIX Swiss Exchange executed during the sixty trading days prior to the publication of the Pre-announcement (which amounts to USD 16.25) and a premium of 1.5% to the closing price on 21 April 2011, the last trading day before the publication of the Pre-announcement (which amounts to USD 17.00).

2.4 Share Prices of Absolute Shares

Historical price trend of Absolute Shares since 2007:

	2007	2008	2009	2010	**2011
High *	23.00	22.64	9.43	14.60	18.00
Low *	17.17	4.95	4.60	8.22	14.30

* Daily closing price in USD

** From January 1, 2011 until April 21, 2011 (i.e., the last trading day before the publication of the Pre-announcement)

Source: Bloomberg

Absolute Share performance since Absolute's listing in 2001:



Source: Bloomberg

2.5 Cooling-off Period

If not extended by the Takeover Board, a cooling-off period of 10 trading days (the **"Cooling-off Period"**) will run from the trading day following the publication of this Offer Prospectus, i.e., from June 8, 2011 up to and including June 22, 2011. The Offer may be accepted only after the expiration of the Cooling-off Period.

2.6 Initial Offer Period

If the Cooling-off Period is not extended by the Takeover Board, the initial offer period is expected to start on June 23, 2011 and to end on July 20, 2011, 4:00 p.m. CEST (the **"Initial Offer Period"**).

HarbourVest Acquisition GmbH reserves the right to extend the Initial Offer Period one or several times. In the event of an extension of the Cooling-off Period or of the Initial Offer Period, the start of the Additional Offer Period (as described in Section 2.7 (Additional Offer Period)) and the Settlement Date (as described in Section 11.4 (Payment of the Offer Price / Settlement)) will be deferred accordingly. An extension of the Initial Offer Period beyond 40 trading days requires the prior approval of the Takeover Board.

2.7 Additional Offer Period

After expiry of the (possibly extended) Initial Offer Period and if the Offer is declared successful (*zu Stande gekommen*), an additional offer period of 10 trading days for subsequent acceptance of the Offer will run (the **"Additional Offer Period"**). If the Cooling-off Period and the Initial Offer Period are not extended, the Additional Offer Period is expected to start on July 27, 2011 and to end on August 10, 2011, 4:00 p.m. CEST.

2.8 Conditions

The Offer is subject to the following conditions:

- a) By the end of the (possibly extended) Initial Offer Period, HarbourVest Acquisition GmbH shall have received valid acceptances for Absolute Shares representing, when combined with any Absolute Shares which HarbourVest Acquisition GmbH might own at the end of the (possibly extended) Initial Offer Period (excluding Absolute Shares owned by Absolute and its subsidiaries at that time), at least 50.01% of all Absolute Shares issued at the end of the (possibly extended) Initial Offer Period.
- b) No court or governmental authority shall have issued a decision or an order preventing, prohibiting or declaring illegal the completion of the Offer or requiring Absolute, HarbourVest Acquisition GmbH and/or any of their respective group companies to meet any condition or requirement that might have a material adverse effect (a **"Material Adverse Effect"**) on Absolute or HarbourVest Acquisition GmbH, including their direct and indirect subsidiaries. For purposes of the Offer, a Material Adverse Effect shall mean any matter or event that, in the opinion of a reputed, independent accounting firm or investment bank appointed by HarbourVest Acquisition GmbH, individually or together with other matters or events is likely to cause a reduction in the amount of 10% or more of Absolute's net asset value (**"NAV"**) calculated as of the date of the Pre-announcement.
- c) [Condition c) of the Pre-announcement is no longer a condition to the Offer.]
- d) (i) All members of Absolute's board of directors but Thomas Amstutz shall, subject to the Offer becoming unconditional, have resigned from office with effect from the settlement of the Offer (the **"Settlement"**) and a shareholders' meeting of Absolute shall have been held and shall have elected the persons nominated by HarbourVest Acquisition GmbH to Absolute's board of directors with effect from the Settlement, or (ii) subject to the condition that HarbourVest Acquisition GmbH holds more than 50% of Absolute Shares, all members of Absolute's board of directors shall, subject to the Offer becoming unconditional, either have (x) resigned from office as of the Settlement (provided that at least one director shall not have resigned and shall have entered into (and not subsequently terminated) a Swiss law governed mandate agreement (with standard terms for takeover situations like the Offer) with HarbourVest Acquisition GmbH prior to and with effect from the Settlement), or (y) entered into (and not subsequently terminated) a mandate agreement with HarbourVest Acquisition GmbH prior to and with effect from the Settlement for the period until the shareholders' meeting of Absolute at which the persons nominated by HarbourVest Acquisition GmbH shall have been elected as members of Absolute's board of directors.
- e) The shareholders' meeting of Absolute shall not have (i) resolved or approved any dividend or capital reduction or any acquisition, investment, new commitment, demerger or other disposal of assets, with a value or for a consideration, individually or taken together, corresponding to 10% or more of Absolute's NAV calculated as of the date of the Pre-announcement, or any merger or ordinary, authorized or conditional increase of the share capital of Absolute, or (ii) adopted an amendment to the articles of association of Absolute to introduce registered shares, transfer restrictions (*Vinkulierung*) or voting limitations (*Stimmrechtsbeschränkungen*).
- f) With the exception of the obligations which have been made public prior to the Pre-announcement and in connection with the Offer, since June 30, 2010, Absolute and its direct and indirect subsidiaries have not undertaken to invest or incur any obligation, to acquire or sell any asset, or to incur or repay any indebtedness in the amount, individually or taken together, corresponding to 10% or more of Absolute's NAV calculated as of the date of the Pre-announcement.

HarbourVest Acquisition GmbH reserves the right to waive some or all of these conditions, either in whole or in part, and to withdraw the Offer if one or more of the conditions are not fulfilled.

Condition (a) shall remain in force and effect until the end of the (possibly extended) Initial Offer Period. Conditions (b), (c), (e) and (f) shall remain in force and effect until the Settlement. Condition (d) shall remain in force and effect until the earlier of (i) the date and time when the relevant corporate body of Absolute resolves on the required resolutions, and (ii) the Settlement.

If condition (a) or, if the relevant corporate body of Absolute resolves on the matters mentioned in condition (d) prior to the expiration of the (possibly extended) Initial Offer Period, condition (d), have not been satisfied or waived by the end of the (possibly extended) Initial Offer Period, the Offer will be declared unsuccessful.

If any of conditions (b), (c), (e) or (f) or, if the relevant corporate body of Absolute does not resolve on the matters mentioned in condition (d) prior to the expiration of the (possibly extended) Initial Offer Period, condition (d), have not been satisfied or waived at the time of the Settlement, HarbourVest Acquisition GmbH shall be entitled to declare the Offer unsuccessful or to postpone the Settlement for a period of up to four months after the expiration of the Additional Offer Period (the “**Postponement**”). During the Postponement, the Offer shall continue to be subject to conditions (b), (c), (e), (f) and, if applicable, condition (d), as long as and to the extent such conditions have not been satisfied or waived. Unless HarbourVest Acquisition GmbH applies for and the Takeover Board approves an additional postponement of the Settlement, HarbourVest Acquisition GmbH will declare the Offer unsuccessful if such conditions have not been satisfied or waived during the Postponement.

3. Information on HarbourVest Acquisition GmbH

3.1 Name, Registered Office, Capital and Business Activities of HarbourVest Acquisition GmbH

HarbourVest Acquisition GmbH is a newly formed company with limited liability (*Gesellschaft mit beschränkter Haftung; GmbH*) governed by the laws of Switzerland, having its registered office in Zug, Switzerland.

The quota capital of HarbourVest Acquisition GmbH amounts to CHF 100'000. HarbourVest Acquisition GmbH is a holding company within the HarbourVest Group (as described in Section 3.2 (Significant and Controlling Shareholders) and was formed to implement the Offer and hold the Absolute Shares tendered into the Offer.

Since its incorporation HarbourVest Acquisition GmbH has not conducted any business.

At a later stage, HarbourVest Acquisition GmbH may be converted into a Swiss stock corporation (*Aktiengesellschaft*) pursuant to the relevant provisions of the Federal Act on Merger, Demerger, Conversion and Transfer of Assets and Liabilities. References to HarbourVest Acquisition GmbH in forward looking statements are references to the GmbH and, upon conversion of HarbourVest Acquisition GmbH into a Swiss stock corporation, to such stock corporation, respectively.

3.2 Significant and Controlling Shareholders

For the purposes of this Section 3.2 and Section 3.3 (Persons Acting in Concert with HarbourVest Acquisition GmbH) the registered seats/registered addresses of the entities incorporated/formed or to be incorporated/formed are as follows:

Luxembourg: 6, rue Guillaume Schneider, L-2522 Luxembourg, Luxembourg;

Delaware: Corporation Trust Center, 1209 Orange Street, Wilmington, New Castel County, Delaware 19801, USA;

Guernsey: Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ;

Cayman Islands: Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KYI – 9002, Cayman Islands.

As outlined in more detail below, HarbourVest Acquisition GmbH is directly and indirectly owned and controlled by entities ultimately controlled and managed by HarbourVest Partners, LLC. HarbourVest Partners, LLC is owned by (i) 19 individuals, none of whom are bound by an agreement or similar arrangement with respect to the

- b) Once the final amount of Absolute Shares tendered into the Offer is determined, which will be at the end of the Additional Offer Period (as described in Section 2.7 (Additional Offer Period)), the definitive allocation of the shares and voting rights (the percentage of interest in the equity capital corresponds to the percentage of voting rights) in HarbourVest Acquisition S.à r.l. among entities ultimately controlled and managed by HarbourVest Partners, LLC will be made, whereby:
- i. Dover Street VII L.P., Secondary Overflow Fund L.P., and HVPE, through its indirect affiliate HVPE Avalon Co-Investment L.P. (for more information on these entities, see sub-paragraphs c) and d) below), together, will hold at least 90% of the shares in HarbourVest Acquisition S.à r.l., subject only to the fact that, for certain reporting and other structural reasons, Dover Street VII AIV L.P. may hold shares in HarbourVest Acquisition S.à r.l. instead of Dover Street VII L.P. and Secondary Overflow Fund AIV L.P. may hold shares in HarbourVest Acquisition S.à r.l. instead of Secondary Overflow Fund L.P. (as further described in sub-paragraph c) below); and
 - ii. other entities ultimately controlled and managed by HarbourVest Partners, LLC will hold not more than 10% of the shares in HarbourVest Acquisition S.à r.l.

In any event, 100% of the shares in HarbourVest Acquisition S.à r.l. are and will continue to be held by entities which are ultimately controlled and managed by HarbourVest Partners, LLC.

- c) Dover Street VII L.P. and Secondary Overflow Fund L.P. are limited partnerships ultimately controlled and managed by HarbourVest Partners, LLC. If and when formed, Dover Street VII AIV L.P. and Secondary Overflow Fund AIV L.P. will be limited partnerships and will have the same beneficial owners as Dover Street VII L.P. and Secondary Overflow Fund L.P., respectively. All such entities are or, if and when formed, will be ultimately controlled and managed by HarbourVest Partners, LLC (see also Section 3.3 (Persons Acting in Concert with HarbourVest Acquisition GmbH) sub-paragraph a)).
- d) HVGPE International A L.P. is a limited partnership whose sole limited partner is HVPE and which is ultimately controlled and managed by HarbourVest Partners, LLC. HVPE is a Guernsey-authorized closed-ended investment company, whose class A ordinary shares, which carry limited voting rights, are listed on both the London Stock Exchange and Euronext Amsterdam. The class B ordinary shares of HVPE carry full voting rights, including the right to appoint the board of directors of HVPE. All the B shares of HVPE are held by HVGPE Holdings Limited, a limited company which is owned in turn by individuals who are investment professionals of HarbourVest Partners, LLC. HVPE is managed by HarbourVest Advisers, L.P., which is ultimately controlled and managed by HarbourVest Partners, LLC (for more information on HarbourVest Advisers, L.P., see Section 3.3 (Persons Acting in Concert with HarbourVest Acquisition GmbH) sub-paragraph b)). For more information on HVPE see <http://www.hvgpe.com/>. HVPE Avalon Co-Investment L.P. is a limited partnership to be formed. When formed, its sole limited partner will be HVGPE International A L.P. and it will ultimately be controlled and managed by HarbourVest Partners, LLC (see also Section 3.3 (Persons Acting in Concert with HarbourVest Acquisition GmbH) sub-paragraph b)).

The definitive allocation of the shares in HarbourVest Acquisition S.à r.l. and the names of the entities of the HarbourVest Group holding these shares will be communicated, in connection with disclosure notification pursuant to Article 20 SESTA in connection with Article 19 (2) and 21 et seqq. of the Ordinance of the Financial Market Supervisory Authority on the Stock Exchange, to the Disclosure Office of SIX Swiss Exchange and Absolute within four trading days following the end of the Additional Offer Period.

3.3 Persons Acting in Concert with HarbourVest Acquisition GmbH

The entities listed in Sections 3.1 and 3.2, all of which are directly and indirectly controlled and managed by HarbourVest Partners, LLC, as well as the following entities, are, for the purposes of this Offer, acting in concert with HarbourVest Acquisition GmbH:

- a) **HarbourVest Partners L.P.**, a limited partnership, provides management and administrative services to Dover Street VII L.P. and Secondary Overflow Fund, L.P. and, if and when formed, will provide such services to Dover Street VII AIV L.P. and Secondary Overflow Fund AIV L.P., provided in each case that all major policy and investment decisions are or shall be made (as appropriate) by the respective general partners of such entities. HarbourVest Partners L.P. is controlled and managed by HarbourVest Partners, LLC.

- b) **HarbourVest Advisers L.P.**, a limited partnership, provides management and administrative services to, and, subject to certain restrictions pertaining to major policy decisions, makes investment decisions in respect of HVPE. The general partner of HarbourVest Advisers L.P. is controlled and managed by HarbourVest Partners, LLC.
- c) **Absolute Private Equity AG** and all entities directly or indirectly controlled by Absolute Private Equity AG. Absolute is considered a party acting in concert with HarbourVest Acquisition GmbH as from April 25, 2011, the date on which HarbourVest Acquisition S.à r.l. and Absolute entered into the Transaction Agreement described in Section 5.3 (Agreements between HarbourVest Acquisition GmbH and other HV Entities on the one hand and Absolute and its Directors, Officers and Shareholders on the other hand; Transaction Agreement).

3.4 Annual Report

HarbourVest Acquisition GmbH was only formed on May 12, 2011 and, therefore, has not yet published (and is not yet required to publish) an annual report.

For information on the financing of the Offer see Section 4 (Financing).

3.5 Participation of HarbourVest Acquisition GmbH in Absolute

HarbourVest Acquisition GmbH and the persons acting in concert with it (excluding Absolute and its direct and indirect subsidiaries) held as of June 2, 2011 no Absolute Shares. As of the same date, Absolute and its direct and indirect subsidiaries held, according to Absolute, 1'530'000 Absolute Shares as treasury shares. As of June 2, 2011 neither HarbourVest Acquisition GmbH nor any of the persons acting in concert with it (including, according to Absolute, Absolute and its direct and indirect subsidiaries) held any acquisition or conversion rights with respect to Absolute Shares.

3.6 Purchases and Sales of Equity Securities in Absolute

During the 12-month period preceding the date of the Pre-announcement, HarbourVest Acquisition GmbH and the persons acting in concert with it (excluding Absolute and its direct and indirect subsidiaries) did not purchase any Absolute Shares. During the same period, HarbourVest Acquisition GmbH and the persons acting in concert with it (excluding Absolute and its direct and indirect subsidiaries) neither sold any Absolute Shares, nor purchased, sold or issued any acquisition, sale or conversion rights with respect to Absolute Shares.

According to Absolute, since April 25, 2011 – the date on which HarbourVest Acquisition S.à r.l. and Absolute entered into the Transaction Agreement – neither Absolute nor its direct or indirect subsidiaries have purchased or sold any Absolute Shares or purchased, sold or issued any acquisition, sale or conversion rights with respect to Absolute Shares.

4. Financing

HarbourVest Acquisition GmbH will finance the Offer with own funds which are provided by entities ultimately controlled and managed by HarbourVest Partners, LLC (for more information see Section 3.2 (Significant and Controlling Shareholders)).

5. Information on Absolute

5.1 Name, Registered Office, Capital, Business Activities and Annual Report of Absolute

Absolute was incorporated as a stock corporation (*Aktiengesellschaft*) in 2000 and has its registered office in Zug, Switzerland. Absolute is organised under the laws of Switzerland and registered in the register of companies under the number CH-170.3.023.976-4. As of June 2, 2011 the issued and outstanding share capital of Absolute amounts to CHF 451'126'050 and is divided into 45'112'605 bearer shares with a par value of CHF 10 each. On May 26, 2011 the ordinary general meeting of Absolute approved a share capital reduction in connection with which the Treasury Shares will be cancelled. The Absolute Shares, with trading currency USD, are listed on SIX Swiss Exchange and traded on a regular trading line with the symbol ABSP, ISIN CH0042927381. Furthermore, a special trading line with the symbol ABSPE, CH0021971509, has been established in connection with the share buyback program authorized by the Swiss Takeover Board on June 25, 2009, which expired on May 26, 2011, the date of the annual shareholders meeting of Absolute.

Absolute's statutory purpose is the acquisition, management, financing and sale of participations in Swiss and foreign companies which are specialized in private equity investments. Pursuant to its website, Absolute's "objective is to realize compounded returns in excess of those available through conventional investments in the public equity markets. Absolute primarily invests in private funds, across various sectors of the private equity market focusing on US, European and other international buyout and venture capital funds".

The annual and semi-annual reports of Absolute for its financial years 2004 to 2010 are available at www.absoluteprivateequity.ch/annual_reports/.

5.2 Intentions of HarbourVest Acquisition GmbH with regard to Absolute

The ultimate intention of HarbourVest Acquisition GmbH is to secure control of Absolute with a view to initially continuing the existing investment realization strategy, which was implemented by the board of directors of Absolute in late 2008 when it decided to no longer make new commitments to private equity investments.

Following the Settlement, HarbourVest Acquisition GmbH intends to have the Absolute board of directors be composed of three board members, one of whom shall be Thomas Amstutz and two of whom, including the chairman of the board, shall be designated by the HarbourVest Group.

Following the Settlement, HarbourVest Acquisition GmbH intends that an entity or entities ultimately managed and controlled by HarbourVest Partners, LLC will provide, in return for fees that are at arms' length terms, certain advisory and management services to certain subsidiaries of Absolute, which may, among other things, entail the termination of one or more existing advisory and/or management agreements to which such subsidiaries may be a party.

For certain reporting and other structural reasons, provided that HarbourVest Acquisition GmbH holds about 66 $\frac{2}{3}$ % or more, but less than 90%, of the publicly held Absolute Shares after completion of the Offer, HarbourVest Acquisition GmbH may merge Absolute into HarbourVest Acquisition GmbH, subject to HarbourVest Acquisition GmbH either (i) having received the authorization from the Swiss Financial Market Supervisory Authority ("**FINMA**") to manage and distribute collective investment schemes pursuant to the Federal Act on Collective Investment Schemes ("**CISA**") and the Ordinance on Collective Investment Schemes ("**CISO**"), or (ii) falling under the exemption of Article 2 CISO, in which case HarbourVest Acquisition GmbH would not be listed for one year, or (iii) being listed on a Swiss stock exchange (either the BX Berne Exchange or the SIX Swiss Exchange) as an investment company in the sense of Article 2 paragraph 3 CISA.

Provided that HarbourVest Acquisition GmbH holds 80% or more, but less than 90%, of the publicly held Absolute Shares after completion of the Offer, HarbourVest Acquisition GmbH may merge itself into Absolute (reverse merger).

Provided HarbourVest Acquisition GmbH holds between 90% and 98% of the voting rights in Absolute after completion of the Offer, HarbourVest Acquisition GmbH may merge Absolute with HarbourVest Acquisition GmbH or another entity ultimately managed and controlled by HarbourVest Partners, LLC whereby the remaining shareholders of Absolute would be compensated (in cash or otherwise) and not receive any shares in the entity surviving the merger.

Provided HarbourVest Acquisition GmbH holds more than 98% of the voting rights in Absolute after the completion of the Offer, HarbourVest Acquisition GmbH may request the cancellation of the outstanding publicly held Absolute Shares in accordance with Article 33 SESTA.

Absolute or, in the event of a merger, HarbourVest Acquisition GmbH (see fourth paragraph in subsection (ii) or (iii) above), as applicable, may be delisted after having received the authorization from FINMA to manage and distribute collective investment schemes pursuant to the CISA and the CISO or if Absolute or HarbourVest Acquisition GmbH, as applicable, are no longer subject to the CISA and the CISO.

5.3 Agreements between HarbourVest Acquisition GmbH and other HarbourVest Group Entities on one hand and Absolute and its Directors, Officers and Shareholders on the other hand

5.3.1 Confidentiality Agreements

On December 23, 2010, HarbourVest Partners, LLC and Credit Suisse AG entered into a confidentiality agreement with standard terms in view of a potential placement for Absolute Shares controlled or managed by Credit Suisse AG (see also Section 1 (Background)). Pursuant to the confidentiality agreement, Credit Suisse AG agreed to disclose to HarbourVest Partners, LLC information on Absolute customary in such a placement, and HarbourVest Partners, LLC agreed to keep confidential such information and only to use such information for the purpose of the transaction.

On February 7, 2011, Dover Street VII L.P., an affiliate of the HarbourVest Group, and Absolute entered into a confidentiality agreement with standard terms for transactions such as the Offer, pursuant to which Absolute agreed to disclose to Dover Street VII L.P. information on Absolute customary in transactions such as the Offer and Dover Street VII L.P. agreed to keep confidential such information and only to use such information for the purpose of making the Offer.

5.3.2 Transaction Agreement

On April 25, 2011, HarbourVest Acquisition S.à r.l. and Absolute (collectively, the “**Parties**”) entered into the Transaction Agreement with the following main terms (whereby the Parties agreed that HarbourVest Acquisition S.à r.l. reserved the right to assign or transfer the rights or obligations under the Transaction Agreement to any other affiliate of the HarbourVest Group (e.g., HarbourVest Acquisition GmbH)):

– HarbourVest Acquisition S.à r.l. undertook to make the Offer, and Absolute undertook to support and recommend the Offer, inter alia, by way of its recommendation contained in the board report set forth in Section 8 (Report of the Board of Directors of Absolute pursuant to Article 29 SESTA). The Parties agreed, to the extent permitted by law and as quickly as reasonably possible, to take all actions and to do all things necessary or appropriate to implement and execute the Offer and not to take any actions that could be inconsistent with the principles set forth in the Transaction Agreement.

– Absolute undertook to immediately terminate all discussions with any other parties conducted before the date of the Transaction Agreement and not to solicit (and not to authorize or permit that any officers, directors or advisors solicit or encourage), support or recommend any third party offer or competing transaction, except for third party offers or competing transactions superior to this present Offer. Absolute undertook, upon the board of directors becoming aware that a third party has the firm intention of announcing or preannouncing a competing offer, to promptly inform HarbourVest Acquisition S.à r.l., subject to applicable laws.

– The Parties agreed that (i) all members of Absolute’s board of directors but Thomas Amstutz shall, subject to the Offer becoming unconditional, have resigned from office with effect from the Settlement and a shareholders’ meeting of Absolute shall have been held and shall have elected the persons nominated by HarbourVest Acquisition S.à r.l. to Absolute’s board of directors with effect from the Settlement, or (ii) subject to the condition that HarbourVest Acquisition S.à r.l. holds more than 50% of Absolute Shares, all members of Absolute’s board of directors shall, subject to the Offer becoming unconditional, either have (x) resigned from office as of the Settlement (provided that at least one director shall not have resigned and shall have entered into (and not subsequently terminated) a Swiss law governed mandate agreement (with standard terms for take-over situations like the Offer) with HarbourVest Acquisition S.à r.l. prior to and with effect from the Settlement), or (y) entered into (and not subsequently terminated) a mandate agreement with HarbourVest Acquisition S.à r.l. prior to and with effect from the Settlement for the period until the shareholders’ meeting of Absolute

at which the persons nominated by HarbourVest Acquisition S.à r.l. shall have been elected as members of Absolute's board of directors.

– The Parties agreed that following the Settlement the board of directors of Absolute shall be composed of three board members, one of whom shall be Thomas Amstutz and two of whom, including the chairman of the board, shall be designated by the HarbourVest Group.

– Absolute undertook as from the date of the Transaction Agreement and to the extent permitted by law (i) to abstain (and to procure that its subsidiaries, affiliates and representatives abstain) from taking any actions outside the ordinary course of business consistent with Absolute's past practice, and (ii) to use (and to cause each of its subsidiaries to use) all reasonable efforts to preserve intact its material business organization and relationships with third parties (including but not limited to its relationships with employees and business partners) and to keep available the services of its present officers and key employees. In particular, Absolute undertook, among other things, not to (and to cause its subsidiaries not to) (a) adopt or propose any amendment to Absolute's corporate organizational documents, (b) declare, set aside or pay any dividends or do or allow anything which renders the financial position of Absolute less favorable than as at the date of the Transaction Agreement, (c) merge or consolidate with any other person, (d) make, in principle, new commitments or investments, (e) dispose of any investment or interest below its NAV, (f) issue or purchase any class of share or loan capital, or (g) terminate any material agreement or breach its obligations under any agreement.

– In view of Absolute being deemed to be acting in concert with HarbourVest Acquisition S.à r.l. as from the date of the Transaction Agreement and the respective implications in respect to the Offer Price (i.e., increase the Offer Price pursuant to Article 10 para. 6 T00; the "**Best Price Rule**"), Absolute undertook to abstain (and to procure that its subsidiaries, affiliates and representatives – whether acting on behalf of Absolute or not – abstain) from any action that may be found to be in breach of the Best Price Rule. In particular, Absolute undertook not to enter into (i) any agreement (either on or off exchange) relating to the acquisition or sale of Absolute Shares (including Treasury Shares), or (ii) any derivative transaction having Absolute Shares as underlying.

– Absolute undertook, provided that more than 50% of the Absolute Shares are tendered into the Offer and the Offer has been declared successful, upon the first request of HarbourVest Acquisition S.à r.l., to convene a shareholders' meeting with no agenda items and proposals of the board other than those requested by HarbourVest Acquisition S.à r.l. (except for requests of shareholders pursuant to Article 699 para. 3 Swiss Code of Obligations). Absolute undertook to use its commercially reasonable best efforts to ensure that such shareholders' meeting be held within four weeks of such request being received, but in any event no later than five weeks of such receipt.

– HarbourVest Acquisition S.à r.l. undertook to use its reasonable best efforts to ensure that the current members of the board of directors and the management of Absolute be granted discharge at the first annual shareholders' meeting of Absolute after completion of the Offer for all facts known to HarbourVest Acquisition S.à r.l. at the time of the execution of the Transaction Agreement. Further, HarbourVest Acquisition S.à r.l. undertook, as soon as its representatives are elected to the board of directors of Absolute, to cause Absolute provide for the current members of the board of directors and the management of Absolute directors' and officers' (D&O) insurance coverage equivalent to the D&O insurance coverage in place in the past.

– The Parties agreed that the Transaction Agreement be effective until five weeks after the Settlement, unless terminated earlier by one Party pursuant to certain termination events. Absolute undertook to pay to HarbourVest Acquisition S.à r.l. upon termination, as partial reimbursement of costs incurred in connection with the Offer, the amount of USD 1 million, except if such termination occurs for any reason the responsibility for which lies with HarbourVest Acquisition S.à r.l.

5.3.3 *Mandate Agreements with Board Members for the Purposes of the Offer*

HarbourVest Acquisition GmbH and the members of the board of directors of Absolute may enter into customary mandate agreements to satisfy condition d) of this Offer, as described in Section 2.8 (Conditions). Such mandate agreements would terminate upon the persons proposed by HarbourVest Acquisition GmbH being elected to the board of directors of Absolute.

5.4 Confidential Information on Absolute

HarbourVest Acquisition GmbH confirms that neither itself nor any of the entities which are, for the purposes of this Offer, acting in concert with HarbourVest Acquisition GmbH have received, directly or indirectly, from Absolute and its subsidiaries, except as publicly disclosed (in this Offer Prospectus, the report of the board of directors of Absolute (see Section 8 (Report of the Board of Directors of Absolute pursuant to Article 29 SESTA and Article 30 to 32 T00)) or otherwise), any confidential information about the course of business of Absolute which could significantly influence the decision of the recipients of the Offer.

6. Publication

The offer notice (*Angebotsinserat*), as well as all other publications in connection with the Offer, will be published in the *Neue Zürcher Zeitung* (in German) and in *Le Temps* (in French) and will be sent for publication to at least two of the major electronic media publishing financial market information.

This Offer Prospectus (in German, French or English language) may be obtained free of charge from Bank Vontobel AG, Corporate Finance, Gotthardstrasse 43, 8022 Zurich, Switzerland (Tel. +41 (0)58 283 70 03, Fax +41 (0)58 283 70 75, E-Mail: prospectus@vontobel.ch). This Offer Prospectus, as well as other information concerning the Offer, is also available at www.hvgpe.com/absolutetender.

7. Report of the Review Body pursuant to Article 25 SESTA

As a review body recognized according to the SESTA to review public takeover offers, we have reviewed the offer prospectus of HarbourVest Acquisition GmbH, Zug ("Offeror"). The report of the board of directors of the target company was not subject to our review.

The preparation of the offer prospectus is the responsibility of the Offeror. Our responsibility is to express an opinion on the offer prospectus based on our review. We confirm that we comply with the independence requirements provided by takeover law.

Our review was conducted in accordance with the standards promulgated by the Swiss audit standard 880, which requires that a review according to article 25 SESTA be planned and performed to verify the formal completeness of the offer prospectus according to the SESTA and its ordinances and to obtain reasonable assurance about whether the offer prospectus is free from material misstatement in consequence of violation or errors. It has to be noted that ciphers 4 to 7 below cannot be reviewed with the same assurance as ciphers 1 to 3. We have examined the information in the offer prospectus by means of analyses and ascertainments on a test basis. Furthermore, we have verified the compliance with the SESTA and its ordinances. We believe that our review provides a reasonable basis for our opinion.

In our opinion

1. the Offeror has taken the necessary measures in order that the required funds will be available on the closing date;
2. the provisions governing obligatory offers, in particular those governing the minimum price, have been observed;
3. the Best Price Rule has been observed until June 2, 2011.

Moreover, we have not encountered any facts from which we had to infer that:

4. the recipients of the Offer are not treated equally;
5. the offer prospectus is not complete and accurate according to the provisions of the SESTA and its ordinances;

6. the offer prospectus is not in accordance with the SESTA and its ordinances;
7. the provisions regarding the effects of the pre-announcement have not been observed.

Zurich, June 3, 2011

Ernst & Young Ltd

Louis Siegrist

Dr. Jvo Grundler

8. Report of the Board of Directors of Absolute pursuant to Article 29 SESTA and Article 30 to 32 T00

Pursuant to art. 29 para 1 SESTA and art. 30–32 of the Takeover Ordinance the board of directors of Absolute Private Equity Ltd. with registered offices in Zug (**“Absolute”**) comments on the public takeover offer by HarbourVest Acquisition GmbH with registered offices in Zug (**“Offeror”**) for all publicly held bearer shares in Absolute as follows:

8.1 Comments

On 26 April 2011, HarbourVest Partners, LLC, a global Private Equity company with registered offices in Boston, USA (**“HarbourVest”**), through a special purpose vehicle, published the pre-announcement of a public takeover offer for all publicly held bearer shares in Absolute. The Offeror shall acquire the Absolute shares. The Offeror is a wholly-owned subsidiary of HarbourVest Acquisition Holdings S.à.r.l., Luxemburg, which in turn is a wholly-owned subsidiary of HarbourVest Acquisitions S.à.r.l., Luxemburg and is an indirect subsidiary of Dover Street VII L.P., which is managed and controlled by HarbourVest. For more information on the Offeror, HarbourVest and other entities managed and controlled by HarbourVest, including ownership structure, reference is made to Sections 1 and 3.2 of the Offer Prospectus.

The board of directors of Absolute (the **“Board”**) decided in September 2008 not to make any new investments in limited private equity partnerships and to return the up-coming distributions to the shareholders by way of share repurchase programmes on a separate trading line or distributions to shareholders. This strategy has since been regularly reviewed, confirmed and adhered to.

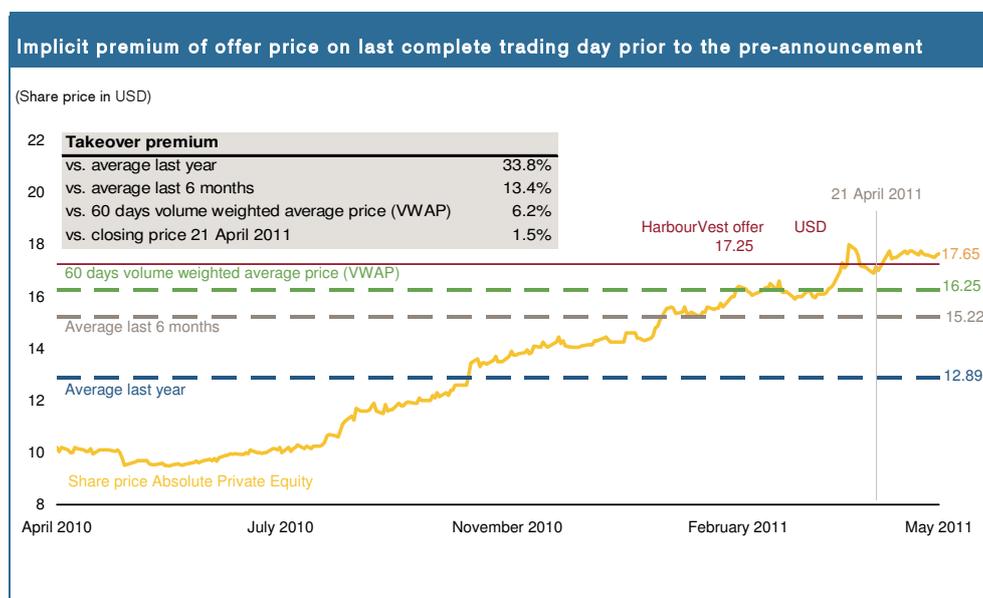
Since Spring 2010, the Board has been contacted by several shareholders who wished to sell their shares in Absolute. This could have triggered for an acquirer the duty to submit a mandatory offer. As a consequence, the Board has evaluated various options, among others the sale of such shares to one or several buyers and a placement in the market. Credit Suisse AG, one of the shareholders willing to sell, directly contacted potential buyers and received statements of interest. Thereafter, the Board decided to support the process and to grant potential buyers a due diligence review to the extent all shareholders would receive an exit opportunity.

In order to best preserve the interests of Absolute and its shareholders and at the same time to adhere to the principle of equal treatment of shareholders, the Board engaged the investment bank of Credit Suisse AG to conduct a professional and structured auction process. Confidentiality and standstill agreements have been executed with some of the potential buyers. After a careful evaluation of the first offers the Board allowed a restricted number of potential buyers to conduct a due diligence review. After receipt of all final offers the Board decided to enter into negotiations on a public take-over offer with HarbourVest. HarbourVest not only submitted the highest offer but they committed themselves fully and comprehensively to Absolute, the possible tender offer and the future strategy. HarbourVest is known for its extensive knowledge and experience in Private Equity and has all the necessary resources for the execution of the transaction. After having thoroughly examined the HarbourVest offer, the Board unanimously decided on 25 April 2011 to support the public tender offer by HarbourVest and to recommend to Absolute's shareholders that they accept the offer on the basis of the following considerations. Thereafter on 25 April 2011, HarbourVest und Absolute entered into a Transaction Agreement which essentially governs the parameters of the offer and the support of the offer by the Board (cf. Section 8.3 herein-after).

8.2 Recommendation and explanation

8.2.1 Attractive offer price

The offer price of USD 17.25 represents a premium of approximately 1.5% to the closing price of the Absolute shares of USD 17.00 on 21 April 2011, the last trading day prior to the publication of the pre-announcement, a premium of about 6.2% to the volume-weighted average price of the Absolute shares of USD 16.25 on SIX Swiss Exchange during the last 60 trading days prior to the publication of the pre-announcement on 26 April 2011, and a premium of almost 34% to the average stock exchange price of the Absolute shares of the last twelve months.



Footnote: all averages are based on 21 April 2011; stock exchange price of 18 May 2011.

The Net Asset Value (“NAV”) of 22 April 2011 amounted to USD 24.18. As communicated in the press releases of Absolute of 12 May 2011, transactions relating to portfolio companies of Absolute took place in the weeks after the pre-announcement of the takeover offer, which are likely to increase the half-year valuation as per 30 June 2011. The extent of the increase, however, cannot be determined yet. These transactions were not unexpected and accordingly do not change the assessment of the offer by the Board.

The offer price was the highest price which could be achieved in the professional and structured auction process. Additionally, the Board has validated the offer price against traded volumes, discount to NAV as compared to a peer group consisting of the Swiss companies Castle Private Equity AG, Private Equity Holding, Shape Capital AG and Apen AG and also in a historic context and against comparable transactions.

Traded volumes

The traded daily volumes of Absolute shares as a percentage to the number of all outstanding shares (less treasury shares) during the last twelve months as compared with the peer group is an indication of the relative liquidity of the title. A higher percentage corresponds to a higher liquidity, which is positive from a shareholders’ perspective since it contributes to efficient pricing. At 0.14%, the traded volume in Absolute shares is slightly above the peer group average of 0.12%. The market is thus efficient and the pricing in line with the market.

Discount to NAV

The offer price implies a discount to NAV of Absolute as per 21 April 2011 of 28.7%. This discount is significantly lower than the average peer group discount to NAV of 40.2%. The discount to NAV of Absolute decreased significantly throughout the last twelve months as did those of the peer group. Since the beginning of 2011, the discount to NAV of Absolute has decreased more than that of other companies of the peer group, such as Castle Private Equity AG. Only Shape Capital AG has experienced a similar decrease of the discount to NAV.

Comparable transactions

No comparable transaction has been executed in Switzerland in the last twelve months.

The Board therefore, and in consideration of the circumstances, concludes that the offer price is attractive.

8.2.2 *Effects of the offer on Absolute*

The Offeror intends after the change of control to initially continue the current investment realisation strategy.

Following the Settlement, the Offeror intends to partially reconstitute the Board. It is intended that (i) the current Chairman of the Board, Thomas Amstutz, who was re-elected at the shareholders' meeting of 26 May 2011, shall continue to serve on the Board as an independent Board member (ii) Hans Rudolf Zehnder and Roland Müller-Ineichen shall resign from the Board, effective as of the Settlement Date and (iii) two further Board members shall be nominated by HarbourVest, one of which shall act as new Chairman (cf. Section 5.2 of the Offer Prospectus).

Depending on the outcome of the takeover process, the Offeror may (cf. Sections 1 and 5.2 of the Offer Prospectus), to the extent that after the Settlement it holds

- between 66⅔% and 90% of the shares in Absolute, merge Absolute into the Offeror, subject to the Offeror either (i) having received an authorisation from FINMA to manage and distribute collective investment schemes, or (ii) falling under the exemption of Article 2 of the Ordinance on Collective Investment Schemes, or (iii) (upon conversion into a stock corporation) being listed on a Swiss stock exchange as an investment company in the sense of art. 2 para. 3 of the Act on Collective Investment Schemes;
- between 80% and 90% of the shares in Absolute, merge itself into Absolute (reverse merger);
- between 90% and 98% of the voting rights in Absolute, merge Absolute with the Offeror or a different entity ultimately managed and controlled by HarbourVest, whereby the remaining shareholders would be compensated pursuant to the Act on Mergers without receiving any shares in the surviving entity;
- more than 98% of the voting rights in Absolute, request the cancellation of the outstanding publicly held shares in Absolute in accordance with art. 33 SESTA.

The Offeror may furthermore delist Absolute or, in the case of a merger, the surviving entity, and run the company as a privately held company, provided that there is an authorisation from FINMA to manage and distribute collective investment schemes or that the company is no longer subject to the Act and the Ordinance on Collective Investment Schemes.

8.2.3 *Effects of the offer on the shareholders of Absolute*

The offer allows shareholders an immediate exit at an attractive price in cash.

Depending on the outcome of the tender offer process and the course of action Offeror will undertake after the Settlement (cf. Section 8.2.2 above) there is the risk of a strong decrease of the liquidity of the Absolute shares following the Settlement. In the medium term, an exit at a later stage, in particular in respect of larger holdings, therefore may be uncertain. A realisation of the full NAV and the continued existence of Absolute are also uncertain in the medium term.

With respect to possible costs and tax consequences for the shareholders, reference is made to the statements in Sections 11.5 and 11.6 of the Offer Prospectus. Stamp duties which may be triggered by the sale of the shares of certain shareholders and levied on the consideration for the shares will be borne by the Offeror.

Should the Offer not be completed, the current stock exchange price of Absolute shares is likely to get under pressure.

8.2.4 *Recommendation*

As a result of its assessment the Board is convinced that the public takeover offer is in the best interest of Absolute and its shareholders. Considering that (a) the offer price is attractive given that certain shareholders with significant shareholdings wish to sell, that the offer is open to all shareholders and that the offer is the result of a competitive auction process, (b) the offer price is the highest bid that has been determined in a professional auction process, (c) the liquidity of the Absolute shares might be substantially limited following the Settlement and (d) a full realisation of the NAV in the medium term is most unlikely, the Board unanimously

recommends shareholders of Absolute accept the offer from HarbourVest and tender their Absolute shares in the course of the offer process. The recent changes in the stock price do not change the assessment and recommendation of the Board as such changes are, in the opinion of the Board, mainly the result of activities of arbitrageurs. There are no alternatives for a placement of larger stakes. A placement in the market would most likely have a strong negative impact on the share price.

8.3 Transaction Agreement

HarbourVest and Absolute entered into a Transaction Agreement on 25 April 2011. Such Transaction Agreement regulates, in addition to the offer price and the duties of the Board to support the offer, the conditions of the public takeover offer and the respective duties of HarbourVest with respect to the public takeover offer. Furthermore, it contains the intentions of HarbourVest with respect to Absolute and its future management. Absolute furthermore undertook to continue to conduct the business according to past practice and gave certain representations, in particular relating to existing liabilities of Absolute. Absolute undertook to hold an extraordinary shareholders' meeting immediately after the Settlement with the agenda items requested by the Offeror. Absolute furthermore undertook to pay to HarbourVest under certain circumstances the amount of USD 1 million as a partial reimbursement of the transaction costs of HarbourVest in the form of a lumpsum payment. The cost reimbursement is owed if (a) the Transaction Agreement is terminated because (i) the Offeror has declared that the conditions have not been fulfilled and that therefore the offer is aborted or has otherwise withdrawn from the offer or Absolute has breached a material obligation under the Transaction Agreement; (ii) the Board has not complied with the legal obligations to publish the board report; (iii) a third party has submitted a superior offer; (iv) the Board has not supported the offer as provided for in the Transaction Agreement; (v) the offer price does not comply with the minimum price rule under the SESTA; or (b) the Board must, in order to comply with its fiduciary duties, terminate its support of the offer. The Board is convinced that this cost reimbursement of approximately 2 Cents per Absolute share is an adequate consideration in return for the opportunity shareholders have to tender their shares in the course of the takeover process and therewith to decide themselves on the sale of Absolute. Section 5.3.2 of the Offer Prospectus contains a summary of the Transaction Agreement.

8.4 Additional information required by Swiss takeover law

8.4.1 Board of directors and executive management of Absolute

The Board consists of Messrs. Thomas Amstutz (Chairman), Hans Rudolf Zehnder (member), Roland Müller-INEICHEN (member) and, until the annual shareholders' meeting of 26 May 2011, Daniel Brupbacher (member). The members of the Board are non-executive members.

The members of the Board are responsible for the management of the company and the delegation of certain duties to an investment manager and administrators. Absolute does not employ employees nor an executive management (cf. Annual Report 2010, p. 103 ss. of Absolute).

Certain services on behalf of Absolute are rendered by Absolute Investment Services AG. Chairman of the board of directors of Absolute Investment Services AG is Thomas Amstutz. Absolute and Absolute Invest AG each hold 50% of Absolute Investment Services AG.

8.4.2 Possible conflicts of interests of members of the Board

Pursuant to the Transaction Agreement, Thomas Amstutz shall continue to be available for office as a member of the Board after the Settlement and, with respect to the fulfilment of condition d) as set forth in section 2.8(d) of the Offer Prospectus, enter into a mandate agreement with the Offeror with effect from the Settlement for the period until the extraordinary shareholders' meeting of Absolute at which the persons nominated by HarbourVest shall have been elected as members of the Board. Daniel Brupbacher resigned from the Board as per the date of the annual shareholders' meeting on 26 May 2011. The other members of the Board shall resign from the Board as per the date of the Settlement.

No member of the Board has entered into contractual obligations nor has it other relations with the Offeror (or a person acting in concert with the Offeror) other than the agreements mentioned and the Transaction Agreement entered into on behalf of Absolute. No member of the Board has been elected to the Board based on a nomination or request of the Offeror (or a person acting in concert with the Offeror).

No member of the Board is a corporate body, officer or employee of the Offeror (or a person acting in concert with the Offeror) or of a company which has substantial business relationships with the Offeror (or a person acting in concert with the Offeror). The members of the Board do not act on instructions of the Offeror (or a person acting in concert with the Offeror).

Given these circumstances, the Board determines that there are no conflicts of interest with regard to the assessment of the public takeover offer. Accordingly, the Board does not take measures in order to avoid that conflicts of interest might have a negative impact on the recipients of the offer. In particular, no independent third party is mandated to establish a Fairness Opinion.

As mentioned in Section 8.4.1 above, Absolute does not employ an executive management.

8.4.3 Possible financial consequences of the offer

(a) Remuneration of the Board

The members of the Board receive, as remuneration for their services, the compensation currently in place (cf. p. 106 s., section 4.5 Annual Report 2010 of Absolute).

After the Settlement the Offeror intends to reconstitute the Board. Hans Rudolf Zehnder and Roland Müller-Ineichen shall not receive any compensation for their resignation from the Board. The remuneration of Thomas Amstutz for the continuation of its services on the Board after the Settlement as well as the remuneration of the board members to be newly elected to the Board have not yet been determined.

To the knowledge of the Board, HarbourVest intends to continue the management of Absolute after the Settlement according to past practice. Reference is made to Section 8.2.2 above for further information.

(b) Absolute shares held by members of the Board

At the time of issuance of this report, the members of the Board hold the following shares in Absolute:

Name	Bearer shares
Thomas Amstutz	249'000
Hans Rudolf Zehnder	40'000
Daniel Brupbacher	0
Roland Müller-Ineichen	0

The members of the Board do not hold options or other derivative instruments on shares in Absolute.

Thomas Amstutz intends to tender to the Offeror 151'000 of his shares in Absolute. He will not tender his other 98'000 shares in Absolute as this would result in negative tax consequences (holding period). Since he will continue in office as member of the Board after the Settlement, he furthermore wishes to remain invested with such other shares in Absolute.

Hans Rudolf Zehnder intends to tender to the Offeror his 40'000 shares in Absolute.

(c) Payments caused by the takeover

The members of the Board will be granted no benefits whatsoever in connection with the public takeover offer. None of the members of the Board will receive compensation in respect of the offer.

8.4.4 Contractual obligations or other relationships with the Offeror

To the knowledge of the Board, there are no contractual obligations or other relationships between Absolute and the Offeror (or a person acting in concert with the Offeror) other than the agreements mentioned in Section 5.3 of the Offer Prospectus.

8.5 Intentions of Shareholders holding more than 3% of the voting rights

To the knowledge of the Board, at the time of issuance of this report, the following shareholders hold more than 3% of the voting rights of Absolute:

- Credit Suisse Group AG (indirectly), 19.809%
- David C. Abrams, 5.31%
- Alpine Select AG and Sumara AG, 5.06%
- Absolute Private Equity AG (own shares), 3.39%

Credit Suisse Group AG intends, to the knowledge of the Board, to tender the shares held in Absolute by proprietary trading accounts of Credit Suisse and the shares held in Absolute by the Credit Suisse Opportunistic Alternative Strategies Limited fund based on the authority of Credit Suisse as the investment manager of that fund.

Alpine Select AG and Sumara AG intend, to the knowledge of the Board, not to tender their shares held in Absolute.

The annual shareholders' meeting of Absolute of 26 May 2011 decided to cancel the own shares held by Absolute by way of a decrease of the company capital. Accordingly, such shares will not be tendered.

The Board has no further knowledge of the intentions of the other aforementioned shareholders. The Board has no knowledge of other shareholders holding more than 3% of the voting rights in Absolute.

8.6 Defence measures

The Board has not taken any defence measures against the offer and does not intend to take such measures. The annual shareholders' meeting of 26 May 2011 has not taken any resolutions on defence measures either.

8.7 Information on material changes with respect to assets, financial and earnings situation as well as with respect to business prospects and interim financial statements

Absolute prepared its annual financial statements as per 31 December 2010, which may be accessed under http://www.absoluteprivateequity.ch/annual_reports/. To the knowledge of the Board, no material changes with respect to assets, financial and earnings situation as well as with respect to business prospects have occurred since 31 December 2010, except for the following (the respective press releases may be accessed under http://www.absoluteprivateequity.ch/news_ad_hoc/):

- The annual shareholders' meeting of 26 May 2011 resolved to definitely cancel the 1'530'000 shares received as part of the share buyback program initiated on 6 July 2009, to correspondingly reduce the share capital by CHF 15,300,000 and to amend Article 4 of the Articles of Association as follows: '§ 4 The share capital of the company amounts to CHF 435,826,050 and is fully paid in. It is divided into 43,582,605 bearer shares with a par value of CHF 10.00 each'.
- Absolute announced on 12 May 2011 that the common shares of Kosmos Energy LLC began trading on the New York Stock Exchange (Ticker "KOS") on 11 May 2011. The offering price was USD 18 per common share. Absolute has exposure to Kosmos Energy LLC via Blackstone Capital Partners IV L.P., Warburg Pincus International L.P. and Warburg Pincus Private Equity VIII L.P.
- Absolute announced on 12 May 2011 that according to Bloomberg Takeda Pharmaceutical Co. is in talks with Nycomed Holdings A/S regarding a possible takeover that could be valued at about USD 14.2 bn. Absolute has exposure to Nycomed Holdings A/S via DLJ Merchant Banking Partners III L.P., DLJ Offshore Partners IV L.P. and Nordic Capital VI Fund.

It is planned to publish interim financial statements of Absolute as per 31 March 2011 with the results of the first quarter 2011 on 23 June 2011.

Zug, 6 June 2011

For the Board of Absolute Private Equity AG:

The Chairman

Thomas Amstutz

9. Decision of Swiss Takeover Board

On June 3, 2011, the Takeover Board issued the following decision (*Verfügung*):

- 1) The public tender offer of HarbourVest Acquisition GmbH to the shareholders of Absolute Private Equity Ltd complies with the statutory provisions relating to public tender offers.
- 2) This decree will be published on the website of the Swiss Takeover Board on the day on which the offer prospectus is published.
- 3) The fee charged to HarbourVest Acquisition GmbH amounts to CHF 200'877.00.

10. Rights of Shareholders of Absolute

10.1 Request for Party Status (Article 57 T00)

Shareholders who have been holding at least 2% of the voting rights of Absolute, whether exercisable or not (a "**Qualified Participation**"), since April 26, 2011 (each, a "**Qualified Shareholder**"; Article 56 T00), will be granted party status if they file a respective request with the Takeover Board. The request of a Qualified Shareholder must be received by the Takeover Board (Selnaustrasse 30, Postfach, CH-8021 Zurich, counsel@takeover.ch; Fax: +41 (0)58 499 22 91) within five (5) trading days from the date of publication of this Offer Prospectus. The first trading day after the publication of this Offer Prospectus will be the first day of the filing period. Concurrently with the request, the applicant has to furnish proof of his or her Qualified Participation. The Takeover Board may request proof of the Qualified Shareholder's continued Qualified Participation at any time. The party status of a Qualified Shareholder will be upheld in relation to any further decisions issued by the Takeover Board in connection with the Offer, if the Qualified Shareholder continues to hold a Qualified Participation.

10.2 Objection (Article 58 T00)

A Qualified Shareholder who has to date not participated in the proceedings may file an objection against the Takeover Board's decision in respect of the Offer (see Section 9 (Decision of the Swiss Takeover Board)). The objection must be filed with the Takeover Board (Selnaustrasse 30, Postfach, CH-8021 Zurich, counsel@takeover.ch; Fax: +41 (0)58 499 22 91) within five (5) trading days after publication of the Takeover Board's decision. The first trading day after the publication of the Takeover Board's decision will be the first day of the filing period.

The objection must contain a motion, a summary of the legal grounds and proof of the Qualified Participation (as defined in Section 10.1 (Request for Party Status (Article 57 T00)) pursuant to Article 56 of the T00.

11. Implementation of the Offer

11.1 Information of shareholders

Holders of Absolute Shares will be informed of the Offer by their custodian bank and are requested to proceed according to the instructions received from said bank.

11.2 Offer Manager / Acceptance and Payment Agent

Bank Vontobel AG serves as acceptance and paying agent for the Offer.

11.3 Absolute Shares Tendered in this Offer

Absolute Shares which have been tendered in the Offer will be blocked by the custodian banks and barred from further trading.

11.4 Payment of Offer Price / Settlement

If the Offer is successful, it is presumed that the Offer Price for the Absolute Shares tendered in the Offer will be paid on August 24, 2011 (the "**Settlement Date**"). An extension of the Cooling-off Period and/or the Initial Offer Period in accordance with Section 2.5 (Cooling-off Period) and 2.6 (Initial Offer Period) is reserved.

11.5 Costs and Charges

During the Initial Offer Period and the Additional Offer Period, Absolute Shares held with banks in Switzerland may be tendered free of costs and charges. The Swiss stamp transfer tax that may be charged in connection with such tender will be borne by HarbourVest Acquisition GmbH.

11.6 Taxes

Tax Consequences for Shareholders who tender their Absolute Shares into the Offer

The following income and profit tax consequences will likely result for shareholders who are Swiss tax residents and who tender their Absolute Shares into the Offer: Pursuant to the general principles of Swiss income taxes, shareholders who hold their Absolute Shares as part of their private assets (*Privatvermögen*) and tender such Absolute Shares pursuant to the terms of the Offer realize a non-taxable, private capital gain, unless (i) the shareholder is classified as a professional securities trader (*gewerbsmässiger Wertschriftenhändler*), or (ii) in the event of a sale of a participation of at least 20% of the share capital of Absolute by one or several Absolute shareholders acting jointly (*indirekte Teilliquidation*). Shareholders of Absolute with a participation of less than 20% are generally not affected by this rule if they tender their Absolute Shares under the Offer. Pursuant to the general principles of Swiss income taxes, shareholders who hold their Absolute Shares as part of their business assets (*Geschäftsvermögen*) and tender such Absolute Shares pursuant to the terms of the Offer realize a taxable capital gain.

No withholding tax will be levied on the sale of Absolute Shares pursuant to this Offer.

Tax Consequences for Shareholders who do not tender their Absolute Shares into the Offer

HarbourVest Acquisition GmbH holds between 90% and 98% or more than 98% of the voting rights of Absolute

If HarbourVest Acquisition GmbH holds more than 98% of the voting rights in Absolute after the Settlement, HarbourVest Acquisition GmbH intends to request the cancellation of the outstanding publicly held Absolute Shares in accordance with Article 33 SESTA (see Section 5.2 (Intentions of HarbourVest Acquisition GmbH with respect to Absolute)). The tax consequences for the minority shareholders receiving a cash compensation are in general the same as if they had tendered their Absolute Shares into the Offer (see above).

If HarbourVest Acquisition GmbH holds between 90% and 98% of the voting rights in Absolute after the Settlement, HarbourVest Acquisition GmbH may merge Absolute with HarbourVest Acquisition GmbH or another entity ultimately managed and controlled by HarbourVest Partners, LLC whereby the remaining minority shareholders would be compensated (in cash or otherwise).

If a cash consideration is paid by the merged entity, the following income and profit tax consequences will likely result for shareholders who are Swiss tax residents: Shareholders holding their Absolute Shares as private assets (*Privatvermögen*) realize a taxable income on the difference between the amount of the cash consideration and the nominal value of the Absolute Shares and the additional paid-in capital. Shareholders holding their Absolute Shares as business assets (*Geschäftsvermögen*) or who are classified as professional securities trader (*gewerbsmässiger Wertschriftenhändler*) realize a taxable gain in the difference between the amount of the cash consideration and the book value (cost price) of the Absolute shares.

For all shareholders of Absolute, the difference between the amount of the cash consideration and the nominal value of the Absolute Shares and the additional paid-in capital will be subject to Swiss withholding tax of 35%. Upon request, the withholding tax will generally be refunded to shareholders of Absolute who have their tax residence in Switzerland, provided that those shareholders duly declare the cash consideration in their tax return or, in the event of legal entities, in their profit and loss statement.

HarbourVest Acquisition GmbH holds about 66 $\frac{2}{3}$ % or more but less than 90% of the voting rights of Absolute

If HarbourVest Acquisition GmbH holds about 66 $\frac{2}{3}$ % or more but less than 90% of the voting rights of Absolute after the Settlement, Absolute may be merged into HarbourVest Acquisition GmbH whereby the remaining minority shareholders would be compensated with new HarbourVest Acquisition GmbH shares.

The share exchange is expected to be a tax free event for private individual shareholders and individuals classified as professional securities traders (*gewerbsmässiger Wertschriftenhändler*). Shareholders holding their Absolute Shares as business assets (*Geschäftsvermögen*) do not realize a taxable gain, provided the HarbourVest Acquisition GmbH shares are booked at the same value as the former Absolute Shares in their books.

The above described merger may have as a consequence that the currently existing amount of capital contribution reserves (*Reserven aus Kapitaleinlagen*) of Absolute will be lower in the surviving entity, HarbourVest Acquisition GmbH.

HarbourVest Acquisition GmbH holds 80% or more but less than 90% of the voting rights of Absolute

If HarbourVest Acquisition GmbH holds 80% or more but less than 90% of the voting rights of Absolute after the Settlement, HarbourVest Acquisition GmbH may be merged into Absolute (reverse merger). The reversed merger will have no tax impact for the remaining minority shareholders of Absolute.

All shareholders and beneficial owners, respectively, are explicitly advised to consult their own tax advisor with regard to the Swiss and – as the case may be – foreign tax consequences that a sale of Absolute Shares under this Offer may have for them.

11.7 Delisting, Cancellation and Merger

As outlined in Section 5.2 (Intentions of HarbourVest Acquisition GmbH with regard to Absolute), HarbourVest Acquisition GmbH reserves the right to delist the Absolute Shares and – if HarbourVest Acquisition GmbH owns more than 98% of the voting rights in Absolute after completion of the Offer – to petition for the invalidation of the Absolute Shares that have not been tendered in accordance with Article 33 SESTA or – if HarbourVest Acquisition GmbH owns less than 98%, but 90% or more, of the voting rights in Absolute – to merge Absolute with HarbourVest Acquisition GmbH or one of its fully controlled subsidiaries, whereby the remaining Absolute minority shareholders would receive a compensation other than ownership interests in the surviving entity (presumably in cash). The value of such other compensation will depend, among other things, on the timing of the merger and may equal the Offer Price, but may also be lower than the Offer Price. Provided that HarbourVest Acquisition GmbH holds about 66 $\frac{2}{3}$ % or more but less than 90% of the publicly held Absolute Shares after completion of the Offer, it is HarbourVest Acquisition GmbH's intention to merge Absolute into HarbourVest Acquisition GmbH subject to the conditions described in Section 5.2 (Intentions of HarbourVest Acquisition GmbH with regard to Absolute). Provided that HarbourVest Acquisition GmbH holds 80% or more, but less than

90%, of the publicly held Absolute Shares after completion of the Offer, HarbourVest Acquisition GmbH may merge itself into Absolute (reverse merger).

12. Applicable Law and Place of Jurisdiction

The Offer and all reciprocal rights and obligations resulting therefrom shall be subject to Swiss law. The exclusive place of jurisdiction shall be the Commercial Court (*Handelsgericht*) of the Canton of Zurich with the right of appeal.

13. Indicative Timetable

June 8, 2011	Start of Cooling-off Period
June 22, 2011	End of Cooling-off Period*
June 23, 2011	Start of Initial Offer Period*
July 20, 2011, 4 pm CEST	End of Initial Offer Period*
July 21, 2011	Publication of the Preliminary Interim Results of the Offer (in the electronic media)*
July 26, 2011	Publication of the Definitive Interim Results of the Offer (in the print media)*
July 27, 2011	Start of the Additional Offer Period*
August 10, 2011, 4 pm CEST	End of the Additional Offer Period*
August 11, 2011	Publication of the Preliminary End Results of the Offer (in the electronic media)*
August 16, 2011	Publication of the Definitive End Results of the Offer (in the print media)*
August 24, 2011	Latest Date for Settlement of the Offer*

* In the event of an extension of the Cooling-off Period and/or the Initial Offer Period, the timetable shall be adapted accordingly.

14. Offer Documentation

This Offer Prospectus (in German, French or English language) may be obtained free of charge from Bank Vontobel AG, Corporate Finance, Gotthardstrasse 43, 8022 Zurich, Switzerland (Tel. +41 (0)58 283 70 03, Fax +41 (0)58 283 70 75, E-Mail: prospectus@vontobel.ch). This Offer Prospectus, as well as other information concerning the Offer, is also available at www.hvgpe.com/absolutetender.

(This page has been left blank intentionally.)

(This page has been left blank intentionally.)

(This page has been left blank intentionally.)

