



IPEV Valuation Board News March 2006

The IPEV Valuation Board held its second meeting on 8 March 2006. Members of the Board in attendance were as follows:

Prof. Herman Daems, Chairman (GIMV)
Prof. Dr. Dr. Ann-Kristin Achleitner (CEFS)
Mr. Jens Bisgaard-Franzen (ATP Private Equity Partners)
Mr. Anthony Cecil (KPMG)
Mr. Hervé Claquin (ABN AMRO Capital)
Mr. Jonathan Lowe (Permira)
Mrs. Monique Saulnier (Sofinnova)

1. Overview on the FASB Fair Value Measurements project and its implications for IFRS and the IPEV Guidelines

It was agreed that the Board will closely monitor the development of the FASB Fair Value Measurements project that could be adopted by the IASB. As a consequence, the Board might issue a short list of technical amendments during the second half of 2006. However, because neither the FASB's project nor the IASB's position are finalized, such technical amendments will not be issued prior to the adoption by the FASB of its future standard.

2. Discount on quoted price during a lock-up period

It seems that the debate within the auditing profession is coming to an end. At this stage, more and more auditing groups see a discount on price of quoted shares during a lock-up period as acceptable under IFRS. The reasoning is that under such circumstances it is not possible to gain access to the active market. Therefore, valuation techniques translating into a discount can be applied, notably due to the time value before having access to the market.

3. Next meeting

The next meeting will be held on 20 October 2006.