EQMC EUROPE DEVELOPMENT CAPITAL FUND PLC

(A limited liquidity investment company with variable capital incorporated
with limited liability under the laws of Ireland,
registered number 418107)

ANNUAL REPORT AND
AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

December 31, 2008

EQMC Europe Development Capital Fund PLC

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EQMC Europe Development Capital Fund PLC

GENERAL INFORMATION

DIRECTORS
Oscar Garcia (Spanish-Irish Resident) *
Manuel Gil (Spanish) *
Brian Kelliher (Irish) *
Alfred M. Vinton (American) *

COMPANY SECRETARY
Tudor Trust Limited,
33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

REGISTERED OFFICE
George's Quay House,
43 Townsend Street,
Dublin 2,
Ireland.

INVESTMENT MANAGER
Nmás1 Gestión SGIIC, S.A. (will be appointed May 1, 2009)
Padilla, 17,
28006 Madrid,
Spain.

NEA Investments LLP, (will resign May 1, 2009)
Paternoster House,
65 St. Paul's Churchyard,
London EC4M 8AB,
UK.

LISTING SPONSOR
Dillon Eustace,
33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

AUDITORS
Deloitte & Touche,
Chartered Accountants,
Deloitte & Touche House,
Earlsfort Terrace,
Dublin 2,
Ireland.

LEGAL ADVISORS
Dillon Eustace,
33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

ADMINISTRATOR
RBC Dexia Investor Services Ireland Limited,
George's Quay House,
43 Townsend Street,
Dublin 2,
Ireland.

CUSTODIAN
RBC Dexia Investor Services Bank S.A.,
Dublin Branch,
George's Quay House,
43 Townsend Street,
Dublin 2,
Ireland.

PRIME BROKER AND SUB-CUSTODIAN
Merrill Lynch,
2 King Edward Street,
London EC1A 1HQ,
U.K.

* Non Executive Director

DIRECTORS' REPORT

For the Year Ended December 31, 2008

The Directors present their report for the year ended December 31, 2008.

Statement of Directors' Responsibilities in respect of the Financial Statements

Irish Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the EQMC Europe Development Capital Fund PLC (the "Company") and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish Statute comprising the Companies Acts, 1963 to 2006 and the Listing Rules of the Irish Stock Exchange. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The Company's principal activity is the collective investment in transferable securities, of capital raised from the public and operates on the basis of risk spreading.

Review of Business and Future developments

A detailed review of the business and future developments is included in the Investment Managers' Report.

Results

The financial position and results for the year are set out on pages 20 and 21. No dividends have been paid or declared at the year-end.

Risk Management objectives and policies

The Company's objective is to achieve absolute returns over the medium term through strategic minority investment in equity and/or equity related securities which includes but is not limited to equities, convertible securities, preferred shares, structured notes, warrants and bonds convertible into common or preferred shares of companies whose market capitalisation is generally below €1.5 billion, which are listed on European stock exchanges or markets. The Investment Manager will apply a private equity approach in the selection of investments and, to the extent such can be obtained, in involvement in the strategic management of companies.

The principal investment objectives and policies of the Company will be adhered to for at least three years from the date of admission of the Class A Shares of the Company to the Official List of the Irish Stock Exchange.

Investment in the Company carries with it a degree of risk including but not limited to the risks referred to in Note 7 of these financial statements.

DIRECTORS' REPORT (continued)
For the Year Ended December 31, 2008

Events since Year End

The Company decided to terminate the Prime Brokerage Agreement with Merrill Lynch International with effect as and from January 1, 2009 due to the following: (i) Taking into account the current market environment and the cancellation of the undrawn committed capital, the Company is not considering taking leveraged positions (one of the main services agreed pursuant the Prime Brokerage Agreement); (ii) Furthermore, the Company is making efforts on the reduction of the Fund's costs.

The Board of Directors of the Company decided to retire Jan Ankarcrona, Norman Fowler and Guy de Panafieu as members of the Fund' Advisory Council with effect as and from January 1, 2009. This decision has been taken as a measure to reduce costs of the Company given the current size of the Fund, which has been reduced significantly due to the drops of European stock markets and the cancellation of uncalled commitments of all shareholders. Furthermore, as a result of the reduction of the Fund's capital base and while financial markets remain extremely volatile, the Fund's level of investment will be slowed down and therefore, it does not require the same level of support from the Advisory Council.

The Board of Directors are to approve on May 1, 2009 the retirement of Nea Investments LLP as Investment Manager of the Company and the appointment of Nmas1 Gestión SGIIC, S.A. to provide investment management services with respect to the Company's assets.

Directors

The names of the persons who were Directors at any time during the year are set out on page 2.

Directors' Interests

The Directors and Secretary (including family interests) do not have any shareholdings in the Company as at December 31, 2008 and December 31, 2007. Please see Note 6, "Related Parties" for further information.

Books of Account

To ensure that proper books of account are kept in accordance with Section 202 of the Companies Act, 1990, the Directors of the Company have employed a service organisation, RBC Dexia Investor Services Ireland Limited ("the Administrator"). The books of account are located at the offices of the Administrator at George's Quay House, 43 Townsend Street, Dublin 2.

Safekeeping of Assets

The Directors of the Company have delegated the safeguarding of assets of the Company to a service organisation, RBC Dexia Investor Services Bank S.A., Dublin Branch.

Auditors

The auditors, Deloitte & Touche, Chartered Accountants, were reappointed during the year and will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Board

Director — Date: April 15, 2009

Director — Date: April 15, 2009

RBC DEXIA
INVESTOR SERVICES

REPORT AND RESPONSIBILITIES OF THE CUSTODIAN

Custodian's Responsibilities

The Custodian is under a duty to take into custody and to hold the property of EQMC Europe Development Capital Fund plc ("the Company") on behalf of the shareholders. Under the Financial Regulator's Non-UCITS Notices, it is the duty of the Custodian to enquire into the conduct of the Company and report thereon to the shareholders in a report which shall contain the matters prescribed by the Notices.

Report of the Custodian
For the year ended 31 December 2008

In our opinion, the Company has been managed for the year ended 31 December 2008 :

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association, and by the Financial Regulator under the powers granted to the Financial Regulator by the Companies Act, 1990 Part XIII (the "Regulations"); and

(ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.

RBC DEXIA INVESTOR SERVICES BANK S.A.
DUBLIN BRANCH

Date : 2/4/09

EQMC Europe Development Capital Fund PLC

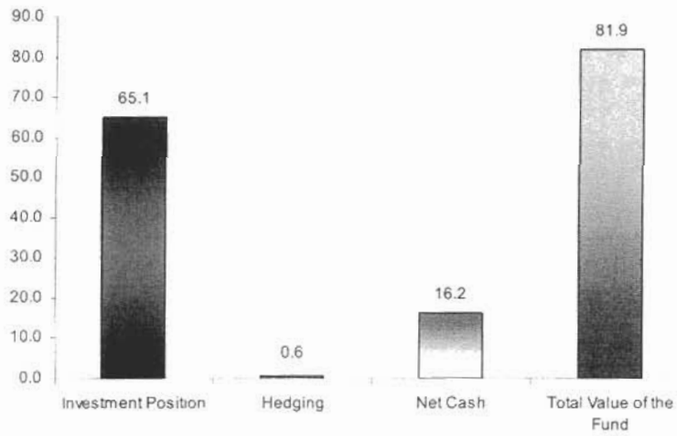
Investment Manager Report

General Information			
Initial Gross Commitments:	€ 252,200,000	Launch Day:	6th June, 2006
Investment Vehicle:	Irish SICAV (Non-UCITS)	Fiscal Year Ends:	31st December
Investment Manager:	NEA Investments LLP	ISIN:	IE00B0XBCX62
Custody and Trustee:	Dexia Group	Bloomberg Ticker:	QMCELEC ID
Auditor:	Deloitte & Touche	SEDOL Number:	B0XBCX6 IE
Headquarters:	Ireland	Currency:	Euro

Other Financial Information		
Revised Gross Commitments*:	€ 182,872,500	
Drawdown amount:	€ 182,872,500 (100% of gross commitments)	
Portfolio Composition:	Current Investment Position:	€ 65,117,684
	Current Hedging Position:	€ 573,119
	Current Net Cash:	€ 16,208,464
	Current Leverage:	-
Average Acquisition Price for investor(NAV):	€ 0.835	
NAV Class A (31-12-2008) :	**€ 0.374**	

(*) Total amount committed after cancellation of pending drawdown commitments by a total amount of € 69 M (with effect as and from 31st December 2008).
Source: Bloomberg, ML, Dexia & NEA.

Composition of the portfolio at 31st December 2008 (million euros)



Investment Manager Report (continued)

Resolutions approved by the EQMC Extraordinary General Meeting

The Extraordinary General Meeting held on the 29th December 2008, which was formally communicated to investors by EQMC's administrator RBC Dexia, approved the following three resolutions:

- Cancellation of the investors' commitments that have not been drawn down as and from the 31st December 2008, which represented 27.5% of the initial investment commitments.
- Extension of the "lock-up" period for 24 months until March 3rd 2011.
- Amendment of EQMC's articles of association in order to reflect the changes stated above.

The prospectus and the articles of association of the Fund, including the previous modifications, have been already approved by the Irish Financial Services Regulatory Authority.

It is worth mentioning the fact that 78% of the capital of the Fund has been represented in the Extraordinary General Meeting and that the resolutions have been approved by 99% of the represented capital.

Market environment and Fund Strategy

The financial markets have ended a really a typical quarter mainly influenced by panic, risk aversion and a loss of confidence which has practically taken us to a collapse of the financial system as investors have raced to de-leverage at a pace not seen since the Second World War.

Stock markets have suffered sharp drops (-20% in the quarter; -25/30% for "small caps" indexes) and high volatility and the credit spreads have reached levels not seen since the thirties. The severe falls shown in October and November have been slightly mitigated by a light recovery in December, marked by the drastic cuts of interest rates and the announcements of aggressive Keynesian plans of the different governments to boost activity via both tax cuts and public investment.

In this context, the main World stock markets closed 2008 with drops of 40-45% which reached 45-55% in the case of "small caps" indexes, as a consequence of both the pressure of forced sellers and a flight of investors towards liquid assets.

Perspectives of deep recessions in the main global economies have been confirmed during this last quarter. Although the intervention of governments and central banks have eliminated the immediate risk of collapse of the financial system and are allowing a slow normalization of the interbank markets, the real economy is already facing a sharp contraction of the activity coupled with growing credit restrictions both to individuals and companies.

Investment Managers Report (continued)

Date 31/12/2008	% Change			
Index	Year 08	Dec 08	Q4 08	2nd Half 08
DAX INDEX	-40%	9%	-18%	-25%
DAX MID-CAP INDEX	-43%	10%	-19%	-38%
SDAX PERFM INDEX	-46%	13%	-18%	-34%
FTSE 100 INDEX	-31%	9%	-8%	-21%
FTSE 250 INDEX	-40%	9%	-19%	-30%
FTSE SMALLCAP INDEX	-46%	5%	-24%	-35%
CAC 40 INDEX	-43%	4%	-20%	-27%
CAC MID & SMALL190 INDEX	-44%	2%	-25%	-32%
MILAN MIB30 INDEX	-48%	3%	-23%	-34%
MILAN MID-CAP INDEX	-52%	-1%	-24%	-35%
ALL STARS INDEX	-40%	0%	-20%	-29%
OSE ALL SHARE INDEX	-53%	9%	-28%	-50%
OMX STOCKHOLM INDEX	-42%	9%	-17%	-27%
IBEX 35 INDEX	-39%	8%	-16%	-22%
IBEX MEDIUM CAP INDEX	-47%	-3%	-18%	-30%
IBEX SMALL CAP INDEX	-57%	-6%	-27%	-44%
DJ EURO STOXX 50 = Pr	-44%	7%	-19%	-27%
DJS Small 200 = Pr	-51%	3%	-29%	-38%
ELECTRA QMC EURO DEV CA	-51%	-2%	-36%	-44%

Source: Bloomberg

For 2009/10, even though we consider that the risk of a recession/deflation scenario is not low, we believe that the global and coordinated answer, both fiscal and monetary, by the different governments and states, will probably contribute to accelerate the economic recovery at a medium term in the main world economies.

We believe it is possible, after 2010, a scenario of a consistent macroeconomic recovery in the USA and more gradual in Europe, especially in countries with higher structural imbalances such as Spain (where the reactivation will probably have to wait until 2011). Having said this, we consider that the start and intensity of the economic recovery in Europe will finally depend on the eventual success of the policies implemented by the main governments (which have still not impacted in the real economy) and the evolution of the global/international economic context.

We believe the stock market is undervalued if the scenario of recession / deflation is finally avoided. As this is not our central scenario, we maintain a moderate optimism for 2009 (specially during the second half of the year) because: i) a recession for 2009/10 is already in price; ii) the appetite for risk is in historical minimum levels; iii) the stock market anticipates the changes in the economic cycle with 2 to 5 quarters in advance; and iv) the process of forced sales by investors is already in an advanced stage.

We believe that the confidence in the financial sector will gradually recover, driven by the coordinated measures implemented by the central governments. Our opinion is that the current valuations of many companies in our universe are not justified in a context of business continuation or even in a scenario of deep economic recession. Additionally, we consider that even in a recessive and volatile economic environment it is reasonable that the equity markets begin to price-in both a liquidity premium as well as their capacity to anticipate recovery. As a reference, in the year 1993 (the nearest real crisis), the market experienced strong increases (+54% of IBEX, +38% of Eurostoxx, etc.) after falls of 22% during the period 1990-1992.

Investment Manager Report (continued)

EQMC: portfolio evolution and strategy

During 2008, the price per share of EQMC has fallen by 51%, in line with the main European small caps indexes (see previous table). This drop is framed in a context on which, as we have already mentioned, there has been panic across all the markets (not only in the equity markets) and forced sellers have severely penalised low liquidity stocks which are the main securities on which EQMC invests (and which even sometimes, are not even included in the "small caps" indexes).

During this period, we have focused on protecting the Fund and its investors to weather this storm:

- Investing much slower than initially expected, and betting that 2009 will be a better period to invest. In fact, net investments during 2008 have only been €12m, versus the €80-85m which we had initially planned.

- Providing a stable framework to the Fund in order to focus its efforts in the recovery of the portfolio value, avoiding being seen as a forced seller or having to face divestments of shares at an inappropriate market momentum. In this sense, the extension of the lock-up approved by the recent Extraordinary General Meeting guarantees such stability.

- Not requesting the draw down of the pending commitments to investors, which have been finally transformed in voluntary draw downs through the adopted resolution by the Extraordinary General Meeting of Shareholders.

- Seeking to be invested in companies which may become reinforced from the current market weakness. We focus our efforts so that our companies turn to be sector winners in a context in which we consider that the current crisis will generate a rationalization of not very competitive players which had benefited from the past economic prosperity.

- Trying to boost value creation in our portfolio companies by all means, specifically: i) assessing companies in their refinancing needs; ii) analysing their future business plans; iii) evaluating strategies and actions aimed towards competitive improvements; iv) supporting operating restructurings and divestments of non-core assets; v) promoting cost savings measures and cash rationalization; vi) intensifying the monitoring of our portfolio companies and their main competitors; vii) start-up of strategic initiatives headed to create value for shareholders. In this context, in the third quarter of 2008, we sold the largest holding of the Fund, Guala.

- Defining hedging structures to protect our portfolio from the market falls with an acceptable risk/reward profile. This strategy, which we started in May anticipating the negative evolution of the market, was successful during the period June – September, generating significant gains in relation to the capital invested (limiting the assumed risk in relation to the capital/premium invested). However, from then onwards the volatility became so high that it has not been easy to find additional hedging instruments with an acceptable risk/reward combination. Most of these positions in hedging instruments were executed before year end 2008 and the resulting proceeds remain in cash in our portfolio.

The environment of global economic deterioration has naturally impacted (to a lower or larger extent) in the results of our portfolio companies as well as in their outlook. Some of these have already been impacted in 2008 whilst others, even though they have ended the year with results in line with our expectations 12 months ago, face very difficult quarters throughout 2009.

Investment Manager Report (continued)

In particular, the two companies with a sharper stock price fall during the last part of the year have been AGR and Transics, as they have experienced a very dramatic deterioration on their end-markets as a consequence of the credit restrictions, on one hand, and the drop of brent prices, on the other. These stocks have fallen mainly in the fourth quarter of 2008, penalizing significantly the Fund's NAV (which has converged with the generalized fall of the markets) after a better relative performance than the market during the first nine months of the year.

On the other hand, 2008 results of companies such as WashTec, Loewe or Grammer have not been very different from initial expectations. However, the perspectives for the next quarters vary substantially, which has been reflected in its share prices.

- Grammer faces up to a very difficult year considering the situation of the auto market; we expect production drops for 2009 of around 20%.

- For Loewe, we expect good set off results for 2009. However, considering the generalized economic deterioration, we have concerns regarding both the company's capacity to continue to gain market share and the perspectives of the LCD segment to continue to grow in Germany. That said, so far there have not been signs of drastic correction on the demand.

- For WashTec, there is a perception that the business has a non-cyclical nature, as has been shown in previous crisis. The company has a solid position in the market and with a growing weight in the sales of recurring business. However, the depth of the current crisis, and the credit restrictions, are starting to affect some of its clients with a weaker financial position.

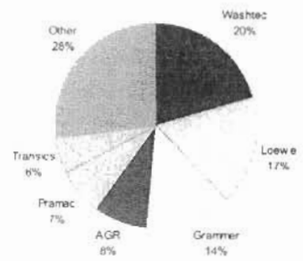
In spite of the above, we believe that, in general terms, the current valuations of the companies are attractive and that their good strategic and financial situation will allow them to become winners in their respective markets in the medium term. That said, we are in permanent revision of our portfolio which could result in certain modifications, such as reducing our exposure to some of our companies with a less attractive risk/reward profile and concentrate in a reduced number of strategic positions (5-7).

We have to take into account that the EQMC Fund is in its initial investment phase. It has been invested an average of less than 18 months (which is equivalent to having invested at end June 2007). It has six strategic positions (seven including Guala) and has others in a build-up phase. We believe the strategy of this type of Fund must be valued with a medium/long term perspective.

In the 18 months in which the Fund has been invested, the accumulated loss to investors in relation to its acquisition cost is 55%, which compares to drops of between 55% and 65% during this period in the main indexes of small and mid caps in the markets in which the fund operates.

Investment Manager Report (continued)

Composition of the portfolio



Source: Dexia

WASHTEC

During the first 9 months of 2008, WashTec managed to maintain a stable business environment (sales +6%, +12% EBIT) in spite of the negative performance in the US business (-25%). However, given the latter reduced relative weight and the fact that the rest of WashTec's markets are less cyclical than the US, such negative performance has been offset by the positive evolution in Germany and rest of Europe as well as the recurring revenues from the maintenance business.

The business mix of approximately a third service & maintenance business, a third with oil majors and the rest with other customers has so far provided a buffer relative to other machine producers. The first two thirds are seen as resilient to the cycle and not dependent on credit availability. Given the exposure to oil majors, capex reductions could pose some downside risk in the coming quarters (but so far no signs have been noticed on this front); however they are not expected to have a direct impact on the distribution business where WashTec has presence. Additionally, most of the machine businesses in the traditional markets are mainly replacements whilst the service business provides a stable and somewhat non-cyclical element to the business.

While WashTec has confidence in its longer term growth goals as stated in the past (4-7% sales and 12-14% EBIT margin), management has conceded that 2009 will likely not result in 4% sales growth. Our view on the company's outlook remains a bit cautious as we expect trading conditions to moderately deteriorate during the next 12-18 months due to the following factors:

- Sluggish US macro trends;
- Expectation that smaller family run businesses will be affected by financing issues as so will be regions such as UK and Spain;
- Slower growth in Eastern Europe;

Investment Manager Report (continued)

WashTec has completed in the fourth quarter an initiative, which started 12 months earlier, to launch a message to the market related to the infra-valuation of the company and to help some forced sellers exit. Consequently, a slow share buyback programme has been completed for 5.25% of the capital at a price of €6.90 per share.

WashTec shareholding structure is made of 3-5 stable investors who currently hold 40% of the capital. EQMC is one of the shareholders with larger visibility and continues to develop a strategic relationship with the management and the President of the company, promoting different ideas and alternatives.



Source: Factset

LOEWE

During the first 9 months of the year 2008, Loewe has achieved a solid performance (sales +6% and EBIT +58%) considering the difficult market environment, which has affected significantly to its closest competitor (Bang & Olufsen).

Although we expect sales to end in 2008 just below the target of EUR 380m (+2% YoY), our expected sharp increase in EBIT margin (in line with guidance) will constitute proof that the company has managed to progress its strategy of price discipline and targeting the higher margin market for large screens.

While Loewe is still supported strongly by the domestic business, we believe the targeted roll out in new regions (UK, Russia, Italy and France) provides growth opportunities ahead. More precisely, in the UK, Loewe has started a roll out of its high end distribution plans with the opening of 5 new galleries. While unsurprisingly the sales overall for the UK in the year 2008 are moderate, the newly started outlets are showing attractive acceptance and growth rates. Furthermore, current weakness of B&O constitutes an opportunity to grab market shares going forward.

Even though the company has not seen so far material signs of business deceleration and remains very confident in its mid term prospects, we remain moderately cautious on the outlook for 2009 due to the following:

Investment Manager Report (continued)

- Risk of pronounced economic slowdown in Germany (which has so far been the main growth driver of the company) coupled with further deterioration of the business in Spain;

- The lack of major football events in 2009;

- The demanding comparative base in 2008 will make the comparison more difficult;

As for the stock, the share price has been highly influenced by B&O profit warnings and has only been recovered by the confidence transmitted by Loewe after its good results publication.



Source: Factset

GRAMMER

2008 has been a year with two different periods for the automotive sector:

- During the first nine months of the year the sector had positive performance, as the deceleration seen in some European economies (Spain, UK) and NAFTA was offset by the stability in Northern Europe and growing emerging markets;

- In Q4, weakness on car sales finally spread-out into the rest of Western Europe (France, Germany, etc) whilst also negatively impacting emerging markets (Russia, Brazil, etc), leading to a sharp increase in stocks in the global automotive sector. This situation has lead to some of Grammer's key customers (VW, BMW and Daimler) to announce that they would stop production for an early and prolonged Christmas break already by December.

We expect a sharp deceleration in the global automotive sector during Q4 08 and Q1 09 (which could even be extended into Q2 09). This situation will have an additional negative impact for suppliers as we believe OEMs will be forced to aggressively reduce current stock levels. We estimate that the combination of these two effects will result in drops of the European production market of close to 20% by 2009 and around 10% in NAFTA.

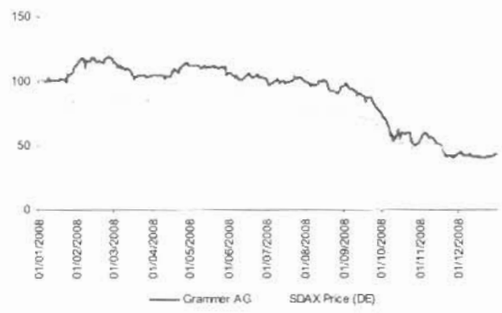
We anticipate that the automotive sector will face a very difficult environment in 2009, impacted by the weak situation of the world economy and existing financing restrictions. Moreover, we believe suppliers (both Tier 1 and Tier 2) will face one of the toughest environments seen in many decades.

Investment Manager Report (continued)

That said, as it has already happened in the past, we also believe that following a period of sharp businesses deterioration, and helped by the different government rescue plans (i.e. Germany will subsidize EUR2,500 to new car buyers scrapping old cars in excess of 9 years old), the sector will gradually return to its historical growth pattern once the macro environment starts to stabilize (probably by late 2009/ 2010).

Grammer's management has maintained its full year guidance for 2008 of just under EUR 1bn of sales with up to EUR 32m of EBIT after restructuring costs. However, looking into 2009, no guidance has been provided. Given the strongly deteriorating market outlook (of which Germany is no exception), we expect it to be a very difficult year which will take a fall on production, top line and margin levels (both in the automotive and seating) despite the currently ongoing restructuring plan.

EQMC continues to work closely with the BoD and management team to support the ongoing restructuring programme. Additionally, we are aggressively exploring strategic and M&A alternatives that could both create and unlock value for shareholders in a context on which we see scope for additional sector consolidation in the years to come.



Source: Factset

AGR

AGR announced their Q3 financials on the 28th of November 2008. Operating revenue grew by 57% to NOK 715m compared to NOK 456m in 2007. EBITDA grew somewhat less by 18% to NOK 117m from NOK 99m in Q3 2007.

The petroleum services division continues to operationally perform well with high utilization. In drilling services, the turnaround of the RMR division is under way and continuing cost cutting of offshore personnel to better fit the operational goals for 2009-10 is more or less complete.

During the quarter, AGR has successfully field tested a new deep water RMR system which is the first in the industry. This technology will enable drill rigs/ships to access environmentally sensitive areas guaranteeing zero emission on the seabed and there is already significant interest amongst some of the larger oil companies. Field operations continue to demonstrate the turnaround of the Australian entity whilst the European business delivers good results in line with expectations. The re-focusing of the business through divestment of non-core business units is advancing further with the sale of

Investment Manager Report (continued)

Project Partner to Semco, despite it not according with the initial plan due to the lack of financing for the tendering groups interested in the project.

During 2008 (specially in the second half of the year), the tightening credit conditions in combination with rapidly falling oil prices have started to put pressure on particularly small oil exploration companies around the globe. In this context, the oil service industry is going through a phase of adjusting the whole cost structure of the activities of oil exploration and development. Consequently, we believe AGR will be affected in some of its divisions, in particular petroleum services, over the coming quarters. That said, despite this challenging operating environment, the management is confident that they can deliver significant earnings growth in 2009 compared to 2008.

The whole sector has suffered a strong adjustment in valuations which is a reflection of the existing uncertainties. Nevertheless, we believe that value could be realised in AGR through internal restructuring. Thus, EQMC, which has two board positions, has continued to work closely with the BoD and management in order to analyse alternatives to create and unlock value for shareholders, including business restructuring and eventual M&A alternatives. We believe the difficult current business environment might partially delay some of these eventual processes.



Source: Factset

PRAMAC

Pramac will close 2008 with a strong deterioration of its core business, electricity generation; at the same time it has achieved important developments in Ecopower business.

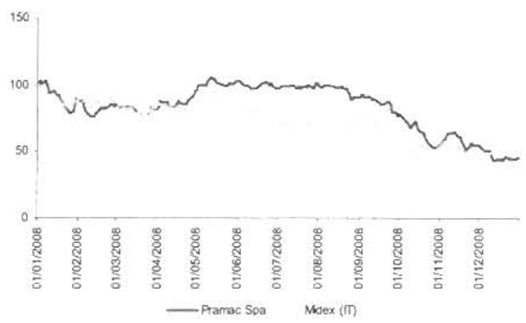
The negative trend in the traditional business started in Q1 2008 and has not worsened during the rest of the year mainly due to important new orders in certain markets which have offset the weakness of other traditional markets (Spain, France and US). However, the revenues have a lower margin mix (due to the higher size of equipments). The difficult outlook of 2009 will affect Pramac's business, but some specific projects in Africa and the US could somehow contribute to the recovery. Furthermore, the cost cutting and working capital reduction plans are expected to have effects in 2009.

The Ecopower's project has increased debt by €65m in 2008 due to the financing of both the investment of the factory in Switzerland as well as stocks. However, it is important to be cautious regarding the effects of credit restrictions on the sector as they have generated an increase in stocks over expectations.

Investment Manager Report (continued)

Our main concern is still Pramac´s high debt level, which is still above €104m as of the 30th September and is expected to reach €130m by year end, as a consequence of the investment already disbursed in the factory of the Ecopower division and the increase of working capital needs in this and other businesses of the company.

Pramac has been working since the end of 2007, when the Ecopower project was launched, in strategic initiatives focused on the reduction of the company's financial leverage. Amongst these initiatives, promoted by EQMC as a member of the Board, are the sale of non-core divisions or the incorporation of strategic partners is some specific projects. However, given the current market environment, many of these transactions (some of which were already in an advanced stage) are now in stand-by.



Source: Factset

TRANSICS

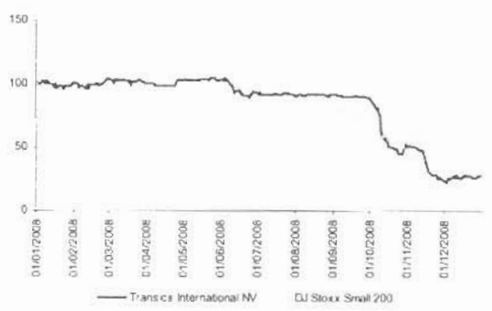
During the second half of the year 2008, Transics has been affected by a sudden change of trend after several years of strong growth (34% growth during the first half of 2008) and European consolidation of the company. This has taken place in a year in which Transics was initiating a roll out in new European markets and creating an infrastructure to support its installed base (more than 55,000 vehicles).

The strong downturn in sales during the last two quarters of the year has been mainly due to the following: i) cuts and delays of clients' investments; ii) worsening of clients' financial situation; iii) increasing credit restrictions. In this context, Transics will end up 2008 with similar revenues as last year but with lower results due to the effect of Transic's commercial and technical roll out in new markets as well as the increase of installed fleet. Debt levels will reach €8m by year end (approx. 1 x EBITDA).

Although the situation will still be complicated in Europe, Transics expects that after the initial "shock" lived during the second half of the year, in which the difficult world economic outlook froze many investment decisions, trading conditions will gradually stabilize. Moreover, the access to financing for the acquisition of fleet management systems will help the selling process. Two of the main commercial challenges for Transics will be: i) a lack of significant orders from existing clients (which is a reasonable scenario for 2009); and ii) the weakness of Eastern European markets, which were seen as one of the main drivers of growth for the future, but in the short term are more affected by credit restrictions than other markets.

Investment Manager Report (continued)

The share price has been strongly penalised as a consequence of the radical change of business trends since October. Nevertheless, the price has dropped with low trading volumes as Transics counts with the support of a solid investor base which represents more than 60% of the capital. Amongst these investors, apart from EQMC and the company's CEO, we would highlight Parcom, Fortis, Aviva, Generali, etc. As a member of the Board, and together with Parcom, we are trying to help the company in this difficult adjustment phase.



Source: Factset

PERFORMANCE IN 2009

During the first four months of 2009, the stock markets have been marked by strong volatility levels. In this context, the EQMC portfolio has decreased 9.1% in 2009 (until 21st April), in line with the behaviour of the main markets. This way, the NAV per share is €0.34.

Deloitte

Deloitte & Touche
Chartered Accountants &
Registered Auditors

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EQMC EUROPE DEVELOPMENT CAPITAL FUND PLC

We have audited the financial statements of EQMC Europe Development Capital Fund PLC for the year ended December 31, 2008 which comprise the Statement of Assets and Liabilities, the Statement of Operations, the Statement of Changes in Net Assets Attributable to Participating Shareholders and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors
The Directors are responsible for preparing the Annual Report, including as set out in the Statement of Directors' Responsibilities, the preparation of the financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006. We also report to you whether in our opinion: proper books of account have been kept by the Company and whether the information given in the Directors' report is consistent with the financial statements. In addition, we state whether we have obtained all information and explanations necessary for the purposes of our audit and whether the Company's Statement of Assets and Liabilities and Statement of Operations are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and Directors' transactions is not given and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. The other information comprises only of the Directors' Report, Report and Responsibilities of the Custodian, Investment 'Managers' Report, Schedule of Investments and Schedule of Portfolio Changes. Our responsibilities do not extend to other information.

Continued on next page/

Deloitte.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EQMC EUROPE DEVELOPMENT CAPITAL FUND PLC

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the Company as at December 31, 2008 and of the loss for the year then ended; and

- have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Company. The Company's Statement of Assets and Liabilities and its Statement of Operations are in agreement with the books of account.

In our opinion the information given in the Directors' report is consistent with the financial statements.

Deloitte & Touche

Chartered Accountants and Registered Auditors
Dublin

Date 15 April 2009

EQMC Europe Development Capital Fund PLC

STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2008

	Notes	Total EUR Dec-31 2008	Total EUR Dec-31 2007
ASSETS			
Financial Assets at Fair Value through Profit or Loss* (Cost 2008:€165,042,303 ; Cost 2007: €150,810,176)		76,997,125	128,781,941
Cash at Bank	8	16,710,005	-
Dividend and Interest Receivable		8,558	112,386
Prepaid Expenses		67,303	82,546
Amount receivable on sale of investments		231,369	-
Receivable on Subscriptions		-	3,270,017
TOTAL ASSETS		**94,014,361**	**132,246,890**
LIABILITIES			
Bank overdraft	8	-	8,965,848
Payable under Repurchase Agreements		13,000,024	276,229
Administration and Transfer Agency Fees Payable	5	22,066	23,066
Custodian Fees Payable	5	12,866	17,855
Management Fees Payable	5	379,864	552,365
Audit Fees Payable		15,145	7,750
Directors' Fees Payable	5	37,243	33,354
Other Fees Payable	5	341,588	410,582
TOTAL LIABILITIES (excluding Net Assets Attributable to Participating Shareholders)		**13,808,796**	**10,287,049**
Net Assets Attributable to Participating Shareholders	4	**80,205,565**	**121,959,841**
Net Assets		80,205,565	121,959,841
Fair Value Adjustment	11	1,693,702	851,755
Total net assets for shareholding dealing		**81,899,267**	**122,811,596**
NET ASSET VALUE PER SHARE			
Class A		81,873,204	122,740,127
Class B		26,063	71,469
		Number of shares	Number of shares
Shares In Issue Class A		218,765,698.138	161,901,036.478
Shares In Issue Class B		100,000.000	100,000.000
		EUR	EUR
Net Asset Value per Share Class A		€ 0.374	€ 0.758
Net Asset Value per Share Class B		€ 0.261	€ 0.715

* Includes Reverse Repurchase Agreement of 13,000,024

Signed on behalf of the Board on April 15, 2009 by

Director

Director

EQMC Europe Development Capital Fund PLC

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Notes	Total EUR Year Ended Dec-31 2008	Total EUR Year Ended Dec-31 2007
INVESTMENT INCOME			
Dividends		2,550,716	1,575,878
Less: Withholding Tax		(446,457)	(337,603)
Bank Interest		112,778	354,715
Other Income	5	182,527	-
Net loss on financial assets at fair value through Profit or Loss	10	(78,339,222)	(22,672,863)
TOTAL INVESTMENT LOSS		**(75,939,658)**	**(21,079,873)**
EXPENSES			
Management Fees	5	2,375,538	2,214,139
Advisory Fees	5	160,599	150,000
Custodian and Trustee Fees	5	46,361	50,696
Administration Fees	5	53,084	46,668
Directors' Fees	5	33,150	33,945
Directors' and Officers' Liability Insurance		13,822	17,850
Registrar and Transfer Agency Fees	5	22,597	24,314
Audit Fees		22,809	18,755
Transaction Costs		96,569	243,720
Other Charges	5	805,089	502,523
TOTAL OPERATING EXPENSES		**3,629,618**	**3,302,610**
DECREASE IN NET ASSETS ATTRIBUTBALE TO PARTICIPATING SHAREHOLDERS		**(79,569,276)**	**(24,382,483)**

The Company has no recognised gains or losses other than the amounts reported above.
All gains and losses were generated by continuing operations.

The accompanying notes form an integral part of the financial statements.

Signed on behalf of the Board on April 15, 2009 by

Director

Director

EQMC Europe Development Capital Fund PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS FOR THE YEAR ENDED DECEMBER 31, 2008

	Total EUR Year Ended Dec-31 2008	Total EUR Year Ended Dec-31 2007
NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS AT THE BEGINNING OF THE YEAR	**121,959,841**	**51,098,574**
Decrease in Net Assets attributable to participating shareholders	(79,569,276)	(24,382,483)
Capital Transactions		
Subscriptions Class A	37,815,000	95,243,750
Subscriptions Class B	-	-
NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS AT THE END OF THE YEAR	**80,205,565**	**121,959,841**

	Number of shares	Number of shares
PARTICIPATING SHARES IN ISSUE AT THE BEGINNING OF THE YEAR	**162,001,036.478**	**51,477,608.231**
Shares issued during the year Class A	56,864,661.660	110,523,428.247
Shares issued during the year Class B	-	-
PARTICIPATING SHARES IN ISSUE AT THE END OF THE YEAR	**218,865,698.138**	**162,001,036.478**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

1. Establishment and Organisation

EQMC Europe Development Capital Fund PLC (the "Company") is a limited liquidity investment Company with variable capital incorporated under the laws of Ireland and authorized by the Financial Regulator pursuant to the provisions of Part XIII of the Companies Act, 1990.

The Company was incorporated on April 5, 2006 and commenced operations on June 6, 2006.

The Company has two classes of Shares, Class A and Class B.

2. Principal Accounting Policies

Basis of Preparation
The financial statements of the Company have been prepared in accordance with the generally accepted accounting standards in Ireland ("Irish GAAP") and the provisions of the Companies Acts 1963 to 2006. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Accounting Standards Board ("ASB") and issued by the Institute of Chartered Accountants in Ireland.

The financial statements are prepared under the historical cost convention adjusted to take account of the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

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 European securities.

All references to net assets throughout this document refer to net assets attributable to holders of participating shares unless otherwise stated.

Net Asset Value
The Net Asset Value per Share for each share class is calculated by dividing the net asset value of each share class by the number of shares then in issue in respect of that share class.

Income
Income arising from investments is accounted for on an accruals basis and in accordance with FRS 16 is shown gross of irrecoverable withholding taxes where applicable.

Ancillary Income to the Company
The net amount of any fees, including transaction fees, break up fees, financial or strategic advisory fees and Directors' emoluments received by the Investment Managers or their partners, officers and employees from Portfolio Companies arising directly from investment by the Company in such Portfolio Companies will be paid to the Company. The extent of such fees shall be disclosed on an annual basis to the Company for inclusion in the Company's periodic reports.

Securities Listed under Agreements to Repurchase
The Company may enter into repurchase agreements. A repurchase agreement is the sale of a security at a specified price with an agreement to repurchase the same or substantially the same security from the same counterparty at a fixed or determinable price at a future date.

These agreements are accounted as collaterialised financing transactions and are recorded at their contractual amounts which, combined with accrued interest, approximate fair value. Interest on reverse repurchase agreements is accrued on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

2. Principal Accounting Policies (continued)

Financial Instruments

Initial Measurement

Purchases and sales of financial instruments are accounted for at trade date. Realised gains and losses on disposals of financial instruments are calculated using the average costing method.

Financial instruments categorised at fair value through profit or losses are measured initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of Operations. The fair value through profit or loss category has two sub categories: held for trading and designated as fair value through profit and loss account.

The portfolio of investments held by the Company is held for medium to longer term investment and therefore do not meet the definition of held for trading. The portfolio has been included in the sub category, designated into the fair value through the profit and loss account, as the portfolio is managed and performance measured on a fair value basis.

Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty in the case of non-exchange traded instruments, at the year end without any deduction for estimated future selling costs. Financial assets are priced at their current bid prices.

If a quoted market price is not available on a recognised stock exchange or from a broker/counterparty, the fair value of the financial instruments may be estimated by the Directors or their delegate (being a competent person approved for such purpose by the Custodian) with care and in good faith and in consultation with the Investment Manager at the probable realisation value. Such probable realisation value may be determined by using a bid quotation from a broker. Alternatively, the Directors, in consultation with the Investment Manager may use such probable realisation value as the Investment Manager or other competent professional appointed by the Directors for such purposes, may recommend. Due to the nature of such unquoted assets and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager.

Net Assets Attributable to Participating Shareholders

The issued participating share capital is at all times equal to the net asset value of the Company. Participating shares are classified as financial liabilities.

Foreign Currency Translation

Functional 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 European securities.

Assets and liabilities denominated in currencies other than the currency stated as the Company's functional currency are translated into the said functional currencies at the closing rates of exchange at each year end. Transactions during the year, including purchases and sale of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in realised and unrealised gain and loss on investments in the Statement of Operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

3. Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking under Section 739B of the Taxes Consolidation Act, 1997 and is not therefore chargeable to Irish tax on its relevant income or relevant gains. No stamp, transfer or registration tax is payable in Ireland on the issue, redemption or transfer of shares in the Company by investors who are not Irish resident or ordinary resident. Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Company may not, therefore, be able to reclaim withholding tax suffered by it in particular countries.

4. Share Capital and Participating Shares

The Company has authorised capital of 5,000,000,000 Class A participating shares of no par value, 5,000,000,000 Class B participating shares of no par value and 2 non-participating Management Shares of €1.00 each. No additional classes of shares shall be created and no further Management Shares shall be issued.

The minimum commitment for each Investor in Class A shares is an amount of €3,000,000, subject to the Directors' discretion to accept commitments in lesser amounts, of not less than €250,000 if such commitment were fully drawn.

As at December 31, 2008 commitments of €252,200,000 (December 2007: €252,200,000) have been received, of which €182,872,500 (December 2007: €145,057,500) has been called up. €182,772,500 (December 2007: €144,957,500) has been called up for Class A and €100,000 (December 2007: €100,000) has been called up for Class B. Class A and Class B shares enjoy rights to variable amounts of capital, as determined by the Net Asset Value of the Company from time to time and the rights to Net Asset Value ascribed to each class of share.

The Extraordinary General Meeting of the Company held on the December 29, 2008 approved the cancellation of the investors' commitments that had not been drawn down as and from the 31st December 2008.

Management Shares have no rights to returns as they are non-participating shares only. Class A shares will possess full economic and voting rights in the Company in accordance with the provisions of the Articles of Association. Class B shares will be offered solely to the Investment Manager and/or Knowledgeable Employees, and will possess similar economic and voting rights to Class A shares, except that Class B shares are entitled to accrual of a performance award.

Irish Stock Exchange rules require disclosure of any of the interests of any person other than a director or investment manager in 10% or more of the units of any class of capital carrying rights to vote at general meetings of the listed Company. At December 31, 2008 no persons held 10% or more of the commitments and Called up share capital of the Company (2007: no persons held 10% or more of the commitments and Called up share capital of the Company).

5. Fees

Investment Managers' Fees

The Company has agreed to pay the Investment Manager an annual fee. The annual fee is equal to the sum of (i) 0.60% of undrawn Gross Commitments payable quarterly in advance, plus (ii) 1.6% of the Net Asset Value of the Company, calculated and accrued daily and payable quarterly in arrears. Where the Investment Managers' fee is paid in advance but, in the quarter in respect of which that fee is paid, the Gross Commitments in respect of which that fee was paid falls below that amount, the Investment Manager shall repay the Company the amount of the excess payment (if any) or set it off against subsequent quarterly fees. In addition, the Company will be reimbursed for that portion of any advance fee received for any unexpired period in the event that the Investment Management Agreement is terminated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

5. Fees (continued)

Investment Managers' Fees (continued)

The Investment Manager may from time to time and at their sole discretion and out of its own resources decide to rebate to some or all shareholders part of its fees. The Investment Manager may also seek to obtain appropriate compensation from Portfolio Companies for any advisory work. The extent of such fees shall be disclosed on an annual basis to the Company for inclusion in the Company's periodic reports.

Management fees charged for the year amounted to €2,375,538 (December 2007: €2,214,139). At the year end €379,864 (December 2007: €552,365) was due.

Performance Award

Separately, holders of Class B Shares will be entitled to a performance award in certain circumstances. This award is payable by reference to the increase in adjusted Net Asset Value per Share attributable to Class A Shares over the course of a Performance Period. The first Performance Period began on June 3, 2006 and will expire on March 3, 2011. Each subsequent Performance Period will be a period of approximately six months ending on the last Business Day of August and February.

The Adjusted Net Asset Value per Share attributable to Class A Shares at any particular time is the sum of Y and Z where:

"Y" is the Net Asset Value attributable to Class A Shares at the time calculated on a basis which does not recognize any liability or reduction in respect of performance awards earned or effectively paid out, divided by the number of Class A Shares in issue at that time; and "Z" is the aggregate of the amount of any Distributions made by the Company in respect of Class A Shares at any time since the First Closing, divided by the time weighted average of the total number of Class A Shares in issue since the end of the Performance Period in respect of which a performance award was last earned (based on calendar days).

If no performance award has yet been earned, the aggregate shall be divided by the total number of Class A Shares in issue at the end of the Performance Period. The holders of Class B Shares will become entitled to a performance award in respect of a Performance Period only if two criteria are met.

First, a performance hurdle test must be met. The performance hurdle is that Net Asset Value attributable to each Class A Share at the end of the relevant Performance Period which exceeds a target Net Asset Value per Class A Share for that Performance Period, which shall be an amount equal to the Net Asset Value per Class A Share applicable as at 12 months prior to the end of the relevant Performance Period (or if no performance award has yet been earned, the average since the First Closing Date of the Net Asset Value at which drawdowns on Commitments or subscriptions for Class A Shares were made), increased over that period by the average annualised overnight euro rate (EONIA) for the 24 months prior to the end of the relevant Performance Period plus 3%, and adjusted for any Distribution made or any performance award liability accrued during that period of 12 months or since the First Closing.

The second test to be met (a "high watermark" test) is that the Adjusted Net Asset Value per Class A Share at the end of the relevant Performance Period is higher than the highest previously recorded Adjusted Net Asset Value per Class A Share at the end of a Performance Period in relation to which a performance award was earned or if no performance award has been earned since the First Closing Date, is higher than the average since the First Closing of the Net Asset Value per Class A Share at which drawdowns on Commitments or subscriptions for Class A Shares were made.

If the performance hurdle is met, and the high watermark exceeded, the performance award will be an amount equal to 15 per cent of the increase, since the end of the Performance Period in respect

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

5. Fees (continued)

Performance Award (continued)

of which a performance award was last earned, in the Adjusted Net Asset Value per Class A Share multiplied by the time weighted average of the total number of Class A Shares in issue since the Performance Period in respect of which a performance award was last earned (based on calendar days). If no performance award has yet been earned, the Adjusted Net Asset Value per Class A Share on the basis of which the increase shall be calculated will be the average since the First Closing of the Net Asset Value per Class A Share at which drawdowns on Commitments or subscriptions for Class A Shares were made and the increase in value per Class A Share shall be multiplied by the total number of Class A Shares in issue at the end of the Performance Period.

The performance award accrues daily and is calculated on the assumption that the daily variables at the end of the relevant Performance Period are the same as those on the day on which the accrual of the performance award is calculated. The manner of calculating the performance award and in particular the nature of the performance hurdle and high watermark test may result in significant fluctuations in the daily accrual of the performance award and lead to volatility in the price of Class A Shares. The daily accrual of the performance award to the net asset value per share attributable to Class A Shares is such that any drawdown, subscription or repurchase of Class A shares will at any time reflect the performance award liabilities, if any, accruing to such Class A Shares.

The performance award will be distributable by allocation of its value to Class B Shares at the end of the relevant Performance Period. The allocation of the performance award between Class A Shares and Class B Shares will result in the receipt by Class B Shares of income/gains and may lead to the value of Class B Shares rising or falling more rapidly than the value of Class A Shares. The performance award will be allocated upon the end of the relevant Performance Period.

Distribution of a performance award that has been earned will be deferred to the extent that such distribution would cause the performance hurdle or high watermark not to be met - amounts deferred will be distributable when, and to the extent that, following any later performance period(s) with respect to which a performance award is earned, it is possible to distribute the deferred amounts without causing the performance hurdle or high watermark not to be met.

The calculation of the performance award will be verified by the Custodian. There was no performance fee during the year. No performance fee was awarded during 2008. (2007: Nil).

Administrator's Fees

The Company shall pay to the Administrator, out of the assets of the Company, an annual fee not exceeding €50,000 (plus VAT, if any) which shall accrue daily and is payable monthly in arrears. In addition, the Administrator shall be entitled to be repaid out of the assets of the Company, a registrar and transfer agency fee and transaction charges which shall be charged at normal commercial rates and based on transactions undertaken by the Company, the number of subscriptions, redemptions, exchanges and transfer of Shares processed by the Administrator and time spent on Company shareholder servicing duties and to the reimbursement of operating expenses.

The Administrator shall also be entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company, including but not limited to couriers' fees and telecommunication costs and expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

5. **Fees (continued)**

Custodian's Fees

The Custodian shall be entitled to receive an annual fee not exceeding 0.05% of the Net Asset Value of the Company, subject to a minimum annual fee of €12,000. The Company shall also pay and reimburse the Custodian in respect of all out-of-pocket expenses incurred by the Custodian on behalf of the Company. The Company will also be responsible for transaction charges and sub-custody charges which will be charged at normal commercial rates. The fees payable to the Custodian accrue daily and are payable monthly in arrears.

Custodian fees charged for the year amounted to €16,679 (2007: €30,938). Custodian's fees payable at December 31, 2008 amounted to €12,866 (2007: €17,855).

The Trustee shall be entitled to fees charged for the year amounted to €29,682 (2007: €19,758). Trustee's fees payable at December 31, 2008 amounted to €8,577 (2007: €8,982).

Prime Broker and Sub-Custodian

The Prime Broker and Sub-Custodian shall be entitled to the fees and other remuneration out of the assets of the Company at normal commercial rates as agreed with the Company from time to time, subject, however, to a minimum fee of USD10,000 per month. Such fees are based upon a combination of fixed charges, transaction charges and interest costs. The Prime Broker and Sub-Custodian will charge interest on debit balances at a rate agreed with the Company from time to time.

Advisory Council

The Company pays a new compensation scheme for the members of the Advisory Council of the Company that have been implemented during the year. The annual retainer fee of €20,000 is payable quarterly in arrears by the Company. Origination fee of €10,000 per investment completed by the Company in which there has been a decisive contribution by the Advisor in the origination of the investment. Annual directorship compensation of €40,000 per directorship, in case the Advisor becomes a Director of any of the portfolio companies of the Company, being made up of (i) any Director's fee paid by the portfolio company, (ii) plus, in case the fee paid by the portfolio company is lower than €40,000 per year, the difference up to €40,000 that will be paid by the Company to the Advisor quarterly in arrears. If the Company director's fee is more than €40,000 then the excess will be compensated by the Advisor to the Company. Annual monitoring fee between €5,000 to €20,000, per investment completed in which the Advisor is actively involved in the monitoring of the investment but has not become Director of the Company. This fee will be payable quarterly in arrears by the Investment Manager (and not out of the assets of the Company) on a case by case basis based on the level of involvement, the size of the investment and the total annual compensation received by the Advisor from both the Company and the Investment Manager.

The total remuneration payable by the Company to all members of the Advisory Council is subject to a limit of €300,000 per annum, if total remuneration due to members of the Advisory Council is greater than €300,000 per annum it shall be paid by the Investment Manager out of its own fees and not out of the assets of the Company. No other remuneration will be payable by the Company to members of the Advisory Council other than for out-of-pocket expenses reasonably incurred by them in the performance of activities undertaken at the request of the Investment Manager. In addition, members of the Advisory Council may be paid such fees out of the Investment Manager's fees as may be agreed between the members of the Advisory Council and the Investment Manager from time to time. Directors' emoluments received by the Investment Manager or their officers and employees who are appointed to the board of Portfolio Companies shall be paid to the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

5. Fees (continued)

Advisory Council (continued)

If members of the Advisory Council may be paid are appointed to the boards of Portfolio Companies, they will seek to obtain appropriate compensation from Portfolio Companies for any advisory work done on their behalf. The extent of such fees shall be disclosed on an annual basis to the Company for inclusion in the Company's periodic reports.

Advisory Council's fees charged for the year amounted to €160,599 (2007: €150,000). Advisory Council's fees payable at December 31, 2008 amounted to €81,083 (2007: €1,667).

Directors' Fees

The Company may pay to each Director a fee which will not exceed €15,000 per annum. No other remuneration will be payable by the Company to the Directors other than for out-of-pocket expenses reasonably incurred by them in the performance of their duties to the Company.

Director's fees charged for the year amounted to €33,150 (2007: €33,945). Director's fees payable at December 31, 2008 amounted to €37,243 (2007: €33,354).

Other Fees Payable

Below is the breakdown for other fees payable as at 31 December 2008 and 31 December 2007.

Description	31 December 2008	31 December 2007
Portfolio companies monitoring costs	185,892	234,546
Sub-Advisory Fee	81,083	314
Transaction Fees	-	106
Brokerage Fees	52,218	151,614
Trustee fee payable	8,577	8,982
Insurance fee	9,510	13,484
Stock Exchange Maintenance Fee	4,308	1,536
Total of Other Fees Payable	**341,588**	**410,582**

Other Charges

Below is the breakdown for other fees paid during the year ended 31 December 2008 and the year ended 31 December 2007.

Description	Year Ending 31 December 2008	Year Ending 31 December 2007
Formation Expenses	6,897	21,861
Legal Fees	23,304	17,025
Out-of-Pocket Expenses	2,875	1,427
Printing Expenses	442	-
Secretarial Services	16,197	14,334
Portfolio companies monitoring costs	143,637	132,041
Transaction Fees	4,190	5,389
Brokerage Fee	-	97,043
Stock Exchange Maintenance Fee	4,796	4,011
Bank Interests	602,751	122,137
Interests paid on swaps	-	87,255
Total Other Charges Paid	**805,089**	**502,523**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

5. Fees (continued)

Other Income

Below is the breakdown for other income earned during the year ended 31 December 2008 and the year ended 31 December 2007.

Description	Year Ending 31 December 2008	Year Ending 31 December 2007
Bond Interest	29,205	-
Repo Interest	54,838	-
Brokerage Income	93,484	-
Director Fees	5,000	-
Total Other Income Received	**182,527**	**-**

6. Related Parties

FRS8 'Related Party Transactions' requires the disclosure of information relating to material transactions with parties, who are deemed to be related to the reporting entity.

Mr. Fred Vinton shall be deemed to be interested in any contract entered into by the Company with the Investment Manager, NEA Investments LLP, by virtue of being a management member of NEA Investments LLP.

Mr. Manuel Gil shall be deemed to be interested in any contract entered into by the Company with the Investment Manager, NEA Investments LLP, by virtue of being a management member of the NEA Investments LLP and also a director of Nmás1 Gestión SGIIC, S.A., which is to be appointed as the Investment Manager of the Company on May 1, 2009. He is also a Founding Partner, Director and Member of the Executive Committee of the Nmás1 Group, the parent company of Nmás1 Agencia de Valores, S.A. Mr. Brian Kelliher shall be deemed to be interested in any contract entered into by the Company with Dillon Eustace by virtue of being a partner of Dillon Eustace, the legal advisors to the Company.

No Director or person intending to be a Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise. At the next meeting of the Board of Directors held after such a person becomes so interested, and in a case where the person becomes interested in a contract or arrangement after it is made, then at the first meeting of the Board of Directors held after they become so interested, the nature of such interest shall be reported in the next following annual report of the Company.

There have been no related party transactions during the year ended December 31, 2008.

7. Financial Instruments and Related Risks

Investments in equities expose the Company to varying risks, including market risk, interest rate risk, currency risk, credit risk, other price risk and liquidity risk. A description of the specific risks are included below. All assets are held at market value, which approximates fair value. Market value is determined in accordance with the accounting policies in Note 2 of these statements. An analysis of the types of securities held at year end can be viewed in the Company's Schedule of Investments. Investments held at year end are representative of the type of investments held during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

7. Financial Instruments and Related Risks (continued)

Market Risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Company's investments, as a result of their very nature, involve uncertainty (and therefore risk) as to their effective realization value. Although the aim of the Company is to invest in listed securities, the absence of an adequate market to realize them during the period could have an adverse material effect on the return.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Under the Prime Brokerage agreement with Merrill Lynch, the Company has cash debit and credit facilities. Pricing of these facilities is based on LIBOR + 50 basis points on debit balances and LIBOR - 25 basis points on credit balances. This Financing Benchmark of LIBOR is the 1 week rate (reset daily) as set by the British Bankers Association. For currencies where no LIBOR fixing is available, Merrill Lynch apply an equivalent short-term funding rate, which is either a published interbank deposit rate of similar duration or equivalent to Merrill Lynch's actual cost of funds.

The Company has intermittently been exposed to interest rate risk on debit balances for limited periods of time when building specific investment positions. This has particularly been the case when it has been deemed too time critical to complete a partial draw down to Company the investment and instead, the short term credit facilities described above have been used. However, as at December 31, 2008 there was no net bank overdraft (as shown in the table below for Currency Risk). Please refer to disclosures on credit risk for additional details regarding leverage in the Company.

As at December 31, 2008 the Company invests in a Reverse Repurchase Agreement but the Company is not exposed to interest rate risk on Reverse Repurchase Agreements as these have fixed interest rates.

Interest Rate Risk Profile of Financial Assets

The interest rate profile of securities held by the Company as at December 31, 2008 is as follows:

Currency	Total Investments	Total Investments	Non-interest bearing assets	Non-interest bearing assets
	2008	2007	2008	2007
EUR	54,448,339	91,368,940	54,448,339	91,368,940
GBP	-	2,545,699	-	2,545,699
NOK	6,923,460	21,815,938	6,923,460	21,815,938
SEK	2,625,302	13,051,364	2,625,302	13,051,364
	63,997,101	128,781,941	63,997,101	128,781,941

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

7. Financial Instruments and Related Risks (continued)

Currency Risk

The currency profile of securities and other financial instruments and cash loans held by the Company as at December 31, 2008 and December 31, 2007 are shown in the tables below.

Currency	Total Investments	Net Bank Overdraft	Net	Foreign Currency Exposure	Exch. Rate As at December 31, 2008
EUR	54,448,339	-	54,448,339	-	
NOK	6,923,460	-	6,923,460	6,923,460	9.733289
SEK	2,625,302	-	2,625,302	2,625,302	10.992448
	63,997,101	-	63,997,101	9,548,762	

Currency	Total Investments	Net Bank Overdraft	Net	Foreign Currency Exposure	Exch. Rate As at 31 December 2007
EUR	91,368,940	12,602,572	103,971,512	-	
GBP	2,545,699	30,795	2,576,494	2,576,494	1.3615130
NOK	21,815,938	(16,675,940)	5,139,998	5,139,998	0.1259649
SEK	13,051,364	(4,923,275)	8,128,089	8,128,089	0.1058254
	128,781,941	(8,965,848)	119,816,093	15,844,581	

At December 31, 2008 had the euro strengthened by 5% in relation to each of the currencies noted above, with all other variables held constant, net assets attributable to holders of participating shares would have decreased by the amounts shown in the table overleaf. A 5% weakening of the euro against the above currencies would have resulted in an equal but opposite effect to the changes shown below, on the basis that all other variables remain constant.

Currency	Sensitivity (at 5% change) 2008	Sensitivity (at 5%change) 2007
EUR	-	-
GBP	-	128,825
NOK	346,173	257,000
SEK	131,265	406,404

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

7. Financial Instruments and Related Risks (continued)

Credit risk (continued)

With regard to leverage, the Company is able to take on leverage up to a maximum of 50% of the Net Asset Value of the Company under facilities from Merrill Lynch under the prime brokerage agreement. The Investment Managers and members of the Investment Committee monitor this leverage position on a daily basis. As described above, the Company has only temporarily been exposed to moderate interest rate risk on debit balances when building specific investment positions. Moreover, considering the remaining undrawn capital has been cancelled, the Company will therefore not need to make draw drowns in advance and thus take these leveraged positions.

Equity Price Risk

The Company invests in listed European equities, with a high proportion of the market value of the portfolio as at December 31, 2008 listed on the German, Italian, Norwegian and Swedish stock markets. The maximum risk of capital loss is determined by the value of the equity investments. The investment portfolio as of December 31, 2008 can be viewed in the Schedule of Investments on pages [35 and 36]. The Company actively monitors price movements of all investments and produces internal valuation reports on a daily basis.

Sensitivity analysis

The table below sets out the impact on net assets attributable to holders of participating shares as at December 31, 2008 if a specific country stock index was to decline by 5%, with all other variables held constant. For example, if the German SDAX declined by 5%, and this decline translated in the same proportion to all the German investments whilst all other investments and variables remained unaffected, the net assets attributable to holders of participating shares would decline EUR 2,203,070. It should be noted that this analysis assume that correlation between the German SDAX and the German stocks in the portfolio is 100%, which as stated above is not the case. A 5% increase would have resulted in an equal but opposite effect to the changes shown below, on the basis that all other variables remain constant.

5% Decline	Sensitivity (at 5% change) 31 December 2008	Sensitivity (at 5% change) 31 December 2007
Germany	(2,203,070)	(2,344,083)
Italy	(232,484)	(1,607,536)
Scandinavia	(477,438)	(1,743,365)

Liquidity risk

Until March, 2011 the Company's shareholders are not able to redeem their shares in the Company so until that date the Company has no exposure to redemption-related liquidity risk. After March, 2011 shareholders will be able to redeem their shares every six months.

The Company's investment portfolio is composed of listed securities on major stock exchanges. A number of the Company's investments are relatively illiquid when compared with the size of the Company's holding. In the event that the Company was forced to sell such holdings in a short time period it would be likely to be difficult to realise full value for such holdings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

8. Cash at bank

The cash held on current account with RBC Dexia Investor Services Bank S.A., Dublin Branch and Merrill Lynch at December 31, 2008 represented 20.83% of Net Asset Value of the Company. Bank overdraft held on current account with RBC Dexia Investor Services Bank S.A., Dublin Branch at December 31, 2007 represented 7.35% of the Net Asset Value of the Company at that date.

9. Soft Commissions

There were no soft commission transactions during the year. No soft commissions existed during 2007.

10. Net (Loss)/Gain on Financial Assets and Liabilities at Fair Value through Profit or Loss

	Total EUR Year Ended Dec-31 2008	Total EUR Year Ended Dec-31 2007
Net Realised Gain/(Loss) on Investments	600,203	1,606,253
Net Unrealised (Loss)/Gain on Investments	(78,939,425)	(24,279,116)
Net (Loss)/Gain on Financial Assets at Fair Value through Profit or Loss	**(78,339,222)**	**(22,672,863)**

11. Fair Value Reconciliation

A reconciliation of the valuation of the financial assets at fair value through profit or loss under FRS 26 versus the methodology as per the Company prospectus is depicted in the table below. The figures in the table below exclude cash and other assets. The FRS 26 Valuation Adjustment referred to in the table below is as a result of Financial Assets at Fair Value through profit or loss being shown at their Bid Market values, which is their fair value under Financial Reporting Standards. This is different to the valuation used in the dealing or published Net Asset Values which use Mid Market Values. The differences between the two methodologies are reconciled in the tables overleaf:

	Total EUR Year Ended Dec-31 2008	Total EUR Year Ended Dec-31 2007
Total Net Assets for financial statement purposes	80,205,565	121,959,841
FRS 26 valuation adjustment	1,693,702	851,755
Total Net Assets for shareholder dealing/prospectus	**81,899,267**	**122,811,596**

12. Material changes to the prospectus

The Extraordinary General Meeting of the Company held on the December 29, 2008 approved the following three amendments:
(i) Cancellation of the investors' commitments that had not been drawn down as and from the December 31, 2008.
(ii) Extension of the "lock-up" period for 24 months until March 3, 2011.
(iii) Amendment of the Company's articles of association in order to reflect the changes stated above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 (continued)

13. Events after the Year End

The Company decided to terminate the Prime Brokerage Agreement with Merrill Lynch International with effect as and from the January 1, 2009 due to the following: (i) Taking into account the current market environment and the cancellation of the undrawn committed capital, the Company is not considering taking leveraged positions (one of the main services agreed pursuant the Prime Brokerage Agreement); (ii) Furthermore, the Company is making efforts on the reduction of the Fund's costs.

The Board of Directors of the Company decided to retire Jan Ankarcrona, Norman Fowler and Guy de Panafieu as members of the Fund' Advisory Council with effect as and from the January 1, 2009. This decision has been taken as a measure to reduce costs of the Company given the current size of the Fund, which has been reduced significantly due to the drops of European stock markets and the cancellation of uncalled commitments of all shareholders.

The Board of Directors approved on May 1, 2009 the retirement of Nea Investments LLP as Investment Manager of the Company and the appointment of Nmas1 Gestión SGIIC, S.A. to provide investment management services with respect to the Company's assets.

14. Date of Approval

The financial statements were approved and authorised for issue by the Directors on April 15, 2009.

EQMC Europe Development Capital Fund PLC

SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2008

Description	Quantity/ Face value	Currency	Acquisition cost	Market Value	% net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS					
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
LISTED SECURITIES : SHARES					
BELGIUM					
Transics	807,570	EUR	13,570,217	3,835,958	4.78
			13,570,217	3,835,958	4.78
GERMANY					
EA	178,770	EUR	9,538,638	2,610,042	3.25
Grammer AG	1,279,081	EUR	29,925,801	8,825,659	11.00
NK	1,129,643	EUR	7,925,240	8,122,133	10.13
Loewe AG	1,318,050	EUR	22,975,981	11,401,133	14.22
Washtec AG	2,262,943	EUR	22,773,336	13,102,440	16.34
			93,138,996	44,061,407	54.94
FINLAND					
TR	85,000	EUR	362,955	276,250	0.34
			362,955	276,250	0.34
FRANCE					
TM	80,551	EUR	1,613,989	273,873	0.34
			1,613,989	273,873	0.34
ITALY					
Pramac	3,046,272	EUR	12,517,129	4,569,408	5.70
QZ	23,611	EUR	106,250	80,277	0.10
			12,623,379	4,649,685	5.80
NETHERLANDS					
CS	67,073	EUR	1,072,995	778,047	0.97
			1,072,995	778,047	0.97

SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2008 (continued)

Description	Quantity/ Face value	Currency	Acquisition cost	Market Value	% net assets
NORWAY					
AGR	3,561,550	NOK	22,611,805	4,409,268	5.50
AT	1,054,800	NOK	3,871,885	2,514,192	3.14
			26,483,690	6,923,460	8.64
SWEDEN					
XH	1,089,000	SEK	15,713,582	2,625,303	3.27
			15,713,582	2,625,303	3.27
TOTAL LISTED SECURITIES : SHARES			164,579,803	63,423,983	79.08
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			**164,579,803**	**63,423,983**	**79.08**
B) DERIVATIVES					
1) LISTED SECURITIES : OPTIONS					
GERMANY					
DJ Stoxx Small Cap 200	200,304	EUR	462,500	573,119	0.71
			462,500	573,119	0.71
TOTAL LISTED SECURITIES : OPTIONS			462,500	573,119	0.71
2) UNLISTED SECURITIES : REPOS					
LUXEMBOURG					
Reverse REPO 13,000,024.48 EUR 1.8% 09/01/2009		EUR		13,000,023	16.21
				13,000,023	16.21
TOTAL UNLISTED SECURITIES : REPOS				13,000,023	16.21
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS			**165,042,303**	**76,997,125**	**96.00**
CASH AT BANK				**16,710,005**	**20.83**
OTHER LIABILITIES LESS ASSETS				**(13,501,565)**	**(16.83)**
TOTAL NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS				**80,205,565**	**100.00**

- Valuation was derived from two pricing sources: Bloomberg and Telekurs.

EQMC Europe Development Capital Fund PLC

GEOGRAPHIC & ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2008

(expressed as a percentage of net assets)

	% net assets Dec-31 2008	% net assets Dec-31 2007
GERMANY		
Consumer Goods	3.25	5.86
Automobile Industry	11.00	15.99
Electronic Semiconductor	14.22	16.59
Mechanics, Machinery	16.34	-
Miscellaneous	0.71	-
Office Equipment Computers	10.13	-
	55.65	**38.44**
ITALY		
Miscellaneous	5.80	26.36
	5.80	**26.36**
LUXEMBOURG		
Miscellaneous	16.21	-
	16.21	**-**
NORWAY		
Mechanics, Machinery	3.14	-
Petrol	5.50	17.89
	8.64	**17.89**
SWEDEN		
Truck Industry	3.27	10.70
	3.27	**10.70**
BELGIUM		
Internet Software	4.78	5.81
	4.78	**5.81**
NETHERLANDS		
Holding and Finance Companies	0.97	-
	0.97	**-**
FRANCE		
Automobile Industry	0.34	3.99
	0.34	**3.99**
FINLAND		
Equipment Rental	0.34	-
	0.34	**-**
UNITED KINGDOM		
Business Support Services	-	2.09
	-	**2.09**

EQMC Europe Development Capital Fund PLC

GEOGRAPHIC & ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2008

(expressed as a percentage of net assets)

	% net assets Dec-31 2008	% net assets Dec-31 2007
PORTUGAL		
Construction and Building Material	-	0.31
	-	0.31
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS	96.00	105.59
CASH AT BANK/BANK OVERDRAFT	20.83	(7.35)
OTHER LIABILITIES LESS ASSETS	(16.83)	1.76
TOTAL NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS	100.00	100.00

EQMC Europe Development Capital Fund PLC

SCHEDULE OF PORTFOLIO CHANGES
FOR THE YEAR ENDED DECEMBER 31, 2008

Purchases*

DATE	SECURITY NAME	QUANTITY	COST (EUR)	SECURITY CURRENCY
10/02/2008	Spain Government Bond 4.1% 30-Jul-18	20,000,000	19,350,000	EUR
23/05/2008	Washtec AG	670,000	6,907,901	EUR
25/07/2008	Washtec AG	600,000	5,405,400	EUR
30/09/2008	AT	545,000	2,004,711	EUR
01/10/2008	Washtec AG	475,000	5,230,225	EUR
10/03/2008	NK	467,000	3,353,693	EUR
17/10/2008	NK	420,500	2,808,521	EUR
10/03/2008	AT	284,400	1,049,025	EUR
01/11/2008	Washtec AG	280,000	3,083,080	EUR
07/02/2008	Guala	200,000	847,770	EUR
07/03/2008	Guala	200,000	847,770	EUR
07/04/2008	Guala	200,000	847,670	EUR
07/03/2008	Guala	200,000	847,269	EUR
18/01/2008	Guala	186,000	693,658	EUR
10/10/2008	AT	165,400	564,564	EUR
10/06/2008	AT	150,000	537,174	EUR
19/09/2008	NK	132,170	958,015	EUR
03/11/2008	Guala	132,000	457,709	EUR
25/01/2008	Guala	119,000	427,909	EUR
01/11/2008	Guala	117,500	451,208	EUR

Sales**

DATE	SECURITY NAME	QUANTITY	PROCEEDS (EUR)	SECURITY CURRENCY
26/09/2008	Guala	6,507,947	27,984,172	EUR
10/02/2008	Spain Government Bond 4.1% 30-Jul-18	20,000,000	19,517,148	EUR
14/04/2008	OZ	364,000	1,653,941	EUR
04/04/2008	NJ	144,361	1,015,711	EUR
12/09/2008	TM	50,000	149,700	EUR
23/05/2008	TM	28,250	243,248	EUR
04/04/2008	TM	27,370	240,311	EUR
28/11/2008	AT	140,000	387,454	EUR
16/05/2008	OZ	105,000	518,993	EUR
18/04/2008	TM	22,600	186,959	EUR
06/02/2008	TM	19,800	152,155	EUR
04/07/2008	NJ	43,400	312,767	EUR
16/05/2008	TM	16,050	129,966	EUR
14/03/2008	NJ	40,000	291,329	EUR
30/12/2008	TR	75,000	231,369	EUR
22/02/2008	NJ	36,461	266,269	EUR
18/01/2008	RM	33,000	203,858	EUR
28/03/2008	TM	11,843	103,954	EUR
08/01/2008	OZ	52,000	233,955	EUR
14/02/2008	TM	11,500	131,973	EUR

* Represents the 20 largest purchases of securities during the year.
** Represents the 20 largest sales of securities during the year.