VPEG Quarterly Report for the Quarter Ending 30 June 2008

15th August 2008

Vantage Private Equity Growth Limited

Quarterly Investor Report — Quarter Ending 30 June 2008

Special points of interest:

- VPEG Commits $7m to Next Capital II
- VPEG's Underlying Funds Now Hold 16 Investments
- VPEG's Portfolio of Underlying Investments Remain Resilient to the Global Economic Slow Down

Inside this report:

SUMMARY

Background

Vantage Private Equity Growth Limited (VPEG) is a multi manager Private Equity investment company initially structured as an unlisted Australian public company. VPEG is focussed on investing in professionally managed Private Equity funds that invest in businesses that are at a more mature stage of development, and in particular the Later Expansion and Buyout stages of Private Equity investment.

The Company's investment objective for its Investment Portfolio is to achieve attractive medium to long-term returns on Private Equity investments while keeping the volatility of the overall investment portfolio low. This will be achieved by investing across a highly diversified portfolio of Private Equity assets with diversification obtained by allocating across manager, geographic region, financing stage, industry sector and vintage year.

VPEG will invest the majority of its Investment Portfolio into predominantly Australian based Private Equity funds and, to provide additional geographic diversification, will seek to commit a maximum of 30% of its Private Equity Allocation to European based Private Equity funds also focussed on investing in the Later Expansion and Buyout stages of Private Equity.

VPEG continues to build its investment portfolio and has to date committed $43m across seven private equity funds.

As at 30 June 2008, commitments made by VPEG include, $8m to each of Archer Capital Fund 4, Catalyst Buyout Fund 2 and Quadrant Private Equity No. 2, $7m to Next Capital II and $4m to each of Advent V, Crescent Capital Partners III and Equity Partners Fund No. 3.

Important Information

Performance

The period from 1 April 2008 to 30 June 2008 saw the continued growth in VPEG's portfolio of private equity commitments and investments.

The most significant development for VPEG during the June quarter was the $7m commitment made to Next Capital II managed by the former Macquarie Direct Investments (MDI) Private Equity team of Sandy Lockhart, Patrick Elliot and John White.

Additionally the level of private equity investments across the portfolio also increased as a number of funds to which VPEG has made commitments made acquisitions during the quarter.

As a result, VPEG's post tax NAV per share continued to improve across the period, despite the global credit crisis continuing to impact financial markets and consumer confidence.

The table to the right provides a summary of the performance of VPEG's portfolio during the June 08 quarter. As demonstrated VPEG's post tax NAV per share increased from $0.988 at 31 March 2008 to $0.996 as at 30 June 2008.

Month Ending	VPEG NAV per Ordinary Share*
30-Jun-08	0.996
31-May-08	0.991
30-Apr-08	0.989
31-Mar-08	0.988

*Net Asset Value (NAV) per share post tax

Key Portfolio Developments

During the period 1 April 2008 to 30 June 2008, VPEG's portfolio of private equity commitments grew to seven, while the number of underlying Private Equity investments also increased, with four new investments made by underlying funds .

The increased exposure to private equity investments resulted from draw downs, during the quarter by Advent V, Archer Capital Fund 4, Crescent Capital Partners III and Quadrant Private Equity No. 2, totaling $2,107,000. This represented an increase in the pace of drawn capital into Private Equity transactions of 241% over the March 2008 quarter.

The majority of capital drawn from VPEG during the quarter contributed toward funding two new investments, one by each of Quadrant Private Equity No. 2 and Crescent Capital Partners III. The other two new investments acquired included Archer Capital Fund 4's purchase of an initial stake in a public company it was proposing to acquire and the funding of the previously advised investment in Abano Healthcare by Crescent Capital Partners III .

Finally funding was drawn to continue the "roll up" within a portfolio company of Quadrant Private Equity No. 2, while Advent V drew funds to recapitalise an existing investment.

Quadrant Private Equity No. 2's draw downs from VPEG during April and June 2008 were to fund the acquisition of **IVF Australia** and continue the "roll up" of hotels within **Independent Pub Group**.

Crescent Capital Partners III drew capital during the quarter to fund its stake in the NZ listed **Abano Healthcare** which it subsequently vended into **Life Audiology**. Crescent also completed one new investment into **Metro Glass NZ**.

Archer 4's draw down during the quarter was to fund an initial investment into the ASX listed **Funtastic Limited**, in which it launched a non binding indicative proposal to acquire 100% of the company.

Finally Advent V drew funding to recapitalise its investment in **Solomon Food Group** which increased Advent V's share of equity in the business.

"Draw downs from VPEG during the quarter went toward funding four new investments, one "roll up" and the recapitalisation of an existing portfolio company."

Overview of New & Expanded Underlying Investments

IVF Australia

Quadrant Private Equity No. 2 acquired IVF Australia In April 2008. IVF Australia is the largest group of dedicated fertility specialists in NSW operating across an extensive network of fertility centres and consulting sites for the communities of Sydney and the Central Coast.

With a staff of more than 100, including a team of experienced scientists, nurses and counsellors, IVF Australia provides fertility treatment to men and women trying to conceive via treatment options including ovulation induction, insemination, IVF and ICSI.

Independent Pub Group — Further Expansion

Further to the reported acquisitions of eight hotels by **Quadrant Private Equity No. 2** investee, Independent Pub Group Pty Limited (IPG) during the December 2007 and March 2008 quarters, a further twelve hotels were contracted to be acquired during June 2008 by IPG, from the Singapore listed Lasseters International Holdings.

Upon the completion of the most recent acquisitions later this year IPG will have twenty one hotels in total with twelve in South Australia, six in Queensland and three in New South Wales.

Life Audiology

During April 2008 **Crescent Capital Partners III** participated in a capital raising by Crescent Capital Partners II investee company Life Audiology and vended in its interest in Abano Healthcare Group, in exchange for a significant minority share of Life Audiology.

Life Audiology is the leading independent hearing aid distribution company in Australia. The company acquires customers via outbound direct marketing to one of the more than 50 owned audiology clinics across Australia and New Zealand for testing and ultimate sale of hearing aids. The Acquisition of the Abano stake allows Life Audiology to position itself to influence the make-up of the audiology market in the Asia-Pacific region in the future.

Across both of their number II & III funds Crescent Capital Partners hold a majority of the shares in Life Audiology.

Metro Glass

In June 2008 **Crescent Capital Partners III** purchased mezzanine debt in NZ Glass Investment Company Limited (Metro Glass), the leading value added processer of glass in New Zealand.

Metro sells a full range of glass products including glazed windows, toughened glass and cut to size glass, to more than 300 customers including fabricators, glass merchants, contractors and bathroom suppliers. Metro purchases "raw glass" or float glass from overseas suppliers and produces a finished product through specialised value add processes conducted locally in New Zealand.

Metro, which holds an approximate 51% share of the New Zealand glass market, distributes through 21 decentralised sites and operates on a "just in time" basis, managing logistics in house, with a fleet of 50 trucks.

Funtastic Limited

In May 2008 **Archer 4**, as part of a consortium, acquired an 18.8% share of Funtastic Limited and launched a bid to acquire 100% of the ASX listed company. Funtastic is Australia's largest marketer and distributor of childrens products. The Proposal is non binding and indicative only and is subject to a number of preconditions.

PORTFOLIO STRUCTURE

VPEG's Portfolio Structure — 30 June 2008

The tables and charts below provide information on the breakdown of VPEG's investments as at 30 June 2008.

Current Investment Portfolio Allocation*

The table below provides the split of VPEG's current investment portfolio across cash, fixed interest securities (term deposits) and Private Equity (drawn down).

The drawn down Private Equity component of the portfolio is further broken down by the investment stage (Later Expansion or Buyout) of the underlying investments that currently make up VPEG's Private Equity portfolio.

Cash	Fixed Interest	Private Equity (Drawn Down)	
4.8%	74.7%	Later Expansion	5.0%
		Buyout	15.5%

*As a percentage of VPEG's Investment Portfolio (or Gross Assets). As at 30 June 2008 VPEG's Gross Assets were $ 34.44 million (unaudited) pre tax.

As VPEG continues to build its Private Equity portfolio, it's holdings in fixed interest securities will continue to be reduced. With commitments to seven private equity funds and a growing deal flow available to small to mid market focussed Private Equity funds in Australia, the level of investment by VPEG's underlying funds will continue to increase, resulting in a corresponding reduction in VPEG's Fixed Interest investments over time.

"VPEG, with commitments to seven Private Equity funds, now ultimately holds interests in sixteen underlying company investments"

Private Equity Portfolio

VPEG, with commitments to seven Private Equity funds, now ultimately holds interests in sixteen underlying company investments to which funds have been drawn. VPEG's Private Equity portfolio and commitments, as at 30 June 2008, are as follows:

Private Equity Fund Name	Fund Size	Vintage Year	Investment Focus	VPEG Commitment	Capital Drawn Down	No. of Investee Companies
Advent V	$300m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$0.99m	4
Archer Capital Fund 4	$1,360m	2007	Mid Market Buyout	$8.0m	$1.08m	4
Catalyst Buyout Fund 2	$800m*	2008	Mid Market Buyout	$8.0m	$0.16m	0
Crescent Capital Partners III	$400m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$1.44m	4
Equity Partners Fund No. 3	$76m	2007	Small Market Expansion / Buyout	$4.0m	$0.59m	1
Next Capital II	$350m*	2008	Small Market Expansion / Buyout	$7.0m	$0.00m	0
Quadrant Private Equity No. 2	$500m	2007	Mid Market Expansion / Buyout	$8.0m	$3.25m	3

* Target Fund size

PORTFOLIO STRUCTURE — continued

Summary of VPEG's Top 10 Underlying Private Equity Investments

The table below provides a snapshot of the top ten underlying private equity investments in VPEG's portfolio, for which funds have been drawn from VPEG, as at 30 June 2008.

VPEG's single largest exposure remains Quadrant Private Equity No. 2 investee, Quick Service Restaurants, accounting for approximately 4.6% of VPEG's pre tax NAV.

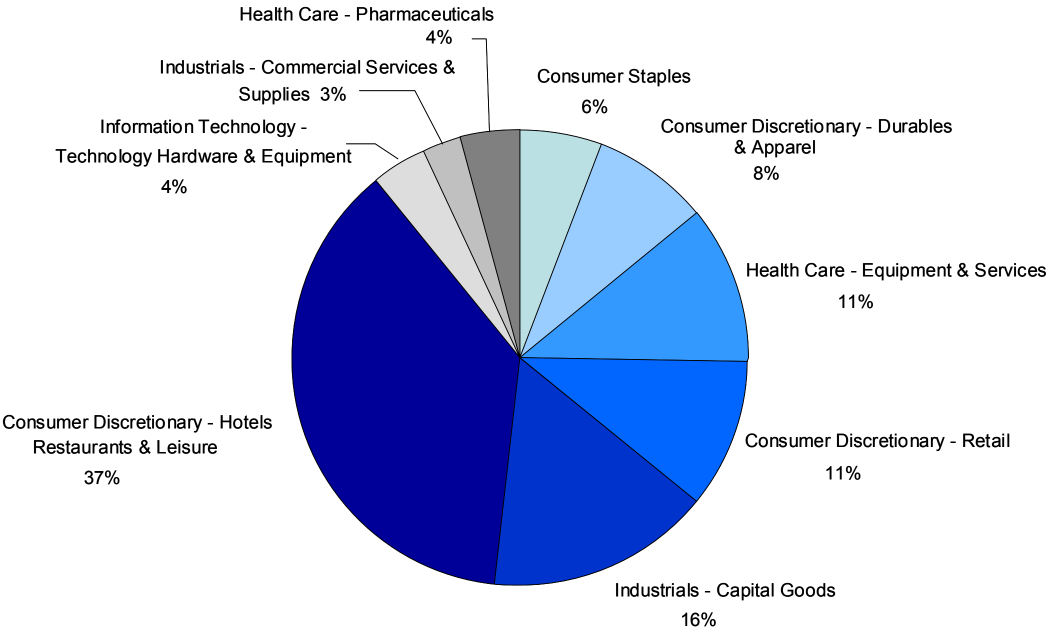
Rank	Investment	Description	% of VPEG NAV*	Cumulative % of VPEG NAV*
1	Quick Service Restaurants	Chicken Fast Food Retailing	4.6%	4.6%
2	Independent Pub Group	Owner of Gaming Hotels in Qld, SA & NSW	3.1%	7.6%
3	IVF Australia	Owner Operator of Fertility Clinics in NSW	1.6%	9.3%
4	Skins	Compression Sports Apparel Designer & Marketer	1.5%	10.8%
5	Locker Group	Metal Products Manufacturer	1.5%	12.3%
6	Billy Hyde Music Group	Music Equipment Wholesale & Retail	1.4%	13.8%
7	Metro Glass	Value Added Glass Processing	1.1%	14.9%
8	Cellarmasters Group	Wine Production, Sales and Bottling services businesses	0.8%	15.7%
9	Inova Pharmaceuticals	Pharmaceuticals Manufacturer and Distributor	0.8%	16.5%
10	Amart All Sports / Rebel Sport	Sporting Goods Retailer	0.7%	17.2%

*As at 30 June 2008 (unaudited) calculated on VPEG's pre tax NAV.

Industry Spread of VPEG's Underlying Investments

The chart to the left illustrates that VPEG's Private Equity investment portfolio continues to be diversified across a wide range of industry sectors.

Following the acquisition of IVF Australia during the June 2008 quarter, the Health Care sector now accounts for 15% of VPEG's Private Equity portfolio up from 5% the previous quarter.



PORTFOLIO STRUCTURE — continued

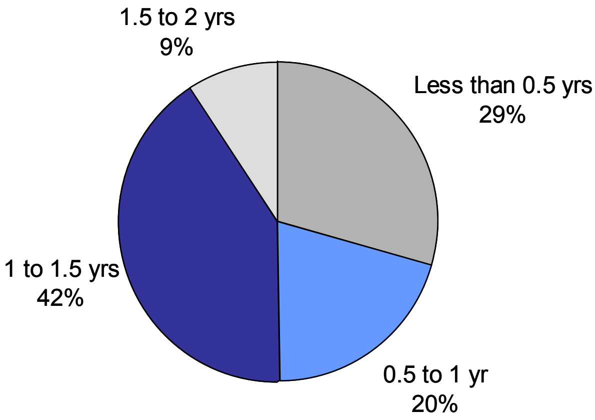
Age of VPEG's Underlying Private Equity Portfolio

Recent analysis by Vantage into the earnings growth of VPEG's underlying portfolio companies reveals that on average the longer a company has been invested in by private equity the higher the increase in earnings growth year on year.

This analysis found that within VPEG's portfolio of underlying investments the highest increase in earnings growth had occurred with companies that had been invested in for more than half a year. (see summary results last page of this report)

This reveals that Private Equity Fund managers do indeed add value to their portfolio companies and that as the portfolio of underlying companies matures the earnings profile of the portfolio grows at a higher rate. In conclusion as more for VPEG's underlying investments are held longer by VPEG's underlying fund managers, their earnings and in turn value will increase ultimately enabling those companies to exit at a higher value than at investment, leading to positive growth in the value of VPEG's investment portfolio.

Age of VPEG's Underlying Private Equity Portfolio



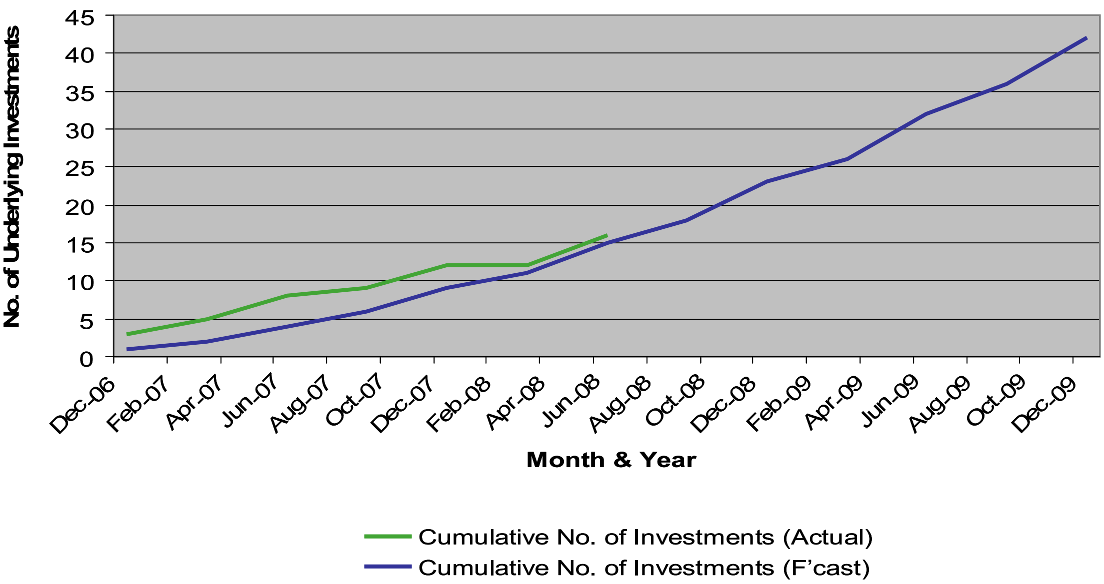
Investment Rate of VPEG's Private Equity Portfolio in line with Forecast

Following a slow down in Private Equity investment activity during the March 2008 quarter, due to the global credit crisis and tough financial market conditions, investment activity improved during the June 2008 quarter with four new investee companies added to VPEG's portfolio. The addition of these new investments continued the trend of an exponential growth in the number of underlying investee companies within VPEG's portfolio.

The graph below plots the actual total number of underlying Private Equity investments within VPEG's investment portfolio, against the forecast rate of underlying investment growth, since commencement. As demonstrated by the graph, the current rate of investment by VPEG's underlying Private Equity funds (green line) remains ahead of VPEG's initial forecasts (blue line).

Furthermore, the rate of growth in the number of underlying investments within the portfolio will accelerate over time in line with the growth in the number Private Equity funds committed to by VPEG. This will in turn accelerate the proportion of VPEG capital drawn down into private equity investments into the future, thereby continuing to increase VPEG's Private Equity exposure over time.

Forecast vs Actual Ultimate No. of Underlying Investments



OTHER DEVELOPMENTS

VPEG Commits $7m to Next Capital II

During June 2008 VPEG completed its seventh Private Equity fund investment with a **commitment of $7m** to **Next Capital II**, managed by Sydney based **Next Capital Management Pty Ltd.**

Next Capital (www.nextcapital.com.au) was established in 2005 by three of Australia's most experienced and capable industry executives. Next Capital's founding partners, Sandy Lockhart, Patrick Elliott and John White, are former principals of Macquarie Bank's private equity arm, Macquarie Direct Investment Limited (MDI). MDI raised and invested four private equity funds with Next Capital's founders responsible for delivering top quartile returns across all of the previous investments in which they were involved.

Examples of the founder's previous investments include;

- JB Hi-Fi, acquired by MDI in July 2000 for $42 million and subsequently listed on the ASX in October 2003 at an enterprise value of $175 million delivering an internal rate of return (IRR) on the investment of 88% p.a. and 6.5 times equity capital invested.

- InvoCare, acquired by MDI in May 2001 and subsequently listed on the ASX in December 2003, raising $172 million, delivered an IRR of 48% p.a. and 2.8 times equity capital invested.

Next Capital II has a target size of $350m and will focus on investing into small to mid-market expansion and buyout opportunities of profitable, Australian & New Zealand businesses, with enterprise value of between $50 million and $250 million at investment.

Next Capital plan to complete their first investment for Next Capital II during the second half of calendar year 2008.

New Director For VPEG

In late June 2008 Niek Hoogenhout resigned from Vantage Asset Management and the board of VPEG to take up a role with a global consulting firm. His position was filled by Nick Jorss who became an executive director of VPEG and Investment Director at Vantage in early July 2008.

With more than 15 years experience in the provision of corporate and financial advisory services and project management, Nick adds a significant depth of Private Equity experience to the board VPEG.

Prior to Vantage, while a Director at Pacific Road Corporate Finance, Nick led advisory mandates with private equity, as well as corporate and government clients across a range of sectors, including engineering and mining services, power and infrastructure, land transport and retail. In that role Nick provided financial, commercial and strategic advice on transactions worth over $6bn in total, including advice on acquisitions, trade sales, privatisations, capital raising and project financing.

Nick holds a BE (Hons) from the University of Queensland and an MBA from the Australian Graduate School of Management. He also holds a Graduate Diploma of Applied Finance and Investment from FINSIA.

GENERAL MARKET DEVELOPMENTS

VPEG's Portfolio of Underlying Investments Remain Resilient to the Global Economic Slowdown

The June quarter of 2008 saw continued evidence of a slowdown in global economic growth. Locally, a combination of high interest rates and higher prices for petrol and food, combined with lower house prices and increased job insecurity, saw consumer confidence in Australia drop to its lowest point since the recession of the early 1990's.

This drop in consumer confidence resulted in a drop in retail spending across the quarter which will ultimately impact the revenue of companies producing and selling consumer products. With lower revenues and higher inflationary pressures (ie raw materials, energy, labour, financing costs etc) companies who are unable to pass through higher input and operating costs will suffer margin pressures and ultimately deliver lower earnings growth.

(Cont. next page)

GENERAL MARKET DEVELOPMENTS continued

With consensus estimates for earnings growth for Australian listed companies, for the year to June 2008, being flat to negative, it is timely to review the performance of VPEG's portfolio of underlying investee companies.

The analysis below compares the actual revenue and earnings (as measured by EBITDA) for the year to 30 June 2008 against that to 30 June 2007, across fifteen of VPEG's underlying portfolio companies.

Where actual financial data was not available for the previous year (for example where a portfolio company has expanded via acquisition) the actual FY08 performance was compared with the budget originally prepared for the year, on a like for like basis.

Additionally data was not included for any investment subject to a public takeover (eg Funtastic).

The analysis revealed that the average growth in revenue from FY07 to FY08 of VPEG's underlying portfolio of investments was 18% p.a. with EBITDA growth of 10% p.a.

Furthermore when taking into account the age of the investment and removing those companies where investment by the underlying private equity fund was less than 6 months, the underlying financial performance was even better with 17% p.a. growth in revenue and 16% p.a. growth in EBITDA.

This analysis reveals that VPEG's portfolio of underlying companies have remained resilient to the current economic slowdown and are likely to have, on average, outperformed the growth in financial performance of their listed company peers over the past 12 months.

This is due to the ability of Private Equity managers to quickly alter strategies and reduce costs where necessary to maintain earnings growth when difficult external trading conditions present themselves.

In summary, with highly pro-active private equity owners and managers focussing on improving the earnings of their investee companies, VPEG's underlying portfolio remains well positioned to ride out the current economic slowdown and continue to deliver profitable growth, in readiness for an exit when markets recover.

"...the average growth in revenue from FY07 to FY08 of VPEG's underlying portfolio of investments was 18% p.a. with EBITDA growth of 10% p.a. "

CONTACT DETAILS

Vantage Private Equity Growth Limited

Level 31
88 Phillip Street
Sydney NSW, 2000 Australia

Email: enquiries@vpeg.info
Internet: www.vpeg.info

Investment Manager

Vantage Asset Management Pty Limited
Managing Director - Michael Tobin

Phone: +612 8211 0477

Securities Registry

Computershare Investor Services Pty Limited
Level 3
60 Carrington St
Sydney NSW 2000 Australia

Phone: 1300 761 849 or +613 9415 4371 if calling from outside Australia