

**CLAIRVEST REPORTS FISCAL 2008
FOURTH QUARTER AND YEAR-END RESULTS****Highlights**

- March 31, 2008 book value increased 1.9% to \$16.98 per share, versus \$16.66 at December 31, 2007 and \$14.69 per share at March 31, 2007, a 15.6% increase
- Clairvest and a limited partnership managed by Clairvest invested a combined \$41.6 million in Casino Marina del Sol, based in Chile
- Clairvest and a limited partnership managed by Clairvest invested a combined \$23.6 million in Light Tower Rentals Inc., based in Odessa, Texas
- Clairvest and a limited partnership managed by Clairvest invested a combined \$20.2 million in Lyophilization Services of New England Inc. during the quarter and a combined \$5.6 million subsequent to quarter end
- Clairvest advanced a US\$5.0 million bridge loan to Latin Gaming Osorno S.A., based in Chile during the quarter and a further US\$3.0 million subsequent to year end
- Clairvest made a full provision for its investment in Integral Orthopedics Inc.
- Subsequent to year end, Clairvest sold Shepell-fgi for a potential six-times return over the original \$6.6 million investment
- Subsequent to year end, Clairvest paid a special dividend of \$10.0 million, or \$0.6272 per share
- Clairvest declared an annual dividend of \$1.6 million, or \$0.10 per share

Toronto, Ontario (June 24, 2008) – Clairvest Group Inc. (TSX:CVG) today reported results for the year ended March 31, 2008 and the fourth quarter. *(All figures are in Canadian dollars unless otherwise stated).*

Clairvest's book value increased 15.9% during the year to \$270.8 million compared to \$233.6 million at March 31, 2007. Book value per share increased by 15.6% during the year to \$16.98 per share, compared with \$14.69 per share at March 31, 2007 and \$16.66 at the end of the third quarter.

As previously announced, Clairvest and Clairvest Equity Partners III Limited Partnership ("CEP III") invested a combined \$41.6 million for a combined 50% interest in Casino Marina del Sol ("Casino del Sol"), a new gaming entertainment complex that is being constructed adjacent to the city of Concepción, the second largest city in Chile.

Also as previously announced, Clairvest and CEP III invested a combined \$23.6 million for a combined 46% interest in Light Tower Rentals, Inc. ("Light Tower") of Odessa, Texas. Light Tower is a fast growing oilfield equipment rental company, operating in Texas, New Mexico and Colorado.

Also as previously announced, Clairvest and CEP III invested a combined \$20.2 million for a combined 42% interest in Lyophilization Services of New England Inc. ("LSNE") of Manchester, New Hampshire. LSNE is a contract manufacturing organization focused on providing lyophilization (freeze-drying) services to biotech, pharmaceutical and medical device manufacturers. Subsequent to quarter end, Clairvest and CEP III invested a further combined \$5.6 million in LSNE, increasing the combined interest to 49%.

The investments in Casino del Sol, Light Tower and LSNE were made by Clairvest and CEP III pro-rata to the capital commitments to the investment pool, of 25% from Clairvest and 75% from CEP III respectively.

Also during the quarter, Clairvest provided a US\$5.0 million loan to Latin Gaming Osorno S.A. (“Latin Gaming”), a gaming entertainment complex that is being constructed in Osorno, Chile. The loan was provided as bridging capital as Clairvest is awaiting regulatory approval to invest in Latin Gaming. Subsequent to year end, Clairvest advanced an additional US\$3.0 million to Latin Gaming.

Also as previously announced, Clairvest made a full provision for its investment in Integral Orthopedics Inc. The amount of the provision was \$6.3 million.

Subsequent to year end, Shepell•fgi sold substantially all of its assets to an unrelated third party. Clairvest and CEP received combined cash proceeds of \$104.5 million at closing, and promissory notes secured by the acquirer for an additional \$61.1 million, payable through to July 2010. The payment of the promissory notes is subject to satisfaction of certain items in the purchase documentation, and up to \$32.7 million of the promissory notes may be received in the form of the acquirer’s equity at the option of the acquirer. Clairvest’s share of the sale proceeds is \$26.1 million at closing, and promissory notes for an additional \$15.3 million on a \$6.6 million investment.

Subsequent to year end, the province of New Brunswick selected Sonco Gaming New Brunswick Ltd. (“Sonco”) as the preferred proponent to construct, own, equip and operate a destination casino in that province. The proponent’s limited partners include Clairvest, Sonco, Navegante Group Inc. and 2050631 Ontario Inc. The selection as the preferred proponent is conditional on Sonco and the Lotteries Commission of New Brunswick negotiating an acceptable Casino Service Provider Agreement.

“Our final quarter in fiscal 2008 featured a series of investments in high-potential companies in the U.S. and Chile that met our demanding standards,” said Ken Rotman, Co-CEO of Clairvest. “In addition to pursuing an active investment agenda during that period, we also realized an excellent return through the sale of our interest in Shepell•fgi shortly after the end of the fourth quarter. We look forward to achieving further success in fiscal 2009 by identifying additional investee companies that meet our criteria and assisting their managements to accelerate growth.”

Subsequent to year end, Clairvest paid a one-time special dividend of \$10 million, or \$0.6272 per share. The dividend was paid on June 20, 2008 to common shareholders of record as of May 20, 2008. Clairvest also declared an annual dividend of \$0.10 per share, which will be payable July 28, 2008 to common shareholders of record as of July 11, 2008. Both dividends are ineligible dividends for Canadian income tax purposes.

About Clairvest

Clairvest Group Inc. is a Canadian merchant bank that invests its own capital, and that of third parties through Clairvest Equity Partners Limited Partnership and Clairvest Equity Partners III Limited Partnership, in businesses that have the potential to generate superior returns. In addition to providing financing, Clairvest contributes strategic expertise and execution ability to support the growth and development of its investee partners. Clairvest realizes value through investment returns and the eventual disposition of its investments.

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Forward-looking Statements

This news release contains forward-looking statements with respect to Clairvest Group Inc., its subsidiaries and their investments. These statements are based on current expectations and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Clairvest, its subsidiaries and their investments to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general and economic business conditions. Clairvest is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.

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**CLAIRVEST GROUP INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2008**

June 24, 2008

The Management's Discussion and Analysis ("MD&A") analyzes significant changes in the unaudited consolidated financial statements of Clairvest Group Inc. ("Clairvest"). It should be read in conjunction with the accompanying unaudited consolidated financial statements and notes of Clairvest for the quarter ended March 31, 2008 and the attached news release.

All amounts are in Canadian dollars unless otherwise indicated.

CRITICAL ACCOUNTING ESTIMATES

Note 2 to the consolidated financial statements describes Clairvest's accounting policy for temporary and corporate investments. In accordance with CICA Accounting Guideline 18, "Investment Companies" ["AcG-18"], the Company is required to carry its temporary investments and its corporate investments at fair value. When a financial instrument is initially recognized, its fair value is generally the value of consideration paid or received. Subsequent to initial recognition, for the fair value of an investment quoted on an active market, the fair value is generally the bid price ["market price"]. Investments that are escrowed or otherwise restricted as to sale or transfer are recorded at amounts at fair value which take into account the escrow terms or other restrictions. In determining the fair value for such investments, the Company considers the nature and length of the restriction, business risk of the investee company, its stage of development, market potential, relative trading volume and price volatility, liquidity of the security and the size of Clairvest's ownership block and any other factors that may be relevant to the ongoing and realizable value of the investments. The amounts at which Clairvest's publicly-traded investments could be disposed of may differ from this fair value and the differences could be material. Differences could arise at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Estimated costs of disposition are not included in the fair value determination.

In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics and risk profiles or internal valuation methods, on the basis if the investments were disposed of in an arm's length transaction and in an orderly fashion over a reasonable period of time. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed. The amounts at which Clairvest's privately-held investments could be disposed of may differ from the fair value assigned and the differences could be material. Estimated costs of disposition are not included in the fair value determination.

A change to an accounting estimate with respect to Clairvest's privately-held corporate investments or publicly-traded corporate investments would impact corporate investments and unrealized gains/losses on corporate investments.

Note 2 to the consolidated financial statements describes Clairvest's accounting policy for future income taxes. The process of determining future income tax assets and liabilities requires management to exercise judgment while considering the anticipated timing of disposal of corporate investments, and proceeds thereon, tax planning strategies, changes in tax laws and rates, and loss carry-forwards. Future income tax assets are only recognized to the extent that in the opinion of management, it is more likely than not that the future income tax asset will be realized. A change to an accounting estimate with respect to future income taxes would impact future tax liability and provision for income taxes.

OPERATING RESULTS

Net income for the fourth quarter of fiscal 2008 was \$5.2 million compared with a net income of \$20.3 million for the fourth quarter of fiscal 2007. Net income for the fourth quarter of fiscal 2008 is comprised primarily of \$2.5 million of net corporate investment gains, \$2.4 million of net operating income, and \$0.3 million of income tax recoveries. This compares with net corporate investment gains of \$19.6 million, \$2.1 million of net operating income, and \$1.4 million in income tax expense for the fourth quarter of fiscal 2007.

The net corporate investment gains of \$2.5 million for the fourth quarter of fiscal 2008 comprised \$1.1 million of net realized gains on corporate investments and \$1.4 million of net unrealized gains on corporate investments.

Net realized gains on corporate investments for the fourth quarter of fiscal 2008 of \$1.1 million resulted primarily from the final release of escrow proceeds on Winters Bros. Waste Management Inc. (“Winters Bros.”).

Clairvest had net unrealized gains on corporate investments of \$1.4 million for the fourth quarter of 2008, compared with \$19.6 million for the fourth quarter of 2007. The net unrealized gains for the fourth quarter of 2008 resulted from:

- A \$6.8 million upward adjustment to the fair value of Clairvest’s investment in Shepell•fgi as a result of the continuing business growth in Shepell•fgi;
- A \$2.4 million upward adjustment to the fair value of Clairvest’s investment in Gateway Casinos Inc. (“Gateway Casinos”) as a result of additional proceeds received by Gateway Casinos on the release of certain escrow proceeds;
- A \$6.3 million downward adjustment to the fair value of Clairvest’s investment in Integrated Orthopedics Inc. (“Integrated Orthopedics”) as a result of significant and rapid deterioration in its performance; and
- Other movements in quoted market prices, movements in foreign exchange, dividends accruing on preferred shares and distributions accruing on partnership units.

Distributions and interest income for the quarter was \$4.9 million, compared with \$4.7 million for the same quarter last year. Distributions and interest income for the fourth quarter of fiscal 2008 includes interest on cash, cash equivalents and temporary investments of \$1.7 million, distributions totalling \$1.2 million from Wellington Financial Fund II and Wellington Financial Fund III (“Wellington Funds”), priority distributions of \$0.9 million from Clairvest Equity Partners III Limited Partnership (“CEP III”) and distributions of \$0.5 million from Shepell•fgi. Distributions and interest income for the fourth quarter of fiscal 2007 included priority distributions of \$1.2 million from CEP III, distributions of \$1.4 million from Gateway Casinos Income Fund, \$0.5 million from Voxcom Income Fund and \$0.4 million from Wellington Funds. The distributions from CEP III are reduced to the extent of 75% of fees earned by Clairvest from joint Clairvest/CEP III corporate investments.

Clairvest earned \$0.4 million in management fees during the quarter for its services in the administration of Clairvest Equity Partners Limited Partnership’s (“CEP”) portfolio and \$0.5 million in advisory and other fees from its corporate investments. The CEP management fee is reduced to the extent of 75% of fees earned by Clairvest from joint Clairvest/CEP corporate investments.

Administration and other expenses for the quarter was \$3.5 million, compared with \$3.1 million for the same quarter last year. Included in administrative and other expenses for the fourth quarter of fiscal 2008 was a 0.3 million accrual under Clairvest’s Management Incentive Bonus Program, which pays out a bonus of 10% of after-tax cash net income on an annual basis.

Finance and foreign exchange expense of \$0.1 million for the quarter represents \$0.2 million in interest expense and bank charges partially offset by a foreign exchange recovery of \$0.1 million. Finance and foreign exchange expense of \$0.7 million for the fourth quarter of fiscal 2007 represented \$0.5 million in interest on the loan payable to a subsidiary of Gateway Casinos, \$0.4 million in interest on the loan payable to a financial institution partially offset by a foreign exchange recovery of \$0.2 million

SUMMARY OF QUARTERLY RESULTS

Quarterly results (\$000's except per share information)	Gross revenue \$ (Note)	Net income (loss) \$	Net income (loss) per common share \$	Net income (loss) per common share fully diluted \$
March 31, 2008	8,469	5,216	0.33	0.32
December 31, 2007	19,708	6,707	0.42	0.41
September 30, 2007	12,403	6,562	0.41	0.40
June 30, 2007	30,757	19,758	1.24	1.22
March 31, 2007	25,655	20,342	1.28	1.25
December 31, 2006	1,819	(879)	(0.05)	(0.05)
September 30, 2006	22,508	15,202	0.95	0.93
June 30, 2006	(6,368)	(16,400)	(0.99)	(0.99)

Note – comprised of net investment gains (losses) and other income.

Significant variations arise in the quarterly results due to unrealized gains/losses on investments which result from Clairvest re-valuing its investments on a quarterly basis. The values at which publicly traded investments are carried are subject to fluctuations in the public markets from quarter to quarter. The privately held investments are re-valued when management adjusts its estimate of the fair value of the investment.

FINANCIAL POSITION AND LIQUIDITY

Clairvest has sufficient capital to support its current and anticipated new investments. In addition to cash, cash equivalents and temporary investments of \$185.2 million at March 31, 2008, Clairvest has a \$20.0 million credit facility with a Canadian chartered bank, of which \$18.2 million was available at March 31, 2008. Temporary investments consist of corporate notes, debentures and preferred shares with maturities greater than 90 days from date of purchase. The maturity dates of these temporary investments range from April 2008 through to February 2011.

At March 31, 2008, Clairvest had loans payable totalling \$99.3 million from Gateway Casinos. The loans are non-interest bearing, repayable on demand, and collateralized by the units held by Clairvest in the limited partnership that owns Gateway Casinos. Clairvest anticipates that a Gateway Casinos entity will pay dividends, Clairvest's share of which will be \$99.3 million and anticipates that the proceeds of Clairvest's share of the dividends will be used to repay the total loans of \$99.3 million. The anticipated repayment of loans and anticipated dividends are expected to have no impact on Clairvest's book value.

Clairvest had a normal course issuer bid in place which enabled it to purchase up to 795,178 common shares during the 12-month period ending March 5, 2008. During the fourth quarter of fiscal 2008, Clairvest filed a new normal course issuer bid enabling it to purchase up to 797,178 common shares during the 12-month period commencing March 6, 2008. In total 2,544,424 common shares at a cost of \$21.9 million have been purchased under this, and previous, normal course issuer bids as of March 31, 2008. An additional 934,000 common and 2,230,954 non-voting shares have been purchased and cancelled outside of the normal course issuer bid.

15,943,566 common shares were outstanding at March 31, 2008.

Clairvest has corporate investments with a carrying value of \$185.4 million. Changes in the carrying value of Clairvest's corporate investments during the fourth quarter of fiscal 2008 are primarily a result of realizations on investments, unrealized gains/losses on investments, and investments made by Clairvest. Clairvest's corporate investments increased \$27.9 million during the fourth quarter of fiscal 2008. Significant events relating to Clairvest's corporate investments, other than with respect to unrealized gains/losses, are described below.

Casino Marina del Sol

During the fourth quarter of fiscal 2008, Clairvest, through Canadian and Chilean acquisition entities, invested \$10.4 million for a 12.5% ownership interest in Casino Marina del Sol (“Casino del Sol”), a gaming entertainment complex that is being constructed in Chile, adjacent to the city of Concepción. The investment was made in the form of 250,000 common shares. As part of the holding structure of Casino del Sol, one of the acquisition entities has borrowed \$32.1 million from an unrelated financial institution, and another acquisition entity has deposited \$32.1 million with the financial institution as security for the loan. Clairvest intends to settle the loan and the deposit simultaneously upon the divestiture of the investment in Casino del Sol, and as a result, the deposit and the loan have been presented on a net basis. Clairvest’s ownership of both acquisition vehicles was 25% at March 31, 2008, with CEP III owning the remaining 75%.

Gateway Casinos Inc.

During the third quarter of fiscal 2008, Gateway Casinos sold substantially all of its assets, as well as shares of a joint venture entity in which it held a 50% interest. Clairvest received a loan of \$50.6 million from Gateway Casinos on the completion of the transaction. During the fourth quarter, Clairvest received additional loans totalling \$2.4 million from Gateway Casinos as a result of the release of certain escrow proceeds. Subject to certain conditions, Clairvest is entitled to receive up to an additional \$3.2 million through to December 2008. Subsequent to year end, Clairvest received a further \$1.1 million on the release of certain escrow proceeds. Subject to certain conditions, Clairvest is entitled to receive up to an additional \$2.2 million of escrow proceeds from Gateway Casinos through to December 2008.

Integral Orthopedics Inc.

During the fourth quarter of fiscal 2008, Clairvest sold \$1.1 million of a bridge loan previously advanced to Integral Orthopedics to CEP at face value.

Latin Gaming Osorno S.A.

During the fourth quarter of fiscal 2008, Clairvest provided a loan of \$5.0 million to Latin Gaming Osorno S.A. (“Latin Gaming”), a gaming entertainment complex that is being constructed in Osorno, Chile. The loan bears interest at 5% per annum. The loan was provided as bridging capital as Clairvest is awaiting regulatory approval to invest in Latin Gaming. The loan is repayable upon the closing of the investment or upon determination that Clairvest did not receive the necessary regulatory approval to invest in Latin Gaming. Subsequent to quarter end, Clairvest advanced a further \$3.1 million to Latin Gaming under the same terms and conditions.

Light Tower Rentals, Inc.

During the fourth quarter of fiscal 2008, Clairvest invested \$5.9 million for an 11.5% ownership interest in Light Tower Rentals, Inc. (“Light Tower”). The investment was made in the form of 5,841,250 Series A convertible preferred shares. Light Tower is an oilfield equipment rental company operating in Texas, New Mexico and Colorado.

Lyophilization Services of New England, Inc.

During the fourth quarter of fiscal 2008, Clairvest invested \$5.1 million for a 10.5% ownership interest in Lyophilization Services of New England, Inc. (“LSNE”). The investment was made in the form of 5,000,000 Series A convertible preferred shares. LSNE is a Manchester, New Hampshire based contract manufacturing organization focused on providing lyophilization services to biotech, pharmaceutical and medical device manufacturers. Subsequent to quarter end, Clairvest invested a further \$1.4 million to acquire an additional 1,406,000 Series A convertible preferred shares of LSNE, increasing ownership interest to 12.3%.

TRANSACTIONS WITH RELATED PARTIES

Clairvest, as parent company of the manager of CEP and the General Partner of CEP, has entered into various transactions with CEP. The manager of CEP is entitled to a management fee as compensation for its services in the administration of the portfolio of CEP. The management fee is reduced to the extent of 75% of any fees earned by the manager from corporate investments of CEP. During the fourth quarter of fiscal 2008, CEP paid net management fees of \$0.4 million. As per the Management Agreement, corporate advisory fees of \$0.1 million from corporate investments of CEP were netted against the management fees.

The General Partner of CEP, a limited partnership, the general partner of which is a wholly-owned subsidiary of Clairvest, is entitled to participate in distributions made by CEP equal to 20% of net gains of CEP. The distribution to the General Partner will be determined based on the overall performance of CEP and no such distributions are permitted until CEP's limited partners have received all amounts contributed to CEP and a 6% compound annual return on that amount. The distributions received by the General Partner of CEP will be allocated 50% to each of its limited partners one of which is a wholly-owned subsidiary of Clairvest, and the other of which is another limited partnership (the "Participation Partnership"). The limited partners of the Participation Partnership are principals and employees of Clairvest and a wholly-owned subsidiary of Clairvest (the "Participation Investors"). The Participation Investors have purchased, at fair market value, units of the Participation Partnership. From time to time, additional units in the Participation Partnership may be purchased by the Participation Investors. To date, CEP has not made any distributions to the General Partner.

Clairvest is also the parent company of the two General Partners of CEP III ("GP I" and "GP II"). GP I is entitled to a 2% priority distribution from CEP III. The 2% priority distribution began in August 2006, the month in which CEP III made its first investment. The priority distribution is reduced to the extent of 75% of any fees earned by GP I from corporate investments of CEP III. During the fourth quarter of fiscal 2008, CEP III paid GP I net priority distributions of \$0.9 million. As per the Limited Partnership Agreement, fees of \$0.2 million from corporate investments of CEP III were netted against the priority distributions. GP I is also entitled to distributions made by CEP III equal to 2% of net gains of CEP III determined as described below.

GP II, a limited partnership, the general partner of which is a wholly-owned subsidiary of Clairvest, is entitled to participate in distributions made by CEP III equal to 18% of net gains of CEP III. The distribution to GP II will be determined based on the overall performance of CEP III and no such distribution is permitted until CEP III's limited partners have received all amounts contributed to CEP III and an 8% compound annual return on that amount. The distributions received by GP II will be allocated to each of its two limited partners, one of which is a wholly-owned subsidiary of Clairvest which will receive 44.4% of such distributions, and the other of which is another limited partnership (the "Participation III Partnership") which will receive 55.6% of such distributions. The limited partners of the Participation III Partnership are principals and employees of Clairvest and a wholly-owned subsidiary of Clairvest (the "Participation III Investors"). The Participation III Investors purchased, at fair market value, units of the Participation III Partnership during the second quarter of fiscal 2007. From time to time, additional units in the Participation III Partnership may be purchased by Participation III Investors. To date, CEP III has not made any distributions to GP II.

At March 31, 2008 Clairvest had loans receivables from certain officers of Clairvest and a wholly-owned subsidiary of Clairvest (the "Officers") totalling \$0.7 million. The loans are interest bearing, have full recourse to the individual and are collateralized by the common shares of Clairvest purchased by the Officers with a market value of \$1.1 million. At March 31, 2008 Clairvest also had loans receivable from certain officers of a company affiliated with Clairvest totalling \$0.7 million. The loans are interest bearing and have full recourse to the individual.

Included in accounts receivable and other assets are receivables from Clairvest's corporate investments totalling \$2.7 million, \$0.5 million from CEP and \$0.3 million from CEP III. Included in accounts payable and accrued liabilities are amounts owing to Clairvest's corporate investments totalling \$0.4 million.

Loans totalling \$3.2 million, bearing interest at the prime rate, made by the Company to CEP during the fourth quarter of fiscal 2008, of which \$2.0 million was outstanding at March 31, 2008. Interest of \$9,000 was earned from loans to CEP during the fourth quarter of fiscal 2008. The loans were repaid in full subsequent to quarter end.

Loans totalling \$62.0 million, bearing interest at the prime rate, were made by the Company to CEP III during the fourth quarter of fiscal 2008, of which \$17.5 million was outstanding at March 31, 2008. Interest of \$0.2 million was earned from loans to CEP III during the fourth quarter of fiscal 2008. \$15.9 million of these loans were repaid subsequent to quarter end.

During the fourth quarter of fiscal 2008, Clairvest received \$1.5 million in interest and distributions and \$0.4 million in fee income from its corporate investments.

OFF-BALANCE SHEET ARRANGEMENTS

Clairvest has committed to co-invest alongside CEP in all investments undertaken by CEP. Clairvest's total co-investment commitment is \$54.7 million, \$4.1 million of which remains unfunded at March 31, 2008. Clairvest may only sell all or a portion of a corporate investment that is a joint investment with CEP if it, as manager of CEP, concurrently sells a proportionate number of securities of that corporate investment held by CEP.

Clairvest has also committed to co-invest alongside CEP III in all investments undertaken by CEP III. Clairvest's total co-investment commitment is \$75.0 million, \$47.0 million of which remains unfunded at March 31, 2008. Clairvest may only sell all or a portion of a corporate investment that is a joint investment with CEP III if it, as manager of CEP III, concurrently sells a proportionate number of securities of that corporate investment held by CEP III.

Clairvest has committed \$25.0 million to Wellington Fund III, \$14.5 million of which has been funded to March 31, 2008. Subsequent to quarter end, an additional \$2.2 million was funded, reducing unfunded capital commitment to \$8.3 million. As a result of the closing of Wellington Fund III, the unfunded capital commitments to Wellington Fund II may no longer be called. At March 31, 2008, net funds invested in Wellington Fund II was \$1.9 million. At March 31, 2008, Clairvest has received profit distributions totalling \$1.7 million through its ownership interest in the general partner of Wellington Fund II and \$0.5 million through its ownership interest in the general partner of Wellington Fund III. Clairvest has guaranteed, up to the amounts received from the respective General Partners, the clawback provisions entered into by the General Partners in the event the limited partners of Wellington Fund II and Wellington Fund III do not meet their preferred rate of return as specified in the respective Limited Partnership Agreement.

Clairvest has guaranteed up to \$7.0 million of CEP's obligations to a Schedule 1 Chartered Bank under CEP's foreign exchange forward contracts with the bank.

During fiscal 2008, Clairvest and CEP III entered into a US\$13.0 million credit facility agreement with a Schedule 1 Chartered Bank to enter into foreign exchange contracts. Clairvest and CEP III are jointly and severally liable on this credit facility.

Under Clairvest's Incentive Bonus Program (the "Program"), a bonus of 10% of after-tax cash income and realizations on certain Clairvest's corporate investments would be paid to management as a bonus annually as applicable. Amounts are accrued under this plan to the extent that the cash income and investment realizations have occurred and the bonus has become payable. At March 31, 2008, \$10.5 million has been accrued under the Program. If Clairvest were to sell its corporate investments at their current fair values, an additional bonus of \$0.6 million would be owing to management under this Program. As no such income and realizations have occurred and the terms of the bonus plan with respect to these corporate investments have not yet been fulfilled, the \$0.6 million has not been accrued at March 31, 2008.

Clairvest enters into foreign exchange forward contracts to manage the risks arising from fluctuations in exchange rates on its foreign investments. At March 31, 2008, Clairvest had entered into forward contracts to sell US\$20.3 million at rates of Canadian \$0.9925 to \$1.0176 per U.S. dollar through March 2009 and forward contracts to sell CLF0.2 million rates of Canadian \$42.6750 per Chilean Unidad de Fomento ("UF") through January 2009. The fair value of these contracts at March 31, 2008 is a loss of \$1.4 million and have been recognized on the consolidated balance sheet as derivative instruments market valuation.

During fiscal 2006, Clairvest, together with CEP and Shepell-fgi management, purchased Shepell-fgi. As part of the purchase, Clairvest also guaranteed a \$4.6 million note payable by Shepell-fgi to the vendors, as well as interest

payable on the note. The note is subject to claims Clairvest and CEP may have with respect to representations and warranties. The amount of the guarantee is allocated 75% to CEP, to the extent that the amounts paid thereunder are within the limits of the CEP Limited Partnership Agreement, and the remainder is allocated to Clairvest. Any amounts paid under the guarantee will result in additional debenture being granted to Clairvest and CEP, allocated on the same basis as the participation between Clairvest and CEP in the guarantee funding. CEP will reimburse Clairvest for 75% of any amounts paid under the guarantee. The guarantee expires on January 9, 2009. At March 31, 2008, the guarantee was \$1.8 million.

During fiscal 2006, Clairvest and Clairvest Group International (Netherlands) B.V. (“B.V.”) sold their interests in Signature Security Group Holdings Pty Limited (“Signature”) and Equity SPV Pty Limited (“SPV”) as part of a sale of 100% of Signature and SPV. As part of the transaction, B.V. has indemnified the purchaser for various claims which will reduce over time. Subject to a number of conditions, at March 31, 2008, Clairvest and B.V. were entitled to receive up to an additional AUD\$0.8 million being held in escrow. Subsequent to year end, the remaining escrow proceeds were released and Clairvest received AUD\$0.8 million (CDN\$0.8 million).

During fiscal 2007, Clairvest, together with CEP invested in the development of the Tsuu T’ina charitable casino. Clairvest, together with CEP, has guaranteed to fund any cost overruns during the construction of the casino, as well as any operating deficiencies upon the opening of the casino for a specified period of time. The amount of the guarantee is allocated 75% to CEP, to the extent that the amounts paid thereunder are within the limits of the CEP Limited Partnership Agreement, and the remainder is allocated to Clairvest. Any amounts paid under the guarantee will result in additional debenture being granted to Clairvest and CEP, allocated on the same basis as the participation between Clairvest and CEP in the guarantee funding. As at March 31, 2008, no amounts subject to this guarantee have been funded by the bank.

Clairvest, together with CEP III, has guaranteed to fund 50% of any cost overruns during the construction of Casino del Sol, as well as any operating deficiencies upon the opening of the casino for a specified period of time. The amount of guarantee is allocated 75% to CEP III to the extent the amounts paid thereunder are within the limits of the CEP III Limited Partnership Agreement, and the remainder is allocated to Clairvest. Any amounts paid under the guarantee will result in additional equity being granted to Clairvest and CEP III, allocated on the same basis as the participation between Clairvest and CEP III in the guarantee funding.

In connection with its normal business operations, Clairvest is from time to time named as a defendant in actions for damages and costs allegedly sustained by plaintiffs. While it is not possible to estimate the outcome of the various proceedings at this time, Clairvest does not believe that it will incur any material loss in connection with such actions.

OUTLOOK

Clairvest continues to assist its investee companies in developing and executing their strategies and enhancing their value propositions. Clairvest also continues to actively pursue investment opportunities, using domain-based proprietary research to explore a number of industries and identify new potential investments. Subsequent to quarter end, Shepell•fgi sold substantially all of its assets to an unrelated third party. Clairvest received gross sale proceeds of \$26.1 million at closing, and promissory notes secured by the acquirer for an additional \$15.3 million, payable through to July 2010. The payment of the promissory notes is subject to satisfaction of certain items in the purchase documentation, and up to \$8.2 million of the promissory notes may be received in the form of the acquirer’s equity interest at the option of the acquirer.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has evaluated the effectiveness of Clairvest’s disclosure controls and procedures as of March 31, 2008. Management has concluded that the disclosure controls and procedures are effective as of March 31, 2008 based on this evaluation.

Management has evaluated Clairvest’s design of internal controls over financial reporting for the quarter ended March 31, 2008. Management has concluded that the design of internal controls over financial reporting are effective as of March 31, 2008 based on this evaluation. There were no changes in its internal controls during its most recent

interim period that has materially affected, or is reasonably likely to materially affect, its internal controls over financial reporting.

A number of the matters discussed in this MD&A deal with potential future circumstances and developments and may constitute “forward-looking” statements. These forward-looking statements can generally be identified as such because of the context of the statements and often include words such as the Company “believes”, “anticipates”, “expects”, “plans”, “estimates” or words of a similar nature.

The forward-looking statements are based on current expectations and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The impact of any one risk factor on a particular forward-looking statement is not determinable with certainty as such factors are interdependent upon other factors, and management’s course of action would depend upon its assessment of the future considering all information then available.

All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. The Company assumes no obligation to update forward-looking statements should circumstances or management’s estimates or opinions change.

CLAIRVEST GROUP INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

\$000's	March 31 2008	March 31 2007
ASSETS		
Cash and cash equivalents (Note 11)	\$ 57,320	\$ 13,981
Temporary investments (Notes 4)	127,888	76,305
Accounts receivable and other assets (Note 9e)	6,799	3,768
Income taxes recoverable	—	10,803
Loans receivable (Notes 9f and 9g)	19,475	1,824
Future tax asset	1,678	—
Corporate investments (Note 6)	185,390	207,929
	<u>\$ 398,550</u>	<u>\$ 314,610</u>
LIABILITIES		
Accounts payable and accrued liabilities (Notes 9e, 10 and 13f)	\$ 15,524	\$ 3,473
Income taxes payable	3,375	—
Loans payable (Notes 6 and 7)	99,340	68,766
Derivative instruments (Note 12)	1,405	300
Future tax liability	2,604	4,062
Stock-based compensation (Note 10)	5,523	4,426
	<u>127,771</u>	<u>81,027</u>
Commitments and contingencies (Notes 3, 12, and 13)		
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	82,713	82,166
Retained earnings	188,066	151,417
	<u>270,779</u>	<u>233,583</u>
	<u>\$ 398,550</u>	<u>\$ 314,610</u>

(see accompanying notes to interim consolidated financial statements)

CLAIRVEST GROUP INC.
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

\$000's (except per share information)	Quarter ended March 31		Year ended March 31	
	2008	2007	2008	2007
Net investment gains				
Net realized gains (losses) on investments (Note 5)	\$ 1,154	\$ 493	\$ 25,132	\$ (4,849)
Net unrealized gains on investments	1,377	19,057	25,250	23,866
	2,531	19,550	50,382	19,017
Other income				
Distributions and interest income (Notes 9c and 9h)	4,940	4,672	17,908	15,149
Dividend income	134	825	216	5,842
Management fees (Note 9a)	369	209	1,356	1,220
Advisory and other fees (Note 9h)	495	399	1,475	2,386
	5,938	6,105	20,955	24,597
Administration and other expenses (Note 10 and 13f)	(3,480)	(3,140)	(26,710)	(11,279)
Loss on temporary investments	—	—	—	(10,000)
Finance and foreign exchange expense (Note 9h and 12)	(66)	(732)	(2,530)	(3,979)
	(3,546)	(3,872)	(29,240)	(25,258)
Income before income taxes	4,923	21,783	42,097	18,356
Income tax (expense) recovered	293	(1,441)	(3,854)	(91)
Net income	\$ 5,216	\$ 20,342	\$ 38,243	\$ 18,265
Basic net income per share	\$ 0.33	\$ 1.28	\$ 2.40	\$ 1.14
Fully diluted net income per share	\$ 0.32	\$ 1.25	\$ 2.34	\$ 1.11

(see accompanying notes to interim consolidated financial statements)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(unaudited)

\$000's	Quarter ended March 31		Year ended March 31	
	2008	2007	2008	2007
Retained earnings, beginning of period	\$ 182,850	\$ 131,075	\$ 151,417	\$ 146,441
Net income	5,216	20,342	38,243	18,265
	188,066	151,417	189,660	164,706
Dividends declared	—	—	(1,594)	(1,590)
Purchase and cancellation of shares	—	—	—	(11,699)
Retained earnings, end of period	\$ 188,066	\$ 151,417	\$ 188,066	\$ 151,417

(see accompanying notes to interim consolidated financial statements)

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Quarter Ended March 31
(unaudited)

\$000's	Quarter ended March 31		Year ended March 31	
	2008	2007	2008	2007
Cash flows from operating activities				
Net income	\$ 5,216	\$ 20,342	\$ 38,243	\$ 18,265
Add (deduct) items not involving a current cash outlay				
Amortization of fixed assets	48	11	77	40
Stock-based compensation expense	38	861	1,097	843
Future income tax expense (recovered)	(1,050)	1,930	(3,137)	6,216
Net realized losses (gains) on investments	(1,154)	(493)	(25,132)	4,849
Net unrealized gains on investments	(1,377)	(19,057)	(25,250)	(23,866)
Loss on temporary investments	—	—	—	10,000
Non-cash items relating to corporate investments	(592)	(596)	(1,039)	(194)
	<u>1,129</u>	<u>2,998</u>	<u>(15,140)</u>	<u>16,153</u>
Net change in non-cash working capital balances related to operations (Note 11)	<u>2,990</u>	<u>(1,052)</u>	<u>23,121</u>	<u>(11,072)</u>
	<u>4,119</u>	<u>1,946</u>	<u>7,981</u>	<u>5,081</u>
Cash flows from investing activities				
Acquisition of corporate investments	(25,956)	(5,041)	(42,361)	(43,190)
Proceeds on corporate investments	2,587	7,115	113,380	7,115
Return of capital from corporate investments	—	3,879	3,392	11,785
Proceeds on realization of foreign exchange forward contracts	106	—	654	65
Net proceeds on sale (acquisition) of temporary investments	(47,020)	(12,166)	(51,583)	15,307
Loans advanced (Note 9f and 9g)	(65,183)	(4,124)	(90,555)	(41,755)
Receipt of loans advanced (Note 9f and 9g)	51,440	2,300	72,904	40,731
	<u>(84,026)</u>	<u>(8,037)</u>	<u>5,831</u>	<u>(9,942)</u>
Cash flows from financing activities				
Shares purchased for cancellation	—	—	—	(569)
Issuance of share capital	—	—	547	540
Receipt of loans	2,458	253	53,530	18,918
Repayment of loans	—	(8,375)	(22,956)	(10,852)
Cash dividends paid	—	—	(1,594)	(1,590)
	<u>2,458</u>	<u>(8,122)</u>	<u>29,527</u>	<u>6,447</u>
Net increase (decrease) in cash and cash equivalents	<u>(77,449)</u>	<u>(14,213)</u>	<u>43,339</u>	<u>1,586</u>
Cash and cash equivalents, beginning of period	134,769	28,194	13,981	12,395
Cash and cash equivalents, end of period (Note 11)	<u>\$ 57,320</u>	<u>\$ 13,981</u>	<u>\$ 57,320</u>	<u>\$ 13,981</u>
Supplemental cash flow information				
Income taxes paid	\$ 102	\$ 633	\$ 810	\$ 7,976
Interest paid	\$ —	\$ 894	\$ 2,063	\$ 3,525

(see accompanying notes to interim consolidated financial statements)

CLAIRVEST GROUP INC.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS`
March 31, 2008 (Tabular Dollar Amounts in Thousands)
(unaudited)

1. NATURE OF ACTIVITIES AND BASIS OF PRESENTATION

The disclosures contained in these unaudited interim consolidated financial statements of Clairvest Group Inc. (“Clairvest” or the “Company”) do not include all requirements of generally accepted accounting principles for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended March 31, 2008.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the quarter ended March 31, 2008.

Clairvest’s consolidated financial statements are prepared using the fair value method of accounting. Under fair value accounting, each of Clairvest’s investments are re-valued quarterly. Realized and unrealized changes in Clairvest’s investments, as well as the tax effects of these changes, are reflected in the income statement.

The unaudited interim consolidated financial statements are based upon accounting principles consistent with those used and described in the annual audited consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICY

Effective fiscal 2008, the Company adopted Canadian Institute of Chartered Accountants Handbook (“CICA Handbook”) Section 1506, “Accounting Changes”, which requires that voluntary changes in accounting policy be made only if the changes result in financial statements that provide more reliable and more relevant information. The adoption of this standard has provided no impact to Clairvest’s unaudited interim consolidated financial statements for the quarter ended March 31, 2008.

Effective fiscal 2008, the Company also adopted CICA Handbook Section 3855, “Financial Instruments – Recognition and Measurement”; Section 3865, “Hedges”; Section 1530, “Comprehensive Income”; and Section 3861, “Financial Instruments – Disclosure and Presentation”.

Section 3855 requires financial assets and financial liabilities to be initially recognized at fair value and subsequently accounted for based on their classification as either held-for-trading, available for sale, or held to maturity. In accordance with CICA Accounting Guideline 18, “Investment Companies”, which the Company has previously adopted, the Company is required to classify all of its financial assets and liabilities as held-for-trading. These instruments are accounted for at fair value with the change in fair value recognized in income. The impact of the adoption of Section 3855 to Clairvest’s unaudited interim consolidated financial statements for the quarter ended March 31, 2008 was not material.

For the quarter ended March 31, 2008, the Company has no items requiring disclosure under other comprehensive income.

The comparative unaudited interim consolidated financial statements have not been restated for the adoption of these standards.

3. BANKING FACILITY

Clairvest has a \$20.0 million line of credit available, bearing interest at prime plus 0.5%. The line of credit available at March 31, 2008 is \$18.2 million [2007 - \$16.9 million] and is based on debt covenants within the banking arrangement.

4. TEMPORARY INVESTMENTS

Temporary investments consist of corporate notes, debentures and preferred shares, which have maturities greater than 90 days from date of purchase. The maturity dates of these temporary investments range from April 2008 through to February 2011. The yield on these investments ranges between 3.2% and 12.0% with a weighted average rate of pre-tax return of 4.0%.

	2008			2007	
	No specific maturity	Due in 1 year or less	Due after 1 -3 years	Carrying value	Carrying value
Banker's Acceptance	\$ —	\$ 20,924	\$ —	\$ 20,924	\$ —
Bonds	—	29,436	18,520	47,957	72,921
Preferred Shares	—	5,516	298	5,813	1,772
Money Market Mutual Funds	51,875	—	—	51,875	—
Corporate Debentures	1,320	—	—	1,320	1,612
Total	\$ 53,194	\$ 55,876	\$ 18,818	\$ 127,888	\$ 76,305

5. NET INVESTMENT GAINS

Net realized gains (losses) on investments during the period are comprised of the following:

\$000's	Quarter ended March 31		Year ended March 31	
	2008	2007	2008	2007
Net realized gains (losses) on investments	\$ 1,001	\$ 3,830	\$ 53,627	\$ (21,903)
Previously recognized net unrealized gains (losses)	53	(3,337)	(28,495)	17,054
	\$ 1,054	\$ 493	\$ 25,132	\$ 4,849

6. CORPORATE INVESTMENTS

	2008			2007		
	Fair value \$	Cost \$	Difference \$	Fair value \$	Cost \$	Difference \$
Investments in publicly-traded companies						
Gateway Casinos Income Fund	—	—	—	47,614	32,913	14,701
Datamark Systems Group Inc.	—	—	—	9,762	14,454	(4,692)
Voxcom Income Fund	—	—	—	15,644	11,187	4,457
	—	—	—	73,020	58,554	14,466
Investments in privately-held companies						
Casino Marina del Sol	11,585	10,408	1,177	—	—	—
Gateway Casinos Inc.	99,340	24,000	75,340	84,724	24,000	60,724
Integral Orthopedics Inc.	—	6,322	(6,322)	5,347	5,347	—
Kubra Data Transfer Ltd.	3,250	2,150	1,100	3,250	2,150	1,100
Landauer Metropolitan Inc.	3,758	3,636	122	3,894	3,636	258
Latin Gaming Osorno S.A.	5,186	5,044	142	—	—	—
Light Tower Rentals Inc.	5,996	5,884	112	—	—	—
Lyophilization Services of New England Inc.	5,140	5,060	80	—	—	—
N-Brook Mortgage LP	5,286	5,037	249	3,865	3,699	166
Shepell-fgi [formerly WarrenShepell]	14,691	6,550	8,141	7,910	6,550	1,360
Tsuu T'ina Gaming Limited Partnership	6,462	5,625	837	2,226	2,091	135
Van-Rob Inc.	5,000	5,000	—	5,000	5,000	—
Wellington Financial Fund II	2,603	1,928	675	6,618	5,319	1,299
Wellington Financial Fund III	14,966	14,527	439	6,974	6,704	270
Winters Bros. Waste Systems, Inc.	—	—	—	5,065	4,292	773
	183,263	101,171	82,092	134,874	68,788	66,086
Other investments	2,127	5,257	(3,130)	36	47	(11)
	185,390	106,428	78,962	207,929	127,389	80,540

During the fourth quarter of fiscal 2008, Clairvest, through Canadian and Chilean acquisition entities, invested \$10.4 million for a 12.5% ownership interest in Casino Marina del Sol (“Casino del Sol”), a gaming entertainment complex that is being constructed in Chile, adjacent to the city of Concepción. The investment was made in the form of 250,000 common shares. As part of the holding structure of Casino del Sol, one of the acquisition entities has borrowed \$32.1 million from an unrelated financial institution, and another acquisition entity has deposited \$32.1 million with the financial institution as security for the loan. Clairvest intends to settle the loan and the deposit simultaneously upon the divestiture of the investment in Casino del Sol, and as a result, the deposit and the loan have been presented on a net basis. Clairvest’s ownership of both acquisition vehicles was 25% at March 31, 2008, with CEP III owning the remaining 75%.

During the third quarter of fiscal 2008, Gateway Casinos Inc. (“Gateway Casinos”) sold substantially all of its assets, as well as shares of a joint venture entity in which it held a 50% interest. Clairvest received a loan of \$50.6 million from Gateway Casinos on the completion of the transaction. During the quarter, Clairvest received additional loans totalling \$2.4 million from Gateway Casinos as a result of the release of certain escrow proceeds. Subject to certain conditions, Clairvest is entitled to receive up to an additional \$3.2 million over the next nine months.

During the fourth quarter of fiscal 2008, Clairvest sold \$1.1 million of bridge loans previously advanced to Integral Orthopedics Inc. (“Integral Orthopedics”) to CEP at face value. Also during the quarter, Clairvest reduced the estimated fair value of its investment in Integral Orthopedics to nil as a result of a significant deterioration in the financial condition of Integral Orthopedics.

During the fourth quarter of fiscal 2008, Clairvest provided a loan of US\$5.0 million to Latin Gaming Osorno S.A. (“Latin Gaming”), a gaming entertainment complex that is being constructed in Osorno, Chile. The loan bears interest at 5% per annum. The loan was provided as bridging capital as the Company is awaiting regulatory approval to invest in Latin Gaming. The loan is repayable upon the closing of the investment or upon determination that Clairvest did not receive the necessary regulatory approval to invest

in Latin Gaming. Subsequent to quarter end, Clairvest advanced a further US\$3.0 million to Latin Gaming under the same terms and conditions.

During the fourth quarter of fiscal 2008, Clairvest invested \$5.9 million for an 11.5% ownership interest in Light Tower Rentals, Inc. (“Light Tower”). The investment was made in the form of 5,841,250 Series A convertible preferred shares. Light Tower is an oilfield equipment rental company operating in Texas, New Mexico and Colorado.

During the fourth quarter of fiscal 2008, Clairvest invested \$5.1 million for a 10.5% ownership interest in Lyophilization Services of New England, Inc. (“LSNE”). The investment was made in the form of 5,000,000 Series A convertible preferred shares. LSNE is a Manchester, New Hampshire based contract manufacturing organization focused on providing lyophilization services to biotech, pharmaceutical and medical device manufacturers. Subsequent to quarter end, Clairvest invested a further \$1.4 million to acquire an additional 1,406,000 Series A convertible preferred shares of LSNE, increasing ownership interest to 12.3%.

7. LOANS PAYABLE

Loans payable consist of loans payable to Gateway Casinos totalling \$99.3 million. The loans are non-interest bearing, repayable on demand, and are collateralized by the units held by Clairvest in the limited partnership that owns Gateway Casinos.

8. SHARE CAPITAL

During the fourth quarter of fiscal 2008, the Company filed a normal course issuer bid enabling it to make purchases of up to 797,178 common shares in the 12-month period commencing March 6, 2008. During the fourth quarter of fiscal 2008, the Company made no purchases. In total 2,544,424 common shares at a cost of \$21.9 million have been purchased under this, and previous, normal course issuer bids as of March 31, 2008. An additional 934,200 common and 2,230,954 non-voting shares have been purchased for cancellation from a financial institution outside of the normal course issuer bid.

15,943,566 common shares were outstanding at March 31, 2008.

9. RELATED PARTY TRANSACTIONS

- (a) Clairvest has entered into a Management Agreement with the General Partner of CEP, appointing Clairvest as the Manager of CEP. The General Partner is a wholly-owned subsidiary of Clairvest (“Subsidiary”). The Management Agreement provides that a management fee be paid to Clairvest as compensation for its services in the administration of the portfolio of CEP. During fiscal 2007, Clairvest assigned the Management Agreement to a wholly-owned subsidiary of Clairvest (“GP III”). The fee was calculated annually as 2% of committed capital until the fifth anniversary of the last closing of CEP (August 21, 2006), and thereafter at 2% of contributed capital less distributions on account of capital and any write-downs of capital invested. The management fee is reduced to the extent of 75% of fees earned by Clairvest from corporate investments of CEP. During the fourth quarter of fiscal 2008, net management fees were \$0.4 million (2007 – \$0.2 million). As per the Management Agreement, fees of \$0.1 million from corporate investments of CEP were netted against the management fees.
- (b) The General Partner of CEP, a limited partnership, the general partner of which is a wholly-owned subsidiary of Clairvest, is entitled to participate in distributions made by CEP equal to 20% of net gains of CEP. These distributions to the General Partner will be determined based on the overall performance of CEP and no such distributions are permitted until CEP’s limited partners have received all amounts contributed to CEP and a 6% compound annual return on that amount. The distributions received by the General Partner of CEP will be allocated 50% to each of its limited partners one of which is a wholly-owned subsidiary of Clairvest, and the other of which is another limited partnership (the “Participation Partnership”). The limited partners of the Participation Partnership are principals and employees of Clairvest and GP III (the “Participation Investors”). The Participation Investors have purchased, at fair market value, units of the Participation Partnership. From time to time, additional units in the Participation Partnership may be purchased by the Participation Investors. To date, CEP has not made any distributions to the General Partner.

- (c) During fiscal 2007, the Company completed closings totalling \$225.0 million of Clairvest Equity Partners III Limited Partnership (“CEP III”), a successor fund to CEP. Clairvest is the parent company of the two General Partners of CEP III (“GP I” and “GP II”). GP I is entitled to a 2% priority distribution from CEP III. The 2% priority distribution began in August 2006, the month in which CEP III made its first investment. The priority distribution is reduced to the extent of 75% of fees earned by GP I from corporate investments of CEP III. During the fourth quarter of fiscal 2008, net priority distributions were \$0.9 million. As per the Limited Partnership Agreement, fees of \$0.2 million from corporate investments of CEP III were netted against the priority distributions. GP I is also entitled to distributions made by CEP III equal to 2% of gains of CEP III determined as described in note 9(d) below.
- (d) GP II, a limited partnership, the general partner of which is a wholly-owned subsidiary of Clairvest, is entitled to participate in distributions made by CEP III equal to 18% of net gains of CEP III. These distributions to GP II, and GP I as noted in note 9(c) above, will be determined based on the overall performance of CEP III and no such distributions are permitted until CEP III’s limited partners have received all amounts contributed to CEP III and an 8% compound annual return on that amount. The distributions received by the GP II will be allocated to each of its two limited partners, one of which is a wholly-owned subsidiary of Clairvest which will receive 44.4% of such distributions, and the other of which is another limited partnership (the “Participation III Partnership”) which will receive 55.6% of such distributions. The limited partners of the Participation III Partnership are principals and employees of Clairvest and a wholly-owned subsidiary of Clairvest (the “Participation III Investors”). The Participation III Investors purchased, at fair market value, units of the Participation III Partnership during the second quarter of fiscal 2007. From time to time, additional units in the Participation III Partnership may be purchased by Participation III Investors. To date, CEP III has not made any distributions to GP II.
- (e) Included in accounts receivable and other assets are share purchase loans made to certain officers of the Company, GP III and officers of corporate investments totalling \$0.7 million (2007 – \$0.5 million). The share purchase loans bear interest fixed at the prime rate on the date of drawdown less 1%, interest is paid annually, and the loans have full recourse and are collateralized by the common shares of the Company purchased by the officers with a market value of \$1.1 million (2007 – \$0.7 million). Also included in accounts receivable and other assets are other loans made to certain officers of a company affiliated with Clairvest totalling \$0.7 million (2007 – \$0.6 million). The loans to officers of a company affiliated with Clairvest bear interest at rates commensurate with prime, and interest is paid quarterly. Loans are repayable upon departure of the officer. Also included in accounts receivable and other assets are receivables from Clairvest’s corporate investments totalling \$2.7 million (2007 – \$2.2 million), from CEP totalling \$0.5 million (2007 – nil), and from CEP III totalling \$0.4 million (2007 – \$0.1 million). Included in accounts payable and accrued liabilities is \$0.4 million (2007 – \$0.5 million) owing to corporate investments.
- (f) Loans totalling \$3.2 million, bearing interest at the prime rate, were made by the Company to CEP during the fourth quarter of fiscal 2008, of which \$2.0 million was outstanding at March 31, 2008. Interest of \$9,000 was earned from loans to CEP during the fourth quarter of fiscal 2008. The loans were repaid in full subsequent to quarter end.
- (g) Loans totalling \$62.0 million, bearing interest at the prime rate, were made by the Company to CEP III during the fourth quarter of fiscal 2008, of which \$17.5 million was outstanding at March 31, 2008. Interest of \$0.2 million was earned from loans to CEP III during the fourth quarter of fiscal 2008. \$15.9 million of these loans were repaid subsequent to quarter end.
- (h) During the fourth quarter of fiscal 2008, Clairvest received \$2.0 million (2007 - \$2.5 million) in interest and distributions, \$nil (2007 - \$0.8 million) in dividends, and \$0.5 million in fee income (2007 – \$0.4 million) from its corporate investments. Also during the fourth quarter of fiscal 2008, Clairvest paid \$nil (2007 - \$0.5 million) in interest to a Gateway Casinos Inc. entity.

10. STOCK-BASED COMPENSATION AND OTHER COMPENSATION PLANS

No options were issued or exercised during the fourth quarter of fiscal 2008. At March 31, 2008, a total of 1,112,000 options were outstanding under Clairvest's stock option plan.

As a result of a cash settlement feature in Clairvest's stock option plan, Clairvest is required to recognize compensation expense based upon the intrinsic value of the outstanding stock options at the balance sheet date, and the proportion of their vesting periods that have elapsed. For the quarter ended March 31, 2008, Clairvest recognized a stock-based compensation expense of \$0.5 million (2007 – \$0.9 million).

As at March 31, 2008, a total of 101,263 (2007 – 74,736) Deferred Share Units were held by directors of the Company, the accrual in respect of which was \$1.5 million (2007 - \$0.8 million) and has been included in accounts payable and accrued liabilities.

During the first quarter of fiscal 2008, the Deferred Share Unit Plan was amended to facilitate the issuance of Appreciation Deferred Share Units ("Appreciation DSUs") to the directors of the Company. As at March 31, 2008, 90,000 Appreciation DSUs were held by directors of the Company, the accrual in respect of which was \$0.1 million and has been included in accounts payable and accrued liabilities.

As at March 31, 2008, a total of 431,000 (2007 – 443,250) Book Value Appreciation Rights Units were held by employees of Clairvest and a company affiliated with Clairvest, the accrual in respect of which was \$0.8 million (2007 - \$0.4 million) and has been included in accounts payable and accrued liabilities.

11. CONSOLIDATED STATEMENTS OF CASH FLOWS

Net change in non-cash working capital balances related to operations at March 31 is detailed as follows:

	2008	2007
Accounts receivable and other assets	\$ 1,872	\$ (265)
Income taxes recoverable	—	(955)
Accounts payable and accrued liabilities	(1,477)	168
Income taxes payable	2,595	—
	\$ 2,990	\$ (1,052)

Cash and cash equivalents at the balance sheet dates are comprised of the following:

	March 31 2008	March 31 2007
Cash	\$ 2,150	\$ 3,640
Cash equivalents	55,170	10,341
	\$ 57,320	\$ 13,981

12. FINANCIAL INSTRUMENTS

As at March 31, 2008, the Company had entered into foreign exchange forward contracts as hedges against its foreign investments as follows:

Forward contracts to sell US\$20.3 million [2007 - US\$7.2 million] at rates of Canadian \$0.9925 to \$1.0176 per U.S. dollar through March 2009 [average rate of \$1.0036; 2007 - average rate of \$1.1129]. The fair value of these contracts at March 31, 2008 is a loss of \$0.5 million [2007 - loss of \$0.3 million] and have been recognized on the consolidated balance sheet as derivative instruments.

Forward contracts to sell CLF\$0.2 million [2007 - nil] at rates of Canadian \$42.6750 per Chilean UF through January 2009 [average rate of \$42.6750]. The fair value of these contracts at March 31, 2008 is a

loss of \$0.9 million [2007 - nil] and have been recognized on the consolidated balance sheet as derivative instruments.

13. CONTINGENCIES, COMMITMENTS AND GUARANTEES

- (a) Clairvest has committed to co-invest alongside CEP in all investments undertaken by CEP. Clairvest's total co-investment commitment is \$54.7 million, \$4.1 million of which remains unfunded at March 31, 2008. Clairvest may only sell all or a portion of a corporate investment that is a joint investment with CEP if it, as manager of CEP, concurrently sells a proportionate number of securities of that corporate investment held by CEP.
- (b) Clairvest has also committed to co-invest alongside CEP III in all investments undertaken by CEP III. Clairvest's total co-investment commitment is \$75.0 million, \$47.0 million of which remains unfunded at March 31, 2008. Clairvest may only sell all or a portion of a corporate investment that is a joint investment with CEP III if it, as manager of CEP III, concurrently sells a proportionate number of securities of that corporate investment held by CEP III.
- (c) Clairvest has also committed \$25.0 million to Wellington Fund III, \$14.5 million of which has been funded at March 31, 2008. Subsequent to quarter end, an additional \$2.2 million was funded, reducing unfunded capital commitment to \$8.3 million. As a result of the closing of Wellington Fund III, the unfunded capital commitments to Wellington Fund II may no longer be called. At March 31, 2008, net funds invested in Wellington Fund II was \$1.9 million. At March 31, 2008, Clairvest has received profit distributions totalling \$1.7 million through its ownership interest in the general partner of Wellington Fund II and \$0.5 million through its ownership interest in the general partner of Wellington Fund III. Clairvest has guaranteed, up to the amounts received from the respective General Partners, the clawback provisions entered into by the General Partners in the event the limited partners of Wellington Fund II and Wellington Fund III do not meet their preferred rate of return as specified in the respective Limited Partnership Agreement.
- (d) Clairvest has guaranteed up to \$7.0 million of CEP's obligations to a Schedule 1 Chartered Bank under CEP's foreign exchange forward contracts with the bank.
- (e) During fiscal 2008, Clairvest and CEP III entered into a US\$13.0 million credit facility agreement with a Schedule 1 Chartered Bank to enter into foreign exchange contracts. Clairvest and CEP III are jointly and severally liable on this credit facility.
- (f) Under Clairvest's Incentive Bonus Program (the "Program"), a bonus of 10% of after-tax cash income and realizations on certain Clairvest's corporate investments would be paid to management as a bonus annually as applicable. Amounts are accrued under this plan to the extent that the cash income and investment realizations have occurred and the bonus has become payable. At March 31, 2008, \$10.5 million has been accrued under the Program. If Clairvest were to sell its corporate investments at their current fair values, an additional bonus of \$0.6 million would be owing to management under this Program. As no such income and realizations have occurred and the terms of the bonus plan with respect to these corporate investments have not yet been fulfilled, the \$0.6 million has not been accrued at March 31, 2008.
- (g) During fiscal 2006, Clairvest, together with CEP and Shepell-fgi management, purchased Shepell-fgi. As part of the transaction, Clairvest guaranteed a \$4.6 million note payable by Shepell-fgi to the vendors, as well as interest payable on the note. The note is subject to claims Clairvest and CEP may have with respect to representations and warranties. The amount of the guarantee is allocated 75% to CEP, to the extent that the amounts paid thereunder are within the limits of the CEP Limited Partnership Agreement, and the remainder is allocated to Clairvest. Any amounts paid under the guarantee will result in additional debenture being granted to Clairvest and CEP, allocated on the same basis as the participation between Clairvest and CEP in the guarantee funding. The guarantee expires on January 9, 2009. At March 31, 2008, the guarantee was \$1.8 million.
- (h) During fiscal 2006, Clairvest and Clairvest Group International (Netherlands) B.V. ("B.V.") sold their interests in Signature Security Group Holdings Pty Limited ("Signature") and Equity SPV Pty Limited ("SPV") as part of a sale of 100% of Signature and SPV. As part of the transaction, B.V. has indemnified the

purchaser for various claims which will reduce over time. Subject to a number of conditions, at March 31, 2008, Clairvest and B.V. were entitled to receive up to an additional AUD\$0.8 million being held in escrow. Subsequent to year end, the remaining escrow proceeds were released and Clairvest received AUD\$0.8 million (CDN\$0.8 million).

- (i) During fiscal 2007, Clairvest, together with CEP invested in the development of the Tsuu T'ina charitable casino. Clairvest, together with CEP, has guaranteed to fund any cost overruns during the construction of the casino, as well as any operating deficiencies upon the opening of the casino for a specified period of time. The amount of the guarantee is allocated 75% to CEP, to the extent that the amounts paid thereunder are within the limits of the CEP Limited Partnership Agreement, and the remainder is allocated to Clairvest. Any amounts paid under the guarantee will result in additional debentures being granted to Clairvest and CEP, allocated on the same basis as the participation between Clairvest and CEP in the guarantee funding.
- (j) Clairvest, together with CEP III, has guaranteed to fund 50% of any cost overruns during the construction of Casino del Sol, as well as any operating deficiencies upon the opening of the casino for a specified period of time. The amount of the guarantee is allocated 75% to CEP III to the extent the amounts paid thereunder are within the limits of the CEP III Limited Partnership Agreement, and the remainder is allocated to Clairvest. Any amounts paid under the guarantee will result in additional equity being granted to Clairvest and CEP III, allocated on the same basis as the participation between Clairvest and CEP III in the guarantee funding.
- (k) In connection with its normal business operations, the Company is from time to time named as a defendant in actions for damages and costs allegedly sustained by plaintiffs. While it is not possible to estimate the outcome of the various proceedings at this time, the Company does not believe that it will incur any material loss in connection with such actions.

14. SUBSEQUENT EVENTS

Subsequent to quarter end, Shepell•fngi sold substantially all of its assets to an unrelated third party. Clairvest received gross sale proceeds of \$26.1 million at closing, and promissory notes secured by the acquirer for an additional \$15.3 million, payable through to July 2010. The payment of the promissory notes is subject to satisfaction of certain items in the purchase documentation, and up to \$8.2 million of the promissory notes may be received in the form of the acquirer's equity interest at the option of the acquirer.

15. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the March 31, 2008 consolidated financial statements.