CLAIRVEST

ANNUAL REPORT 2008

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CLAIRVEST

KNOWLEDGE BASED – VALUE FOCUSED.

Clairvest is one of Canada's leading providers of equity financing to mid-market companies and currently has approximately C$600 million of equity capital under management.

Clairvest manages its own capital, that of Clairvest Group Inc., a publicly listed merchant bank, and that of third parties, through Clairvest Equity Partners Limited Partnership and Clairvest Equity Partners III Limited Partnership.

Clairvest is an active investor in and supporter of Wellington Financial, a privately held Canadian specialty finance firm providing bridge financing and venture debt to a broad range of industries including software.

Clairvest partners with management to invest in profitable small and mid-sized North American companies with the goal of helping to build value in the business and generate superior long term financial returns for investors.

CLAIRVEST ENDS 2008 FISCAL YEAR WITH STRONG CASH POSITION TO PURSUE MARKET OPPORTUNITIES IN 2009

FELLOW SHAREHOLDER,

Clairvest's 2008 fiscal year was an exciting period in the private equity sector as the first half of the year saw near-record amounts of capital raised while the amount of unallocated capital continued to grow at an equally rapid pace. This time of record liquidity in the market drove what we viewed as frenzied buying at overheated valuations. Clairvest stayed out of the buying fray, and took advantage of this seller's market by exiting all of its remaining fully direct investments and one of its joint investments with Clairvest Equity Partners, at excellent multiples.

As a result, the company has entered fiscal 2009 with an extremely strong cash position at, what is now, a time when liquidity has never been more valuable. For this reason, we are confident that Clairvest is positioned to take advantage of the new market reality of tight credit and more reasonable valuations to build on its recent new investment momentum.

For the 12 months ended March 31, 2008, Clairvest's book value per share grew to $16.98 from $14.69 a year earlier. This gain, when combined with the annual dividend of $0.10 per share represents an increase of 16.3%. Since we first started measuring book value under the fair-value method of accounting twelve years ago, Clairvest has delivered compounded annual growth of 10.8% on an after-tax basis. This means that, based on book value, a $100 investment in Clairvest in March 1996 would have been worth approximately $342 at the end of fiscal 2008.

This 10.8% 12-year compounded return is the aggregate of high returns on our invested capital and modest money market returns on our cash balances, which have averaged 30% of total assets over the period, providing our shareholders with a solid risk adjusted return. Our returns compare favorably against equity-only benchmarks such as the S&P 500, which had a pre-tax annual return of 7.9% over the same period.

Our share price has trended up along with our underlying success. The five year total compounded annual return on our stock to March 31, 2008 was 17% as compared to 11% for the S&P 500, outperformance which we are proud to have delivered to our shareholders.

Clairvest's current leadership team has partnered with 29 companies and initiated 24 of these relationships. Clairvest has exited 21, resulting in a current portfolio of 8 investments. Sixteen of the exited deals were initiated by us, and those have generated a pre-tax pooled IRR of 25%, turning a total investment of $266 million into $737 million in value for our investors.

A DISCIPLINED APPROACH

Clairvest's current strong cash position and resulting ability to respond quickly and decisively to future market opportunities is the result of steady adherence to a disciplined investment philosophy that incorporates five distinguishing characteristics:

1. **Clear Deal Origination Process**

   We concentrate on specific industry domains that offer the prospect of superior value creation based on clear, measurable criteria. We then investigate promising companies within those domains that may be interested in obtaining our capital and expertise. We do not participate in the auction process.

2. **Tight Market Focus**

   Clairvest is only interested in investing in mid-market companies. For our last five operating company transactions, excluding our greenfield casino deals, average revenue was $34 million and average EBITDA was $10 million. While others may chase much larger deals, we believe that there are more promising investment opportunities to pursue, and fewer competitive pressures to face, in the mid-market.

3. **Management Partnerships**

   We are not interested in taking over someone else's company in the hope that we can do better than they did. We may sometimes take control positions, but more often we look for opportunities to take minority positions and in all cases, we are investing behind proven owner-operators who have already grown their companies successfully. We see ourselves as supportive participants in the management process, aiding in the strategic direction, growth and development of the company as and when required. We are looking for partners, not operating authority, when we select a company for our portfolio.

4. **Strong Reputation**

   Over the past 20 years, we have developed a reputation for being able and committed partners who bring not only capital, but also broad experience, to the challenge of growing investee companies. We pride ourselves on the quality of our relationships and the willingness of many of our current and former partners to come to us with new business propositions.

5. **Value Creation**

   In addition to active participation in deliberations and decision-making at the board level, we offer our partners assistance in due diligence, negotiation, arranging third-party financing and identifying possible acquisitions. Our track record speaks for itself; as stated earlier, the current Clairvest management team has originated 24 investments and has exited 16 which have turned $266 million into $737 million in value for our investors and limited partner investors.

BUILDING THE PORTFOLIO

During fiscal 2008 Clairvest was active enhancing current positions in Clairvest Equity Partners (which we refer to as Fund II), a $219-million capital pool jointly funded 25% by Clairvest and 75% by our limited partner investors. Fund II comprised of six investments at year-end: Integral Orthopedics, Landauer Metropolitan, Shepell•fgi, N-Brook Mortgage Corporation, Grey Eagle Casino and Van-Rob.

Clairvest also continued to complete new investments for CEP Fund III, a $300-million capital pool created with limited partner investors on the same basis as Fund II. In Q4 of fiscal 2008, after the markets had cooled, it invested in three companies, Casino Marina del Sol, Light Tower Rentals, and Lyophilization Services of New England ("LSNE") while maintaining the position it took in Kubra in 2006.

Two of our new investments came to our attention through our domain work: Marina del Sol, through our relationships in the gaming industry, and Light Tower Rentals through our waste management contacts.

LSNE was selected because of our interest and experience in the healthcare sector and also sourced through our domain and established business relationships.

During fiscal 2008, Clairvest closed agreements to sell Datamark Systems, Voxcom Income Fund, Gateway, Allied Global and Winter Bros. Waste Management. The Datamark and Voxcom transactions closed in the first quarter of fiscal 2008 and returned after-tax 1.8 times invested capital and pre-tax 2.94 times invested capital, respectively. The sale of Gateway generated a pre-tax return of 8.9 times invested capital, while Allied Global Holdings Inc. generated a return of 2.2 times capital invested. The Winter Bros. sale yielded 3.8 times the capital invested with an IRR of nearly 200%. Subsequent to our March 31 year-end, Shepell•fgi was sold for four times invested capital in cash plus secured notes that could raise the return to over six times our capital investment.

During fiscal 2008 Clairvest also dealt with an unsuccessful investment: Integral Orthopedics ("IOI"). We took a full provision against IOI and while it was difficult to move on, we recognize that sometimes this is a better decision than investing more scarce time and putting additional capital at risk.

WELLINGTON FINANCIAL DELIVERS SOLID PERFORMANCE

Wellington Financial LP, our short term lending vehicle operated in partnership with its fund management, was also active during fiscal 2008. At March 31, 2008 Wellington Fund II and Wellington Fund III combined had 17 loans outstanding to companies in a variety of industries. Wellington Fund II's loan portfolio, which is in the process of being wound down as loans are repaid, totaled $10.0 million at March 31, 2008, the Clairvest portion of which is $2.4 million. During fiscal 2007, Wellington Fund III was created with a capital pool of $125.9 million, the Clairvest commitment of which is $25.0 million. Wellington Fund III has made loans to 21 companies to date. Wellington has made 39 loans across all of its funds since inception, providing solid returns and no losses realized to date.

UNPRECEDENTED OPPORTUNITY

As we stated at the outset, Clairvest has entered its 2009 fiscal year with a strong cash position at a time when the equity markets are starved for liquidity. As we look ahead to the remaining months of the year, we expect that our portfolio will maintain its solid aggregate performance while our existing business relationships generate new leads worthy of careful investigation.

Although Clairvest is certain to be faced with a number of exciting investment opportunities, we will continue to apply the investment discipline that enabled us to enter this year in a position of financial strength. We will seek to invest in promising companies led by capable managers operating in domains in which we believe.

Jeff Parr
Co-Chief Executive Officer
July 5, 2008

Ken Rotman
Co-Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2008

The Management's Discussion and Analysis ("MD&A") of financial condition and results of operations analyzes significant changes in Clairvest Group Inc.'s consolidated financial results, financial position, risks and opportunities. It should be read in conjunction with the Consolidated Financial Statements.

The following MD&A is the responsibility of management and is as of June 24, 2008. The Board of Directors carries out its responsibility for review of this disclosure through its Audit Committee. The Audit Committee reviews the disclosure and recommends its approval to the Board of Directors.

INTRODUCTION

Clairvest Group Inc. ("Clairvest" or the "Company") is a Canadian merchant bank that specializes in partnering with management teams and other stakeholders of both emerging and established companies. Clairvest focuses on a small number of carefully selected companies and actively participates in the building of these organizations. Clairvest invests its own capital, and that of third parties, through Clairvest Equity Partners Limited Partnership ("CEP") and Clairvest Equity Partners III Limited Partnership ("CEP III"), in companies that have the potential to generate superior returns.

The Company's shares are traded on the Toronto Stock Exchange under the stock symbol "CVG".

At March 31, 2008, Clairvest had 14 core investments in 10 different industries. Six of these investments are joint investments with CEP and four are joint investments with CEP III. Clairvest also holds investments in Wellington Financial Fund II ("Wellington Fund II") and in Wellington Financial Fund III ("Wellington Fund III"), both affiliated entities.

OVERVIEW OF FISCAL 2008

An overview of the significant events during fiscal 2008 follows:

- Clairvest sold its interest in Gateway Casinos Income Fund ("Gateway Income Fund") for cash proceeds of $66.7 million. Gateway Casinos Inc. ("Gateway Casinos") also sold substantially all of its assets, as well as shares of a joint venture entity in which it held a 50% interest. Clairvest received loans totalling $50.6 million from Gateway Casinos on the completion of the Gateway Casinos transaction and a further $2.4 million on the release of certain escrow proceeds. 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. 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. Over the life of Clairvest's investment in Gateway Income Fund and Gateway Casinos, Clairvest generated a pre-tax return of 8.8 times the $24 million of invested capital.
- Clairvest sold its interest in Voxcom Income Fund ("Voxcom") for cash proceeds of $21.8 million. Over the life of Clairvest's investment in Voxcom, Clairvest generated a pre-tax return of 2.9 times the $9.1 million of invested capital.
- Clairvest sold its interest in Datamark Systems Group Inc. ("Datamark") for a combination of $6.4 million in cash and 1,546,473 shares in Komunik Corporation ("Komunik"), representing a 5% interest. Over the life of Clairvest's investment in Datamark, Clairvest has generated an after-tax return of 1.9 times the $14.8 million of invested capital.

- Clairvest and CEP sold their interests in Winters Bros. Waste Systems, Inc. ("Winters Bros") for cash proceeds of $64.0 million. On an initial combined $17.3 million investment, Clairvest and CEP generated a pre-tax return of 3.7 times invested capital, after currency conversion. Gross proceeds to Clairvest were $16.0 million on a $4.3 million investment.
- Clairvest and CEP III, through Canadian and Chilean acquisition entities, invested a combined $41.6 million for a 50% 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. Clairvest's share of the investment is $10.4 million.
- Clairvest and CEP III invested a combined $23.5 million for a 46% ownership interest in Light Tower Rentals, Inc. ("Light Tower"), an oilfield equipment rental company operating in Texas, New Mexico and Colorado. Clairvest's share of the investment is $5.9 million.
- Clairvest and CEP III invested a combined $20.4 million for a 42% ownership interest in Lyophilization Services of New England, Inc. ("LSNE"), a Manchester, New Hampshire based contract manufacturing organization focused on providing lyophilization (freeze-drying) services to biotech, pharmaceutical and medical device manufacturers. Clairvest's share of the investment is $5.1 million. Subsequent to year end, Clairvest and CEP III invested a further $5.6 million in LSNE, increasing the combined ownership interest to 49%. Clairvest's share of the subsequent investment is $1.4 million.
- Clairvest provided a US$5.0 million bridge 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 a further US$3.0 million to Latin Gaming.
- Clairvest made a full provision for its investment in Integral Orthopedics Inc. ("Integral Orthopedics"). The amount of the provision was $6.3 million.
- Clairvest filed a new normal course issuer bid enabling it to make market purchases of up to 797,178 of its common shares in the 12-month period commencing March 6, 2008. No purchases have been made under this bid to March 31, 2008. As at June 24, 2008, Clairvest had purchased a total of 2,544,424 common shares under previous normal course issuer bids at a total cost of $21.9 million.

OUTLOOK

- The first quarter of fiscal 2009 has been extremely productive, with Clairvest actively pursuing new investment opportunities and exiting investments to enhance shareholder value. We continued to assist our investee companies in developing and executing their strategies and enhancing their value propositions. We also continue to actively pursue investment opportunities, using our domain-based proprietary research to explore a number of industries and uncover new potential investments.
- Subsequent to year end, Shepell•fgi sold substantially all of its assets to an unrelated third party. Clairvest and CEP received gross sale 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 interest at the option of the acquirer. Over the life of the investment in Shepell•fgi, assuming no indemnity claims, Clairvest and CEP will generate a pre-tax return of 6.5 times the combined $26.2 million of invested capital. 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. At March 31, 2008, Clairvest's carrying value of Shepell•fgi was $14.7 million.

- 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.
- Subsequent to year end, Clairvest paid a special dividend of $10.0 million, or $0.6272 per share. The dividend was paid on June 20, 2008 to common shareholders on record as of May 20, 2008. Also subsequent to year end, Clairvest declared an annual dividend of $1.6 million, or $0.10 per share. The dividend will be payable to common shareholders of record as of July 11, 2008. The dividend will be paid on July 28, 2008. Both dividends are ineligible dividends for Canadian income tax purposes.

At March 31, 2008, Clairvest had $185.2 million in cash, cash equivalents and temporary investments and $153.4 million of additional capital through CEP and CEP III to fund new investments. With this capital on hand, Clairvest is well positioned to support the growth of its existing investments and pursue new investment opportunities. As always, Clairvest will stick to its disciplines to find solid investments that fit its investment criteria and provide the potential for superior, risk-adjusted returns.

FORWARD-LOOKING STATEMENTS

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. These risks include the possibility that management's estimate of future income tax is incorrect. 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.

REGULATORY FILINGS

The Company's continuous disclosure materials, including interim filings, annual MD&A and audited consolidated financial statements, Annual Information Form, Notice of Annual Meeting of Shareholders and Proxy Circular are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

SUMMARY OF CLAIRVEST'S INVESTMENTS AT MARCH 31, 2008

Investment	Ownership Percentage[15]	Cost of Investment (millions)	Net Cash Investment (millions)[16]	Fair Value of Investment (millions)[17]	Description of Business
PRIVATELY-HELD INVESTMENTS					
Casino Marina del Sol [1]	12.5%	$ 10.4	$ 10.4	$ 11.6	A gaming entertainment complex that is being constructed in Chile, adjacent to the city of Concepción. CEP III owns 37.5% of Casino Marina del Sol.
Gateway Casinos Inc. [2]	28.4%	$ 24.0	$ (51.0)	$ 99.3	Prior to selling substantially all of its assets, it was a gaming management company that operated casinos in Western Canada.
Integral Orthopedics Inc. [3]	23.6%	$ 6.3	$ 5.3	$ —	A company that manufactures and markets back care products worldwide. CEP owns 70.7% of Integral Orthopedics.
Kubra Data Transfer Ltd. [4]	9.6%	$ 2.2	$ 2.2	$ 3.2	A business process outsourcing company focused on the distribution of household bills on behalf of its customers. CEP III owns 28.8% of Kubra.
Landauer Metropolitan Inc. [5]	13.4%	$ 3.6	$ 3.6	$ 3.8	A supplier of home medical equipment in the New York City area. CEP owns 40.1% of Landauer.
Latin Gaming Osorno S.A. [6]	Debt interest	$ 5.0	$ 5.0	$ 5.2	A gaming entertainment complex that is being constructed in Osorno, Chile.
Light Tower Rentals Inc. [7]	11.5%	$ 5.9	$ 5.9	$ 6.0	An oilfield equipment rental company operating in Texas, New Mexico and Colorado. CEP III owns 34.5% of Light Tower Rentals.
Lyophilization Services of New England Inc.. [8]	10.5%	$ 5.1	$ 5.1	$ 5.1	A Manchester, New Hampshire based contract manufacturing organization focused on providing lyophilization services to biotech, pharmaceutical and medical device manufacturers. CEP III owns 31.5% of LSNE.
N-Brook Mortgage L.P. [9]	14.7%	$ 5.0	$ 5.0	$ 5.3	A company that originates, adjudicates and underwrites mortgages in Ontario, BC, Manitoba and Alberta, Canada. CEP owns 44.1% of N-Brook.
Shepell·fgi [10]	19.2%	$ 6.6	$ 5.9	$ 14.7	A provider of employee assistance programs in Canada and the United States. CEP owns 57.6% of Shepell·fgi.
Tsuu T'ina Gaming Limited Partnership[11]	Debt interest and profit participation	$ 5.6	$ 5.6	$ 6.5	A charitable casino on Tsuu T'ina First Nation reserve lands, located southwest of the city of Calgary. CEP also has a debt interest and profit participation in Tsuu T'ina.
Van-Rob Inc.[12]	5.0%	$ 5.0	$ 5.0	$ 5.0	A supplier of metal stampings and welded assemblies to the North American auto sector. CEP owns 15.0% of Van-Rob.
Wellington Financial Fund II[13]	24.1%	$ 1.9	$ (3.4)	$ 2.6	Provides debt capital and operating lines to technology, biotechnology, communications and industrial product companies.
Wellington Financial Fund III[14]	19.9%	$ 14.5	$ 13.1	$ 15.0	Provides debt capital and operating lines to technology, biotechnology, communications and industrial product companies.
OTHER INVESTMENTS		**$ 5.3**	**$ (8.9)**	**$ 2.1**	
TOTAL INVESTMENTS		**$ 106.4**	**$ 8.8**	**$ 185.4**	

(1) Clairvest owns 250,000 common shares in Casino Marina del Sol.
(2) Clairvest owns 28.4% of a limited partnership that owns Gateway Casinos. The net proceeds position is $51.0 million at March 31, 2008 as a result of $66.4 million of loans received from Gateway Casinos, and $8.6 million in distributions received.
(3) Clairvest owns 5,872,132 Class A voting common shares in Integral Orthopedics and provided a $0.5 million bridge loan to Integral Orthopedics.
(4) Clairvest owns 2,150,000 Class A voting common shares in Kubra.
(5) Clairvest owns 1,906,250 10% cumulative convertible preferred shares and 446,858 common shares in Landauer.
(6) Clairvest has provided a loan of US$5.0 million to Latin Gaming, bearing interest at 5% per annum.
(7) Clairvest owns 5,841,250 convertible preferred shares in Light Tower Rentals.
(8) Clairvest owns 5,000,000 10% cumulative convertible preferred shares in LSNE.
(9) Clairvest has funded $5.0 million to N-Brook in the form of partnership units and warehouse loans.
(10) Clairvest owns 5,902,985 limited partnership units in Shepell·fgi.
(11) Clairvest has funded $5.6 million to Tsuu T'ina by way of a 16% debenture.
(12) Clairvest owns 5,000,000 Class A special convertible shares in Van-Rob.
(13) Clairvest has funded $13.6 million to Wellington Fund II and has received return of capital totalling $11.7 million for a net investment at March 31, 2008 of $1.9 million. The net cash investment is reduced by $5.3 million of income distributions received.
(14) Clairvest has committed to fund $25.0 million to Wellington Fund III, $14.5 million of which was funded at March 31, 2008. The net cash investment is reduced by $1.4 million of income distributions received.
(15) Ownership percentage calculated on a fully diluted basis at March 31, 2008.
(16) Net cash investment is cost net of dividends, interest and other distributions received but excludes advisory and other fees received.
(17) The determination of fair value incorporates the quoted market value of Clairvest's publicly-traded investments, and an estimate of fair value for privately-held investments.

FINANCIAL HIGHLIGHTS

Selected Financial Performance Measures

Year ended March 31, ($000's, except per share amounts)	2008	2007	2006
Financial Performance Measures			
Net realized gains (losses) on corporate investments	**$ 53,627**	$ (21,903)	$ 4,239
Previously recognized net unrealized losses (gains)	**(28,495)**	17,054	(3,516)
Net unrealized gains on corporate investments	**25,250**	23,866	2,056
Net income	**38,243**	18,265	2,248
Basic net income per share	**2.40**	1.14	0.12
Fully diluted net income per share	**2.34**	1.11	0.11
Dividends declared per share	**0.10**	0.10	0.10
Financial Condition Measures			
Total assets	**$ 398,550**	$ 314,610	$ 287,972
Total cash, cash equivalents and temporary investments	**185,208**	90,286	114,292
Total corporate investments	**185,390**	207,929	164,330
Total liabilities	**127,771**	81,027	38,035

Income Statement Highlights

Clairvest's operating results reflect revenue realized from our corporate investments and unrealized appreciation and depreciation in the value of our corporate investments. These results are net of all costs incurred to manage these assets. The operating results of CEP and CEP III are not included in Clairvest's operating results.

Net income for the year ended March 31, 2008 was $38.2 million, versus $18.3 million for the year ended March 31, 2007 and $2.2 million for the year ended March 31, 2006.

Clairvest had realized gains on investments of $53.6 million in fiscal 2008 versus realized losses of $21.9 million in fiscal 2007 and realized gains of $4.2 million in fiscal 2006. The realized gains in 2008 resulted from the realization of Clairvest's interests in Gateway Income Fund, Voxcom and Winter Bros., net of the sale of Datamark. The loss on Datamark resulted from sale proceeds being less than the $14.8 million cost of the investment. Over the life of the investment, Clairvest had received tax-free dividends in excess of the cost of the investment such that Clairvest made a positive after tax return on the capital invested. The realized loss in 2007 resulted from the realization of Clairvest's interests in NRI Industries and Consolidated Vendors, net of gains from the sale of Allied and the partial release of amounts held in escrow following the sale of Signature Security Group Holdings Pty Limited ("Signature") in fiscal 2006. The realized gains in 2006 resulted from the sale of Clairvest's interest in Signature and gains on the sale of the remainder of warrants that were distributed to Clairvest on the wind up of Wellington Financial Fund I ("Wellington Fund I").

Clairvest reversed previously recognized unrealized gains of $28.5 million in fiscal 2008 versus previously recognized unrealized losses of $17.1 million in fiscal 2007 and previously recognized unrealized gains of $3.5 million in fiscal 2006. Previously recognized unrealized gains that were reversed in fiscal 2008 relate to unrealized gains that were recognized in fiscal 2007 and prior years primarily with respect to Gateway Income Fund, Voxcom and Winter Bros., net of unrealized losses that were recognized in fiscal 2007 and prior years primarily with respect to the sale of Datamark. Previously recognized unrealized losses that were reversed in fiscal 2007 relate to unrealized losses that were recognized in fiscal 2006 and prior years primarily with respect to NRI Industries Inc. and Consolidated Vendors Corporation, net of unrealized gains that were recognized in fiscal 2006 and prior years with respect to Allied Global Holdings Inc. Previously recognized unrealized gains that were reversed in fiscal 2006 relate primarily to unrealized gains that were recognized in fiscal 2005 and prior years with respect to the warrants received on the wind up of Wellington Fund I that were sold in fiscal 2006.

Clairvest had net unrealized gains on investments of $25.3 million in fiscal 2008 versus $23.9 million in fiscal 2007 and $2.1 million in fiscal 2006. Unrealized gains/losses result from changes in the fair value of the investments from one year to the next. The unrealized gains/losses on investments are summarized as follows:

Unrealized Gains (Losses) on Investments ($000's)

Year ended March 31,	**2008**	2007	2006
Investments in Publicly-traded Companies			
Datamark Systems Group Inc.	**$ —**	$ (3,142)	$ (1,643)
Gateway Casinos Income Fund	**—**	6,833	(5,216)
Voxcom Income Fund	**—**	95	4,018
	—	3,786	(2,841)
Investments in Privately-held Companies			
Allied Global Holdings Inc.	**—**	—	432
Consolidated Vendors Corporation	**—**	—	(788)
Gateway Casinos Inc.	**26,513**	16,492	8,312
Integral Orthopedics Inc.	**(6,322)**	—	—
Kubra Data Systems Ltd.	**—**	1,100	—
Landauer Metropolitan Inc.	**295**	334	284
Lyophilization Services of New England Inc.	**7**	—	—
NRI Industries Inc.	**—**	(6)	(5,000)
Shepell·fgi	**6,781**	1,360	_
Wellington Financial Fund II	**(624)**	284	1,345
Wellington Financial Fund III	**168**	270	—
Winters Bros. Waste Systems Inc.	**—**	559	—
	26,818	20,393	4,585
Other Investments	**(1,568)**	(313)	312
	$ 25,250	$ 23,866	$ 2,056

Further details on unrealized gains/losses on investments can be found in the discussion of Clairvest's corporate investments below.

Net income in fiscal 2008 included distributions and interest income of $17.9 million, dividend income of $0.2 million, management fees from CEP of $1.4 million, advisory and other fees from Clairvest investee companies of $1.4 million, general and administration expenses of $26.7 million, finance and foreign exchange expense of $2.5 million and income tax expense of $3.9 million. Included in distributions and interest income was $4.2 million in priority distributions from CEP III to a wholly-owned subsidiary of Clairvest which is a General Partner of CEP III ("GP I"). Included in general and administrative expenses was a $10.5 million corporate bonus accrual under Clairvest's Incentive Bonus Program.

Net income in fiscal 2007 included distributions and interest income of $15.1 million, dividend income of $5.8 million, management fees from CEP of $1.2 million, advisory and other fees from Clairvest investee companies of $2.4 million, general and administration expenses of $11.3 million, loss on temporary investments of $10.0 million, finance and foreign exchange expense of $4.0 million and income tax expense of $0.1 million. Included in distributions and interest income was $3.0 million in priority distributions from CEP III to GP III. Included in dividend income was a $4.7 million tax-free dividend from Datamark.

Net income in fiscal 2006 included interest income of $8.1 million, dividend income of $0.9 million, management fees from CEP of $2.3 million, advisory and other fees from Clairvest investee companies of $1.7 million, general and administration expenses of $8.7 million, finance and foreign exchange expense of $3.2 million and income tax expense of $1.6 million. Included in general and administrative expenses was a $3.5 million accrual with respect to Clairvest's stock option plan, as a result of an amendment to the stock options plan so to allow a cash settlement of stock options.

Balance Sheet Highlights

Total assets at March 31, 2008 were $398.6 million, an increase of $84 million from $314.6 million at March 31, 2007. The increase in total assets was primarily due to net income of $37.6 million and loans totalling $53.0 million received from Gateway Casinos during the year.

With $185.2 million in cash, cash equivalents and temporary investments, Clairvest has sufficient capital to support its current and anticipated investments. In addition, Clairvest has a $20.0 million credit facility with a Canadian chartered bank. The facility is unsecured and bears interest at the bank prime rate plus 0.5%. The line of credit available at March 31, 2008 is $18.2 million and is based on debt covenants within the banking arrangement.

As is typical of a merchant bank, Clairvest's main asset is its corporate investments. Corporate investments decreased $22.5 million to $185.4 million at March 31, 2008. The decrease is comprised primarily of:

- The sale of Gateway Income Fund with a fair value of $47.6 million at March 31, 2007;
- The sale of Voxcom with a fair value of $15.6 million at March 31, 2007;
- The sale of Datamark with a fair value of $9.8 million at March 31, 2007;
- The sale of Winter Bros. with a fair value of $5.1 million at March 31, 2007; partially offset by
- Net unrealized gains on investments of $25.4 million;
- A $10.4 million investment in Casino del Sol;
- A $5.9 million investment in Light Tower;
- A $5.1 million investment in LSNE;
- Bridge loan totalling $5.0 million to Latin Gaming; and
- Net follow on investments totalling $10.8 million in existing investments.

Corporate investments increased $43.6 million to $207.9 million from March 31, 2006 to March 31, 2007.

A discussion on the activity in each corporate investment for the year ended March 31, 2008 follows.

Gateway Casinos Income Fund

During the year, Clairvest sold its interests in Gateway Income Fund for cash proceeds of $66.7 million. Clairvest's total realized gain on this investment was $33.8 million, of which $26.6 million had been recognized in unrealized gains in previous years.

Datamark Systems Group Inc.

During fiscal 2008, Clairvest sold its interest in Datamark to Komunik for a combination of $6.4 million in cash and 1,546,473 shares of Komunik. The cost assigned to the Komunik shares is the pro-rata portion of the cost on the Datamark shares and is included in other investments. Clairvest recognized a realized loss of $3.4 million on the sale, of which $3.1 million had been recognized in unrealized losses in previous years. Over the life of the investment, Clairvest had received tax-free dividends in excess of the cost of the investment such that Clairvest made a positive after tax return on the $14.8 million capital invested.

Voxcom Income Fund

During fiscal 2008, Clairvest sold its interest in Voxcom for cash proceeds of $21.8 million. Clairvest's total realized gain on this investment was $10.6 million, of which $4.5 million had been recognized in unrealized gains in previous years.

Casino Marina del Sol

During the year, Clairvest, through Canadian and Chilean acquisition entities, acquired 250,000 common shares of Casino del Sol for $10.4 million. 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's ownership of both acquisition vehicles was 25% at March 31, 2008, with CEP III owning the remaining 75%.

The fair value of $11.6 million at March 31, 2008 compares to cost of $10.4 million.

Gateway Casinos Inc.

During the year, 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 loans totalling $50.6 million from Gateway Casinos on the completion of the transaction and a further $2.4 million on the release of certain escrow proceeds. 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. 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.

Included in loans payable at March 31, 2008 are loans payable to Gateway Casinos totaling $99.3 million. 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.

Integral Orthopedics Inc.

At March 31, 2008, Clairvest owned 5,347,132 Class A voting common shares of Integral Orthopedics. During the year, Clairvest acquired an additional 525,000 Class A voting common shares for $0.5 million and advanced $0.5 million in the form of promissory notes. The promissory notes are non-interest bearing, $0.3 million of which is repayable on April 30, 2008 and the remaining $0.2 million is repayable June 30, 2008.

During the year, Clairvest reduced the fair value of Integral Orthopedics to nil as a result of a significant deterioration in the financial condition of Integral. The cost of the investment as at March 31, 2008 was $6.3 million.

Kubra Data Transfer Ltd.

At March 31, 2008, Clairvest owned 2,150,000 Class A Voting Common Shares of Kubra Data Transfer Ltd. ("Kubra"). The fair value of Kubra of $3.2 million compares to a cost of $2.1 million. The increase in fair value over cost arises due to an entitlement by Clairvest of $1.1 million from a related party of Clairvest upon the realization of the investment in Kubra.

Landauer Metropolitan Inc. ("Landauer")

At March 31, 2008, Clairvest, through its wholly-owned subsidiary, owned 1,906,250 10% cumulative convertible preferred shares and 446,858 common shares in Landauer.

The fair value of $3.8 million at March 31, 2008 compares to a cost of $3.6 million.

Latin Gaming Osorno S.A.

During the year, Clairvest provided a loan of US$5.0 million to Latin Gaming, bearing 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 the Company did not receive the necessary regulatory approval to invest in Latin Gaming. The fair value of $5.2 million at March 31, 2008 compares to a cost of $5.0 million.

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

Light Tower Rentals Inc.

During the year, Clairvest acquired 5,841,250 Series A convertible preferred shares in Light Tower for $5.9 million. The fair value of $6.0 million at March 31, 2008 compares to cost of $5.9 million.

Lyophilization Services of New England Inc.

During the year, Clairvest acquired 5,000,000 Series A 10% cumulative convertible preferred shares in LSNE for $5.1 million. The fair value of $5.1 million at March 31, 2008 compares to a cost of $5.0 million.

Subsequent to year end, Clairvest acquired a further 1,406,000 Series A 10% cumulative convertible preferred shares in LSNE for $1.4 million.

N-Brook Mortgage LP ("N-Brook")

At March 31, 2008, Clairvest had fully funded its $5.0 million commitment to N-Brook. The fair value of $5.3 million compares to a cost of $5.0 million at March 31, 2008.

Shepell·fgi

At March 31, 2008, Clairvest, through its wholly-owned subsidiaries, owned 5,902,985 units of Shepell·fgi. The fair value of $14.7 million at March 31, 2008 compares to a cost of $6.6 million.

Subsequent to year 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 over the next 25 months. 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.

Tsuu T'ina Gaming Limited Partnership

At March 31, 2008, Clairvest had fully funded its $5.6 million commitment in Tsuu T'ina. The Company's investment is being made in the form of subordinated debt with a 16% coupon, and entitlement to between 3.8% and 12.8% of the earnings of the casino once it is operating, for a period of 15 years.

The fair value of $6.5 million at March 31, 2008 compares to a cost of $5.6 million.

Van-Rob Inc. ("Van-Rob")

At March 31, 2008, Clairvest owned 5,000,000 Class A special convertible shares in Van-Rob. The fair value of $5.0 million at March 31, 2008 compares to a cost of $5.0 million.

Wellington Financial Fund II

At March 31, 2008, Clairvest had funded $13.6 million of its $20.0 million commitment to Wellington Fund II. As a result of the closing of Wellington Fund III, the unfunded capital commitments to Wellington Fund II may no longer be called. Clairvest has received return of capital totaling $11.7 million to March 31, 2008, for a net investment in Wellington Fund II of $1.9 million.

The fair value of Clairvest's investment in Wellington Fund II decreased $4.0 million to $2.6 million at March 31, 2008. The decrease is primarily comprised of the $3.4 million return of capital and $1.7 million in income distributed during the year.

The fair value of $2.6 million compares to a cost of $1.9 million at March 31, 2008. The net cash investment at March 31, 2008 was a $3.4 million net proceeds position as a result of income distributions totalling $5.3 million received to March 31, 2008.

Wellington Financial Fund III

At March 31, 2008, Clairvest had funded $14.5 million of its $25.0 million commitment to Wellington Fund III.

The fair value of $15.0 million compares to a cost of $14.5 million at March 31, 2008. The net cash investment at March 31, 2008 was $13.1 million as a result of income distributions totaling $1.4 million received to March 31, 2008.

Winters Bros. Waste Systems Inc.

During the year, Clairvest sold its interest in Winters Bros. for cash proceeds of $16.0 million. Clairvest's total realized gain on this investment was $11.7 million, of which $0.6 million had been recognized in unrealized gains in previous years.

TRANSACTIONS WITH RELATED PARTIES

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. 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 another 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 of CEP 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 or GP III from corporate investments of CEP. During fiscal 2008, CEP paid Clairvest net management fees of $1.4 million as compensation for its services in the administration of the portfolio of CEP. As per the Management Agreement, fees of $0.7 million from corporate investments of CEP were netted against the management fees.

The General Partner of CEP is entitled to participate in distributions made by CEP equal to 20% of net gains of CEP. The 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 amounts equal to the sum of their contributed capital and a return equal to 6% per annum compounded annually. 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.

Loans totalling $21.0 million, bearing interest at the prime rate, were made by the Company to CEP during fiscal 2008, of which $2.0 million was outstanding at March 31, 2008. The loans were repaid in full subsequent to year end. Interest of $84,000 was earned by Clairvest on the loans during fiscal 2008.

Clairvest has guaranteed up to $7.0 million of CEP's obligations to the Toronto-Dominion Bank under CEP's foreign exchange forward contracts with the bank.

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 ultimate 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 year, CEP III paid GP I net priority distributions of $4.2 million. As per the Limited Partnership Agreement, fees of $0.3 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 distributions to GP II, and GP I as noted above, will be determined based on the overall performance of CEP III. No such distributions are permitted until CEP III's limited partners have received amounts equal to the sum of their contributed capital and a return equal to 8% per annum compounded annually. 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 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.

Loans totalling $69.5 million, bearing interest at the prime rate, were made by the Company to CEP III during fiscal 2008, of which $17.5 was outstanding at March 31, 2008. Interest of $360,000 was received from CEP III during fiscal 2008. $15.9 million of these loans were repaid subsequent to year end.

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.

Clairvest has also entered into various transactions with its corporate investments. During fiscal 2008 Clairvest earned $7.4 million in distributions and interest and $1.5 million in advisory and other fees from its corporate and temporary investments. During fiscal 2008, Clairvest paid $1.3 million in interest on loans made to Clairvest by Gateway Casinos. At March 31, 2008, Clairvest had accounts receivable from corporate investments totalling $2.7 million and accounts payable to corporate investments totalling $0.4 million.

At March 31, 2008, Clairvest had loans receivable from certain officers of the Company or officers of corporate investments (the "Officers") totalling $0.7 million. The loans have full recourse 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. Interest of $58,000 was received during fiscal 2008.

SUMMARY OF QUARTERLY RESULTS

($000's except per share information)	Gross Revenue $	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	1.21
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	0.91	0.89
June 30, 2006	(6,368)	(16,400)	(0.99)	(0.99)

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

FOURTH QUARTER 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.

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 $2.5 million upward adjustment to the fair value of Clairvest's investment in Gateway Casinos Inc. ("Gateway Casinos") on additional proceeds received by Gateway Casinos on the release of certain escrow proceeds in excess of

the carrying value of Clairvest's investment in Gateway Casinos;

- 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.

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 Agreements.

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 Clairvest's corporate investments, other than those in which it co-invested with CEP III, 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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of Clairvest's consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expenses during the reporting period. On an on-going basis, management reviews its estimates and assumptions. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates. The critical accounting estimates that have a material impact on Clairvest's consolidated financial statements are with respect to corporate investments and future tax liability.

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 as the value 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.

RISK MANAGEMENT

The merchant banking business is about accepting risk for return, and is therefore affected by a number of economic factors, including changing economic environments, capital markets and interest rates. As a result, the Company faces various risk factors, inherent in its normal business activities. These risk factors and their management are described below.

Credit Risk, Market Risk and Liquidity Risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. Market risk includes exposure to fluctuations in interest rates, currency rates and the fair value of the Company's investments. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due.

The Company manages credit and market risk on corporate investments through thoughtful planning, strict investment criteria, significant due diligence of investment opportunities and active involvement with existing investments and by conducting activities in accordance with investment policies that are approved by the Board of Directors. Management's application of these policies is regularly monitored by the Board of Directors. Management and the Board of Directors review the financial condition of investees periodically.

The Company has minimal exposure to the financial markets, as approximately 0.3% of the fair value of the Company's investments at March 31, 2008, was in publicly-traded companies. The Company is a value investor and focuses on the intrinsic value related to the specific company's outlook and therefore acts independently of the overall valuation by the market. The entry multiples for its public holdings have generally been less than other public companies in the same industries and therefore the cost of these holdings have a value cushion in the event of any general market value fluctuations.

The Company has implemented a hedging strategy because it has, directly and indirectly, several investments outside of Canada, currently in the United States and in Chile. In order to limit its exposure to changes in the value of foreign denominated currencies relative to the Canadian dollar, Clairvest hedges 100% of the cost of its foreign investments. The Company manages credit risk on derivative financial instruments and cash and cash equivalents by only contracting with counterparties which are Schedule 1 Canadian chartered banks.

Fluctuations in interest rates affect the Company's income derived from cash, cash equivalents, and temporary investments. The Company manages interest rate risk and credit risk on cash, cash equivalents and temporary investments by conducting activities in accordance with the fixed income investment policies that are approved by the Audit Committee. Management's application of these policies is regularly monitored by the Audit Committee. Management and the Audit Committee review credit quality of temporary investments periodically.

Clairvest believes its liquidity risk is minimal given its financial position.

Business Risk

The Company faces a broad range of business risks including internal control risks and various forms of litigation. The Company, its Audit Committee and its Board of Directors monitor risks on an ongoing basis.

DERIVATIVE FINANCIAL INSTRUMENTS

Clairvest enters into foreign exchange forward contracts to hedge its exposure to exchange rate fluctuations on its investments. Clairvest is required to mark to market its foreign-denominated investments, as well as the foreign exchange forward contracts entered into as hedges against Clairvest's investments.

Derivative instruments were valued at $1.4 million liability at March 31, 2008 versus $0.3 million liability at March 31, 2007.

UPDATED SHARE INFORMATION

At March 31, 2008, Clairvest had 15,943,566 common shares issued and outstanding. At March 31, 2008, Clairvest had 1,112,000 stock options outstanding, 643,200 of which were exercisable at March 31, 2008. Each option is exercisable for one common share.

During fiscal 2008, Clairvest did not purchase nor cancel any common shares under its normal course issuer bid. As at June 24, 2008, Clairvest had purchased a total of 2,544,424 common shares under this, and previous, normal course issuer bids at a total cost of $21.9 million.

During fiscal 2008, 560,600 options were exercised, 40,000 of which were exercised for shares, increasing share capital by $0.5 million. The remaining 520,600 options were exercised under the cash settlement plan and had no impact on share capital.

Clairvest paid cash dividends of $0.10 per share on the common shares and non-voting shares in each of fiscal 2008, fiscal 2007 and fiscal 2006.

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. Also subsequent to year end, Clairvest also declared an annual dividend of $1.6 million, or $0.10 per share. The dividend will be payable to common shareholders of record as of July 11, 2008. The dividend will be paid on July 28, 2008. Both dividends are ineligible dividends for Canadian income tax purposes.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

In accordance with Multilateral Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators ("CSA"), 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.

Multilateral Instrument 52-109 also requires certification from the Chief Executive Officers and Chief Financial Officer to certify their responsibilities for establishing and maintaining internal controls with regards to the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles. 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.

MANAGEMENT'S REPORT

The consolidated financial statements of Clairvest Group Inc. were prepared by management, which is responsible for the integrity and fairness of the financial information presented. These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The financial information contained elsewhere in the annual report has been reviewed to ensure consistency with the consolidated financial statements.

Management maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded, that transactions are properly authorized and that financial records are properly maintained to facilitate the preparation of financial statements in a timely manner. Management believes that existing internal controls are appropriate to meet these objectives.

The Board of Directors carries out its responsibility for the financial statements in this annual report principally through its Audit Committee. The Audit Committee, comprised of three non-management Directors, meets periodically with management and with external auditors to discuss the scope and results with respect to financial reporting of the Company. The Audit Committee has reviewed the consolidated statements with management and with the independent auditors. The consolidated financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.

Ernst & Young LLP, appointed external auditors by the shareholders, have audited the consolidated financial statements and their report is included herewith.

B. Jeffrey Parr
Co-Chief Executive Officer and Managing Director

Lana Reiken
Chief Financial Officer and Corporate Secretary

AUDITORS' REPORT

To the Shareholders of Clairvest Group Inc.

We have audited the consolidated balance sheets of Clairvest Group Inc. as at March 31, 2008 and 2007 and the consolidated statements of income, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Canada,
June 12, 2008

CONSOLIDATED BALANCE SHEETS

As at March 31

$000's	2008	2007
ASSETS		
Cash and cash equivalents (note 13)	**$ 57,320**	$ 13,981
Temporary investments (note 3)	**127,888**	76,305
Accounts receivable and other assets (note 4(e))	**6,799**	3,768
Income taxes recoverable	**—**	10,803
Loans receivable (notes 4(f) and 4(g))	**19,475**	1,824
Future tax asset	**1,678**	—
Corporate investments (note 6)	**185,390**	207,929
	$ 398,550	$ 314,610
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities (notes 4(e) and 12)	**$ 15,524**	$ 3,473
Income taxes payable	**3,375**	—
Loans payable (note 8)	**99,340**	68,766
Derivative instruments (note 14(b))	**1,405**	300
Future tax liability	**2,604**	4,062
Stock-based compensation (note 12)	**5,523**	4,426
	127,771	81,027
Contingencies, commitments and guarantees (notes 4, 6, 14 and 16)		
SHAREHOLDERS' EQUITY		
Share capital (note 11)	**82,713**	82,166
Retained earnings	**188,066**	151,417
	$ 270,779	$ 233,583
	$ 398,550	$ 314,610

(see accompanying notes to consolidated financial statements)

On behalf of the Board:

PHILIP S. ORSINO
Director
Clairvest Group Inc.

JOSEPH J. HEFFERNAN
Director
Clairvest Group Inc.

CONSOLIDATED STATEMENTS OF INCOME

For the years ended March 31

$000's (except per share information)	2008	2007
NET INVESTMENT GAINS		
Net realized gains (losses) on investments (note 5)	**$ 25,132**	$ (4,849)
Net unrealized gains on investments	**25,250**	23,866
	50,382	19,017
OTHER INCOME		
Distributions and interest income (note 4(j))	**17,908**	15,149
Dividend income (note 4(j))	**216**	5,842
Management fees (note 4(a))	**1,356**	1,220
Advisory and other fees (notes 4(a) and 4(j))	**1,475**	2,386
	20,955	24,597
EXPENSES		
Administration and other expenses	**26,710**	11,279
Loss on temporary investments	**—**	10,000
Finance and foreign exchange expense (note 4(j))	**2,530**	3,979
	29,240	25,258
Income before income taxes	**42,097**	18,356
Income tax expense (note 10)	**3,854**	91
Net income	**$ 38,243**	$ 18,265
Basic net income per share (note 11)	**$ 2.40**	$ 1.14
Fully diluted net income per share (note 11)	**$ 2.34**	$ 1.11

(see accompanying notes to consolidated financial statements)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

For the years ended March 31

$000's	2008	2007
Retained earnings, beginning of year	**$ 151,417**	$ 146,441
Net income	**38,243**	18,265
	189,660	164,706
Dividends paid	**(1,594)**	(1,590)
Purchase and cancellation of shares (note 11)	**—**	(11,699)
Retained earnings, end of year	**$ 188,066**	$ 151,417

(see accompanying notes to consolidated financial statements)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31

$000's	2008	2007
OPERATING ACTIVITIES		
Net income for the year	**$ 38,243**	$ 18,265
Add (deduct) items not involving a current cash outlay		
Amortization of fixed assets	**77**	40
Stock-based compensation expense	**1,097**	843
Future income tax expense (recovered)	**(3,136)**	6,216
Net realized losses (gains) on investments	**(25,132)**	4,849
Net unrealized gains on investments	**(25,250)**	(23,866)
Loss on temporary investments	**—**	10,000
Non-cash items relating to corporate investments	**(1,039)**	(194)
	(15,140)	16,153
Net change in non-cash working capital balances related to operations (note 13)	**23,121**	(11,072)
Cash provided by operating activities	**7,981**	5,081
INVESTING ACTIVITIES		
Acquisition of corporate investments	**(42,361)**	(43,190)
Proceeds on sale of corporate investments	**113,380**	7,115
Return of capital from corporate investments	**3,392**	11,785
Proceeds on realization of foreign exchange forward contracts	**654**	65
Net proceeds on sale (acquisition) of temporary investments	**(51,583)**	15,307
Loans advanced (notes 4(f) and 4(g))	**(90,555)**	(41,755)
Receipt of loans advanced (notes 4(f) and 4(g))	**72,904**	40,731
Cash provided by (used in) investing activities	**5,831**	(9,942)
FINANCING ACTIVITIES		
Cancellation of share capital (note 11)	**—**	(569)
Issuance of share capital (note 11)	**547**	540
Issuance of loans	**53,530**	18,918
Repayment of loans	**(22,956)**	(10,852)
Cash dividends paid	**(1,594)**	(1,590)
Cash provided by financing activities	**29,527**	6,447
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**43,339**	1,586
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**13,981**	12,395
CASH AND CASH EQUIVALENTS, END OF YEAR (NOTE 13)	**$ 57,320**	$ 13,981
SUPPLEMENTAL CASH FLOW INFORMATION		
Income taxes paid	**$ 810**	$ 7,976
Interest paid	**$ 2,063**	$ 3,525

(see accompanying notes to consolidated financial statements)

1. NATURE OF ACTIVITIES

Clairvest Group Inc. ("Clairvest" or the "Company") is a Canadian merchant bank publicly traded on the Toronto Stock Exchange. The Company, which operates in only one business segment, actively seeks to form mutually beneficial investments with entrepreneurial corporations. Clairvest contributes financing and strategic expertise to support the growth and development of its investees in order to create realizable value for all shareholders. Clairvest is incorporated under the laws of the Province of Ontario.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries that exist for investing purposes. All significant intercompany amounts and transactions have been eliminated upon consolidation.

Changes in Accounting Policies

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 had no impact on Clairvest's consolidated financial statements for the year ended March 31, 2008.

Effective fiscal 2008, the Company also adopted CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement"; Section 1530, "Comprehensive Income"; and Section 3861, "Financial Instruments – Disclosure and Presentation". These sections were adopted retrospectively without restatement of prior periods.

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" ("AcG-18"), 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 in the period in which they occur. The impact of the adoption of Section 3855 to Clairvest's consolidated financial statements for the year ended March 31, 2008 was not material.

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

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

Future Accounting Changes

The CICA has issued the following standards which are applicable to the Company beginning April 1, 2008:

- Section 1535, "Capital Disclosures", which requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the Company's objectives, policies and processes for managing capital.
- Section 3862, "Financial Instruments – Disclosures", which requires the disclosure of the significance of financial instruments for the Company's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.
- Section 3863, "Financial Instruments – Presentation", which requires the disclosure of the significance of financial instruments to an entity's financial position, performance and cash flows.

Management is in the process of assessing the nature and extent of disclosures that will be required under these new sections.

Significant Accounting Policies

The following is a summary of the significant accounting policies of the Company:

(a) Temporary Investments and Corporate Investments

In accordance with 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 as the value 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.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with maturities of less than 90 days from the date of acquisition. Cash equivalents consist of money market funds, bankers' acceptances and short-term corporate bonds.

(c) Foreign Currency Translation

Income and expenses denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars at exchange rates in effect at the consolidated balance sheet dates. Non-monetary assets and liabilities are translated at historical rates. Exchange gains and losses are included in income in the period in which they occur.

(d) Derivative Financial Instruments

The Company periodically enters into foreign exchange forward contracts to hedge its exposure to exchange rate fluctuations on its foreign currency denominated investments. Such forward contracts and their underlying investments are valued at exchange rates at each consolidated balance sheet date.

(e) Income Recognition

Realized gains or losses on disposition of corporate investments and unrealized gains or losses in the value of corporate investments are reflected in the consolidated statements of income. Management fees and advisory and other fees are recorded as income on an accrual basis when the services are performed. Distributions and interest income are recognized on an accrual basis and dividend income is recognized on the ex-dividend date.

(f) Future Income Taxes

The Company records future income tax expense using the asset and liability method. Under this method, future income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their respective income tax bases, as well as certain carry-forward items. Future income tax assets and liabilities are determined for each temporary difference based on the income tax rates that are expected to be in effect when the asset or liability is settled. 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.

(g) Stock-based Compensation Plan

The Company's stock option plan allows a cash settlement of stock options. As a result, compensation expense is recognized and recorded as a liability based on the intrinsic value of the outstanding stock options at the consolidated balance sheet dates and the proportion of their vesting periods that have elapsed. On the exercise of stock options for shares, the liability recorded with respect to the options and consideration paid by the employees is credited to share capital. On the exercise of stock options for cash, the liability recorded is reversed and the balance taken to income.

(h) Deferred Share Unit Plan

Directors of the Company may elect to receive all or a portion of their compensation in deferred share units ("DSUs"). On the date directors fees are payable, the number of DSUs to be credited to a participant is determined by dividing the amount of the fees to be received by way of DSUs by the market value of a Clairvest common share on the Toronto Stock Exchange. Upon redemption of DSUs, the Company pays to the participant a lump sum cash payment equal to the number of DSUs to be redeemed multiplied by the market value of a Clairvest common share on the Toronto Stock Exchange on the redemption date. A participant may redeem his or her DSUs only following termination of board service.

Under the Company's DSU plan, the fair value of the DSUs is charged to directors compensation expense based on the number of DSUs outstanding at the consolidated balance sheet dates multiplied by the market value of a Clairvest common share on the Toronto Stock Exchange at the consolidated balance sheet dates.

During fiscal 2008, the DSU Plan was amended to facilitate the issuance of Appreciation Deferred Share Units ("Appreciation DSUs") to the directors of the Company. Upon redemption of the Appreciation DSUs, the Company pays to the participant a lump sum cash payment equal to the number of Appreciation DSUs to be redeemed multiplied by the difference between the market value of a Clairvest common share on the Toronto Stock Exchange on the redemption date and the market value of a Clairvest common share on the Toronto Stock Exchange on the grant date. A participant may redeem his or her Appreciation DSUs only following termination of board service. Under the Company's DSU plan, the fair value of the Appreciation DSUs is charged to directors compensation expense based on the number of Appreciation DSUs outstanding at the consolidated balance sheet dates multiplied by the difference between the market value of a Clairvest common share on the Toronto Stock Exchange at the consolidated balance sheet date and the market value of a Clairvest common share on the Toronto Stock Exchange on the grant date.

(i) Book Value Appreciation Rights Plan

The Company may elect to issue all or a portion of the individual's stock option grant by way of book value appreciation rights units ("BVARs"). Upon the redemption of BVARs, the Company pays to the participant a lump sum cash payment equal to the number of BVARs to be redeemed multiplied by the increase in book value per share between the grant date and the redemption date. The BVARs vest over a five-year period and the participant may only redeem his or her BVARs at the earlier of (i) five years from the grant date or (ii) cessation of employment with the Company.

As the Company's BVAR plan is a cash settled plan, the fair value of the BVARs is charged to compensation expense and recorded as a liability over the BVAR vesting period based on the book value per share at the consolidated balance sheet date of the prior quarter.

(j) Net Income Per Share

Basic net income per share is determined by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Fully-diluted net income per share is determined in accordance with the treasury stock method and is based on the weighted average number of common shares and dilutive common share equivalents outstanding during the year.

(k) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting periods. Actual results could differ from those estimates.

3. TEMPORARY INVESTMENTS

Temporary investments have maturities greater than 90 days and through to February 2011. Temporary investments consist of corporate notes, debentures and preferred shares. The yield on these investments ranges between 3.2% and 12.0%

(2007 – between 4.2% and 12.0%) with a weighted average rate of pre-tax return of 4.0% (2007 – 4.6%). The composition of Clairvest's temporary investments at March 31 was as follows:

	2008				2007
	No specific maturity	**Due in 1 year or less**	**Due in 1 – 3 years**	**Fair value**	Fair value
Bankers' acceptance	**$ —**	**$ 20,924**	**$ —**	**$ 20,924**	$ —
Bonds	**—**	**29,436**	**18,520**	**47,956**	72,921
Preferred shares	**—**	**5,516**	**298**	**5,814**	1,772
Money market mutual funds	**51,874**	**—**	**—**	**51,874**	—
Corporate debentures	**1,320**	**—**	**—**	**1,320**	1,612
	$ 53,194	**$ 55,876**	**$ 18,818**	**$ 127,888**	$ 76,305

4. RELATED PARTY TRANSACTIONS

(a) Clairvest has entered into a Management Agreement with the General Partner of Clairvest Equity Partners Limited Partnership ("CEP"), appointing Clairvest as the Manager of CEP. The General Partner is a wholly-owned subsidiary of Clairvest. 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 another 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 of CEP 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 or GP III from corporate investments of CEP. During fiscal 2008, CEP paid Clairvest net management fees of $1.4 million (2007 – $1.2 million) as compensation for its services in the administration of the portfolio of CEP. As per the Management Agreement, fees of $0.7 million (2007 – $1.2 million) from corporate investments of CEP were netted against the management fees.

(b) The General Partner of CEP is entitled to participate in distributions made by CEP equal to 20% of net gains of CEP. The 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 amounts equal to the sum of their contributed capital and a return equal to 6% per annum compounded annually. 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 ultimate 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 year, CEP III paid GP I net priority distributions of $4.2 million (2007 – $3.0 million). As per the Limited Partnership Agreement, fees of $0.3 million (2007 – $0.1 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 in note 4(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. The distributions to GP II, and GP I as noted in note 4(c) above, will be determined based on the overall performance of CEP III. No such distributions are permitted until CEP III's limited partners have received amounts equal to the sum of their contributed capital and a return equal to 8% per annum compounded annually. 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 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 the prime rate on the date of drawdown less 1%, and interest is paid quarterly. Loans are repayable upon departure of the officer. Interest of $58,000 (2007 – $28,000) was received during fiscal 2008. 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 $0.3 million (2007 – $0.1 million). Included in accounts payable and accrued liabilities is $0.4 million owing to corporate investments (2007 – $0.5 million).

(f) Loans totalling $21.0 million, bearing interest at the prime rate, were made by the Company to CEP during fiscal 2008, of which $2.0 million (2007 – $1.8 million) was outstanding at March 31, 2008. The loans were repaid in full subsequent to year end. Interest of $84,000 (2007 – $87,000) was earned from CEP during fiscal 2008.

(g) Loans totalling $69.5 million, bearing interest at the prime rate, were made by the Company to CEP III during fiscal 2008, of which $17.5 million (2007 – nil) was outstanding at March 31, 2008. Interest of $360,000 (2007 – $39,000) was earned from CEP III during fiscal 2008. $15.9 million on these loans was repaid subsequent to year end.

(h) 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.

(i) 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 forward contracts. Clairvest and CEP III are jointly and severally liable on this credit facility.

(j) During fiscal 2008, Clairvest earned $7.4 million (2007 – $7.5 million) in distributions and interest income, nil (2007 – $5.8 million) in dividends and $1.5 million (2007 – $2.3 million) in advisory and other fees from its corporate investments. During fiscal 2008, Clairvest paid $1.3 million (2007 – $1.9 million) in interest to Gateway Casinos Inc. ("Gateway Casinos") on loans made to Clairvest by Gateway Casinos.

5. NET REALIZED GAINS (LOSSES) ON INVESTMENTS

Net realized gains (losses) on investments for the years ended March 31, 2008 and 2007 are comprised of the following:

	2008	2007
Net realized gains (losses) on investments during the year (notes 6(a), 6(b), 6(c) and 6(r))	**$ 53,627**	$ (21,903)
Previously recognized net unrealized losses (gains)	**(28,495)**	17,054
	$ 25,132	$ (4,849)

6. CORPORATE INVESTMENTS

	2008			2007		
	Fair value	Cost	Difference	Fair value	Cost	Difference
Investments in publicly-traded companies						
Datamark Systems Group Inc.	$ —	$ —	$ —	$ 9,762	$ 14,454	$ (4,692)
Gateway Casinos Income Fund	—	—	—	47,614	32,913	14,701
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 Limited	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	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	134,873	68,788	66,085
Other investments	2,127	5,257	(3,130)	36	47	(11)
	$ 185,390	$ 106,428	$ 78,962	$ 207,929	$ 127,389	$ 80,540

(a) Gateway Casinos Income Fund ("Gateway Income Fund")

Gateway Income Fund is a trust which operates casinos in Western Canada. During fiscal 2008, Clairvest sold its interests in Gateway Income Fund for cash proceeds of $66.7 million. Clairvest's total realized gain on this investment was $33.8 million, of which $26.6 million had been recognized in unrealized gains in previous years.

At March 31, 2007, Clairvest owned 2,641,422 units in Gateway Income Fund through wholly-owned subsidiaries of Clairvest, representing an 8.5% interest on a fully-diluted basis.

(b) Datamark Systems Group Inc. ("Datamark")

Datamark was a business document management company with operations in Canada and the United States. At March 31, 2007, Clairvest owned 4,691,670 common shares of Datamark, representing a 37.1% interest on a fully-diluted basis.

During fiscal 2008, Clairvest sold its interest in Datamark to Komunik Corporation ("Komunik") for a combination of $6.4 million in cash and 1,546,473 shares of Komunik. The cost assigned to the Komunik shares is the pro-rata portion of the cost on the Datamark shares and is included in other investments. Clairvest recognized a realized loss of $3.4 million, of which $3.1 million had been recognized in unrealized losses in previous years. Over the life of the investment, Clairvest had received tax-free dividends in excess of the cost of the investment such that Clairvest made a positive after tax return on the $14.8 million capital invested.

(c) Voxcom Income Fund ("Voxcom")

Voxcom is an Edmonton-based electronic security alarm monitoring company operating throughout Canada.

During fiscal 2008, Clairvest sold its interest in Voxcom for cash proceeds of $21.8 million. Clairvest's total realized gain on this investment was $10.6 million, of which $4.5 million had been recognized in unrealized gains in previous years.

At March 31, 2007, Clairvest owned 1,645,015 units in Voxcom, representing a 20.1% interest on a fully-diluted basis.

(d) Casino Marina del Sol ("Casino del Sol")

Casino del Sol is a gaming entertainment complex that is being constructed in Chile, adjacent to the city of Concepción. During the year, Clairvest, through Canadian and Chilean acquisition entities, invested $10.4 million for a 12.5% ownership interest in Casino del Sol. 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%.

(e) Gateway Casinos Inc.

Gateway Casinos is a gaming management company operating casinos in Western Canada. During 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 loans totalling $50.6 million from Gateway Casinos on the completion of the transaction and a further $2.4 million on 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 $1.1 million of the $3.2 million of escrow proceeds, and is entitled to receive a further $2.1 million on the release of certain escrow proceeds.

At March 31, 2008 and 2007, Clairvest owned, through a wholly-owned subsidiary, 28.4% of a limited partnership that owns Gateway Casinos.

(f) Integral Orthopedics Inc. ("Integral Orthopedics")

Integral Orthopedics manufactures and markets back care products worldwide. At March 31, 2008, Clairvest owned 5,872,132 (2007 – 5,347,132) Class A voting common shares of Integral Orthopedics, representing a 23.6% (2007 – 23.3%) interest on a fully-diluted basis.

During fiscal 2008, the Company acquired an additional 525,000 Class A voting common shares for $0.5 million and advanced $0.5 million in the form of promissory notes. The promissory notes are non-interest bearing, $0.3 million of which is repayable on April 30, 2008 and the remaining $0.2 million is repayable June 30, 2008.

Also during fiscal 2008, the Company reduced the estimated fair value of its investment in Integral Orthopedics to nil as a result of a significant and rapid deterioration in the performance of Integral Orthopedics.

(g) Kubra Data Transfer Limited ("Kubra")

Kubra is a business process outsourcing company focused on the distribution of household bills on behalf of its customers. At March 31, 2008 and 2007, Clairvest owned 2,150,000 Class A voting common shares of Kubra, representing a 9.6% interest on a fully-diluted basis.

(h) Landauer Metropolitan Inc. ("Landauer")

Landauer is a supplier of home medical equipment in the New York City area. At March 31, 2008 and 2007, Clairvest, through a wholly-owned subsidiary, owned 1,906,250 10% cumulative convertible preferred shares and 446,858 common shares in Landauer, representing a 13.4% interest on a fully-diluted basis. Each preferred share is convertible into one common share and any dividend is forfeited on conversion.

(i) Latin Gaming Osorno S.A. ("Latin Gaming")

Latin Gaming is a gaming entertainment complex that is being constructed in Osorno, Chile. During the year, the Company provided a loan of US$5.0 million to Latin Gaming, bearing 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 the Company did not receive the necessary regulatory approval to invest in Latin Gaming.

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

(j) Light Tower Rentals Inc. ("Light Tower Rentals")

Light Tower Rentals is an oilfield equipment rental company operating in Texas, New Mexico and Colorado. During fiscal

2008, Clairvest acquired 5,841,250 Series A convertible preferred shares in Light Tower Rentals for $5.9 million, representing an 11.5% interest on a fully-diluted basis. Each preferred share is convertible into one common share.

(k) Lyophilization Services of New England Inc. ("LSNE")

LSNE is a Manchester, New Hampshire based contract manufacturing organization focused on providing lyophilization services to biotech, pharmaceutical and medical device manufacturers. During fiscal 2008, Clairvest acquired 5,000,000 Series A 10% cumulative convertible preferred shares in LSNE, representing a 10.5% interest on a fully-diluted basis. Each preferred share is convertible into one common share and any dividend is forfeited on conversion.

Subsequent to year end, Clairvest acquired an additional 1,406,000 Series A 10% cumulative convertible preferred shares for $1.4 million, increasing interest on a fully-diluted basis to 12.3%.

(l) N-Brook Mortgage LP ("N-Brook")

N-Brook originates, adjudicates and underwrites first-ranking mortgages on owner-occupied, residential real estate in Ontario, British Columbia and Alberta. Clairvest has fully funded its $5.0 million commitment to N-Brook at March 31, 2008. At March 31, 2007, $3.7 million of the $5.0 million commitment had been funded. Clairvest's fully-diluted interest in N-Brook at March 31, 2008 and 2007 was 14.7%.

(m) Shepell·fgi

Shepell·fgi is a provider of employee assistance programs in Canada and the United States. At March 31, 2008 and 2007, Clairvest owned 5,902,985 limited partnership units of Shepell·fgi, representing a 19.2% interest on a fully-diluted basis.

(n) Tsuu T'ina Gaming Limited Partnership ("Tsuu T'ina")

Tsuu T'ina is a charitable casino on Tsuu T'ina First Nation reserve lands, located immediately southwest of the City of Calgary. The Company's investment is being made in the form of subordinated debt with a 16% coupon, and entitlement to between 3.8% and 12.8% of the earnings of the casino once it is operating for a period of 15 years. Clairvest has fully funded its $5.6 million commitment to March 31, 2008. At March 31, 2007, Clairvest funded $2.1 million of its $5.0 million commitment to Tsuu T'ina.

(o) Van-Rob Inc. ("Van-Rob")

Van-Rob is a supplier of metal stampings and welded assemblies to the North American auto sector. At March 31, 2008 and 2007, Clairvest owned 5,000,000 Class A special convertible shares in Van-Rob, representing a 5.0% fully-diluted ownership interest. Each preferred share is convertible into one common share.

(p) Wellington Financial Fund II ("Wellington Fund II")

Wellington Fund II provides debt capital and operating lines to technology, biotechnology, communications and industrial product companies across Canada. Clairvest, as a limited partner, has committed to fund $20.0 million to Wellington Fund II. Clairvest's commitment represents a 24.1% interest in Wellington Fund II.

As a result of the closing of Wellington Fund III (note 6(q)), the unfunded capital commitments to Wellington Fund II can no longer be called. Clairvest has funded $13.6 million (2007 – $13.6 million) to Wellington Fund II and has received return of capital totaling $11.7 million (2007 – $8.3 million) for a net investment at March 31, 2008 of $1.9 million (2007 – $5.3 million). Clairvest is also entitled to participate in the profits received by the general partner of Wellington Fund II.

(q) Wellington Financial Fund III ("Wellington Fund III")

Wellington Fund III, a successor to Wellington Fund II, provides debt capital and operating lines to technology, biotechnology, communications and industrial product companies across Canada. During fiscal 2007, Clairvest, as a limited partner, committed to fund $25.0 million to Wellington Fund III. Clairvest's commitment represents a 19.9% interest in Wellington Fund III.

At March 31, 2008, $14.5 million (2007 – $6.7 million) of Clairvest's commitment had been funded. Clairvest is also entitled to participate in the profits received by the general partner of Wellington Fund III.

(r) Winters Bros. Waste Systems, Inc. ("Winters Bros.")

Winters Bros. is a Long Island, New York-based waste management company. During fiscal 2008, Clairvest sold its interest in Winters Bros. for cash proceeds of $16.0 million. Clairvest's total realized gain on this investment was $11.7 million, of which $0.6 million had been recognized in unrealized gains in previous years.

At March 31, 2007, Clairvest owned 39,250 convertible preferred shares in Winters Bros. Clairvest's ownership interest on a fully-diluted basis at March 31, 2007 was 9.0%.

7. VARIABLE INTEREST ENTITIES

The CICA Accounting Guideline 15 ("AcG-15") requires Clairvest to identify variable interest entities ("VIEs") in which it has an interest, determine whether it is the primary beneficiary of such entities and, if so, consolidate them. The primary beneficiary is an entity that absorbs the majority of the VIEs expected losses or receives a majority of the VIE's expected residual returns or both.

Clairvest holds interest in several partnerships as a result of its ordinary business operations. Some partnerships are considered VIEs under AcG-15. Clairvest is not the primary beneficiary of these VIEs, and accordingly, accounts for its interests in these entities using fair value in accordance with AcG-18.

8. LOANS PAYABLE

Loans payable consist of the following:

(a) $12.6 million (2007 – $12.6 million) 30-year loan from Gateway Casinos. The loan is non-interest bearing and repayable on demand. The loan is collateralized by the units held by Clairvest in the limited partnership that owns Gateway Casinos.

(b) $15.0 million (2007 – $15.0 million) 30-year loan from Gateway Casinos. During the year, the loan was amended such that the loan is non-interest bearing, repayable on demand, and is collateralized by units held by Clairvest in the limited partnership that owns Gateway Casinos. At March 31, 2007, the loan bore interest rate at 8.05% per annum and was collateralized by the 1,500,650 units held by Clairvest in Gateway Income Fund.

(c) $8.1 million (2007 – $8.1 million) 30-year loan from Gateway Casinos. The loan is non-interest bearing, and repayable on demand. The loan is collateralized by units held by Clairvest in the limited partnership that owns Gateway Casinos. At March 31, 2007, the loan was collateralized by the 513,278 units held by Clairvest in Gateway Income Fund.

(d) $9.8 million (2007 – $9.8 million) 30-year loan from Gateway Casinos. During the year, the loan was amended such that the loan is non-interest bearing, repayable on demand, and is collateralized by units held by Clairvest in the limited partnership that owns Gateway Casinos. At March 31, 2007, the loan bore interest rate at 8.05% per annum and was collateralized by the 627,294 units held by Clairvest in Gateway Income Fund.

(e) $53.0 million (2007 – nil) loan from Gateway Casinos. The loan is non-interest bearing, and repayable on demand. The loan is collateralized by the units held by Clairvest in the limited partnership that owns Gateway Casinos.

(f) Loans totalling $0.8 million (2007 – $0.3 million) from the limited partnership that owns Gateway Casinos. The loans outstanding are non-interest bearing and repayable on demand.

(g) During the year, Clairvest repaid in full a 10-year promissory note from a financial institution. The amount owing at March 31, 2007 was $23.0 million. The promissory note bore interest at a floating rate. Interest of $0.6 million (2007 – $1.7 million) was paid during the year.

9. BANKING FACILITY

The Company has a $20.0 million line of credit available, bearing interest at prime plus 0.5% per annum. The prime rate at March 31, 2008 was 5.25% (2007 – 6.00%). The line of credit available at March 31, 2008 is $18.2 million (2007 – $16.9 million) which is based on debt covenants within the banking arrangement.

10. INCOME TAXES

Income tax expense consists of the following:

	2008	2007
Current income tax expense (recovery)	**$ 6,990**	$ (6,125)
Future income tax expense (recovery) relating to origination and reversal of temporary differences	**(3,136)**	6,216
Provision for income taxes	**$ 3,854**	$ 91

A reconciliation of the income tax expense based on the statutory rate in Canada and the effective rate is as follows:

	2008	%	2007	%
Income before income taxes	**$ 42,097**		$ 18,356	
Statutory Canadian income tax rate		**35.47**		36.12
Statutory Canadian income taxes	**14,930**	**35.47**	6,630	36.12
Non-taxable dividends received	**(87)**	**(0.21)**	(2,304)	(12.55)
Non-taxable portion of net investment gains	**(20,858)**	**(49.55)**	(1,579)	(8.60)
Taxable portion of unrealized gains (losses)	**(580)**	**(1.38)**	216	1.18
Non-taxable portion of realized gains (losses)	**8,997**	**21.37**	(4,444)	(24.21)
Non-taxable portion of loss on temporary investments	**3**	**0.01**	1,806	9.84
Non-deductible portion of finance expense	**13**	**0.03**	85	0.46
Non-deductible portion of other expenses	**1,227**	**2.91**	398	2.17
Recovery of prior years' taxes	**71**	**0.17**	(755)	(4.11)
Other	**138**	**0.33**	38	0.20
	$ 3,854	**9.15**	$ 91	0.50

Future tax assets and liabilities relate to the temporary differences on corporate investments, derivative instruments, and accounts payable and accrued liabilities.

11. SHARE CAPITAL

Authorized

Unlimited number of preference shares issuable in series, with the designation, rights, privileges, restrictions, and conditions to be determined by the Board of Directors prior to the issue of the first shares of a series.

Unlimited number of common shares

10,000,000 non-voting shares

Issued and outstanding	2008		2007	
	Number of shares	Amount	Number of shares	Amount
Common shares, beginning of year	**15,903,566**	**$ 82,166**	16,841,966	$ 86,696
Purchased and cancelled under normal course issuer bid	**—**	**—**	(54,200)	(278)
Purchased and cancelled outside of normal course issuer bid	**—**	**—**	(934,200)	(4,792)
Issued on exercise of stock options	**40,000**	**547**	50,000	540
Common shares, end of year	**15,943,566**	**$ 82,713**	15,903,566	$ 82,166

During fiscal 2008, the Company filed a normal course issuer bid enabling it to make market purchases of up to 797,178 (2007 – 795,178) of its common shares in the 12-month period commencing March 6, 2008.

During fiscal 2008, the Company made no purchases or cancellations under its normal course issuer bid. During fiscal 2007, the Company purchased and cancelled 54,200 of its common shares at a total purchase cost of $0.6 million.

The excess of the purchase cost of these shares over the average paid-in amount was $0.3 million, which was charged to retained earnings. In total, 2,544,424 common shares at a cost of $21.9 million have been purchased under this and all previous normal course issuer bids as at March 31, 2008 and 2007.

Also during fiscal 2007, the Company purchased and cancelled 934,200 of its common shares and 2,230,954 of its non-voting shares in a transaction outside of the Company's normal course issuer bid. The Ontario Securities Commission granted an exemption requested by the Company from the issuer bid requirements of the Securities Act in connection with the purchase of these shares. The $33.0 million purchase price was satisfied by an unsecured promissory note, which was repaid in full during fiscal 2008. Share capital decreased by $21.6 million and retained earnings decreased by $11.4 million as a result of this transaction.

15,943,566 (2007 – 15,903,566) common shares were outstanding at March 31, 2008.

The weighted average number of common and non-voting shares outstanding during fiscal 2007 2008 was 15,934,003 (2007 – 15,951,471) and nil (2007 – 110,020) respectively, for a total of 15,934,003 (2007 – 16,061,491). The weighted average number of fully-diluted shares outstanding during fiscal 2008 was 16,333,553 (2007 – 16,477,593).

The difference between the basic and fully-diluted net income per share computations for 2008 and 2007 consists of the following:

	2008			2007		
	Net income	**Number of shares**	**Per share amount**	Net income	Number of shares	Per share amount
Basic net income per share	**$ 38,243**	**15,934,003**	**$ 2.40**	$ 18,265	16,061,491	$ 1.14
Effect of dilutive securities – stock options		**399,550**			416,102	
Fully-diluted net income per share	**$ 38,243**	**16,333,553**	**$ 2.34**	$ 18,265	16,477,593	$ 1.11

As at March 31, 2008, there were no (2007 – 120,000) outstanding stock options that were not included in the calculation of fully-diluted net income per share as they are anti-dilutive.

Under the Company's stock option plan, 1,908,900 (2007 – 1,908,900) common shares of the Company have been reserved for issuance to eligible participants. Under the plan, options are exercisable for one common share and the exercise price of the option must equal the market price of the underlying share on the day preceding the grant date.

Options granted vest immediately or over a period not to exceed five years. Once vested, options are exercisable at any time until their expiry ten years after the grant date.

During fiscal 2008, 560,600 (2007 – 155,800) options were exercised, 40,000 (2007 – 50,000) of which were exercised for shares, increasing share capital by $0.5 million (2007 – $0.5 million). The remaining 520,600 (2007 – 105,800) options were exercised under the cash settlement plan and had no impact on share capital.

A summary of the status of the Company's stock option plan as at March 31, 2008 and 2007 and changes during the years ended on those dates is presented below:

	Number of options	Weighted average exercise price per share
Options outstanding, March 31, 2006	1,522,000	$ 7.20
Options granted	120,000	10.51
Options exercised	(155,800)	7.51
Options forfeited	(4,900)	8.22
Options outstanding, March 31, 2007	1,481,300	7.43
Options granted	200,000	13.60
Options exercised	(560,600)	6.71
Options forfeited	(8,700)	8.13
Options outstanding, March 31, 2008	**1,112,000**	**$ 8.90**
Options exercisable, March 31, 2008	**643,200**	**$ 7.05**

The following table summarizes information about stock options outstanding and exercisable at March 31, 2008:

	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining contractual life (yrs)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$4.00 to $4.99	115,000	3.1	$ 4.71	115,000	$ 4.71
$5.00 to $5.99	185,000	3.7	5.85	185,000	5.85
$6.00 to $6.99	55,000	4.3	6.75	55,000	6.75
$7.00 to $7.99	130,000	4.9	7.83	106,000	7.82
$8.00 to $8.99	97,000	4.7	8.38	74,200	8.41
$9.00 to $9.99	210,000	7.2	9.95	84,000	9.95
$10.00 to $10.99	120,000	8.2	10.51	24,000	10.51
$13.00 to $13.99	200,000	9.3	13.60	—	—
	1,112,000			643,200	

12. STOCK-BASED COMPENSATION AND OTHER COMPENSATION PLANS

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 consolidated balance sheet dates, and the proportion of their vesting periods that have elapsed. For the year ended March 31, 2008, Clairvest recognized stock-based compensation expense of $5.1 million (2007 – $1.3 million).

As at March 31, 2008, a total of 101,263 (2007 – 74,736) DSUs 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 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) BVARs 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.

13. CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	2008	2007
Accounts receivable and other assets	**$ (3,108)**	$ 1,203
Income taxes recoverable	**10,803**	(10,803)
Accounts payable and accrued liabilities	**12,051**	(3,697)
Income taxes payable	**3,375**	2,225
	$ 23,121	$ (11,072)

Cash and cash equivalents at March 31, 2008 and 2007 are comprised of the following:

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

14. FINANCIAL INSTRUMENTS

(a) Fair Value of Financial Instruments

Cash and cash equivalents, accounts receivable and other assets and accounts payable and accrued liabilities have fair values which approximate their carrying values due to their short-term nature.

Temporary investments and corporate investments are being carried at fair value in accordance with the Company's accounting policy described in note 2.

(b) Foreign Exchange Forward Contracts

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 C$0.9925 to C$1.0176 per U.S. dollar through March 2009 (average rate of C$1.0036; 2007 – average rate of C$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 has been recognized on the consolidated balance sheets as derivative instruments.

Forward contracts to sell CLF 0.2 million (2007 – nil) at rates of C$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 $0.9 million (2007 – nil) and has been recognized on the consolidated balance sheets as derivative instruments.

15. RISK MANAGEMENT

The merchant banking business is about accepting risk for return, and is therefore affected by a number of economic factors, including changing economic environments, capital markets and interest rates. As a result, the Company faces various risk factors, inherent in its normal business activities. These risk factors and their management are described below.

Credit Risk, Market Risk and Liquidity Risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. Market risk includes exposure to fluctuations in interest rates, currency rates and the fair value of the Company's investments. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due.

The Company manages credit and market risk on corporate investments through thoughtful planning, strict investment criteria, significant due diligence of investment opportunities and active involvement with existing investments and by conducting activities in accordance with investment policies that are approved by the Board of Directors. Management's application of these policies is regularly monitored by the Board of Directors. Management and the Board of Directors review the financial condition of investees periodically.

The Company has minimal exposure to the financial markets, as approximately 0.3% of the fair value of the Company's investments at March 31, 2008, was in publicly-traded companies. The Company is a value investor and focuses on the intrinsic value related to the specific company's outlook and therefore acts independently of the overall valuation by the market. The entry multiples for its public holdings have generally been less than other public companies in the same industries and therefore the cost of these holdings have a value cushion in the event of any general market value fluctuations.

The Company has implemented a hedging strategy because it has, directly and indirectly, several investments outside of Canada, currently in the United States and in Chile. In order to limit its exposure to changes in the value of foreign denominated currencies relative to the Canadian dollar, Clairvest hedges 100% of the carrying value of its foreign investments. The Company manages credit risk on derivative financial instruments and cash and cash equivalents by only contracting with counterparties which are Schedule 1 Canadian chartered banks.

Fluctuations in interest rates affect the Company's income derived from cash, cash equivalents, and temporary investments. The Company manages interest rate risk and credit risk on cash, cash equivalents and temporary investments by conducting activities in accordance with the fixed income investment policies that are approved by the Audit Committee. Management's application of these policies is regularly monitored by the Audit Committee. Management and the Audit Committee review credit quality of temporary investments periodically.

Clairvest believes its liquidity risk is minimal given its financial position.

Business Risk

The Company faces a broad range of business risks including internal control risks and various forms of litigation. The Company, its Audit Committee and its Board of Directors monitor risks on an ongoing basis.

16. 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 (2007 – $9.9 million) of which remains outstanding 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 (2007 – $71.8 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 committed $25.0 million to Wellington Fund III, $14.5 million (2007 – $6.7 million) of which has been funded at March 31, 2008. Subsequent to year end, an additional $2.2 million has been funded, reducing the 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 can no longer be called. At March 31, 2008, net funds invested in Wellington Fund II was $1.9 million (2007 – $5.3 million). At March 31, 2008, Clairvest has received profit distributions totalling $1.7 million (2007 – $1.0 million) through its ownership interest in the general partner of Wellington Fund II and $0.5 million (2007 – nil) 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 forward 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 (2007 – nil) 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 (2007 – $5.3 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. Any amounts paid under the guarantee will result in additional equity ownership being granted to Clairvest and CEP, allocated 25% to Clairvest and 75% to CEP. 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 (2007 – $3.1 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 committed to invest 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.

(j) The Company, 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 that 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 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.

17. SUBSEQUENT EVENTS

Subsequent to year 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 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.

18. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

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

SHAREHOLDER INFORMATION

As at, and for the year ended, March 31, 2008

SHAREHOLDER COMMUNICATION

Clairvest has both the obligation and desire to provide its shareholders with full and continuous disclosure, on a timely basis, throughout the fiscal year. Annual and quarterly reports are provided as part of this process and the company releases information on material events through the press, as required. Further disclosure can be found on the company's website, www.clairvest.com.

VALUATION MEASURES

Clairvest's focus is on building the long–term value of its investments. Fair value accounting allows Clairvest to reflect changes in the value of our investments. The fair value method, however, is not without limitations. Clairvest's investments are often carried at values which may vary from the actual realizations.

OUTSTANDING SECURITIES

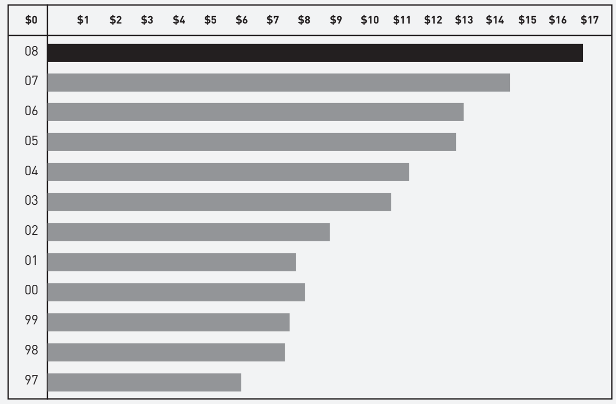
Share structure:	Common Shares[3]
Shares outstanding:[1]	15,943,566
Public float:[1,2]	5,908,239
Market capitalization:[1]	$ 243,139,382
Market value of public float:[1,2]	$ 90,100,645
Stock market:	Toronto Stock Exchange
Stock symbol:	CVG

(1) As at May 31, 2008.
(2) Excludes holders of 10% or more of the outstanding common shares.
(3) During the year, Clairvest filed a new Normal Course Issuer Bid.

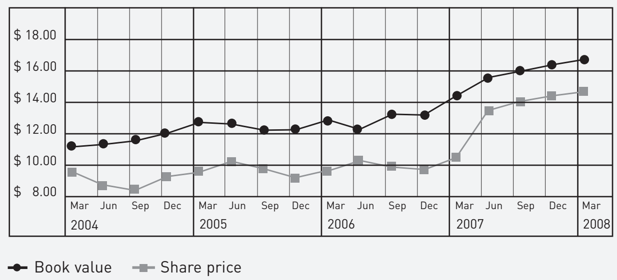
DIVIDEND INFORMATION

Clairvest has consistently paid a dividend over the last nineteen years. Over the last sixteen years the annual dividend has been $0.10 per common share. It is Clairvest's current intention to continue to pay an annual dividend.

BOOK VALUE PER SHARE



SHARE PRICE VS BOOK VALUE PER SHARE



SHARE TRADING VOLUME

Common Shares	High	Low	Close	Volume
Year to March 31, 2008				
First Quarter	**13.75**	**10.69**	**13.70**	**220,055**
Second Quarter	**13.25**	**14.35**	**14.25**	**232,310**
Third Quarter	**14.60**	**14.01**	**14.60**	**316,048**
Fourth Quarter	**14.90**	**13.80**	**14.90**	**198,943**
Year to March 31, 2007				
First Quarter	11.49	9.85	10.50	493,766
Second Quarter	10.65	10.05	10.15	196,600
Third Quarter	10.23	9.80	9.95	28,591
Fourth Quarter	10.65	9.76	10.65	106,575

SHAREHOLDER INQUIRIES

Lana Reiken, Chief Financial Officer
and Corporate Secretary
tel: 416.925.9270 fax: 416.925.5753
e-mail: lanar@clairvest.com

TRANSFER AGENT AND REGISTRAR

Investors are encouraged to contact
CIBC Mellon Trust Company
for information regarding their security holdings.

Information can be obtained at:

CIBC Mellon Trust Company
Adelaide Street Postal Station
P.O. Box 7010
Toronto, Ontario M5C 2W9
Answerline: 416.643.5500
or toll-free throughout North America at
1.800.387.0825
web: www.cibcmellon.ca
e-mail: inquiries@cibcmellon.ca

CORPORATE INFORMATION

CORPORATE OFFICE
22 St. Clair Avenue East, Suite 1700
Toronto, Ontario M4T 2S3
tel: 416.925.9270 fax: 416.925.5753
web: www.clairvest.com

AUDITORS
Ernst & Young LLP

THE ANNUAL MEETING OF
SHAREHOLDERS
August 13, 2008
St. Andrews Club & Conference Centre,
150 King Street West,
Toronto, Ontario Canada

All shareholders are encouraged to attend.

CLAIRVEST
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