Annual Report
2010 / 2011

Private Equity Holding AG

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Private Equity Holding AG offers institutional and private investors the opportunity to invest in a broadly diversified private equity portfolio.

The objective of Private Equity Holding AG is to generate long term capital growth for its shareholders.

The Private Equity Holding Group is managed by Alpha Associates.

Alpha Associates is an independent private equity fund-of-funds manager and advisor, building and managing globally diversified private equity fund portfolios for institutional and private clients.

Key Figures

Share Value

	31.03.2011 EUR	31.03.2010 EUR	Change in % *	31.03.2011 CHF	31.03.2010 CHF	Change in % *
Net Asset Value per Share, based on Fair Values	54.21	53.09	2.1%	70.35	75.95	(7.4%)
Price per Share (PEHN.S)	34.68	25.86	34.1%	45.00	37.00	21.6%

* excl. distributions

Comprehensive Income Statement

	01.04.10-31.03.11 EUR 1,000	01.04.09-31.03.10 EUR 1,000	Change in %[2]
Profit for the Year	7,384	9,348	(21%)
Total Comprehensive Income for the Year	5,969	22,982	(74%)

Balance Sheet

	31.03.11 EUR 1,000	31.03.10 EUR 1,000	Change in %
Net Current Assets	11,893	26,210	(55%)
Total Non-Current Assets	188,848	179,001	6%
Non-Current Liabilities	—	—	—
Total Equity	200,741	205,211	(2%)

Asset Allocation

	Fair Value 31.03.2011 EUR million	Unfunded Commitment 31.03.2011 EUR million	Total Exposure [1] 31.03.2011 EUR million	Total Exposure [1] 31.03.2011 EUR million
Buyout Funds	88.3	32.2	120.5	48%
Venture Funds	47.2	12.5	59.7	24%
Special Situation Funds	40.4	18.8	59.2	23%
Total Fund Investments[2]	**175.9**	**63.5**	**239.4**	**95%**
Direct Investments and Loans[2]	12.9	0.3	13.2	5%
Total Direct Investments and Loans	**12.9**	**0.3**	**13.2**	**5%**
Total Fund Investments, Direct Investments and Loans	**188.8**	**63.8**	**252.6**	**100%**

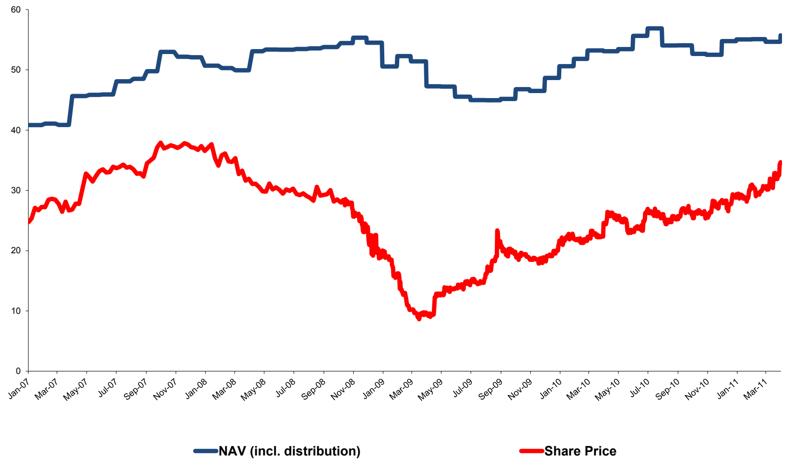
[1] Fair Value plus Unfunded Commitment
[2] Classified as "Financial assets available for sale"

	31.03.2011	31.03.2010	Change in %
Unfunded Commitment (EUR million)	63.8	85.0	(25%)
Overcommitment[3]	27%	33%	(18%)
Net Current Assets / Unfunded Commitments	20%	31%	(35%)

[3] Overcommitment = (unfunded commitments - net current assets) / (non-current assets - non-current liabilities)

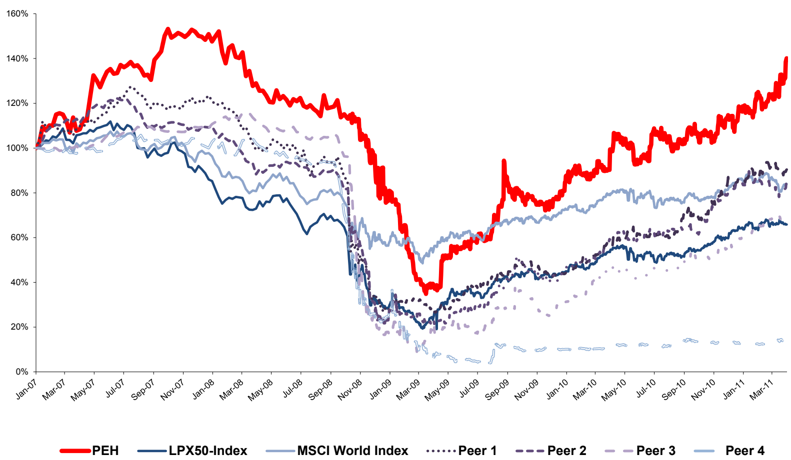
Development of Fair Value and Share Price

Share Price and NAV per Share
01.01.2007 – 31.03.2011 in EUR



NAV 01.01.07 - 31.03.11 (in EUR, incl. distribution):	36.4%
NAV 01.01.07 - 31.03.11 (in CHF, incl. distribution):	10.3%
Share price 01.01.07 - 31.03.11 (in EUR, incl. distribution):	38.5%
Share price 01.01.07 - 31.03.11 (in CHF, incl. distribution):	11.9%
Discount to NAV as of 31.03.2011:	-36.0%

Relative Performance of PEHN
01.01.2007 – 31.03.2011 in EUR



Outperformance PEHN vs. LPX50 PE-Index:	74.2%
Outperformance PEHN vs. MSCI World:	56.2%
Outperformance PEHN vs. best performing peer:	49.7%
Outperformance PEHN vs. worst performing peer:	125.3%

Chairman's Letter for the Financial Year 2010/2011

Dear Shareholders

Private Equity Holding AG ('PEH') has continued its positive development since it resumed investing in 2007; PEH reports a comprehensive net income of EUR 6.0 million for the financial year 2010/2011. The Net Asset Value (NAV) per share of PEH stood at EUR 54.21 (CHF 70.35) as of March 31, 2011, the end of the financial year 2010/2011. The NAV increased by 5 % (including the capital reduction of CHF 2 per share in September 2010) during the financial year, despite a volatile FX environment that had quite adverse valuation implications for the USD denominated funds in the portfolio.

Strong Share Price Performance

The share price advanced by 34.1% in EUR (21.6% in CHF) to a closing price on March 31, 2011 of EUR 34.68 (CHF 45.00), outperforming its reference indices LPX50 and MSCI World in EUR; in addition, the shareholders benefitted from a distribution of CHF 2 (EUR 1.51) per share, resulting in a total performance of 27.7% in CHF and 40% in EUR, respectively. The discount between share price and NAV has narrowed significantly to currently 28.9% (May 20, 2011). Narrowing the discount was one of the main priorities of the Board of Directors and the Manager during the last financial year. In comparison - on March 31, 2009, PEH traded at a discount of more than 80%, and at the beginning of the last financial year, on April 1, 2010, it was still 51%. It remains a key objective of the Board of Directors and the Manager to decrease the discount between the share price and the NAV further and then keep it as stable as possible.

Corporate Objectives

The Board of Directors and the Manager are convinced that long-term growth, a higher share price and a lower discount cannot be achieved with one measure only. This can only be achieved through a combination of actions.

PEH has continued to take a selective approach to investing into top-tier funds while preserving sufficient liquidity. This allows to maintain portfolio diversification and retain access to top performing private equity managers. Without new investments, the long-term growth potential of the portfolio would be limited. In the financial year 2010/2011, PEH has committed USD 5 million to Institutional Venture Partners XIII, a leading US late-stage venture fund. This fund will focus on later-stage venture capital investments in high-growth, market-leading information technology companies in the US. PEH has a longstanding and profitable relationship with IVP. PEH also committed EUR 5 million to Index Growth II, a growth equity and late stage venture fund predominantly investing in the IT sector. Furthermore, PEH increased its commitment to Alpha Russia & CIS Secondary by USD 5 million, and after the close of the financial year, PEH made a USD 7.5 million commitment to ABRY Partners VII, a highly sought after private equity manager with a long-standing and very successful track record for investments in the media sector.

In 2010, the Annual General Meeting of PEH approved a reduction of the nominal value per share from CHF 8 to CHF 6, and PEH subsequently distributed CHF 2 per share to its shareholders, marking the first step in a policy, by which the Board of Directors aims to generate regular current income for shareholders. The Board of Directors wishes to continue the distribution policy and proposes a further distribution of CHF 2 per share to the 2011 AGM.

PEH has employed an active approach to market making. PEH's increased liquidity position towards the end of the financial year allowed PEH to increase its treasury share position. Over the course of the financial year, PEH invested EUR 4.8 million in its own shares (net of sales). The average purchase price of the treasury share position is significantly below the current market price. At the AGM, the shareholders will be asked to approve a reduction of PEH's capital by about 5%; following this reduction, PEH may decide to increase its treasury share position again, depending on the development of the discount and the attractiveness of alternative investment opportunities.

Solid Balance Sheet

PEH's balance sheet and off-balance sheet ratios were already strong at the beginning of the financial year and have improved further throughout the year: the fair value of the portfolio increased by 6%, the over-commitment ratio decreased from 33% to 27%, and the new EUR 20 million revolving credit facility provides a much higher safety margin to bridge short term cash shortfalls were investments into the portfolio to exceed distributions in future periods.

Steady Distributions

PEH's portfolio has performed solidly in the financial year and net portfolio cash-flows were positive. In the second half of the financial year, an improved M&A environment resulted in a strong number of successful exits:

Doughty Hanson III, PEH's largest fund commitment, completed the sale of consumer metal packaging company Impress, one of two remaining portfolio companies. Palamon European Capital

Partners sold its position in Loyalty Partner, the owner and operator of the Payback card, Europe's largest multi-partner loyalty scheme, to American Express. Milestone 2008 sold coffee vending business Coffee Nation to Costa Limited, a coffee shop chain, resulting in a distribution of EUR 4.1 million to PEH returning 3.7x the fund's original investment in less than three years.

In the direct portfolio, Cydex, the US specialty pharmaceutical company, was acquired by NASDAQ-listed Ligand Pharmaceuticals for USD 31.2 million in upfront cash, with a USD 4.3 million cash payment on the one year anniversary of closing. PEH received a distribution of EUR 3.1 million in the final quarter from the upfront proceeds, and will receive further amounts on the first year anniversary, and is entitled to milestone payments from drug development progress and royalties on sales from its pipeline. Lastly, PEH received EUR 1.7 million resulting from the sale of all remaining shares in CEGID, a French listed company providing management software solutions, a co-investment with Apax France.

The portfolio continues to include high profile businesses such as Rexel (held through Clayton, Dubilier and Rice Fund VI), a global leader in the distribution of electrical supplies, which is listed on Euronext Paris and has performed strongly in recent months and Nycomed (held through Avista Capital Partners and Avista Capital Partners II), a privately owned pharmaceutical company with headquarters in Zurich, Switzerland, which has just been sold to Takeda, marking another successful exit in the portfolio.

Good Start into the New Financial Year

The Nycomed exit marks another step in an already successful start into the new financial year. PEH's share is performing strongly, and the discount is now below 30% for the first time since the beginning of the financial crisis. As far as the portfolio is concerned, a further commitment to ABRY was secured in the highly over-subscribed fund VII. This being said, investing bears also risks. Like in 2010/2011, volatility in the currency markets may be the biggest risk (and chance) in the current financial year.

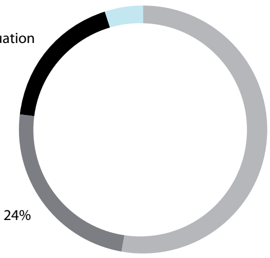
We thank you for your continued support.

Dr. Hans Baumgartner
Chairman of the Board of Directors

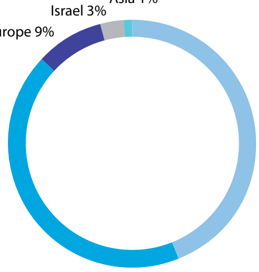
May 23, 2011

Portfolio Report for the Financial Year 2010/2011

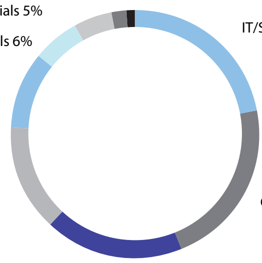
Allocation by Investment Category[1]



Allocation by Geography[2]



Allocation by Industry[2]



[1] Based on fair values plus unfunded commitments (basis: total finacial assets available for sale)
[2] Based on fair values of the underlying companies (basis: total finacial assets available for sale)

*For portfolio events in the first three quarters of the financial year 2010/2011 please refer to the respective quarterly reports which can be downloaded from the Company's website (www.peh.ch).

The Year in Review

For the financial year 2010/2011, Private Equity Holding AG reports a total comprehensive income of EUR 6.0 million.

As of March 31, 2011, the net asset value per share stood at EUR 54.21. This represents an increase of 5% (including the capital reduction of CHF 2 per share in September 2010) during the financial year.

As of March 31, 2011, total long-term assets amount to EUR 188.8 million (March 31, 2010: EUR 179.0 million). The change since March 31, 2010 includes a an increase in the fair value of fund investments of EUR 15.2 million, and a decrease in the fair value of direct investments of EUR 5.4 million. During the financial year, total distributions of EUR 39.0 million were generated from financial assets available for sale. Capital calls amounted to EUR 37.1 million.

Since the beginning of the financial year, April 1, 2010, the Company's net current assets decreased from EUR 26.2 million to EUR 11.9 million.

Fund Investments

As of March 31, 2011, the fair value of the fund portfolio stood at EUR 175.9 million (March 31, 2010: EUR 160.7 million). The change results from capital calls of EUR 35.8 million, distributions of EUR 30.1 million and positive net value adjustments of EUR 9.5 million.

Noteworthy portfolio events in the last quarter of the financial year 2010/2011 included the following*:

Private Equity Holding committed EUR 5 million to *Index Growth II*, a growth equity and late stage venture fund predominantly investing in the IT sector with a limited focus on life science investments. The fund will focus on opportunities within Europe, Israel and the US and is managed by Index Ventures, based in Geneva and London, a premier European venture group. Index Ventures has managed six funds over the last 15 years and participated in a long series of highly successful investments such as Skype (subsequently sold to eBay), making access to the funds highly sought-after.

After the quarter, in April 2011, PEH committed USD 7.5 million to *ABRY Partners VII*. ABRY Partners is one of the most experienced media investment firms in North America, having invested over USD 27 billion since 1989 in leveraged transactions and other private equity investments. The fund will continue the firm's successful strategy of making control buyouts of mid-market companies active in the media, communication and information sector in North America. This commitment marks the successful continuation of the relationship with ABRY Partners having committed to *ABRY Partners VI* and *ABRY ASF* in 2008.

ABRY Partners VI completed a follow-on investment in B&H Education. B&H Education is the parent company of Marinello Schools of Beauty, which is the largest for-profit post-secondary cosmetology school group on the west coast.

ABRY Advanced Securities Fund distributed income from its total return swap investments.

Avista Capital Partners distributed USD 105 million (USD 500k to PEH) from the recapitalization of Lantheus, a leading supplier of radiopharmaceuticals and contrast agents for nuclear and ultrasound-based cardiovascular diagnostic imaging. The fund further invested in Geokinetics, a provider of seismic acquisition and data processing services to both domestic and international oil and gas companies, and acquired outstanding senior secured loans of InvestorPlace Media, a leading financial news and investing site.

DB Secondary Opportunities Fund A distributed proceeds from several underlying fund investments.

DB Secondary Opportunities Fund C called USD 0.8 million from PEH for investments in Avista Capital Partners, Da Vinci 101 Limited, Leonardo 102 L.L.C. and Imperial 101 Ltd.

Formula Ventures II was dissolved at the end of its term and distributed final proceeds in kind in the form of shares in *Earnix*, a provider of a software platform for dynamic price optimization and execution uniquely tailored for the insurance and retail banking industries. *Earnix* now appears as direct investment in the overview of financial assets available for sale.

The *Industri Kapital 2007 Fund* made an investment in undisclosed project Azure.

Kennet III distributed proceeds from the sale of Goviral, a distributor of branded video content and BuyVIP, a fashion and lifestyle online buying community with more than six million members.

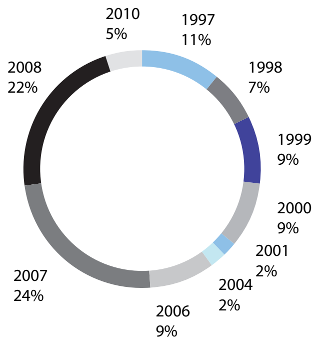
PEH received EUR 4.1 million from *Milestone 2008* resulting from the disposal of coffee vending business Coffee Nation to Costa Limited, a coffee shop chain; this exit returned 3.7x its original investment in less than three years. Milestone acquired the business in March 2008 and the business has almost doubled with installations growing from 550 in March 2008 to 900 at exit and has expanded rapidly into new markets such as universities, hospitals and business and industry.

OCM European Principal Opportunities Fund II completed various investments including German shipping company Beluga, Gulmar, which provides engineering, construction, marine and diving services to the offshore oil and gas industry, Jackson Square Aviation, a full-service aircraft leasing company and the settlement of pending trades primarily related to Spanish doughnut manufacturer Panrico.

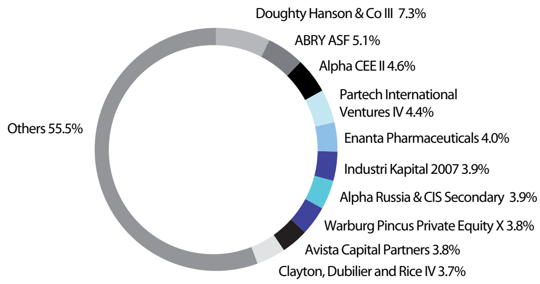
Palamon European Capital Partners distributed proceeds from the sale of Loyalty Partner Holdings SA, the owner and operator of the PAYBACK card, Europe's largest multi-partner loyalty scheme, to American Express.

Warburg Pincus Private Equity X completed investments in a Brazilian financial institution and NDR Group, an Indian-based logistic company. The fund distributed proceeds from WARP Funding Company Limited, a company formed to take advantage of dislocations in various credit markets.

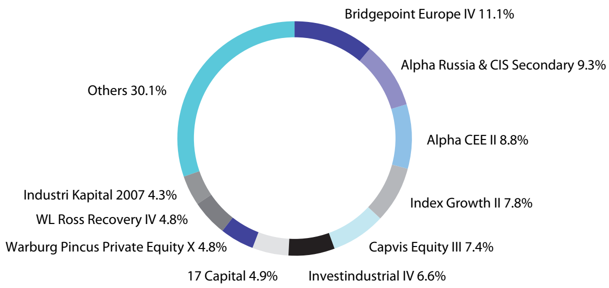
Diversification of the Fund Portfolio by Vintage Year[3]



Largest Exposures by Fair Value



Largest Exposures by Unfunded Commitment



[3] Based on fair values of the fund investments.

Direct Investments

As of March 31, 2011, the fair value of the direct portfolio (incl. loans) stood at EUR 12.9 million (March 31, 2010: EUR 18.3 million). During the financial year 2010/2011, positive net value adjustments of EUR 2.2 million were recorded on the portfolio and EUR 8.9 million were distributed. New follow-on investments amounted to EUR 1.3 million.

Noteworthy portfolio events in the last quarter of the financial year 2010/2011 included the following*:

Cydex, the US specialty pharmaceutical company was acquired by NASDAQ-listed Ligand Pharmaceuticals for USD 31.2 million in upfront cash, with a USD 4.3 million cash payment on the one year anniversary of closing. PEH received a distribution of EUR 3.1m in the quarter from the upfront proceeds, and will receive further amounts on the first year anniversary, and is entitled to milestone payments from drug development progress and royalties on sales from its pipeline.

PEH received EUR 1.7 million resulting from the sale of all remaining shares in *CEGID*, a French listed company providing management software solutions, a co-investment with Apax France.

During the quarter, PEH has continued to sell down its position in *Epicept*, an oncology and pain specialty pharmaceutical company.

*For portfolio events in the first three quarters of the financial year 2010/2011 please refer to the respective quarterly reports which can be downloaded from the Company's website (www.peh.ch).

Selected Investments

The ten largest investments by fair value are described below. Together they account for 45% of the total fair value of the investment portfolio of the Private Equity Holding Group.

Doughty Hanson & Co. III

Fund Size:	USD 2.7 billion
Type:	Buyout
Industries:	Diverse
Region:	Europe
Fair Value:	EUR 13.7 million 7.3% of PEH portfolio

Doughty Hanson is one of Europe's largest independent private equity firms with a 25 year track record of buying and growing market-leading businesses across Europe. The team consists of more than 50 investment professionals, located in offices in London, Frankfurt, Madrid, Milan, Munich, Paris and Stockholm. The fund is fully drawn and there is one company remaining in the portfolio: LM Wind Power, which was formed in July 2009 through the combination of LM Glasfiber and Svendborg Brakes to create a world leading wind-turbine components manufacturer and servicing company. The company employs 4,700 people and operates factories located on three continents in thirteen locations.

ABRY Advanced Securities Fund

Fund Size:	USD 700 million
Type:	Special Situations
Industries:	Media
Region:	USA
Fair Value:	EUR 9.6 million 5.1% of PEH portfolio

ABRY is one of the most experienced investment firms in North America focusing on media, communications, business and information services. Founded in 1989, ABRY Partners has invested over USD 27 billion in high quality companies and partnered with management to help build their businesses. This includes leveraged transactions and other private equity, mezzanine or preferred equity placements, representing investments in approximately 450 properties. ABRY ASF invests in senior debt securities issued by high quality, non-investment grade media companies syndicated by lending banks, using swap structures. The fund targets investments ranging from USD 10 to USD 50 million, with diversification across over 250 media companies in the US. The fund is 80% drawn.

ALPHA CEE II

Fund Size:	EUR 309 million
Type:	Buyout & Expansion
Industries:	Diverse
Region:	Central & Eastern Europe
Fair Value:	EUR 8.6 million 4.6% of PEH portfolio

ALPHA CEE II is the second diversified private equity fund for Central and Eastern Europe managed by Alpha Associates, the leading private equity fund-of-funds manager for Central and Eastern Europe and Russia/CIS with more than a decade of investment experience in the region. The fund makes primary commitments to top tier private equity funds in the region with a focus on the new EU member countries, purchases mature fund interests on the secondary market and makes selective direct co-investments. The stage focus is on conservatively leveraged small and mid-market buyouts as well as expansion financing, primarily of businesses in the consumer-oriented sectors. The fund is 62% drawn and has exposure to 105 companies.

Partech International Ventures IV

Fund Size:	USD 304 million
Type:	Venture
Industries:	Information technology
Region:	USA
Fair Value:	EUR 8.3 million 4.4% of PEH portfolio

Founded in 1982, Partech International is a leading global venture capital firm with offices in the US, Europe and Israel and USD 800 million under management. The fund focuses on the software & internet and communications & components sectors. Partech's internationally integrated team works together closely to find the most innovative information technology companies. The partners are organized along industry groups, across geographical boundaries, giving the firm unique sourcing and due diligence capabilities. The fund is fully drawn and has 29 companies in the portfolio.

Enanta Pharmaceuticals, Inc.

Type:	Early-stage Venture
Industries:	Healthcare
Region:	USA
Fair Value:	EUR 7.6 million 4.0% of PEH portfolio

Enanta Pharmaceuticals is a research and development company that uses its novel chemistry approach and drug discovery capabilities to create best in class small molecule drugs in the anti-infective field. In 2006, Enanta Pharmaceuticals and Abbott signed a worldwide agreement to develop and commercialize hepatitis C virus protease inhibitors, and giving Abbott worldwide access to Enanta's substantial intellectual property and drug discovery capabilities. Enanta received a USD 57 million upfront payment from Abbott consisting of a cash licence payment and an equity investment. Progress in the pipeline has been significant since 2006.

Industri Kapital 2007 Fund

Fund Size:	EUR 1.7 billion
Type:	Buyout
Industries:	Diverse
Region:	Europe
Fair Value:	EUR 7.4 million 3.9% of PEH portfolio

The fund is managed by IK Investment Partners, formerly known as Industri Kapital, a European private equity firm with Nordic roots managing EUR 5.7 billion in fund commitments. The firm has 29 investment professionals in offices in the UK and in Sweden, as well as France, Germany and Norway. This is the group's sixth fund, pursuing control buyouts in enterprises valued between EUR 100 million and 500 million. The fund is 73% drawn and has 11 investments in its portfolio.

ALPHA Russia & CIS Secondary

Fund Size:	USD 107 million
Type:	Secondary
Industries:	Diverse
Region:	Russia & CIS
Fair Value:	EUR 7.4 million 3.9% of PEH portfolio

ALPHA Russia & CIS Secondary L.P. is managed by Alpha Associates and focuses on the acquisition of mature private equity fund interests in the secondary market in Russia, other countries of the former Soviet Union and Turkey. The fund aims to capitalize on the attractive opportunities post crisis to purchase high quality private equity assets at attractive discounts to net asset value from investors in distress or restructuring their portfolios. The fund also makes selective primary commitments to leading funds in the region as well as direct co-investments. As of December 31, 2010, the portfolio consists of six secondary positions, two primary commitments and one direct co-investment.

Warburg Pincus Private Equity X

Fund Size:	USD 15 billion
Type:	Buyout
Industries:	Diverse
Region:	Global
Fair Value:	EUR 7.3 million 3.8% of PEH portfolio

Warburg Pincus was founded in 1966 and is one of the most established private equity firms in the world. It has 56 partners and 165 investment professionals with headquarters in New York and further 12 offices in 9 countries. The fund focuses on growth investments. The activity includes conceiving and creating venture capital opportunities, providing expansion capital, and investing in leveraged buyouts. The fund is 71% drawn and has 62 companies in its portfolio.

Avista Capital Partners

Fund Size:	USD 2.0 billion
Type:	Buyout
Industries:	Energy, healthcare and media
Region:	USA
Fair Value:	EUR 7.1 million 3.8% of PEH portfolio

Avista Capital Partners was formed in 2005 through the spin-out of the core team from DLJ Merchant Banking Partners. The fund manager employs a 28 person investment team, based in New York. The fund makes controlling or influential minority buyout investments in the US, specializing in growth oriented energy, healthcare and media companies. The fund is fully drawn and invested into 16 companies.

Clayton, Dubilier & Rice Fund VI

Fund Size:	USD 3.4 billion
Type:	Buyout
Industries:	Diverse
Region:	USA
Fair Value:	EUR 7.0 million 3.7% of PEH portfolio

Clayton, Dubilier & Rice is one of the private equity firms with the longest operating history, having started out in 1978 with a focus on operational improvements in large corporations. Since inception, companies such as Bodycote, DuPont, Ford, General Electric, General Motors, Gillette, IBM, PPR and Telecom Italia, have selected the firm as the buyer of choice for large divisions. The fund invests primarily within the United States. The fund is fully drawn and has 4 companies remaining in the portfolio, including Rexel, a global leader in the distribution of electrical supplies.

The ten largest fund investments by unfunded commitment are described below. Together they account for 70% of the total unfunded commitments of the Private Equity Holding Group.

Bridgepoint Europe IV

Bridgepoint is one of the leading private equity investment firms in Europe with a team of over 70 investment professionals and over 20 partners. Having invested successfully for over 25 years, Bridgepoint has proven its ability to finance businesses and grow them organically or by acquisition. The fund makes European buyout investments at the upper end of the mid-market. The focus is on controlling positions in enterprises valued between EUR 200m and EUR 1billion. The fund is 29% drawn and the portfolio consists of six companies.

Fund Size:	EUR 4.8 billion
Type:	Buyout
Industries:	Diverse
Region:	Europe
Unfunded Commitment:	EUR 7.1 million (11.1% of total unfunded)

ALPHA Russia & CIS Secondary

ALPHA Russia & CIS Secondary L.P. is managed by Alpha Associates and focuses on the acquisition of mature private equity fund interests in the secondary market in Russia, other countries of the former Soviet Union and Turkey. The fund aims to capitalize on the attractive opportunities post crisis to purchase high quality private equity assets at attractive discounts to net asset value from investors in distress or restructuring their portfolios. The fund also makes selective primary commitments to leading funds in the region as well as direct co-investments. As of December 31, 2010, the portfolio consists of six secondary positions, two primary commitments and one direct co-investment.

Fund Size:	USD 107 million
Type:	Secondary
Industries:	Diverse
Region:	Russia & CIS
Unfunded Commitment:	EUR 5.9 million (9.3% of total unfunded)

ALPHA CEE II

ALPHA CEE II is the second diversified private equity fund for Central and Eastern Europe managed by Alpha Associates, the leading private equity fund-of-funds manager for Central and Eastern Europe and Russia/CIS with more than a decade of investment experience in the region. The fund makes primary commitments to top tier private equity funds in the region with a focus on the new EU member countries, purchases mature fund interests on the secondary market and makes selective direct co-investments. The stage focus is on conservatively leveraged small and mid-market buyouts as well as expansion financing, primarily of businesses in the consumer-oriented sectors. The fund is 62% drawn and has exposure to 105 companies.

Fund Size:	EUR 309 million
Type:	Buyout & Expansion
Industries:	Diverse
Region:	Central & Eastern Europe
Unfunded Commitment:	EUR 5.6 million (8.8% of total unfunded)

Index Growth II

The fund is managed by Index Ventures, a European venture capital investor headquartered in Geneva, which, during the last 15 years has managed in total 6 funds. Index Growth II will continue to execute its predecessor fund's strategy of growth equity and late stage venture investments within Europe, Israel and the US, predominantly in the IT sector with a limited focus on the Life Science space. The Fund will focus primarily on companies with enterprise values of between EUR 50 million and EUR 250 million.

Fund Size:	EUR 500 million (target)
Type:	Growth capital
Industries:	Diverse
Region:	Europe
Unfunded Commitment:	EUR 5.0 million (7.8% of total unfunded)

Capvis Equity III

Capvis is the most established mid market buyout manager based in Switzerland, targeting investments in German-speaking Europe. Its roots go back to Swiss Bank Corporation's Equity Banking Division. The investment team includes 8 partners and 6 investment professionals based in Zurich. This is the team's third independent fund making control investments in medium sized companies, often as part of succession solutions or corporate spin-offs. The fund is 53% drawn and has 4 investments in its portfolio.

Fund Size:	EUR 600 million
Type:	Buyout
Industries:	Diverse
Region:	Europe
Unfunded Commitment:	EUR 4.7 million (7.4% of total unfunded)

Investindustrial

Fund Size:	EUR 1 billion
Type:	Buyout
Industries:	Diverse
Region:	Europe
Unfunded Commitment:	EUR 4.2 million (6.6% of total unfunded)

Investindustrial IV

Investindustrial is one of the premier Italian buyout groups with an experienced team of 29 professionals and offices in Milan, London, Barcelona, Madrid and Luxembourg. Business development offices in Shanghai and New York have recently been opened. The fund acquires control positions in industrially driven management buyout transactions and leveraged build-ups principally in Italy and in the Iberian peninsula. The fund is 50% drawn and has 7 companies in its portfolio, three announced transactions and reserves will bring this number to 82%.

17 CAPITAL

Fund Size:	EUR 88 million
Type:	Special Situations
Industries:	Diverse
Region:	Europe
Unfunded Commitment:	EUR 3.1 million (4.9% of total unfunded)

17 Capital Fund

17 Capital is an innovative player on the private equity secondary market. The fund provides preferred equity and mezzanine financing for secondary transactions involving the purchase of interests in single private equity funds as well as portfolios of assets. The fund manager was established in 2008 and is based in Paris. The fund is 37% drawn.

WARBURG PINCUS

Fund Size:	USD 15 billion
Type:	Buyout
Industries:	Diverse
Region:	Global
Unfunded Commitment:	EUR 3.1 million (4.8% of total unfunded)

Warburg Pincus Private Equity X

Warburg Pincus was founded in 1966 and is one of the most established private equity firms in the world. It has 56 partners and 165 investment professionals with headquarters in New York and further 12 offices in 9 countries. The fund focuses on growth investments. The activity includes conceiving and creating venture capital opportunities, providing expansion capital, and investing in leveraged buyouts. The fund is 71% drawn and has 62 companies in its portfolio.

WL ROSS & CO.

Fund Size:	USD 4.1 billion
Type:	Special Situations
Industries:	Diverse
Region:	US & Canada
Unfunded Commitment:	USD 3.1 million (4.8% of total unfunded)

WL Ross Recovery Fund IV

WL Ross was formed in 2000 as an independent organisation. The firm engages in bankruptcies, restructurings and other special situation distressed investing. The team includes 21 investment professionals in offices in New York and Mumbai. In 2006, WL Ross was acquired by Invesco, a global asset managet company. This is the fourth fund managed by the team. The team invests in securities of issuers of marginal creditworthiness and in companies with inefficient pricing and legal and economic complexity. The fund is 57% drawn and is invested in 17 companies and 2 mortgage funds.

IK Investment Partners

Fund Size:	EUR 1.7 billion
Type:	Buyout
Industries:	Diverse
Region:	Europe
Unfunded Commitment:	EUR 2.7 million (4.3% of total unfunded)

Industri Kapital 2007 Fund

The fund is managed by IK Investment Partners, formerly known as Industri Kapital, a European private equity firm with Nordic roots managing EUR 5.7 billion in fund commitments. The firm has 29 investment professionals in offices in the UK and in Sweden, as well as France, Germany and Norway. This is the group's sixth fund, pursuing control buyouts in enterprises valued between EUR 100 million and 500 million. The fund is 73% drawn and has 11 investments in its portfolio.

FINANCIAL INFORMATION

Consolidated Financial Statements March 31, 2011

Consolidated Statement of Comprehensive Income

EUR 1,000	Notes	01.04.10-31.03.11	01.04.09-31.03.10
Income			
Gains on financial assets available for sale	16	15,812	4,692
Gains on financial assets at fair value through profit or loss	17	706	3,409
Gains on earn-out		—	12,824
Other income		—	9
Interest income		1,018	164
Dividend income		308	572
Foreign exchange (losses)/gains		(278)	66
Total Income		**17,566**	**21,736**
Expenses			
Impairment of financial assets available for sale	18	3,966	6,052
Administration expense	19, 21	5,178	5,688
Corporate expense	19	1,024	645
Transaction expense	19	14	3
Total Expenses		**10,182**	**12,388**
Profit from Operations		**7,384**	**9,348**
Income tax expense		—	—
Profit for the Year attributable to Equity Holders of the Company		**7,384**	**9,348**
Net change in fair value of financial assets available for sale	8	(1,415)	13,634
Other comprehensive income/(loss) for the year, net of income tax		(1,415)	13,634
Total Comprehensive Income for the Year attributable to Equity Holders of the Company		**5,969**	**22,982**

	01.04.10-31.03.11	01.04.09-31.03.10
Weighted average number of shares outstanding during year	3,806,600	3,869,102
Basic Earnings per share (EUR)	1.94	2.42
Diluted Earnings per share (EUR)	1.94	2.42
Comprehensive Earnings per share (EUR)	1.57	5.94

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

EUR 1,000

	Notes	31.03.11	31.03.10
Assets			
Current Assets			
Cash and cash equivalents	5	9,823	22,683
Financial assets at fair value through profit or loss	7	2,601	4,533
Receivables and prepayments		371	547
Total Current Assets		**12,795**	**27,763**
Non-Current Assets			
Financial assets available for sale	8	188,848	179,001
Total Non-Current Assets		**188,848**	**179,001**
Total Assets		**201,643**	**206,764**

Liabilities and Equity			
Current Liabilities			
Payables and other accrued expenses	12	902	1,553
Total Current Liabilities		**902**	**1,553**
Equity			
Share capital		15,034	20,247
Share premium		115,253	116,540
Treasury shares	14	(8,993)	(6,079)
Fair value reserve		13,561	14,976
Retained earnings		65,886	59,527
Total Equity		**200,741**	**205,211**
Total Liabilities and Equity		**201,643**	**206,764**

	31.03.11	31.03.10
Total number of shares as of year end	4,009,500	4,050,000
Number of treasury shares as of year end	(306,773)	(184,871)
Number of Shares Outstanding as of Year End	**3,702,727**	**3,865,129**
Net Asset Value per Share (EUR)	54.21	53.09

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

EUR 1,000	Share capital	Share premium	Treasury shares	Fair value reserve	Retained earnings	Total equity
Opening as of 01.04.09	**20,247**	**116,540**	**(6,445)**	**1,342**	**50,179**	**181,863**
Profit for the year	—	—	—	—	9,348	9,348
Change in fair value reserve	—	—	—	13,634	—	13,634
Total other comprehensive income, net of income tax	—	—	—	13,634	—	13,634
Total Comprehensive Income for the Year	**—**	**—**	**—**	**13,634**	**9,348**	**22,982**
Purchase of treasury shares	—	—	(636)	—	—	(636)
Sale of treasury shares	—	—	1,002	—	—	1,002
Total as of 31.03.10	**20,247**	**116,540**	**(6,079)**	**14,976**	**59,527**	**205,211**

EUR 1,000	Share capital	Share premium	Treasury shares	Fair value reserve	Retained earnings	Total equity
Opening as of 01.04.10	**20,247**	**116,540**	**(6,079)**	**14,976**	**59,527**	**205,211**
Profit for the year	—	—	—	—	7,384	7,384
Change in fair value reserve	—	—	—	(1,415)	—	(1,415)
Total other comprehensive income, net of income tax	—	—	—	(1,415)	—	(1,415)
Total Comprehensive Income for the Year	**—**	**—**	**—**	**(1,415)**	**7,384**	**5,969**
Purchase of treasury shares	—	—	(8,277)	—	—	(8,277)
Sale of treasury shares	—	(285)	3,853	—	—	3,568
Cancellation of treasury shares	(202)	(1,002)	1,204	—	—	—
Par value reduction	(5,011)	—	306	—	(1,025)	(5,730)
Total as of 31.03.11	**15,034**	**115,253**	**(8,993)**	**13,561**	**65,886**	**200,741**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

EUR 1,000	Notes	01.04.10-31.03.11	01.04.09-31.03.10
Cash Flows from operating activities			
Profit for the year		7,384	9,348
Adjustments for:			
(Gains) on financial assets available for sale	16	(15,812)	(4,692)
(Gains) on financial assets at fair value through profit or loss	17	(706)	(3,409)
(Gains) on earn-out		—	(12,824)
Interest and dividens received from financial assets available for sale		(1,308)	—
Impairment on financial assets available for sale	18	3,966	6,052
Foreign exchange losses		278	—
Decrease in other working capital items, net		(475)	(3,357)
Investments in financial assets available for sale		(37,091)	(16,638)
Distributions from financial assets available for sale		38,981	11,785
Investments in financial assets at fair value through profit or loss		—	(31)
Divestments in financial assets at fair value through profit or loss		2,639	286
Earn-out received	9	—	16,074
Net cash (used)/provided by operating activities		**(2,144)**	**2,594**
Cash Flows from financing activities			
Purchase of treasury shares		(8,277)	(636)
Sale of treasury shares		3,464	1,002
Par value reduction		(5,730)	—
Net cash used/(provided) by financing activities		**(10,543)**	**366**
Net increase/(decrease) in cash and cash equivalents		**(12,687)**	**2,960**
Cash and cash equivalents at beginning of the year		22,683	19,723
Effects of exchange rate changes on cash and cash equivalents		(173)	—
Cash and cash equivalents at the end of the year		**9,823**	**22,683**

Cash flows from operating activities include:

EUR 1,000	01.04.10-31.03.11	01.04.09-31.03.10
Interest received	1,018	185
Dividend received	308	572
Income taxes paid	-	-

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

Private Equity Holding AG (the "Company") is a stock company incorporated under Swiss law with registered address at Innere Güterstrasse 4, 6300 Zug, Switzerland. The business activity of the Company is conducted mainly through its Cayman Islands and Netherlands subsidiaries (together referred to as the "Group").

The business activity of the Group is the purchase, holding and disposal of investments held in private equity funds and directly in companies with above-average growth potential. ALPHA Associates (Cayman), LP, Cayman Islands ("ALPHAC"), and ALPHA Associates AG, Zurich ("ALPHA", together "ALPHA Group" or the "Management"), act respectively as manager of the Group and administrator of the Company. See also Note 21.

The Group has no employees.

These consolidated financial statements were authorized for issue on May 23, 2011 by the Board of Directors.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). They comply with Swiss Law and Article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange. The consolidated financial statements have been prepared under the historical cost convention, with the exception of financial assets at fair value through profit or loss and held as available for sale which are measured at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

a) Adoption of new standards and amendments to standards in 2010

The following standards, amendments to existing standards and interpretations became effective for the first time for the financial year beginning April 1, 2010 but had no significant impact on these consolidated financial statements:

IAS 32 (amendment), *'Financial instruments: Presentation - Classification of rights issues'* (effective from February 1, 2010);
IAS 39 (amendment), *'Financial instruments: Recognition and measurement'* (effective from July 1, 2009);
IFRS 2 (amendments), *'Group cash-settled share-based payment transactions'* (effective from January 1, 2010);
IFRS 3 (revised), *'Business combinations'* (effective from July 1, 2009);
IFRIC 17, *'Distributions of non-cash assets to owners'* (effective from July 1, 2009); and
IFRIC 18, *'Transfers of assets from customers'* (effective from July 1, 2009).

'Improvements to IFRS' were issued in May 2008 and April 2009 respectively and contain various amendments to IFRS, which the IASB consider non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual standards. Most of the amendments were effective for annual periods beginning on or after January 1, 2009 and January 1, 2010 respectively, with earlier application permitted. No changes to accounting policies resulted out of these amendments.

b) New standards and interpretations not yet adopted

IFRS 9, *'Financial instruments'*: This new standard deals with classification and measurement of financial assets and financial liabilities. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets and financial liabilities. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. According to IFRS 9, an entity shall classify all financial liabilities as subsequently measured at amortised cost using the effective interest method, except for financial liabilities at fair value through profit or loss, such as derivatives. The IASB also added the requirements of IAS 39 in relation to the derecognition of financial assets and financial liabilities to IFRS 9. This standard is effective for annual periods beginning on or after January 1, 2013. The Group is currently in the process of evaluating the potential effect of this standard.

c) Standards, amendments and interpretations issued but not yet effective and not expected to be relevant for the Group's operations

IFRIC 19, *'Extinguishing financial liabilities with equity instruments'* (effective from July 1, 2010);
IFRIC 14 (amendments), *'IAS 19 - The limit on a defined benefit asset, minimum funding requirements'* (effective from January 1,2011);
IFRS 7 (amendments), *'Financial instruments: Disclosures'* - Transfers of financial assets (effective from July 1,2011); and Improvements to IFRSs (May 2010) (effective from July 1, 2010 and January 1, 2011 respectively).

2.2 Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Scope of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, after the elimination of all significant intercompany accounts and transactions. All subsidiaries are owned 100%, either directly or indirectly, by the Company. The scope of consolidation includes the following entities:

Company	Domicile	Percentage	Share Capital (EUR 1,000)
Private Equity Holding AG	Zug, Switzerland	n/a	15,034
Private Equity Holding Cayman	Grand Cayman, Cayman Islands	100%	687,414
Private Equity Holding (Luxembourg) SA	Luxembourg, Luxembourg	100%	9,076
Private Equity Holding (Netherlands) BV	Amsterdam, Netherlands	100%	9,076
Private Equity Holding Fund Finance	Grand Cayman, Cayman Islands	100%	8,677
Private Equity Holding Direct Finance	Grand Cayman, Cayman Islands	100%	124,984
Private Equity Holding Co-Finance	Grand Cayman, Cayman Islands	100%	46,869
Private Equity Holdings LP	Grand Cayman, Cayman Islands	100%	33,584*
Private Equity Parallel Holdings LP	Grand Cayman, Cayman Islands	100%	8,267*
U.S. Ventures LP	Grand Cayman, Cayman Islands	100%	201*

* Limited partner's capital as of December 31, 2010.

All subsidiaries of the Company are considered foreign operations integral to the operations of the parent company, as per IAS 21.

As of March 31, 2011, the Group holds ownership interests of 50% or more in the following fund investments

- Newbury Ventures Cayman
- TAT Investments I CV

With regard to Newbury Ventures Cayman the investment was made into a parallel fund in order to achieve favorable tax treatment. In this case the percentage holding in the overall fund is significantly below 50%.

According to the limited partnership agreements of these funds, the Group has neither significant influence nor the power to participate in the financial and operating policy of the funds. Therefore, no equity accounting or consolidation is performed.

2.3 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.4 Fair value per share

Fair value per share is calculated by dividing total shareholders' equity with the number of ordinary shares in issue, net of treasury shares.

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

The performance of the Group is reported to the investors in Euro. The Board of Directors considers the Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euros, which is the Company's functional currency.

2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Translation differences on non-monetary financial assets such as financial assets available for sale are recognized in the fair value reserve.

2.6 Financial instruments

Following IAS 39 the Group classifies the majority of its financial instruments into the following two categories: at fair value through profit or loss and financial assets available for sale. The Management determines the appropriate classification of investments at the time of the purchase.

Recognition of financial assets and liabilities

The Group initially recognizes financial assets and financial liabilities measured at amortized cost on the date at which they are originated. All other financial assets and liabilities are initially recognized on the date at which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Derecognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

2.6.1 Available for sale

Financial instruments intended to be held for an indefinite period of time for the purpose of realizing capital gains upon sale are designated as available for sale. Financial assets available for sale are initially recorded at fair value including transaction costs. These financial assets are subsequently re-measured at fair value (see Note 2.6.6). Gains and losses arising from changes in the fair value of financial assets available for sale are recognized in equity. When the financial assets are disposed of or once they are impaired, the related accumulated fair value adjustments are included in profit or loss as "Gains/(Losses) on financial assets available for sale, net" or as "Impairment" respectively. A financial asset available for sale is impaired when information is received about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the financial asset may not be recovered, or where there is a significant or prolonged decrease in the fair value below cost for an investment in an equity security. Impairment losses recognized in profit or loss on equity investments are not reversed through profit or loss but through equity. Loans are granted to companies only under certain circumstances: when the loan is granted together with an equity investment in the company, when an option to purchase shares in the company is part of the loan agreement, or when the loan is convertible into shares of the company (embedded derivatives). Interest income and amortization are recorded in profit or loss or balance sheet, respectively.

2.6.2 At fair value through profit or loss

This category includes securities which were either distributed by funds or direct investments which went public, which are designated as held at fair value through profit or loss. These financial assets are initially recognized at fair value excluding transaction costs and subsequently remeasured at fair value. All related realized and unrealized gains and losses are included in the income statement as they arise.

2.6.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost, minus repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment. Loans and receivables are impaired, when objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

2.6.4 Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

2.6.5 Recognition of interest and dividend income

Interest income from financial assets available for sale is recognized in profit or loss. Dividend income from financial assets available for sale is recognized in profit or loss within dividend income when the Group's right to receive payments is established.

2.6.6 Fair value estimation

i) Financial assets at fair value through profit or loss

The fair values for financial assets at fair value through profit or loss are generally determined by reference to their quoted market price, defined as the "bid" price for financial assets and the "ask" price for financial liabilities on the principal securities exchange or market on which such investments are traded as of the close of business on the valuation date, or, in the absence thereof, the last available price quotation from such exchange or market.

ii) Financial assets available for sale

The fair values assigned to financial assets available for sale are based upon available information and do not necessarily represent amounts which might ultimately be realized. Because of the inherent uncertainty of valuation, these estimated fair values may differ significantly from the values that would have been used had a ready market for the financial assets available for sale existed, and those differences could be material.

The responsibility for determining the fair values of financial assets available for sale lies exclusively with the Board of Directors. There is no independent external valuation of the financial assets available for sale conducted.

a) Direct investments and loans

Quoted investments

The fair value of a quoted investment is generally determined by reference to its quoted market price, defined as the "bid" price on the principal securities exchange or market on which such investments are traded as of the close of business on the valuation date, or in the absence thereof, the last available price quotation from such exchange or market.

Unquoted investments

In estimating the fair value of an unquoted investment, the Group considers the most appropriate market valuation techniques, including but not limited to the following:

- Cost basis
- Result of multiples analysis
- Result of discounted cash flow analysis
- Reference to transaction prices (including subsequent financing rounds)
- Reference to the valuation of other investors
- Result of operational and environmental assessment

b) Fund investments

In estimating the fair value of fund investments, the Group considers all appropriate and applicable factors relevant to their value, including but not limited to the following:

- Reference to the fund investment's reporting information
- Reference to transaction prices
- Result of operational and environmental assessment

c) Other balance sheet positions

All other financial assets and financial liabilities have maturities of less than twelve months. The fair values of such positions, therefore, are deemed to be equal to book value.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash at banks and fixed term deposits with a term of three months or less from the date of acquisition. They are subject to an insignificant risk of change in value and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortized cost in the balance sheet.

2.8 Taxes

Private Equity Holding AG

The Company is taxed as a holding company in the Canton of Zug. Income, including dividend income and capital gains from its participation, is exempt from taxation at the cantonal and communal level. For Swiss federal tax purposes, income tax at an effective tax rate of approximately 7.8% is levied. However, dividend income qualifies for the participation exemption if the related investment represents at least 10% of the other company's share capital or has a value of not less than CHF 1 million. The participation exemption is extended to capital gains on the sale of a substantial participation (i.e. at least 10%), which was held for a minimum holding period of one year and in case the sales price of the participation exceeds its original acquisition cost. The result of the participation exemption pursuant to the aforementioned requirements is that dividend income and capital gains (except recovered depreciations) are almost fully exempt from taxation. Should the Company have an accumulated tax loss at the end of the period, a deferred tax asset, equal to the loss carried forward multiplied by the applicable tax rate, is recorded in the consolidated balance sheet unless it appears unlikely that the Company will realize sufficient future taxable profits to take advantage of the tax loss carried forward. This determination is made annually. Provisions for taxes payable on profits earned in other Group companies are calculated and recorded based on the applicable tax rate in the relevant country, as outlined below.

Cayman Subsidiaries
Profits generated by the Cayman subsidiaries are currently not taxable.

Private Equity Holding (Netherlands) BV
Dividend and interest income and capital gains realized by the Netherlands subsidiary are generally subject to taxation in the Netherlands at the rate of 20.0% for the first EUR 200,000 of profit and at a rate of 25.5% thereafter. However, there is no income tax due on dividends and capital gains if the related investment qualifies for the participation exemption.

Private Equity Holding (Luxembourg) SA
Dividend and interest income and capital gains realized by the Luxembourg subsidiary are generally subject to taxation in Luxembourg at the rate of approximately 30%. However, there is no income tax due on dividends and capital gains if the related investment qualifies for the participation exemption.

3. Financial risk management

3.1 Introduction and overview

The Group has exposures to the following risks from financial instruments: market risk (including market price risk, interest rate risk, currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the Group's financial performance.

The investment manager attributes great importance to professional risk management, beginning with careful diversifications, the sourcing of access to premier private equity investment opportunities, proper understanding and negotiation of appropriate terms and conditions, and active monitoring including ongoing interviews with managers, thorough analysis of reports and financial statements and review of investments made. It is also key to structure the proper investment vehicles for the portfolio taking into account issues such as liquidity or tax related issues. The Group has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Group's Investment Manager provides the Group with investment recommendations that are consistent with the Group's objectives. The Board of Directors reviews and agrees policies for managing each of these risks as summarized below.

3.2 Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

3.2.1 Market price risk

The Group invests in financial assets to take advantage of their long-term growth. All investments present a risk of loss of capital. The investment manager moderates the risk through a careful selection of financial assets within specified limits. All of the companies in which the Group and its investee funds invest are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and, therefore, they are considered illiquid.

The Group also invests a significant proportion of its assets in high-technology and biotechnology companies and funds, which represents a concentration of risk in two highly volatile industries. The Group attempts to minimize such risks by engaging in extensive investment due diligence and close monitoring.

The Group invests its liquid assets in accordance with the investment guidelines in the money market or capital market. The development of such investments does not correlate with the private equity markets but rather is subject to the fluctuations and risks of the money market or capital market. Negative developments in such markets resulting in an investment's performance below the Group's expectations or losses on such investments could have a material and adverse effect on the Group's financial results.

If the value of the financial assets available for sale (based on year-end values) had increased or decreased by 33% (change in LPX Indirect Index between April 1, 2010 and March 31, 2011) with all other variables held constant, the impact on consolidated equity would have been EUR 62.32 million (2010: 37%, EUR 66.23 million).

The Group is exposed to a variety of market risk factors which may change significantly over time. As a result, measurement of such exposure at any given point in time may be difficult given the complexity and limited transparency of the underlying investments. Therefore, a sensitivity analysis is deemed of limited explanatory value or may be misleading.

3.2.2 Interest rate risk

The majority of the Group's financial assets and liabilities are non-interest bearing. As a result, the Group is not subject to a significant amount of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The schedule below summarizes the Group's exposure to interest rate risk. It includes the Group's assets and liabilities at fair values, categorized by the earlier of contractual pricing or maturity dates. As of March 31, 2011, should interest rates have risen or fallen by 53.7 basis points (change in 1 month EUR-LIBOR rate between April 1, 2010 and March 31, 2011) with all other variables remaining constant, the increase or decrease to the consolidated statement of income and shareholders' equity would have amounted to EUR 0.1 million (2010: 87.6 basis points, EUR 0.2 million).

In accordance with the Group's policy, the Investment Manager monitors the Group's overall interest sensitivity on a monthly basis and the Board of Directors reviews it on a regular basis.

Interest rate risk as of March 31, 2011

	Less than 1 month EUR 1,000	1-3 months EUR 1,000	Non-interest bearing EUR 1,000	Total EUR 1,000
Assets				
Cash	9,823	—	—	9,823
Financial assets at fair value through profit or loss	—	—	2,601	2,601
Financial assets available for sale	—	—	188,848	188,848
Other current assets	—	—	371	371
Total Assets	**9,823**	**—**	**191,820**	**201,643**
Liabilities				
Payables and other accrued expenses	—	—	902	902
Total Liabilities	**—**	**—**	**902**	**902**

Interest rate risk as of March 31, 2010

	Less than 1 month EUR 1,000	1-3 months EUR 1,000	Non-interest bearing EUR 1,000	Total EUR 1,000
Assets				
Cash	22,683	—	—	22,683
Financial assets at fair value through profit or loss	—	—	4,533	4,533
Financial assets available for sale	—	—	179,001	179,001
Other current assets	—	—	547	547
Total Assets	**22,683**	**—**	**184,081**	**206,764**
Liabilities				
Payables and other accrued expenses	—	—	1,553	1,553
Total Liabilities	**—**	**—**	**1,553**	**1,553**

3.2.3 Currency risk

The Group invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, which exposes the Group to the risk that the exchange rate of those currencies against the Euro will change in a manner which adversely impacts the Group's consolidated net income and consolidated net assets. The Group's policy is not to enter into any currency hedging transactions. The schedule below summarizes the Group's exposure to currency risk:

Currency risk as of March 31, 2011

	USD 1,000	CHF 1,000	GBP 1,000	SEK 1,000
Assets				
Cash and cash equivalents	4,071	340	1,099	—
Financial assets at fair value through profit or loss	—	—	—	—
Financial assets available for sale	178,050	983	4,333	1,593
Other current assets	—	—	—	—
Total Assets	**182,121**	**1,323**	**5,432**	**1,593**
Liabilities				
Payables and other accrued expenses	—	—	—	—
Total Liabilities	**—**	**—**	**—**	**—**
Net exposure	**182,121**	**1,323**	**5,432**	**1,593**

Currency risk as of March 31, 2010

	USD 1,000	CHF 1,000	GBP 1,000	SEK 1,000
Assets				
Cash and cash equivalents	5,572	162	738	1,031
Financial assets at fair value through profit or loss	—	—	—	—
Financial assets available for sale	166,540	855	4,654	2,798
Other current assets	—	—	—	—
Total Assets	**172,112**	**1,017**	**5,392**	**3,829**
Liabilities				
Payables and other accrued expenses	—	—	—	—
Total Liabilities	**—**	**—**	**—**	**—**
Net exposure	**172,112**	**1,017**	**5,392**	**3,829**

As of March 31, 2011, had the exchange rate between the USD/EUR increased or decreased by 5.1% (change in USD/EUR rate between April 1, 2010 and March 31, 2011) with all other variables held constant, the increase or decrease to profit or loss and shareholders' equity would have amounted to EUR 6.6 million (2010: 1.7%, EUR 2.2 million).

In accordance with the Group's policy, the investment manager monitors the Group's currency position on a monthly basis and the Board of Directors reviews it on a regular basis.

3.3 Credit risk

The Group takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due resulting in a loss for the Group. Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any. The schedule below summarises the Group's exposure to credit risk.

The Group's main credit risk concentration is from distributions to be received from the private equity investments in which the Group is invested. The Group seeks to mitigate its exposure to credit risk by conducting its contractual transactions with institutions which are reputable and well established.

In accordance with the Group's policy, the investment manager monitors the Group's credit position on a monthly basis and the Board of Directors reviews it on a regular basis.

Credit risk as of March 31, 2011

	Fully performing EUR 1,000	Total EUR 1,000	Rating (Moody's)
Cash at Credit Suisse	8,708	8,708	Aa2
Cash at Morgan Stanley	1,115	1,115	A2
Receivables and accrued income	371	371	n/a
Total exposure to credit risk	**10,194**	**10,194**	

Credit risk as of March 31, 2010

	Fully performing EUR 1,000	Total EUR 1,000	Rating (Moody's)
Cash at Credit Suisse	17,139	17,139	Aa1
Cash at Morgan Stanley	547	547	A2
German Treasury Bills	4,997	4,997	Aaa
Receivables and accrued income	547	547	n/a
Total exposure to credit risk	**23,230**	**23,230**	

No financial assets carried at amortized cost were past due or impaired either at March 31, 2011 or March 31, 2010.

3.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Group. The Group's policy and the investment manager's approach to managing liquidity is to have sufficient liquidity to meet its liabilities, including estimated capital calls, without incurring undue losses or risking damage to the Group's reputation.

Outstanding commitments can exceed cash and cash equivalents available to the Group. Based on current short-term cash flow projections and barring unforeseen events, the Group expects to be able to honor all capital calls.

The Group has a cash balance at March 31, 2011 of EUR 9.8 million (2010: EUR 22.7 million). The total undrawn amount in respect of commitments made on or before March 31, 2011 is EUR 63.8 million (2010: EUR 85.0 million). Undrawn commitments are off balance sheet and will be drawn over time. They will be financed with the Group's cash position and out of future distributions. In addition the Group has access to a EUR 20.0 million credit facility (see also Note 13).

The majority of the investments which the Group makes are unquoted and subject to specific restrictions on transferability and disposal. Consequently, the risk exists that the Group might not be able to readily dispose of its holdings in such markets or investments when it chooses and also that the price attained on a disposal is below the amount at which such investments are included in the Group's balance sheet. Only the marketable securities are listed on stock exchange and are thus more liquid. The marketable securities make up 1.7% of shareholders' equity.

The schedule below analyses the Group's financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the schedule are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant. In accordance with the Group's policy, the Investment Manager monitors the Group's liquidity position on a daily basis and the Board reviews it on a regular basis.

Liquidity risk as of March 31, 2011

	Less than 1 month EUR 1,000	1-3 months EUR 1,000	No stated maturity EUR 1,000	Total EUR 1,000
Payables and other accrued expenses	654	—	248	902
Accrued taxes	—	—	—	—
Total Current liabilities (on balance sheet)	**654**	**—**	**248**	**902**
Unfunded commitments (off balance sheet)	63,814	—	—	63,814
Total	**64,468**	**—**	**248**	**64,716**

Liquidity risk as of March 31, 2010

	Less than 1 month EUR 1,000	1-3 months EUR 1,000	No stated maturity EUR 1,000	Total EUR 1,000
Payables and other accrued expenses	421	884	248	1,553
Accrued taxes	—	—	—	—
Total Current liabilities (on balance sheet)	**421**	**884**	**248**	**1,553**
Unfunded commitments (off balance sheet)	85,047	—	—	85,047
Total	**85,468**	**884**	**248**	**86,600**

Unfunded commitments may be called at any time. Although not expected in the normal course of business, unfunded commitments are categorized as due within one month.

The Group made the following new commitment during the financial year 2010/2011:

	Currency	Amount 1,000
Index Ventures Growth II	EUR	5,000
ALPHA Russia & CIS Secondary (increase)	USD	5,000
Institutional Venture Partners XIII	USD	5,000

3.5 Capital management

The Company's capital is represented by ordinary shares with CHF 6.00 par value and carrying one vote each. They are entitled to dividends when declared. The Company has no additional restrictions or specific capital requirements on the issue and re-purchase of ordinary shares. The movements of capital are shown on the statement of changes in equity.

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern and to achieve positive returns in all market environments. The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may return capital to shareholders through capital decreases or repurchases and liquidations of own shares or sell assets to reduce debt. The Group does not intend to pay out any dividends to shareholders.

The share effects of the repurchases and resales as a result of market making activities in 2010/2011 are listed in Note 14. NZB Neue Zürcher Bank AG acted as the Company's market maker until April 30, 2011. Since May 1, 2011, market making is done by Neue Helvetische Bank AG, Zurich. The corresponding agreement was signed on April 20, 2011.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

4. Critical accounting estimates and judgments

4.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates, will, by definition, seldom equal the related results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. Private equity investments for which market quotations are not readily available are valued at their fair values by the Board of Directors. If the Board of Directors comes to the conclusion, after applying the valuation methods described in Note 2.6, that the most recent valuation reported by the manager of a fund investment is materially misstated, it will make the necessary adjustments using the results of its own review and analysis. The Board of Directors uses its judgment to select a variety of methods and makes assumptions that are not always supported by observable market prices or rates. The use of valuation techniques requires them to make estimates. Changes in assumptions could affect the reported fair value of the investments.

As at March 31, 2011 the level of fair values for unquoted investments for which the Board of Directors made valuation adjustments is as follows:

	31.03.11 EUR 1,000	31.03.10 EUR 1,000
Fair value of financial assets available for sale	188,848	179,001
Fair value of financial assets available for sale whose valuations were adjusted	30,261	9,330
Percentage of total fair value of financial assets available for sale	16.0%	5.2%

If the valuation adjustments had not been made, this would have decreased shareholders' equity by EUR 0.3 million (2010: EUR 0.1 million).

4.2 Critical judgments

Functional currency

The Board of Directors considers the Euro the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Euro is the currency in which the Group measures its performance and reports its results. This determination also considers the competitive environment in which the Group is compared to other investment products.

5. Cash and cash equivalents

	31.03.11 EUR 1,000	31.03.10 EUR 1,000
Cash and demand deposits	9,823	17,686
German Treasury Bills	-	4,997
Total Cash and cash equivalents	**9,823**	**22,683**

As of March 31, 2011 the total cash and demand deposits are freely available.

6. Loans and receivables

	31.03.11 EUR 1,0000	31.03.10 EUR 1,000
Receivables	202	547
Total Loans and receivables	**202**	**547**

7. Financial assets at fair value through profit or loss

	31.03.11 EUR 1,000	31.03.10 EUR 1,000
Current financial assets	2,601	4,533
Total Financial assets at fair value through profit or loss	**2,601**	**4,533**

As of March 31, 2011, freely tradable securities are carried at market value and amount to EUR 2.6 million (2010: EUR 4.5 million).

8. Financial assets available for sale

	31.03.11 EUR 1,000	31.03.10 EUR 1,000
Fund investments	175,913	160,681
Direct investments	12,369	17,857
Loans	566	463
Total Financial assets available for sale	**188,848**	**179,001**

Financial assets available for sale (continued)

	Vintage	Original fund currency	Commitments: Original amount FC 1,000	Paid in 31.03.11 FC 1,000	Unfunded commitments 31.03.11 EUR 1,000	Book Values: Fair Value 01.04.10 EUR 1,000	Capital calls, net[1] EUR 1,000	Impairment[2] EUR 1,000	Change in unreal. appr./depr.[3] EUR 1,000	Fair Value 31.03.11 EUR 1,000	Returns 01.04.10-31.03.11: Total distributions EUR 1,000	Real. gains/(losses) EUR 1,000
Buyout Funds												
ABRY Partners VI	2008	USD	7,500	6,460	736	2,512	2,586	—	(172)	4,926	404	199
ALPHA CEE II**	2006	EUR	15,000	9,363	5,637	6,912	1,500	—	210	8,622	—	—
Apax Europe IV-A*	1999	EUR	4,623	4,623	*	4,498	(419)	—	(1,516)	2,564	419	—
Apax Germany II*	1997	EUR	376	376	*	376	(360)	—	2	17	123	(238)
Apax UK VI-C*	1997	GBP	135	135	*	56	—	—	22	79	—	—
Avista Capital Partners	2006	USD	10,000	10,526	—	8,195	(739)	—	(371)	7,084	1,249	104
Avista Capital Partners II	2008	USD	10,000	7,026	2,105	2,703	2,373	—	(1,053)	4,024	1,209	336
Bridgepoint Europe I*	1998	GBP	901	620	*	685	—	—	8	693	—	—
Bridgepoint Europe IV	2008	EUR	10,000	2,912	7,088	1,065	1,537	—	9	2,611	—	—
Candover 1997*	1997	GBP	28,400	—	*	—	—	—	—	—	103	103
Capvis Equity III	2008	EUR	10,000	5,263	4,737	1,647	2,136	(145)	363	4,001	—	—
Clayton, Dubilier & Rice Fund VI*	1998	USD	11,675	9,067	*	6,815	—	—	169	6,983	—	—
Doughty Hanson & Co III No 12*	1997	USD	47,327	44,156	*	23,870	(3,598)	—	(6,542)	13,729	3,316	(396)
Duke Street Capital IV UK No 2*	1999	EUR	193	193	*	190	(193)	—	3	—	297	62
Europe Capital Partners IV	1999	EUR	4,111	4,111	—	1,671	—	—	(450)	1,221	—	—
Francisco Partners	2000	USD	3,222	2,928	208	1,743	(236)	(166)	(64)	1,277	415	153
Industri Kapital 2007 Fund	2007	EUR	10,000	7,257	2,743	3,324	4,152	—	(35)	7,441	—	—
Investindustrial IV	2008	EUR	10,000	5,799	4,201	3,925	1,467	—	1,075	6,466	—	—
Milestone 2007	2007	EUR	1,310	1,214	96	1,888	24	—	425	2,338	—	—
Milestone 2008	2008	EUR	3,690	2,223	1,467	1,779	(645)	—	541	1,674	4,089	2,090
Nordic Capital IV*	2000	SEK	14,126	1,587	*	128	—	—	40	167	110	110
Palamon European Capital Partners*	1999	EUR	7,421	7,723	*	7,861	(3,096)	—	310	5,075	4,738	1,341
Procuritas Capital Partners II	1997	SEK	40,000	38,900	123	159	—	—	(148)	11	150	150
Warburg Pincus Private Equity X	2007	USD	15,000	10,671	3,064	4,199	2,750	—	319	7,268	410	133
					32,206	**86,198**	**9,238**	**(311)**	**(6,856)**	**88,270**	**17,032**	**4,148**

Minor differences in totals are due to rounding.
[1] Increase represents the capital contributed to an investment less the cost component of distributions.
[2] Impairment represents a permanent decline in value and is accounted for in the income statement.
[3] Unrealized appreciation/(depreciation) represents temporary changes in value and is accounted for in the consolidated equity.

*Fund investments included in the former Earn-out portfolio (see Note 9). These funds are reaching the end of their life and are fully or almost fully paid in. A few earn-out funds could re-call a portion of previous distributions for follow-own investments. However, it is unlikely that this would happen. Future fund expenses, if any, are likely to be deducted from future distributions. Therefore, no unfunded commitment is shown for the former earn-out funds.
**Funds managed by ALPHA Associates (Cayman) LP. These funds are excluded from the NAV for the purpose of calculating the management fee.

Financial assets available for sale (continued)

			Commitments			Book Values					Returns 01.04.10-31.03.11	
	Vintage	Original fund currency	Original amount FC 1,000	Paid in 31.03.11 FC 1,000	Unfunded commitments 31.03.11 EUR 1,000	Fair Value 01.04.10 EUR 1,000	Capital calls, net[1] EUR 1,000	Impairment[2] EUR 1,000	Change in unreal. appr./depr.[3] EUR 1,000	Fair Value 31.03.11 EUR 1,000	Total distributions EUR 1,000	Real. gains/(losses) EUR 1,000
Venture Funds												
Banexi Ventures II	1998	EUR	7,622	7,659	—	50	(39)	—	18	29	39	—
BB BioVentures	1997	USD	625	625	—	42	—	—	23	65	—	—
Boulder Ventures IV	2001	USD	11,250	11,250	—	3,385	(200)	—	146	3,332	187	(13)
Carmel Software Fund	2000	USD	10,000	10,293	—	4,253	65	—	(228)	4,090	—	—
CDC Innovation 2000	2000	EUR	10,002	9,676	326	1,702	—	(38)	(21)	1,644	—	—
European e-Commerce Fund B	2000	USD	7,500	7,507	—	1,749	(362)	—	(525)	862	1,307	945
Formula Ventures II	2000	USD	5,000	4,843	112	150	(183)	—	33	—	182	(1)
Grosvenor Venture Partners III	2000	USD	4,000	4,000	—	—	—	—	—	—	—	—
Index Venture I (Jersey)	1999	USD	7,500	7,683	—	1,750	46	—	(424)	1,371	342	342
Index Growth II	2011	EUR	5,000	—	5,000	—	—	—	—	—	—	—
InSight Capital Partners (Cayman) II	1998	USD	7,960	7,960	—	—	—	—	—	—	32	32
InSight Capital Partners (Cayman) III*	1999	USD	5,147	5,147	*	4,151	(170)	—	226	4,206	252	59
Institutional Venture Partners XI	2004	USD	5,000	5,000	—	3,232	—	—	186	3,418	—	—
Institutional Venture Partners XII	2007	USD	5,000	4,000	708	3,034	319	—	754	4,106	592	350
Institutional Venture Partners XIII	2010	USD	5,000	1,250	2,654	—	901	—	(38)	863	—	—
Inventure Inc.	1999	USD	5,050	5,050	—	140	—	(54)	36	121	—	—
Kennet III	2007	EUR	5,000	2,925	2,075	1,637	496	—	447	2,580	830	389
Kiwi I Ventura - Servicos SA	1999	EUR	7,500	7,561	—	351	—	—	303	654	—	—
Kiwi II Ventura - Servicos SA	2000	EUR	14,000	13,925	75	289	(320)	—	310	279	420	100
Minicap Technology Investment	1997	CHF	10,967	10,967	—	598	(110)	—	(38)	450	163	53
NeSBic Converging Technologies	2000	EUR	13,705	12,816	888	—	—	—	—	—	—	—
Newbury Ventures Cayman	1998	USD	7,300	7,300	—	275	—	—	(269)	6	261	261
Newbury Ventures	1998	USD	2,700	2,700	—	101	—	—	(99)	2	97	97
Partech International Ventures IV*	2000	USD	8,145	8,145	*	6,515	—	—	1,822	8,337	—	—
Renaissance Venture	1998	GBP	5,486	5,162	369	2,060	194	—	121	2,375	—	—
Renaissance Venture (Secondary)	1998	GBP	514	271	276	1,545	146	—	90	1,781	—	—
Star Seed Enterprise	1998	USD	5,000	5,000	—	—	—	—	210	210	—	—
Strategic European Technologies NV	1997	EUR	18,151	18,151	—	1,536	—	—	904	2,440	—	—
SVE Star Venture Enterprises No. VII	1998	USD	5,000	4,950	35	179	—	—	349	528	—	—
SVE Star Venture Enterprises No. VIIa	1998	USD	500	500	—	65	—	(27)	21	59	—	—
TAT Investment Fund I	1997	USD	24,000	24,289	—	2,870	—	(2,724)	958	1,104	—	—
TAT Investment Fund II	1999	USD	15,000	15,001	—	1,626	—	(467)	347	1,506	—	—
TVM III (US Fund)	1997	USD	3,675	3,676	—	93	(72)	(12)	(9)	—	62	(10)
TVM Techno Venture III	1997	EUR	5,736	5,737	—	557	—	—	248	805	—	—
					12,517	**43,931**	**713**	**(3,323)**	**5,904**	**47,224**	**4,766**	**2,605**

Minor differences in totals are due to rounding.

[1] Increase represents the capital contributed to an investment less the cost component of distributions.

[2] Impairment represents a permanent decline in value and is accounted for in the income statement.

[3] Unrealized appreciation/(depreciation) represents temporary changes in value and is accounted for in the consolidated equity.

*Fund investments included in the former Earn-out portfolio (see Note 9). These funds are reaching the end of their life and are fully or almost fully paid in. A few earn-out funds could re-call a portion of previous distributions for follow-own investments. However, it is unlikely that this would happen. Future fund expenses, if any, are likely to be deducted from future distributions. Therefore, no unfunded commitment is shown for the former earn-out funds.

Financial assets available for sale (continued)

	Vintage	Original fund currency	Commitments: Original amount FC 1,000	Paid in 31.03.11 FC 1,000	Unfunded commitments 31.03.11 EUR 1,000	Book Values: Fair Value 01.04.10 EUR 1,000	Capital calls, net[1] EUR 1,000	Impairment[2] EUR 1,000	Change in unreal. appr./depr.[3] EUR 1,000	Fair Value 31.03.11 EUR 1,000	Returns 01.04.10-31.03.11: Total distributions EUR 1,000	Real. gains/(losses) EUR 1,000
Special Situation Funds												
17 Capital Fund	2008	EUR	5,000	1,856	3,144	587	571	—	434	1,592	449	(5)
ABRY Advanced Securities Fund	2008	USD	15,000	11,918	2,182	7,968	1,589	—	50	9,607	903	692
ALPHA Russia & CIS Secondary**	2010	USD	15,000	6,605	5,942	—	5,238	—	2,195	7,433	—	—
DB Secondary Opportunities Fund A	2007	USD	5,376	4,198	834	2,697	(250)	—	(350)	2,097	807	517
DB Secondary Opportunities Fund C	2007	USD	9,288	6,057	2,287	2,909	1,737	—	(209)	4,438	572	583
Klesch Capital Partners	1998	USD	15,000	15,588	—	746	—	—	(746)	—	1,971	1,971
OCM European Principal Opp. Fund II	2007	EUR	5,000	4,000	1,000	3,120	710	—	367	4,198	657	117
OCM Opportunities Fund VII	2007	USD	5,000	5,000	—	4,046	(1,219)	—	130	2,957	1,512	293
OCM Opportunities Fund VIIb	2008	USD	5,000	4,500	354	4,292	(497)	—	111	3,907	1,031	348
WL Ross Recovery Fund IV	2007	USD	10,000	5,690	3,051	4,187	680	—	(676)	4,191	412	300
					18,793	**30,552**	**8,560**	**—**	**1,307**	**40,419**	**8,313**	**4,817**
Total Fund Investments					**63,516**	**160,681**	**18,511**	**(3,634)**	**355**	**175,913**	**30,111**	**11,569**

Minor differences in totals are due to rounding.
[1] Increase represents the capital contributed to an investment less the cost component of distributions.
[2] Impairment represents a permanent decline in value and is accounted for in the income statement.
[3] Unrealized appreciation/(depreciation) represents temporary changes in value and is accounted for in the consolidated equity.

**Funds managed by ALPHA Associates (Cayman) LP. These funds are excluded from the NAV for the purpose of calculating the management fee.

Financial assets available for sale (continued)

	Original fund currency	Commitments: Original amount FC 1,000	Commitments: Unfunded commitments 31.03.11 EUR 1,000	Book Values: Fair Value 01.04.10 EUR 1,000	Book Values: Capital calls, net[1] EUR 1,000	Book Values: Impairment[2] EUR 1,000	Book Values: Change in unreal. appr./depr.[3] EUR 1,000	Book Values: Fair Value 31.03.11 EUR 1,000	Returns 01.04.10-31.03.11: Total distributions EUR 1,000	Returns 01.04.10-31.03.11: Real. gains/(losses) EUR 1,000
Direct Investments										
Actano	EUR	528	—	264	—	(264)	—	—	—	—
Actano Holding AG	CHF	399	1	—	297	—	10	307	64	1
Applied Spectral Imag. (Tintanic)	USD	4,047	—	1,509	—	—	(76)	1,433	—	—
Avecia	GBP	7,073	—	883	(690)	—	(193)	—	1,037	347
CEGID (formerly CCMX)	EUR	6,791	—	2,694	(942)	—	(1,752)	—	3,376	2,434
CyDex	USD	3,000	—	1,238	(1,102)	—	502	637	3,077	1,974
Earnix	USD	201	—	—	143	—	(1)	142	—	—
Evotec (formerly Develogen)	EUR	250	—	296	(17)	—	70	348	25	8
Enanta Pharmaceuticals	USD	6,384	—	7,959	—	—	(403)	7,556	—	—
EpiCept Corporation	USD	7,300	—	1,997	(1,224)	—	(627)	146	629	(595)
Neurotech	EUR	866	—	602	42	—	793	1,437	—	—
Wilex Biotechnology	EUR	892	—	416	—	—	(53)	362	—	—
Total Direct Investments			**1**	**17,857**	**(3,494)**	**(264)**	**(1,731)**	**12,369**	**8,209**	**4,170**

Minor differences in totals are due to rounding.
[1] Increase represents the capital contributed to an investment less the cost component of distributions.
[2] Impairment represents a permanent decline in value and is accounted for in the income statement.
[3] Unrealized appreciation/(depreciation) represents temporary changes in value and is accounted for in the consolidated equity.

Financial assets available for sale (continued)

		Commitments		Book Values					Returns 01.04.10-31.03.11	
	Original fund currency	Original amount FC 1,000	Unfunded commit-ments 31.03.11 EUR 1,000	Fair Value 01.04.10 EUR 1,000	Capital calls, net[1] EUR 1,000	Impair-ment[2] EUR 1,000	Change in unreal. appr./ depr.[3] EUR 1,000	Fair Value 31.03.11 EUR 1,000	Total distri-butions EUR 1,000	Real. gains/ (losses) EUR 1,000
Loans										
EpiCept Corp.	USD	750	—	373	—	—	(19)	354	21	—
Oscient (formerly Genesoft)	USD	500	—	—	—	—	—	—	8	8
Evotec (formerly Develogen)	EUR	500	—	—	—	—	—	—	—	—
Actano AG	EUR	240	—	90	(21)	(69)	—	—	321	—
TAT Capital	USD	500	85	—	233	—	(21)	212	61	(1)
Actano AG	EUR	76	—	—	—	—	—	—	76	—
Enanta Pharmaceuticals, Inc.	USD	121	57	—	—	—	—	—	47	17
Enanta Pharmaceuticals, Inc.	USD	328	155	—	—	—	—	—	127	48
Total Loans			**297**	**463**	**212**	**(69)**	**(39)**	**566**	**661**	**72**
Total Financial assets available for sale			**63,814**	**179,001**	**15,229**	**(3,966)**	**(1,415)**	**188,848**	**38,981**	**15,812**

Minor differences in totals are due to rounding.
[1] Increase represents the capital contributed to an investment less the cost component of distributions.
[2] Impairment represents a permanent decline in value and is accounted for in the income statement.
[3] Unrealized appreciation/(depreciation) represents temporary changes in value and is accounted for in the consolidated equity.

The following table shows the aging of the underlying reports as provided by the fund managers which served as a basis for the year end valuations:

Date of underlying report	Number of Reports	Fair Value EUR 1,000	Percentage % of Fair Value
March 31, 2011	2	121	0.1
December 31, 2010 and older	47	169,214	96.2
September 30, 2010 and older	12	6,578	3.7
Total Fund investments	**61**	**175,913**	**100.0**

9. Earn-out

With regard to certain fund interests which were sold to a fund managed by a subsidiary of Credit Suisse on June 18, 2003 (unadjusted fair value EUR 171.4 million, unfunded commitments EUR 45.7 million), Private Equity Holding was entitled to receive incremental returns as follows 50% (75%, 100% respectively) of net distributions from such interests, after Credit Suisse has received priority distributions equal to 1.15x (1.3x, 1.5x respectively) the sum of the aggregate fair values plus unfunded commitments as of March 31, 2003, plus a carrying charge.

On December 2, 2009, Credit Suisse and Private Equity Holding agreed to terminate the Earn-out agreement with effect from October 1, 2009.

The 12 fund interests in the former Earn-out portfolio were transferred to a subsidiary of Private Equity Holding with effect from October 1, 2009. Since that date, Private Equity Holding pays directly all required underlying capital contributions and is entitled to receive directly all underlying distributions in the respective fund currencies.

In the Transfer Agreement dated December 2, 2009, the Credit Suisse parties and Private Equity Holding agreed on a settlement payment in the amount of EUR 15.1 million in order to compensate Private Equity Hodling for the value of the FX component inherent in the Earn-out right. As of December 31, 2009 the full amount of EUR 15.1 million was collected.

Since October 1, 2009, the bought back investments of the former Earn-out portfolio are treated as financial assets available for sale according to IAS 39 and disclosed separately in the investment table (see Note 8).

10. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided by Alpha Associates to the Board of Directors.

The Group has two reportable segments (prior year three), as described below. For each of them, the Board of Directors receives internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Fund investments: Includes primary and secondary commitments/investments in funds.
- Direct investments and Loans: Includes purchases of equity stakes in companies and the granting of loans to companies with high growth potential.
- Earn-out (until September 2009): The Group was entitled to receive incremental returns with regard to certain fund interests, which were sold to Credit Suisse in 2003. See Note 9 for further details.

Balance sheet and income and expense items which cannot be clearly allocated to one of the segments are shown in the column "Unallocated" in the following tables.

The reportable operating segments derive their revenue primarily by seeking investments to achieve an attractive return in relation with the risk being taken. The return consists of interest, dividends and/or capital gains.

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. The assessment of the performance of the operating segments is based on measures consistent with IFRS.

Due to the early termination of the Earn-out agreement (see Note 9 for further details), the corresponding investments with a fair value of EUR 57.9 million were classified in the "Funds" segment as from October 1, 2009.

There have been no transactions between the reportable segments during the business year 2010/2011.

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are not considered to be segment liabilities but rather managed at corporate level.

The segment information provided to the Board of Directors for the reportable segments for the year ended March 31, 2011 is as follows:

EUR 1,000	Fund Investments	Direct Investments & Loans	Total Operating Segments	Unallocated	Total
Realized gains/(losses)	11,570	4,242	**15,812**	—	**15,812**
Other	—	—	—	706	**706**
Dividend income	308	—	**308**	—	**308**
Interest income	978	22	**1,000**	18	**1,018**
Other income	—	—	—	—	—
Impairment	(3,633)	(333)	**(3,966)**	—	**(3,966)**
Administration expense	—	—	—	(5,178)	**(5,178)**
Corporate and transaction expense	—	—	—	(1,024)	**(1,024)**
Other	—	—	—	(292)	**(292)**
Profit/(Loss) from operations	**9,223**	**3,931**	**13,154**	**(5,770)**	**7,384**
Total assets	175,913	12,935	**188,848**	12,795	**201,643**
Total liabilities	—	—	—	(902)	**(902)**
Total assets include:					
Financial assets available for sale	175,913	12,935	**188,848**	—	**188,848**
Others	—	—	—	12,795	**12,795**

The segment information provided to the Board of Directors for the reportable segments for the period ended March 31, 2010 is as follows:

EUR 1,000	Fund Investments	Direct Investments & Loans	Earn-out	Total Operating Segments	Unallocated	Total
Realized gains/(losses)	4,148	544	—	**4,692**	—	**4,692**
Gains/(losses) on Earn-out and Other	—	—	12,824	**12,824**	3,409	**16,233**
Dividend income	572	—	—	**572**	—	**572**
Interest income	115	17	—	**132**	32	**164**
Other income	—	—	—	**—**	9	**9**
Impairment	(6,029)	(23)	—	**(6,052)**	—	**(6,052)**
Administration expense	—	—	—	**—**	(5,688)	**(5,688)**
Corporate and transaction expense	—	—	—	**—**	(645)	**(645)**
Other	—	—	—	**—**	63	**63**
Profit/(Loss) from operations	**(1,194)**	**538**	**12,824**	**12,168**	**(2,820)**	**9,348**
Total assets	160,681	18,320	—	**179,001**	27,763	**206,764**
Total liabilities	—	—	—	**—**	(1,553)	**(1,553)**
Total assets include:						
Financial assets available for sale	160,681	18,320	—	**179,001**	—	**179,001**
Earn-out	—	—	—	**—**	—	**—**
Others	—	—	—	**—**	27,763	**27,763**

11. Disclosures about fair value of financial instruments

The Group measures fair values using the following fair value hierarchy in IFRS 7 that reflects the significance of the inputs used in making the measurements:

Level I - Fair value is measured using quoted market prices (unadjusted) in an active market for identical financial instruments.

Level II - Fair value is measured using inputs other than quoted prices included within Level I that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level III - Fair value is measured using inputs for the financial instrument that are not based on observable market data (unobservable inputs).

In determining the fair value of its unquoted private equity investments ('unlisted investments'), The Group relies on the valuation as reported in the latest available financial statements and/or capital account statements provided by the Fund Manager, unless the Investment Manager or the Board of Directors are aware of reasons that such a valuation may not be the best approximation of fair value. In such cases the Group reserves the right to assign a fair value to such investment which differs from the one reported by the Fund Manager.

The following table analyzes the Group's investments measured at fair value as March 31, 2011 and 2010 by the level in the fair value hierarchy into which the fair value measurement is categorized:

As of March 31, 2011

EUR 1,000	Level I	Level II	Level III	Total
Financial assets at fair value through profit or loss				
Quoted securities	2,601	—	—	2,601
Total	**2,601**	**—**	**—**	**2,601**
Financial assets available for sale				
Fund investments	—	—	175,913	175,913
Direct investments	856	—	11,513	12,369
Loans	—	—	566	566
Total	**856**	**—**	**187,992**	**188,848**
Total Financial assets measured at fair value	**3,457**	**—**	**187,992**	**191,449**

As of March 31, 2010

EUR 1,000	Level I	Level II	Level III	Total
Financial assets at fair value through profit or loss				
Quoted securities	4,533	—	—	4,533
Total	**4,533**	**—**	**—**	**4,533**
Financial assets available for sale				
Fund investments	—	—	160,681	160,681
Direct investments	5,107	—	12,750	17,857
Loans	—	—	463	463
Total	**5,107**	**—**	**173,894**	**179,001**
Total Financial assets measured at fair value	**9,640**	**—**	**173,894**	**183,534**

The Group has determined that unquoted private equity investments ('unlisted investments') as detailed in Note 8 fall into the category Level III according to IFRS 7 while investments in listed Private equity companies ('listed investments') fall into the category Level I. The financial statements as of March 31, 2011 include Level III financial assets in the amount of EUR 188.0 million, representing approximately 93.65% of equity (March 31, 2010 EUR 173.9 milion, 84.74%).

The changes in investments measured at fair value for which the Company has used Level III inputs to determine fair value as of March 31, 2011 and 2010, are as follows:

As of March 31, 2011 EUR 1,000	Fund Investments	Direct Investments	Loans	Total
Fair value of Level III investments at the beginning of the period	**160,681**	**12,750**	**463**	**173,894**
Total capital calls from Level III investments	35,768	544	778	37,090
Total distributions from Level III investments	(30,112)	(4,489)	(661)	(35,262)
Total gains or losses:				
in profit or loss	9,222	2,075	25	11,322
in other comprehensive income	354	633	(39)	948
Fair value of Level III investments at the end of the period	**175,913**	**11,513**	**566**	**187,992**

As of March 31, 2010 EUR 1,000	Fund Investments	Earn-out	Direct Investments	Loans	Total
Fair value of Level III investments at the beginning of the period	**87,422**	**61,121**	**12,794**	**682**	**162,019**
Total capital calls from Level III investments	16,469	—	170	—	16,639
Total distributions from Level III investments	(11,295)	(16,074)	(794)	(229)	(28,392)
Total gains or losses:					
in profit or loss	(1,195)	12,824	559	13	12,201
in other comprehensive income	11,409	—	21	(3)	11,427
Transfer Earn-out	57,871	(57,871)	—	—	—
Fair value of Level III investments at the end of the period	**160,681**	**—**	**12,750**	**463**	**173,894**

In the above tables, total gains or losses included in profit or loss for the period are shown as "Impairment of financial assets available for sale" and "Gains on financial assets available for sale" and are fully related to assets held at the end of the reporting period.

The presentation of the figures as of March 31, 2010 has been amended to be consistent with the presentation as of March 31, 2011.

12. Financial liabilities measured at amortized cost

	31.03.11 EUR 1,000	31.03.10 EUR 1,000
Payable to third parties	19	143
Payables to related party (performance fee payable)	-	884
Accrued expenses	883	526
Total Financial liabilities measured at amortized cost	**902**	**1,553**

13. Short-term borrowings

	31.03.11 EUR 1,000	31.03.10 EUR 1,000
Short-term Bank borrowings	-	-

On February 2, 2011, the Company signed an agreement with Investkredit Bank AG, Austria for an EUR 20.0 million revolving credit facility. This facility allows the Company to bridge cash shortfalls if capital calls in respect of unfunded commitments were to exceed distributions from the invested portfolio and enhances the Company's flexibility to make new investments, including investments in its own stock.

The credit facility, if and when drawn, is secured by the Company's ownership interest in Private Equity Holding Cayman and by 181,000 pledged treasury shares. The consolidated equity of the ownership interest in Private Equity Holding Cayman as of March 31, 2011 amounts to EUR 242.1 million.

The applicable interest rate on any amounts outstanding under the facility is EURIBOR plus 350 basis points or, if amounts are drawn in USD, USD-LIBOR plus 375 basis points; if the coverage ratio (net asset value divided by outstanding amount) was to fall below 6 and the net asset value of the company was to fall below EUR 120.0 million, the margin would increase in accordance with a margin grid to a maximum of 500 basis points for EUR loans and 525 basis points for USD loans.

The Company is obliged to pay a quarterly commitment fee of 0.375% on the undrawn amount. The arrangement fee for the credit facility is EUR 300,000, whereof 50% had to be paid upfront and EUR 75,000 are payable on December 31, 2011 and June 30, 2012, respectively.

The Company is not restricted in its investment activities and distribution policy as long as the net asset value does not fall below EUR 120.0 million. Any amounts outstanding under the facility would need to be repaid, if the Company's net asset value were to fall below EUR 80.0 million.

The former EUR 5.0 million credit facility with Credit Suisse is no longer in place.

14. Shareholders' equity and movements in treasury shares

The Group regards shareholders' equity as the capital that it manages. Shareholders' equity amounts to EUR 200.7 million as of March 31, 2011 (2010: EUR 205.2 million).

Share capital and earnings/(loss) per share	**31.03.11**	**31.03.10**
Number of shares authorized and issued	4,009,500	4,050,000
Par value per share (CHF)	6.00	8.00
Par value per share (EUR)*	3.75	5.00

* converted at historical foreign exchange rate

The Annual General Meeting held on June 24, 2010 decided to reduce the share capital by cancelling 40,500 treasury shares and further by reducing the par value per share from CHF 8.00 to CHF 6.00. The reduction of the share capital was effective in the commercial register on September 6, 2010.

All shares have equal rights to vote and to receive dividends, as well as to share in the distribution of the net assets of the Company upon liquidation.

Reconciliation of number of shares outstanding	**31.03.11**	**31.03.10**
Number of shares outstanding net of treasury shares at beginning of year	3,865,129	3,846,910
Sale of treasury shares	169,671	97,183
Purchase of treasury shares	(323,073)	(78,964)
Number of shares outstanding net of treasury shares at the end of year	**3,702,727**	**3,865,129**

Per share data	**31.03.11**	**31.03.10**
Weighted average of total number of shares (1,000)	3,807	3,869
Basic profit (EUR 1,000)	7,384	9,348
Comprehensive income (EUR 1,000)	5,969	22,982
Basic profit per share (EUR)	1.94	2.42
Comprehensive income per share (EUR)	1.57	5.94
Fair value per share (EUR)	54.21	53.09
Book value per share (EUR)	**54.21**	**53.09**

As of March 31, 2011 and 2010 there are no items with a potentially dilutive effect. As such, basic and diluted profit per share are the same.

Shareholders with shares and voting rights of 3% and more

As of March 31, 2011 and 2010, the following major shareholders were known by the Company:

Holding in % of share capital	31.03.11	31.03.10
Between 3% and 5%	Pensionskasse SBB (Berne); Versicherungseinrichtung des Flugpersonals der Swissair (Zurich); Dr. Hans Baumgartner (Adliswil); National Custodian Service (Melbourne, Australia) indirectly via Barwon Investment Partners	Pensionskasse SBB (Berne); Private Equity Holding AG (Zug, registered without voting rights); Versicherungseinrichtung des Flugpersonals der Swissair (Zurich); Dr. Hans Baumgartner (Adliswil)
Between 5% and 10%	Private Equity Holding AG (Zug, registered without voting rights); Mantra Investissement / Wyser-Pratte Group (Paris, France / New York, USA)	-
Between 10% and 15%	Alpha Associates Group (Zurich)[1]	Alpha Associates Group (Zurich)[1]

[1]The Alpha Associates Group is represented by ALPHA Associates AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and Christoph Huber.

Net changes in treasury shares

		Number of Shares	Average Cost Base EUR	Total Cost Base EUR 1,000
April 1, 2010		184,871	32.88	6,079
April	Purchases	15,750	31.94	328
May	Purchases	17,393	31.27	409
June	Purchases	10,488	30.69	197
July	Purchases	6,896	30.50	166
August	Purchases	8,759	30.25	206
September	Cancellation	(40,500)	35.25	(1,205)
September	Sales	(1,944)	28.81	(369)
October	Sales	(1,528)	28.68	(70)
November	Purchases	1,152	28.63	22
December	Purchases	9,029	28.55	243
January	Purchases	51,727	28.62	1,496
February	Purchases	1,027	28.67	43
March	Purchases	43,653	29.31	1,448
March 31, 2011		**306,773**	**29.31**	**8,993**

15. Fair value reserve

	01.04.10- 31.03.11 EUR 1,000	01.04.09- 31.03.10 EUR 1,000
Balance brought forward	14,976	1,342
Fair value movements	10,430	25,094
Reclassifications to profit or loss	(11,845)	(11,460)
Balance as of 31.03.2011	**13,561**	**14,976**

16. Gains/(losses) on financial assets available for sale, net

	01.04.10- 31.03.11 EUR 1,000	01.04.09- 31.03.10 EUR 1,000
Realized gains on distributios from fund investments, net	11,570	4,148
Realized gains on disposal of direct investments, net	4,170	559
Realized gains/(losses) on repayment of loans, net	72	(15)
Total Gains/(losses) on financial assets available for sale, net	**15,812**	**4,692**

17. Gains/(losses) on financial assets at fair value through profit or loss, net

	01.04.10- 31.03.11 EUR 1,000	01.04.09- 31.03.10 EUR 1,000
Realized gains	-	72
Realized losses	(2,074)	(15)
Total realized gains/(losses), net	(2,074)	57
Unrealized gains	3,188	3,990
Unrealized losses	(407)	(638)
Total unrealized gains, net	2,781	3,352
Total Gains on financial assets at fair value through profit or loss, net	**706**	**3,409**

18. Impairment

The Group applies the following impairment policies:

a) Fund investments:

The Group categorizes its fund investments into three sub-portfolios based on the actual amount of capital called. Sub-portfolio 1 investments have a draw down rate of less than 30%. Any negative difference between exit value and net acquisition costs is considered a temporary difference and no impairment is booked. The exit value is an estimated realizable value based on quarterly discussions with the fund managers. No discounting of cash flows is made due to the uncertainty involved in the realization horizon.

Sub-portfolio 2 investments show a draw down rate of between 30% and 70%, on which the Group takes 50% impairment on any negative difference between exit value and net acquisition costs. Sub-portfolio 3 investments are those with a draw down rate of more than 70%. In such cases a 100% impairment on any negative difference between exit value and net acquisition costs is taken.

The above policy properly mirrors the special characteristics of a fund's cash flow pattern (J-curve). In the early years of a fund's life net cash outflows usually occur. As the portfolio matures, net cash inflows, in the form of realizations, are generally experienced.

b) Direct investments and loans:

Direct investments and loans are reviewed on a quarterly basis. Any negative difference between fair value and net acquisition costs is considered as impairment.

	01.04.10-31.03.11 EUR 1,000	01.04.09-31.03.10 EUR 1,000
Fund investments	(3,633)	(6,029)
Direct investments	(264)	-
Loans	(69)	(23)
Total Impairment	**(3,966)**	**(6,052)**

19. Expenses

	01.04.10-31.03.11 EUR 1,000	01.04.09-31.03.10 EUR 1,000
Administration expenses (Note 21)	(5,178)	(5,688)
Corporate expenses	(1,024)	(645)
Transaction expenses	(14)	(3)
Total Expenses	**(6,216)**	**(6,336)**

Administration expenses include administration, management and performance fees paid to the administrator and manager. Corporate expenses relate to corporate matters of the Group and include Board of Directors' fees and professional third party fees.

20. Contingent liabilities and commitments

Contingent liabilities

The Management Agreement between the Group and ALPHA Associates (Cayman) LP can be first terminated as of March 31, 2015. If the agreement is terminated prior to March 31, 2015 for a reason other than a default of the manager or a distribution exceeding 5% of the Group's total net asset value is made in any one financial year, the Group shall pay the manager the respective amount of fees which the manager would otherwise have earned in the period from the date of termination or excess distribution to March 31, 2015. In case of termination of the agreement for a reason other than a default on the part of the manager, the manager shall have the right, for a period of 10 years from the date of termination, to receive payment of any performance fee that would have been payable to the manager following the date of termination on the portfolio held as of the date of termination, had the agreement not been terminated (see also Note 21).

Commitments

Except for the commitments to invest as disclosed in Note 8, no further contingent liabilities exist as of March 31, 2011. In certain circumstances, capital calls can exceed total commitment mainly due to payment of management fees to investee fund managers, short-term borrowings or reinvestment by investee funds.

Legal proceedings

As of March 31, 2011, the Group was not engaged in any litigation proceedings which could have a material adverse effect on the financial situation of the Group.

In connection with the capital increase in March 2000, the Group is engaged in two separate proceedings:

First, as a damaged party in a criminal case against Hans-Peter Bachmann and Dr. Jörg Fischer, two former members of the senior management of Private Equity Holding AG and Bank Vontobel, for their alleged breach of Swiss criminal law when transferring newly issued PEH-shares that could not be placed by Bank Vontobel to Private Equity Holding Cayman. The court of first instance found the defendants to be not guilty, but the state prosecutor has appealed.

Second, in a civil case against Bank Vontobel, for the breach of mandatory Swiss company law relating to the same event. A financing agreement with Allianz regarding the coverage of legal expenses has been concluded (protection of downside risk).

Pledges

In connection with a standard banking relationship with Credit Suisse AG, the Group signed a general pledge agreement in favor of the bank.

The credit facility with Investkredit Bank AG, if and when drawn, is secured by the Company's ownership interest in Private Equity Holding Cayman and by 181,000 pledged treasury shares (refer to Note 13).

Tax legislation

The management of the Group is not aware of any situations that might be challenged by the tax authorities in the countries of incorporation of the Group's entities.

21. Related party transactions

The following parties are considered related to the Group as of March 31, 2011 and March 31, 2010:

- ALPHA Associates AG, Zurich;
- ALPHA Associates (Cayman), LP; and
- Members of the Board of Directors of the Company.

Pursuant to a Management Agreement dated April 1, 2004, as amended as of January 1, 2007 and on December 9, 2010 with effect from April 1, 2012, respectively, ALPHA Associates (Cayman), LP renders investment management and corporate management services to the Group for a management fee of 1.5% p.a. of total net asset value (adjusted for treasury share transactions) plus 1.0% p.a. of the fair value of the direct portfolio. As from April 1, 2012, the management fee will be partially linked to the market capitalization of the Company (1.5% * 75% * adjusted net assets plus 2% * 25% * market capitalization plus 1% of the fair value of the direct portfolio). ALPHA Associates AG provides comprehensive administration services to the Company for an administration fee of CHF 125'000 per quarter (Administration Agreement dated April 1, 2004, as amended effective April 1, 2006).

Funds managed by ALPHA Associates (Cayman), LP (i.e. ALPHA CEE II and ALPHA Russia & CIS Secondary) are excluded from the net asset value for the purpose of calculating the management fee.

The performance fee is 10% of the increase in shareholders' equity (adjusted for distributions and treasury share transactions) since April 1, 2004, subject to a 6% hurdle equity test (compounded annually) and a high watermark test.

The Management Agreement may be terminated by either party as of March 31, 2015 and runs for subsequent periods of three years unless notice of termination is given in a timely way. If a de facto termination event was to occur prior to any regular termination date for a reason other than a default of the manager or a distribution exceeding 5% of the Group's total net asset value is made in any one financial year ending on or before March 31, 2015, the manager could claim liquidated damages equal to the amount of fees which the manager would otherwise have earned in the period from the date of de facto termination or excess distribution to the next regular termination date. In case of termination of the agreement for a reason other than a default on the part of the manager, the manager shall have the right, for a period of 10 years from the date of termination, to receive trailing performance fees equal to the amount of performance fees that would have been payable to the manager following the date of termination on the portfolio held as of the date of termination as if the agreement had not been terminated, i.e., subject to the hurdle equity and high watermark test.

The credit facility agreement between the Company and Investkredit Bank AG (as described in Note 13) contains a condition that ALPHA Associates AG shall participate with an economic quota of 2.5% in any amounts drawn by the Company. If the Management and Administration agreement between ALPHA Associates and the Group was terminated prior to the termination date of the credit facility agreement, the Company would have to repay any amounts outstanding under the facility at the lender's request.

	01.04.10-31.03.11 EUR 1,000	01.04.09-31.03.10 EUR 1,000
Management and administration fees	3,573	3,375
Performance fees	1,605	2,313
Total	**5,178**	**5,688**

Total management and administration fees and performance fees payable as of year end amount to EUR 0.0m (2010: EUR 0.9m).

Total compensation of the Board of Directors amounts to TEUR 180 (2010: TEUR 124). The increase is a result of the fact that a fourth director was elected by the Annual General Meeting held on June 24, 2010.

Baumgartner Mächler, the law firm where Dr. Hans Baumgartner, the Company's Chairman, is a partner, provides certain legal services to the Company, at arms' length terms, mainly in connection with the Vontobel case (see Note 20).

22. Tax expenses

Reconciliation of income tax calculated with the applicable tax rate:

	01.04.10-31.03.11 EUR 1,000	01.04.09-31.03.10 EUR 1,000
Profit/(loss) for the year	7,384	9,348
Applicable tax rate	7.8%	7.8%
Expected income tax expense	576	729
Effect from non-taxable income	(576)	(729)
Total Income tax for the year	—	—

23. Subsequent events

The following amounts have been called (received) under existing commitments made to investee funds or in connection with new investments from April 1, 2011 up to the date of authorization for issue of these financial statements by the Board of Directors on May 23, 2011. These amounts are due and payable after March 31, 2011, and are therefore not reflected in the consolidated balance sheet as of March 31, 2011.

	Amount EUR 1,000	Original Due Date
Institutional Venture Partners XII (drawdown)	177	14.04.2011
Warburg Pincus Private Equity X (drawdown)	223	15.04.2011
Institutional Venture Partners XIII (drawdown)	176	18.04.2011
OCM Opportunities Fund VIIb (drawdown)	302	18.04.2011
Warburg Pincus Private Equity X (distribution)	(83)	18.04.2011
Kennet III (drawdown)	400	24.04.2011
WL Ross Recovery Fund IV (distribution)	(1)	29.04.2011
EpiCept Corporation (distribution)	(9)	30.04.2011
Warburg Pincus Private Equity X (drawdown)	253	03.05.2011
ABRY Partners VI (distribution)	(30)	05.05.2011
Bridgepoint Europe IV (drawdown)	734	09.05.2011
17 Capital Fund (drawdown)	337	12.05.2011

On April 29, 2011, the Group received confirmation of a USD 7.5 million commitment to ABRY Partners VII.

Report of the Statutory Auditor on the Consolidated Financial Statements

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Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting of Shareholders of

Private Equity Holding AG, Zug

As statutory auditor, we have audited the accompanying consolidated financial statements of Private Equity Holding AG, which are presented on pages 17 to 48 and comprise the statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes for the year ended March 31, 2011.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), Article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended March 31, 2011 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Article 14 of the Directive on Financial Reporting issued by the SIX Swiss Exchange and with Swiss law.

Private Equity Holding AG, Zug
Report of the Statutory Auditor
on the Consolidated Financial Statements
to the General Meeting

Emphasis of matter
In accordance with Article 16 of the Directive on Financial Reporting issued by the SIX Swiss Exchange we draw attention to notes 8 and 11 to the consolidated financial statements. As described, unquoted investments amounting to EUR 188.0 million (93.2% of consolidated assets) as of March 31, 2011 have been reported at fair value (EUR 173.9 million (84.1% of consolidated assets) as of March 31, 2010). Due to the inherent uncertainty related to the valuation of such investments and due to the absence of a liquid market, such fair values could differ from their realisable values, whereas the difference may be material. The board of directors is responsible for the determination of these fair values. The procedures applied in valuing such investments are disclosed in note 11. We have reviewed these procedures and inspected underlying documentation; while in the circumstances the procedures appear to be reasonable and the documentation appropriate, determination of fair values involves subjective judgment, which is not susceptible to independent verification procedures. Our conclusion is not qualified in respect of this matter.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Christoph Gröbli	Corinne Jaeger
Licensed Audit Expert	*Licensed Audit Expert*
Auditor in Charge	

Zurich, May 23, 2011

Financial Statements March 31, 2011

Notes to the Financial Statements

Income Statement of Private Equity Holding AG

CHF 1'000	Notes	01.04.10-31.03.11	01.04.09-31.03.10
Income			
Reversed impairment	4	11,165	163,849
Realized capital gains on financial investments		36	36
(Un)realized capital gains on treasury shares		3,021	3,232
Interest income		90	214
Total Income		**14,312**	**167,331**

Expenses			
Administration expense		505	503
Corporate expense		1,154	792
Transaction expense		18	5
Provision for guarantee to subsidiary	1, 6	375	45,737
Interest expense		327	326
Foreign exchange losses, net		26,720	15,625
Total Expenses		**29,099**	**62,988**
Net Profit/(Loss)		**(14,787)**	**104,343**

Balance Sheet of Private Equity Holding AG

CHF 1'000

	Notes	31.03.11	31.03.10
Assets			
Current assets			
Cash and cash equivalents		786	183
Treasury shares	3	13,071	6,079
Receivables from group companies		—	12,298
Receivables from third parties		8	7
Prepayments and accrued income		195	193
Total Current Assets		**14,060**	**18,760**
Long-term assets			
Financial investments		984	856
Subsidiaries	1	314,229	334,701
Total Long-term Assets		**315,213**	**335,557**
Total Assets		**329,273**	**354,317**

Liabilities and Shareholders' Equity			
Current liabilities			
Payables to third parties		705	248
Payables to group companies		14,994	11,999
Provision for guarantee to subsidiary	1, 6	39,881	43,593
Accrued expenses		121	149
Total Current Liabilities		**55,701**	**55,989**
Total Liabilities		**55,701**	**55,989**
Shareholders' equity			
Share capital paid in	2	24,057	32,400
Legal reserves from capital contributions:*			
- thereof general reserves		158,644	164,496
- thereof reserves for treasury shares		13,460	7,608
Other legal reserves:*			
- thereof general reserves		1,729	1,729
- thereof reserves for treasury shares		—	1,950
Free reserves		874	550
Retained earnings		74,808	89,595
Total Shareholders' Equity		**273,572**	**298,328**
Total Liabilities and Shareholders' Equity		**329,273**	**354,317**

* Under Swiss tax law, effective January 1, 2011, repayments of reserves from capital contributions established since 1997 are no longer subject to withholding tax deduction. The presentation of the balance sheet has been changed to present the components of the legal reserves within shareholders' equity. This more detailed presentation has been made to establish the amount of reserves from capital contributions that Private Equity Holding AG may be able to repay to shareholders without being subject to the withholding tax deduction that applies to dividends paid out of retained earnings. Such amount is subject to approval from the Swiss Tax Authorities. The Swiss Tax Authorities have approved CHF 172.1 million as reserves from capital contributions on April 15, 2011. The comparative prior year figures were adjusted to be in line with the current year presentation.

Statement of Changes in Shareholder's Equity

		Legal reserves from capital contributions		Other legal reserves				
CHF 1,000	Share capital	General reserves	Reserves for treasury shares	General reserves	Reserves for treasury shares	Free reserves	Retained earnings/ (Accumulated deficit)	Total
Opening as of 01.04.09	**32,400**	**164,496**	**8,158**	**1,729**	**1,950**	**—**	**(14,748)**	**193,985**
Net profit	—	—	—	—	—	—	104,343	104,343
Change in reserve for treasury shares	—	—	(550)	—	—	550	—	—
Total as of 31.03.10	**32,400**	**164,496**	**7,608**	**1,729**	**1,950**	**550**	**89,595**	**298,328**
Opening as of 01.04.10	**32,400**	**164,496**	**7,608**	**1,729**	**1,950**	**550**	**89,595**	**298,328**
Net loss	—	—	—	—	—	—	(14,787)	(14,787)
Change in reserve for treasury shares	—	(5,852)	5,852	—	—	—	—	—
Cancellation of treasury shares	(324)		—	—	(1,950)	324	—	(1,950)
Par value reduction	(8,019)	—	—	—	—	—	—	(8,019)
Total as of 31.03.11	**24,057**	**158,644**	**13,460**	**1,729**	**—**	**874**	**74,808**	**273,572**

Notes to the Financial Statements

1. Subsidiaries

	Percentage of capital held	Nominal value CHF 1,000	Book value 31.03.11 CHF 1,000	Book value 31.03.10 CHF 1,000
Private Equity Holding Cayman, Cayman Islands	100%	1,100,000	314,229	334,701
Private Equity Holding (Luxembourg) SA, Luxembourg	100%	14,483	—*	—*
Total			**314,229**	**334,701**

All of the above companies are investment companies.

* The consolidated equity of Private Equity Holding (Luxembourg) SA is negative as of March 31, 2011. Private Equity Holding AG issued a guarantee in favor of Private Equity Holding (Netherlands) BV, a wholly owned subsidiary of Private Equity Holding (Luxembourg) SA, which shall put Private Equity Holding (Netherlands) BV into a position to honor its intercompany liabilities to Private Equity Holding Cayman if and when due. Private Equity Holding AG shows a provision for this guarantee in the amount of CHF 39.9 million in the balance sheet as of March 31, 2011.

2. Share capital

	31.03.11	31.03.10
Number of shares authorized and issued	4,009,500	4,050,000
Par value per share (CHF)	6.00	8.00

The Annual General Meeting held on June 24, 2010 decided to reduce the share capital by cancelling 40,500 treasury shares and further by reducing the par value per share from CHF 8.00 to CHF 6.00. The reduction of the share capital was effective in the commercial register on September 6, 2010.

All shares have equal rights to vote and to receive dividends, as well as to share in the distribution of the net assets of the Company upon liquidation.

The Company's authorized capital amounts to CHF 12 million, divided into 2'000'000 registered shares with a nominal value of CHF 6 per share. The authorized capital expires on June 24, 2011.

The Company does not have a conditional capital.

3. Treasury shares

	Number of shares	Book value 31.03.11 CHF 1,000
Balance brought forward	184,871	6,079
Change	121,902	6,992
Balance as of 31.03.11	306,773	13,071

For additional disclosures in respect to treasury shares refer to Note 14 of the Consolidated Financial Statements.

4. Impairment

	31.03.11 CHF 1,000	31.03.10 CHF 1,000
Total impairment/(reversal)	(11,165)	(163,849)

During the year under review, the Company reversed impairments on its investment in Private Equity Holding Cayman in the amount of CHF 11.2 million.

5. Shareholders with shares and voting rights of 3% and more

As of March 31, 2011 and 2010, the following major shareholders were known by the Company:

Holding in % of share capital	31.03.11	31.03.10
Between 3% and 5%	Pensionskasse SBB (Berne); Versicherungseinrichtung des Flugpersonals der Swissair (Zurich); Dr. Hans Baumgartner (Adliswil); National Custodian Service (Melbourne, Australia) indirectly via Barwon Investment Partners	Pensionskasse SBB (Berne); Private Equity Holding AG (Zug, registered without voting rights); Versicherungseinrichtung des Flugpersonals der Swissair (Zurich); Dr. Hans Baumgartner (Adliswil)
Between 5% and 10%	Private Equity Holding AG (Zug, registered without voting rights); Mantra Investissement / Wyser-Pratte Group (Paris, France / New York, USA)	–
Between 10% and 15%	Alpha Associates Group (Zurich)[1]	Alpha Associates Group (Zurich)[1]

[1] The Alpha Associates Group is represented by ALPHA Associates AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and Christoph Huber.

6. Pledged assets and guarantees

Pledged assets

On February 2, 2011, the Company signed an agreement with Investkredit Bank AG, Austria for an EUR 20.0 million revolving credit facility. The credit facility, if and when drawn, is secured by the Company's ownership interest in Private Equity Holding Cayman and by 181,000 pledged treasury shares (refer to Note 13 of the Consolidated Financial Statements).

Guarantees

As of March 23, 2010, Private Equity Holding AG issued a guarantee in favour of Private Equity Holding (Netherlands) BV, a wholly owned subsidiary of Private Equity Holding (Luxembourg) SA for all its current and future liabilities (see Note 1).

7. Management compensation in accordance with art. 663b Swiss Code of Obligations

2010/2011	Base compensation (Cash) CHF 1,000	Base compensation (Shares) CHF 1,000	Other compensation (Social security) CHF 1,000	Total CHF 1,000
Board of Directors				
Dr. Hans Baumgartner (Chairman)	37,500	37,500	4,538	79,538
Dr. Hans Christoph Tanner	25,000	25,000	3,025	53,025
Stuart D. Frankel (until June 24, 2010)	50,000	—	3,025	53,025
Martin Eberhard (from June 24, 2010)	12,500	12,500	1,513	26,513
Patrick Schildknecht (from June 24, 2010)	12,500	12,500	1,513	26,513
Total	**137,500**	**87,500**	**13,614**	**238,614**

2009/2010	Base compensation (Cash) CHF 1,000	Base compensation (Shares) CHF 1,000	Other compensation (Social security) CHF 1,000	Total CHF 1,000
Board of Directors				
Dr. Hans Baumgartner (Chairman)	37,500	37,500	4,538	79,538
Dr. Hans Christoph Tanner	25,000	25,000	3,025	53,025
Stuart D. Frankel	50,000	—	3,025	53,025
Total	**112,500**	**62,500**	**10,588**	**185,588**

No guarantees, loans, advances or credits were granted to any member of the Board of Directors in the period under review (prior period: none).

Private Equity Holding AG does not have an Advisory Board.

The Company's share of social security contributions are shown under other compensation.

During the period under review, Private Equity Holding AG did not pay any direct or indirect compensation or allocate any shares or options to former members of governing bodies (prior period: none).

During the period under review, no compensations that are not customary in the market were paid directly or indirectly to persons, who are close to members of governing bodies or close to former members of governing bodies (prior period: none).

8. Management share ownership in accordance with art. 663c Swiss Code of Obligations

31.03.2011	Share ownership	Options	Total
Board of Directors			
Dr. Hans Baumgartner (Chairman)	191,000	—	191,000
Dr. Hans Christoph Tanner	4,504	—	4,504
Martin Eberhard	25,982	—	25,982
Patrick Schildknecht	23,182	—	23,182
Total	**244,668**	**—**	**244,668**
Manager (ALPHA Associates AG)			
Dr. Peter Derendinger (CEO)	100,000	—	100,000
Dr. Petra Salesny	37,384	—	37,384
Petr Rojicek	37,199	—	37,199
Christoph Huber [1]	37,044	—	37,044
Alpha Associates AG	322,732	—	322,732
Total	**534,359**	**—**	**534,359**

[1] Christoph Huber retired from his active function in ALPHA Associates AG on December 31, 2010.

31.03.2010	Share ownership	Options	Total
Board of Directors			
Dr. Hans Baumgartner (Chairman)	135,834	—	135,834
Dr. Hans Christoph Tanner	3,868	—	3,868
Stuart D. Frankel	—	—	—
Total	**139,702**	**—**	**139,702**
Manager (ALPHA Associates AG)			
Dr. Peter Derendinger (CEO)	96,986	—	96,986
Dr. Petra Salesny	37,384	—	37,384
Petr Rojicek	37,199	—	37,199
Christoph Huber	37,044	—	37,044
Alpha Associates AG	221,336	—	221,336
Total	**429,949**	**—**	**429,949**

9. Risk assessment

Private Equity Holding AG runs a centralized risk management system which separates strategic risks from operative ones. This risk schedule is the objective of an annual detailed discussion process in the group's Board of Directors. The permanent observation and control of the risks is a management objective.

For identified risks, which arise from the accounting and financial reporting, a risk assessment is performed. Throughout the Internal Control System framework on financial reporting relevant control measures are defined, which reduce the financial risk. Remaining risks are categorized depending on their possible impact (low, average, high) and appropriately monitored.

10. Appropriation of available earnings

	CHF 1,000
Loss for the year	(14,787)
Retained earnings	89,595
Available earnings	**74,808**

The Board of Directors proposes to appropriate the available earnings as follows:

Allocation to general legal reserve	-
To be carried forward	**74,808**

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Report of the Statutory Auditor on the Financial Statements to the General Meeting of Shareholders of

Private Equity Holding AG, Zug

As statutory auditor, we have audited the accompanying financial statements of Private Equity Holding AG, which are presented on pages 53 to 59 and comprise the income statement, balance sheet, statement of changes in shareholders' equity and notes for the year ended March 31, 2011.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended March 31, 2011 comply with Swiss law and the company's articles of incorporation.

Private Equity Holding AG, Zug
Report of the Statutory Auditor
on the Financial Statements
to the General Meeting

Emphasis of matter
In accordance with Article 16 of the Directive on Financial Reporting issued by the SIX Swiss Exchange we draw attention to note 1 to the financial statements, describing the Company's investment in its wholly-owned subsidiaries Private Equity Holding Cayman and Private Equity Holding (Luxembourg) SA with a carrying amount of CHF 314.2 million. The Company's and the subsidiaries' unquoted investments amounting to EUR 188.0 million (93.2% of the Group's consolidated assets) as of March 31, 2011 have been reported at fair value (EUR 173.9 million (84.1% of the Group's assets) as of March 31, 2010). Due to the inherent uncertainty related to the valuation of such investments and due to the absence of a liquid market, such fair values could differ from net realisable values, whereas the difference may be material. The board of directors is responsible for the determination of these fair values, which form a significant component of the Company's consolidated shareholders' equity (Net Asset Value) of approximately EUR 200.7 million as of March 31, 2011. We have reviewed the procedures applied in valuing such investments and inspected underlying documentation; while in the circumstances the procedures appear to be reasonable and the documentation appropriate, determination of fair values involves subjective judgment, which is not susceptible to independent verification procedures. Our conclusion is not qualified in respect of this matter.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Christoph Gröbli	Corinne Jaeger
Licensed Audit Expert	*Licensed Audit Expert*
Auditor in Charge	

Zurich, May 23, 2011

Corporate Governance

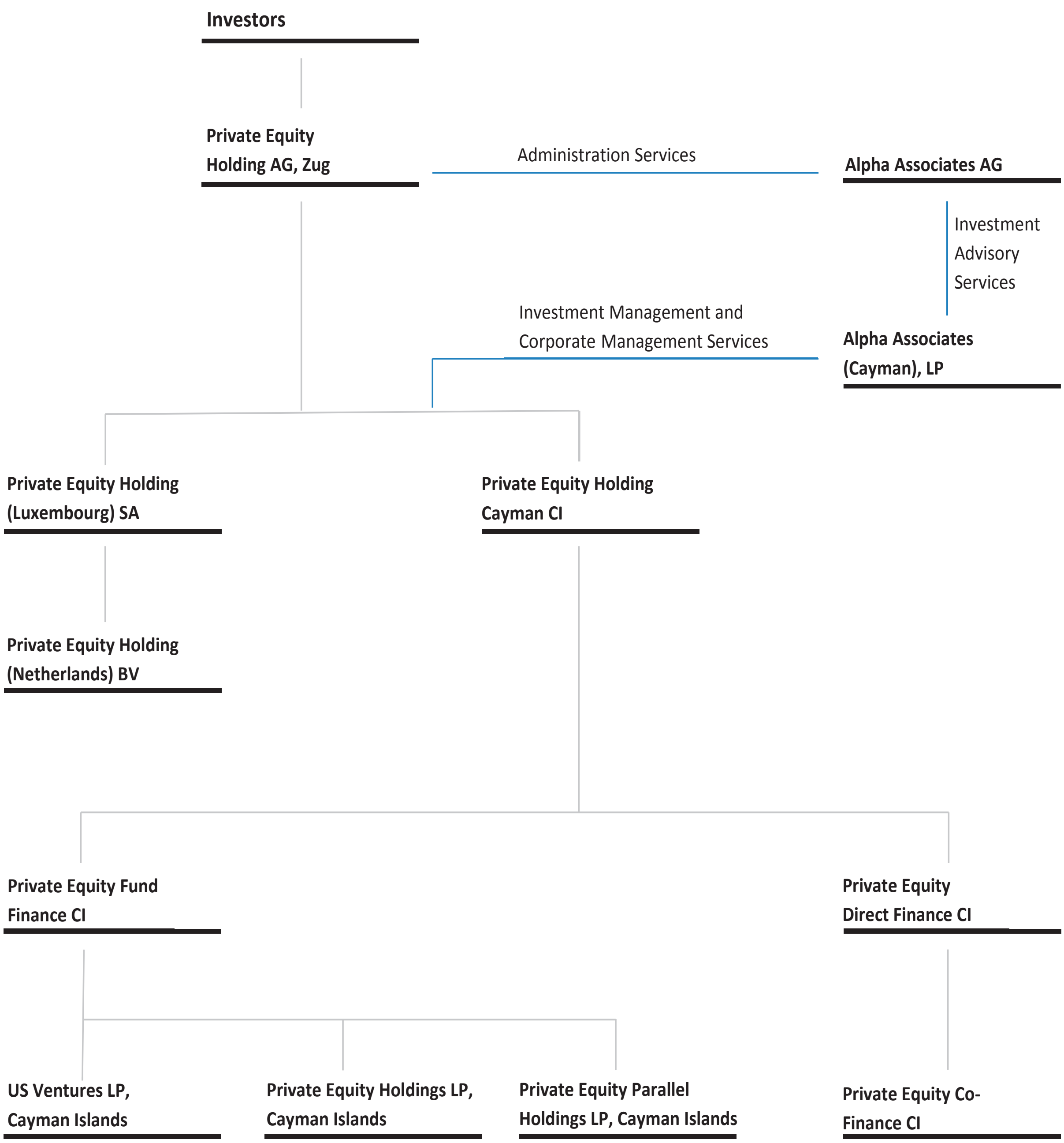
Private Equity Holding AG (the "Company") is committed to good corporate governance and transparency and accountability to its shareholders. The following disclosure follows the structure and is in accordance with the latest Directive on Information relating to Corporate Governance of the SIX Swiss Exchange of October 29, 2008 (in force since July 1, 2009).

1. Group structure and shareholders

1.1 Group structure

1.1.1 Operational Group structure

The structure of Private Equity Holding AG ("PEH" or the "Company"), its subsidiaries (together the "Group") and service providers as of March 31, 2011 is depicted in the following diagram:



1.1.2 Listed company

The only listed company in the Group is Private Equity Holding AG. PEH is a stock company incorporated under Swiss law with its registered office at Innere Güterstrasse 4, 6300 Zug. The Company is listed on the SIX Swiss Exchange under Swiss security number 608 992 as well as the ISIN code CH 000 608 9921 (short code PEHN).

The market capitalization of the Company as of March 31, 2011 is EUR 139.0 million (CHF 180.4 million).

As of March 31, 2011, PEH held 306,773 of its shares in treasury (7.65% of the total issued share capital). The subsidiaries do not hold any shares in the parent company.

1.1.3 Non-listed companies in the Group

All subsidiaries of the Company are non-listed holding companies owned 100%, either directly or indirectly, by the Company. For the names of the subsidiaries, their domiciles and their share capital, please see Note 2.2 (Principles of Consolidation) to the Consolidated Financial Statements of this Annual Report.

1.2 Significant shareholders

As of March 31, 2011, the following major shareholders were known by the Company:

Holding in % of share capital	31.03.11	31.03.10
Between 3% and 5%	Pensionskasse SBB (Berne); Versicherungseinrichtung des Flugpersonals der Swissair (Zurich); Dr. Hans Baumgartner (Adliswil); National Custodian Service (Melbourne, Australia) indirectly via Barwon Investment Partners	Pensionskasse SBB (Berne); Private Equity Holding AG (Zug, registered without voting rights); Versicherungseinrichtung des Flugpersonals der Swissair (Zurich); Dr. Hans Baumgartner (Adliswil)
Between 5% and 10%	Private Equity Holding AG (Zug, registered without voting rights); Mantra Investissement / Wyser-Pratte Group (Paris, France / New York, USA)	-
Between 10% and 15%	Alpha Associates Group (Zurich)[1]	Alpha Associates Group (Zurich)[1]

[1]The Alpha Associates Group is represented by ALPHA Associates AG, Dr. Peter Derendinger, Dr. Petra Salesny, Petr Rojicek and Christoph Huber.

The Company is not party to any shareholders' agreements.

All changes in the Company's shareholder base that were reported and disclosed in accordance with Art. 9 and Art. 21 of the Stock Exchange Ordinance-FINMA (SESTO-FINMA) during the financial year 2010/2011 can be found in the search facility on the Disclosure Office's publication platform: http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_de.html.

On November 17, 2010, the Disclosure Office of the SIX Swiss Exchange granted Private Equity Holding a corridor permission allowing the Company to disclose shareholdings in treasury shares at the thresholds of 4.5% and 5.5%, respectively, instead of the mandatory 5% threshold. The treasury share position had closely moved around the 5% threshold and the Company made disclosure notifications five individual times between October 28, 2010 and November 12, 2010. The permission expires on November 17, 2011. If the treasury share position was to decrease below 4.5% or increase above 5.5%, the Company is obliged to complete a disclosure notification within 4 trading days. If consequently the treasury share position again moves into the corridor between 4.5% and 5.5%, the Company can again use the facilitation permission following a disclosure notification. On January 26, 2011, the Company notified the SIX Swiss Exchange that it had acquired treasury shares leading to a shareholding of 6.5% outside of the corridor.

1.3 Cross-shareholdings

There are no cross-shareholdings.

2. Capital structure

2.1 Capital

Private Equity Holding AG has an issued ordinary share capital of CHF 24.057 million, divided into 4,009,500 registered shares with a nominal value of CHF 6 per share. All shares are fully paid-in.

The Company's authorized capital amounts to CHF 12 million, divided into 2,000,000 registered shares with a nominal value of CHF 6 per share. As of March 31, 2011 no shares were issued from the Company's authorized capital. The Company does not have a conditional capital.

2.2 Authorized capital in particular

The Company's authorized capital has the following features:

Maximum number of authorized shares:	2,000,000 registered shares
Maximum authorized share capital:	CHF 12 million
Expiry date:	June 24, 2011

The terms of the Company's authorized capital are stated in Art. 3a of the Company's Articles of Association. Art. 3a is quoted in section 2.3 below.

2.3 Changes in capital since March 31, 2008

The 2009 Annual General Meeting approved the creation of a new authorized capital, thereby giving the Company the flexibility to react quickly at any time in the next two years to raise additional equity in the market if conditions are favorable. The main purpose of any increase in capital would be to further diversify the current portfolio. The 2009 Annual General Meeting approved the following Art. 3a of the Company's Articles of Association, which was amended following the 2010 Annual General Meeting to reflect the capital reduction of CHF 2 per share from CHF 8 to CHF 6:

1 The Board of Directors is hereby authorized to increase the Company's share capital pursuant to Art. 3 of the Articles of Association by a maximum of CHF 12,000,000 through the issuance of a maximum of 2,000,000 shares of CHF 6 nominal value each, all to be fully paid up, such authorization to be effective until June 24, 2011. The increases may be underwritten or may be effected in partial amounts. The subscription price, the date on which the shares will rank for dividends and the kind of contribution shall be determined by the Board of Directors.

2 The Board of Directors is entitled to waive the preemptive rights of the shareholders and to allocate subscription rights to third parties, if the new registered shares are to be used by the Company or a group company to acquire companies, company divisions or private equity portfolios. If, in connection with corporate acquisitions, the company assumes any obligations to convert warrants or convertible bonds into shares, then the Board of Directors is entitled to issue new shares waiving the preemptive rights of the shareholders in order to meet such obligations. Apart from these exceptions shareholders shall have preemptive rights.

3 Registered shares for which subscription rights have been granted but not exercised shall be sold in the market at current prices.

Since March 31, 2008, the Company's and the Group's equity capital have developed as follows:

	31.03.2008	31.03.2009	31.03.2010	31.03.2011
Share Capital (CHF 1,000)	32,400	32,400	32,400	24,057
Total Equity PEH (CHF 1,000)	208,733	193,985	298,328	273,572
Total Equity Group (EUR 1,000)	208,742	181,863	205,211	200,741

Please refer also to the Statement of Changes in Equity on page 19 (consolidated) and page 55 (parent company) of this Annual Report.

The 2010 Annual General Meeting approved a capital reduction by (i) cancelling 40,500 shares, which were repurchased in a share buyback program 2006/07 and accordingly reducing the share capital by CHF 324,000 from CHF 32,400,000 to CHF 32,076,000 and (ii) a decrease in share capital by CHF 8,019,000 from CHF 32,076,000 to CHF 24,057,000 by way of a reduction of the par value per share from CHF 8 to CHF 6. The capital reduction was effective in the commercial register on September 6, 2010.

2.4 Shares and participation certificates

Private Equity Holding AG has an issued share capital of CHF 24.057 million (EUR 15.034 million), divided into 4,009,500 fully paid-up registered shares with a par value of CHF 6 each. Each share, if and when registered in the Company's register of shareholders, carries one vote and all shares enjoy the same dividend rights in accordance with Swiss law. There are no preferential rights of any nature attached to any of the shares.

The Company has not issued any participation certificates.

2.5 Dividend-right certificates

The Company has not issued any profit sharing certificates (Genussscheine).

2.6 Limitations on transferability and nominee registrations

There are no transfer restrictions whatsoever. There are no restrictions on nominee registrations.

2.7 Convertible bonds and warrants/options

No convertible bonds, warrants or options to purchase shares have been issued by the Company or any of its subsidiaries. The Group has no employees and no employee stock option plan is in place.

3. Board of Directors

3.1 Members

Pursuant to the Company's Articles of Association, the Board of Directors consists of one or more members. At the end of the financial year 2010/2011, the Board of Directors was composed as follows:

Dr. Hans Baumgartner, Chairman, 1954, Swiss citizen
Dr. Hans Baumgartner is an attorney-at-law in Zurich. He graduated from the University of Zurich in 1978 with a degree in law and obtained a PhD in 1990. He also holds an LL.M. from the European Institute of the University of Zurich in banking and insurance law. From 1981 until 1992, Dr. Hans Baumgartner was district attorney in Zurich, from 1986 he specialized in economic crime. In 1992 he became judge at the District Court of Zurich. Since 1994, Dr. Hans Baumgartner works as an independent attorney-at-law in Zurich. He is Senior Partner at the law office Baumgartner Mächler. In addition, he has been a judge at the Military Court of Appeals from 1988 to 2004. He also serves as Chairman of miniswys ag, a technology company in Biel, is a director of several private companies and since 2011 serves as ombudsman of Charles Vögele Holding.

Dr. Hans Christoph Tanner, Member, 1951, Swiss citizen
Dr. Hans Christoph Tanner is CFO and a member of the Board of Directors of SIX-listed Cosmo Pharmaceuticals SpA, Lainate/Italy, member of the Board and head of audit committee of DKSH AG, a market expansion services group with focus on Asia, member of the Board of Qvanteq AG, Zuerich, a med tech company involved in the development of surfaces for stents, on the advisory board of Joimax GmbH, Karlsruhe, a med tech company involved in minimally invasive back surgery. He is a member of the advisory board of Millenium Associates. He graduated from the University of St. Gallen in 1975 with a degree in economics and completed his PhD in 1979. Dr. Chris Tanner joined UBS in 1977, where he worked on different assignments in Zurich, Madrid and Los Angeles. In 1987 he became a member of the Global Credit Committee and in 1988 Head of Corporate Banking for Australia, Asia and Africa and subsequently Southern Europe. In 1992 he became Head of Corporate Finance & Capital Markets in Zurich and in 1996 additionally Head of the UBS European Investment Banking Origination and Industry Teams in London. From 1999 to 2002 Dr. Chris Tanner was a Managing Partner at A&A Investment Management. He founded and managed Active Investor AG, and co-founded and was an active board member of 20 Minuten Holding AG and 20 Minuten Schweiz AG.

Martin Eberhard, Member, 1958, Swiss citizen
Martin Eberhard works as an entrepreneur specializing in project financing. From 2000 until 2009 Martin Eberhard served as founder and CEO of NZB Neue Zürcher Bank AG. Prior, Martin Eberhard held various senior positions at Bank Julius Baer, Zurich; in 1996 he became a Member of the Management Board and in 1998 a member of the Executive Board Brokerage Europe. Before joining Julius Baer he finished his studies and worked for Swiss Bank Corporation in Zurich, Geneva and

New York. Martin Eberhard completed the Swiss Banking School and an Advanced Executive Program at Kellogg Graduate School of Management, USA.

Patrick Schildknecht, Member, 1972, Swiss citizen
Patrick Schildknecht is the Chairman of the Board of Directors of SK Holding AG, Euthal, an investment company, Hinno AG, Meggen, a specialist in innovative curtain systems and SK Real Estates AG, a real estate project development company. Patrick Schildknecht graduated from the University of Zurich with a degree in economics in 1998 and started his career at timber company Portico S.A. in San Jose, Costa Rica. Returning to Switzerland in 1999, Patrick Schildknecht worked for five years for strategy consultants Arthur D. Little in Kuala Lumpur and Zurich. At the same time, together with other investors he took over All Wireless AG, Bern, a leading company in the field of paging. Since then, Patrick Schildknecht has held various director positions in Swiss public and private companies.

The Members of the Board of Directors of Private Equity Holding AG are independent and non-executive. They contribute a range of international experience and knowledge from various fields and industries. None of the members of the Board of Directors has any significant business connections with the Company or any of its subsidiaries, except for the Chairman, whose law firm provides certain legal services to the Group, mainly regarding litigation matters. All such services are provided strictly at arm's length.

None of the members of the Board of Directors has previously worked in an executive function for the Company or any of its subsidiaries.

3.2 Other activities and vested interests

Please refer to the CVs in section 3.1 above.

3.3 Elections and terms of office

According to Art. 17 of the Company's Articles of Association, the members of the Board of Directors are elected by the shareholders of the Company for a term of one year. Directors may be re-elected for one or more subsequent periods. Directors may be dismissed by shareholders' vote or resign before the end of their term.

The terms of office of the Board of Directors are as follows:

Name	Function	Date of first election to Board	Expiration of term
Dr. Hans Baumgartner	Chairman	7.12.2006	AGM 2011
Dr. Hans Christoph Tanner	Member	7.12.2006	AGM 2011
Martin Eberhard	Member	24.6.2010	AGM 2011
Patrick Schildknecht	Member	24.6.2010	AGM 2011

This Board of Directors has been elected in globo at the Annual General Meeting of Private Equity Holding AG on June 24, 2010. Patrick Schildknecht is not standing for re-election at the AGM 2011.

The former Board Member Stuart D. Frankel resigned from the Board of Directors at the AGM 2010.

3.4 Internal organisational structure

The tasks within the Board of Directors are allocated as follows

Name	Function	Tasks and Main Focus
Dr. Hans Baumgartner	Chairman	Day-to-day contact with Manager
Dr. Hans Christoph Tanner	Member	Regular contact with ALPHA's CFO
Martin Eberhard	Member	Investor relations, banking specialist
Patrick Schildknecht	Member	Investor relations, small and mid cap specialist

The Board of Directors is responsible for the ultimate direction, supervision and control of the Company and the Group's investment manager and administrator. The core tasks of the Board of Directors according to the Swiss Code of Obligations ("CO") and the regulations of Private Equity Holding AG are:

- Organizational regulations;
- Investment strategy and asset allocation;
- Strategic & financial planning;
- Overall supervision; and
- Relationship with shareholders.

The Board of Directors convenes whenever business requires, but at least four times a year, and resolves all matters by majority vote in the presence of a majority of its members. In the financial year 2010/2011, the Board of Directors held six meetings.

Meetings are convened by the Chairman or upon the request of a member of the Board. Board members may participate in person or by telephone. Unless a member of the Board requests otherwise, decisions may be taken by circular resolution. Matters resolved by circular resolution require unanimity.

The Board of Directors has not created any committees.

The Board of Directors delegated the administration and management of PEH and the Group to Alpha Associates AG ("ALPHA") and Alpha Associates Cayman, LP ("ALPHAC"), which in turn is advised by ALPHA's private equity specialists in Zurich ("ALPHA", together "ALPHA Group"). ALPHA Group prepares all matters to be handled by the Board and implements the Board's resolutions. The Board of Directors retains its primary, inalienable and non-transferable responsibilities according to Art. 716a CO and monitors all financial and operational matters of the Company, thereby maintaining a close working relationship with ALPHA.

The competencies of the Board of Directors, ALPHA and ALPHAC are set forth in the Organizational Regulations issued by the Board of Directors.

3.5 Definition of areas of responsibility

The Board of Directors is responsible for all tasks allocated to it by Swiss Law, but has delegated certain matters to ALPHA and ALPHAC, respectively (as described in section 3.4 above).

3.6 Information and control instruments vis-à-vis the management

The management of ALPHA works closely with the Chairman of the Board of Directors, who meets with ALPHA's senior staff as business requires discussing corporate and portfolio matters. The management team of ALPHA is in attendance at all meetings of the Board of Directors. ALPHA further issues monthly reports to the Board of Directors of the Company including balance sheet, income statement, cash-flow planning and fair value development per investment. Detailed investment, financial and performance data is recorded and maintained by ALPHA Group, as manager, in a customized IT database and monitoring tool. Extracts are made available to the Board of Directors on a regular basis.

4. Management

4.1 Management Board

The Company has no employees and no Management Board.

4.2 Other activities and vested interests

Not applicable, as the Company has no employees and no Management Board.

4.3 Management Contracts

Since April 1, 2004, ALPHA Group provides administration services to the Company and acts as investment manager and advisor of the Group.

4.3.1 Administration Services

ALPHA provides comprehensive administration services to PEH for an annual fee of CHF 500,000. Administration services include accounting, corporate, legal and regulatory services and investor relations.

4.3.2 Investment Management and Corporate Management Services

Investment management and corporate management services are performed by ALPHAC in the Cayman Islands and include asset allocation, investment advice, the selection, execution and divestment of private equity fund and direct investments in accordance with the Company's investment strategy, cash management, arrangement of banking services, and all administrative and financial tasks of the Cayman Islands companies of the Group.

ALPHA provides investment advisory services to ALPHAC. Such services include research, the identification and evaluation of investment opportunities, the monitoring of portfolio investments and the evaluation and presentation to the investment manager of potential exit strategies from investments.

For the terms of the management agreement between PEH and its subsidiaries and ALPHA Group, please refer to Note 21 (Related Party Transactions) to the Consolidated Financial Statements of this Annual Report.

4.3.3 Description of ALPHA Group

ALPHAC is a Cayman Islands limited partnership controlled by ALPHA and employs local professionals with knowledge and experience in accounting, financial management and investment management. ALPHA is a company incorporated under Swiss law with its registered office in Zurich. ALPHA is a fully independent private equity manager owned by the senior members of its team. The ALPHA Group manages and advises various private equity investment programs including 5E Holding Group, an investment company investing in private equity funds and companies in Central and Eastern Europe, its successor funds ALPHA CEE II L.P. and ALPHA CEE II (Ins.) L.P., ALPHA 2001, L.P., a fund-of-funds investing worldwide in a diversified private equity fund portfolio, ALPHA Russia & CIS Secondary L.P., a fund-of-funds investing in secondary opportunities in Russia and other former CIS countries and Private Equity Holding AG.

ALPHA's Management Team is composed as follows:

Dr. Peter Derendinger, Partner, Chairman & CEO; Dr. iur., LL.M., attorney-at-law; 13-year career at Credit Suisse as General Counsel, Head Corporate Center and CFO Private Banking; led the restructuring of Private Equity Holding AG in 2003; member of the Board of Directors of EGL AG, Bank Sarasin & Cie. AG and a number of non-listed financial institutions.

Petr Rojicek, Partner, CIO; Dipl.Ing., MBA; career in engineering and corporate finance at UBS and Bank Vontobel; worked on corporate finance transactions since 1995; led, negotiated and executed many private equity investments in Western Europe, the US and Eastern Europe; serves on many advisory boards of private equity funds and as director of portfolio companies; strong relationship network in the industry.

Dr. Petra Salesny, Partner, COO; Dr. iur, LL.M., admitted to the NY bar; career in law and M&A; active in private equity investing since 2001; due diligence, negotiation, structuring and execution of fund and direct investments and secondary acquisitions; structuring, launch and marketing of new products and programs.

Katja Baur, Vice President, CFO; Swiss; M.Sc. University of Zurich, Swiss Certified Accountant; career at KPMG Audit Financial Services; was responsible for planning and execution of financial and regulatory audits of Swiss private banks, listed investment companies in the alternative investments sector, hedge fund managers, securities dealers and asset managers.

For further information on ALPHA and its key staff please consult their website at www.alpha-associates.ch.

5. Compensation, shareholdings and loans

5.1 Content and method of determining the compensation and share-ownership programs

The directors' remuneration is fixed by the Board of Directors at its discretion. Currently, the Director's fee is CHF 50,000 p.a. for a member and CHF 75,000 p.a. for the Chairman. The Directors may elect, in advance, to receive up to 100% of their fee in shares of the Company. The costs regarding AHV/ALV (employer's share) are borne by the Company. Except for the reimbursement of out-of-pocket expenses, the members of the Board of Directors do not have any further rights of compensation for their services rendered to the Company; in particular, the Company does not grant any loans to or guarantee any liabilities of the members of the Board of Directors.

For further information regarding the disclosure of compensation paid to the members of the Board of Directors for the financial years 2010/2011 and 2009/2010, please refer to Note 7 (Management Compensation) to the Financial Statements of Private Equity Holding AG on page 57 seq. of this Annual Report.

The management, administration and performance fee arrangements between the Company and its subsidiaries and ALPHA Group are set forth in an administrative services agreement and an investment management agreement, respectively; the calculation of the fees follows industry standards and is audited by the Group's auditors.

For further information regarding the disclosure of administration, management and performance fees under the administration and management agreements between PEH and its subsidiaries with ALPHA and ALPHAC, please refer to Note 21 (Related Party Transactions) on page 47 seq. of this Annual Report.

5.2 Share ownership

As of March 31, 2011, the members of the Board of Directors of the Company hold in aggregate 244,668 shares of the Company. ALPHA and the members of its management team own 534,359 shares of the Company.

Neither the members of the Board of Directors nor ALPHA or its affiliates hold any options to purchase shares of Private Equity Holding AG.

For details, please refer to Note 8 (Management share ownership) to the Financial Statements of Private Equity Holding AG on page 58 of this Annual Report.

6. Shareholders' participation rights

6.1 Voting-rights and representation restrictions

There are no voting rights or representation restrictions in the Company's Articles of Association. Each shareholder whose shares are registered in the Company's register of shareholders is entitled to participate in the Company's General Meetings and vote his or her shares at his or her discretion.

Instead of attending a meeting in person, a registered shareholder may appoint a proxy, who needs not be a shareholder. Shareholders may be represented by a Company representative ("Organvertreter"), a specially designated independent shareholders' representative ("unabhängiger Stimmrechtsvertreter") or by a depository institution ("Depotvertreter"). Proxies must be in writing.

6.2 Statutory quorums

There are no statutory quorums in the Company's Articles of Association. Except as provided for a limited number of important decisions as set forth in Art. 704 CO, which require a qualified majority, the General Meeting adopts all resolutions with a majority of the votes represented at the meeting. Voting is secret if so requested by one or more shareholders representing 5% of the represented shares or upon direction of the Chairman of the meeting.

6.3 Convocation of the General Meeting of shareholders

In accordance with Swiss company law and the Articles of Association, General Meetings of shareholders are convened by the Board of Directors or, if necessary, by the auditors of the Company. Ordinary General Meetings are convened annually within 6 months after financial year-end. Extraordinary General Meetings are convened upon resolution of the shareholders or the Board of Directors, upon request of the auditors, or upon written request to the Board of Directors by one or more shareholders holding an aggregate of at least 10% of the Company's share capital.

Notice of General Meetings is given to the registered shareholders by letter at least 20 days prior to such meeting by the Board of Directors. The notice states the place and time of the meeting, the items on the agenda and the proposals of the Board of Directors with respect to each item and any items and proposals placed on the agenda by shareholders, the type of proof of ownership of shares and notice that the business report and auditors' report are available for inspection by the shareholders at the registered office of the Company.

6.4 Inclusion of item on the agenda

Shareholders holding shares with an aggregate nominal value of at least CHF 1 million have the right to request in writing that a specific item be put on the agenda. Such requests have to be received by the Board of Directors prior to the dispatch of the invitation to the General Meeting. Proposals regarding items not included in the agenda may be admitted for discussion by shareholder resolution, but may be voted on only at the following General Meeting, except a motion for the calling of an Extraordinary General Meeting or a motion for a special audit. Proposals regarding items on the agenda may be made without prior request.

6.5 Inscriptions into the share register

Following the purchase of PEH-shares on or off-exchange, the purchaser (normally through its bank) may request that his or her shares shall be registered in the Company's register of shareholders. The Company recognizes only one holder per share. The register contains, i.a., the name and address of the registered shareholders.

Only shareholders registered in the Company's register of shareholders as of the cut-off date are entitled to attend and vote at General Meetings. The cut-off date for each meeting is the date on which the invitation for the General Meeting is mailed to the shareholders (Art. 6.2 of the Company's Articles of Association) and is also stated in the invitation. The dates of the Company's General Meetings and the meeting invitations are published on its website for ease of reference.

7. Change of control and defense measures

7.1 Duty to make an offer

According to Art. 32 of the Swiss Stock Exchange Act, any person, whether acting directly, indirectly or in concert with third parties, acquiring shares in a company established and listed in Switzerland, which shares when added to any shares already owned by such person exceed the threshold of 33 1/3% of the voting rights of the company, must offer to acquire all listed shares of the company. This obligation does not apply if the shares have been acquired as a result of donation, succession or partition of an estate, by operation of matrimonial property law or through execution of a judgment.

The Articles of Association of Private Equity Holding AG do not provide for any statutory "opting out" or "opting up" according to Art. 22 of the Swiss Stock Exchange Act.

7.2 Clauses on changes of control

There are no specific clauses on change of control in the Company's Articles of Association. In particular, neither the members of the Board of Directors nor ALPHA Group are entitled to any additional compensation specifically as a result of any person acquiring control over the Company.

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

The auditors of the Company and the Group are KPMG AG, Zurich ("KPMG"). KPMG have been acting as statutory auditors and auditors of the consolidated accounts of the Company since June 25, 2009. The lead auditor (since June 25, 2009) on the mandate is Christoph Gröbli, Swiss Certified Accountant. The rotation interval that applies to the lead auditor is the statutory maximum of seven years, according to Art. 730a par. 2 of the Swiss Code of Obligations.

The auditors are elected by the General Meeting for the term of one year, which ends with the date of the next AGM. Re-election is possible (Art. 27 of the Company's Articles of Association).

8.2 Audit fees

The audit fees to KPMG in the financial year ending March 31, 2011 amounted to CHF 158,500 for the audit of the statutory and consolidated financial statements of the Company. In addition, CHF 10,000 were paid for the report on the capital reduction 2010.

8.3 Additional fees

The Company paid additional fees to KPMG for audit-related services (advisory services) on accountig standards in connection with the quarterly financial statements of CHF 15'000 and for tax-related advisory services of CHF 63'500 in the financial year 2010/2011.

8.4 Supervisory and control instruments pertaining to the audit

The Board of Directors and ALPHA provide the auditors with all the necessary information in connection with the audit and the financial statements, which are prepared by ALPHA and ALPHAC, respectively.

The auditors are updated on the decisions that have been taken in the Meetings of the Board of Directors and review the relevant documents on a regular basis. The auditors also keep the Board of Directors regularly informed about the audit process. Information is exchanged, as the case may be, by way of written communication, telephone conferences or in private sessions.

The Board of Directors and the auditors meet at least once a year to discuss the audit services provided by the auditors during the year as well as the annual financial statements. The Board of Directors also assesses the adequacy of the auditors' fees by examining the fees of the previous year and the expected fees for the current business year. Moreover, it assesses the independence of the auditors as well as the audit plan for the next audit period.

The auditors inform the Board of Directors once a year about their findings regarding the Company's and ALPHA's Internal Control System through the comprehensive auditor's report to the Board of Directors.

9. Information policy

The Group reports on its financial performance on a quarterly basis. The Company's financial year ends on March 31. The annual result is stated both on a consolidated basis and for the Company as a standalone entity. The year-end figures are audited.

The Group prepares quarterly reports and publishes them in full on the Company's website www.peh.ch.

Financial information is also sent, on a quarterly basis, to the Company's shareholders registered in the Company's register of shareholders.

The net asset value per PEH-share is published on a monthly basis, normally within 4 working days of the end of each month.

In between the quarterly report publications, all relevant information (including information subject to ad-hoc publicity according to sec. 72 of the listing rules) is published in the form of news releases, which are available on the Company's website.

Information about the actual and historical prices of the Company's shares, which are listed under short code PEHN on the SIX Swiss Exchange, can be obtained free of charge under the following links:

http://www.six-swiss-exchange.com or http://www.peh.ch

Shareholders and other interested parties may subscribe to press releases at www.peh.ch to receive information automatically upon publication by e-mail. For further information, please contact:

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info@peh.ch

On page 73 of this Annual Report, the section Information for Investors includes information on upcoming events and publications.

Information for Investors

The registered shares of Private Equity Holding AG are traded on SIX Swiss Exchange since January 18, 1999.

Stock Exchange Listing

Telekurs ticker symbol	PEHN
Swiss security no.	608 992
ISIN code	CH 000 608 9921
German security no.	906 781

Share Data

	31.03.11	31.03.10
Number of registered shares	4,009,500	4,050,000
Number of shares outstanding	3,702,727	3,865,129
Nominal value per share (CHF)	6.00	8.00
Comprehensive earnings per share (EUR)	1.57	5.94

Share Price (per share)

	2010/2011	2009/2010
High (31.03.11/24.08.09)	45.00	37.45
Low (18.06.10/08.04.09)	33.80	14.50
Year-end (31.3.)	45.00	37.00

Market Capitalization

	2010/2011[1] CHFm	2009/2010[1] CHFm
High (31.03.11/24.08.09)	167	139
Low (18.06.10/08.04.09)	125	54
Year-end (31.3.)	167	137

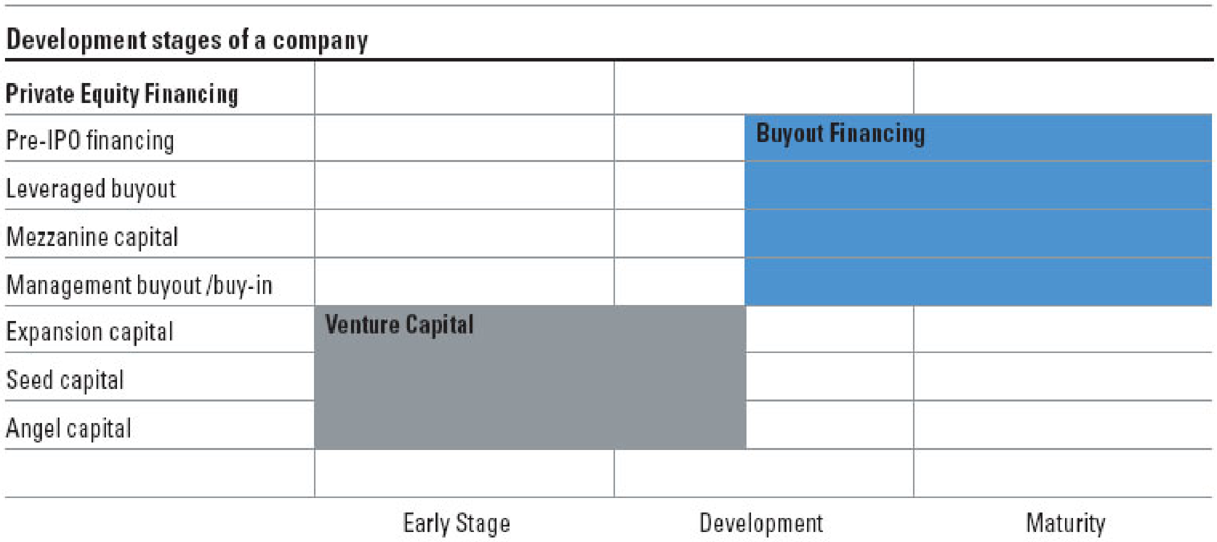
Calendar

June 14, 2011	Annual General Meeting
July 29, 2011	Quarterly Report as of June 30, 2011
October 31, 2011	Half Year Report as of September 30,2011
February 2012	9-Month Report as of December 31, 2011
April 2012	Preliminary NAV as of March 31, 2012
May 2012	Annual Report 2011/2012

Publication as of the end of every month on **www.peh.ch**

[1] Basis: Number of shares outstanding (3,702,727)

On Private Equity



What is Private Equity?

Over the last decade, private equity has emerged as a major asset class in the alternative investment sector. Private equity refers to the holding of equity securities in companies that are not publicly listed on a stock exchange, i.e. privately held companies. Private equity investments can be categorized by the development stage of a company at which financing is provided:

Venture capital refers to the financing of relatively small, rapidly growing, young companies that do not have access to public markets or debt financing. Such investments obviously entail a greater risk but also offer significant potential for above-average returns. Angel capital provides backing to very early-stage businesses or business concepts. Seed capital is the financing of a very early-stage company with a business venture or an idea that has not yet reached market maturity. Expansion capital is provided to companies with marketable products that need financing to fund further growth.

Buyout financing describes the acquisition of the majority of an existing company by the incumbent management and/or an external investor. The term 'leveraged buyout' refers to the acquisition of a company using debt combined with equity to finance the purchase. Mezzanine capital shares characteristics of both debt and equity financing, with preferential liquidation rights to shareholders and interest payments on the one hand and subordination to senior debt on the other. Pre-IPO financing satisfies the capital needs of a company prior to a stock market listing.

How to Invest in Private Equity

There are different ways of investing in private equity: the investor can either invest directly in a company, in a private equity fund which itself invests in companies, or in a private equity fund-of-funds which invests in a selection of private equity funds.

The "fund-of-funds" approach, i.e. investing indirectly in privately held companies by investing in a number of private equity funds, allows for maximum diversification of a private equity investment. Compared to investing in a single private equity fund, the fund-of-funds investor achieves increased diversification of risk via exposure to more than one manager, strategy and investment style. A fund-of-funds offers the opportunity to capture the returns and strategies offered by alternative investments without the significant capital needed for a properly diversified portfolio or investment in a fund.

Private equity funds are typically structured in the form of a limited partnership with several limited partners (investors such as Private Equity Holding AG) and one general partner. The general partner manages the fund and its investments in all respects, but most importantly, the general partner sources, selects, acquires, monitors, develops and sells companies on behalf of the fund. Therefore, the investor in a private equity fund focuses his due diligence on the competence and experience of the general partners and their investment strategies.

Private Equity is a Long-Term Investment

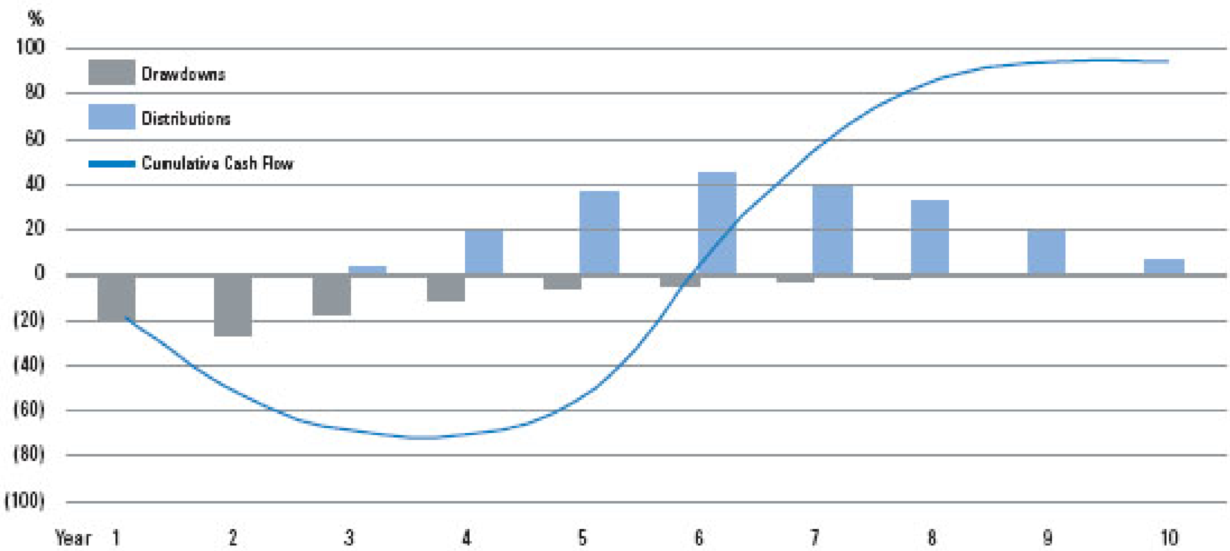
Private equity is a long-term investment requiring a long-term perspective. The investor provides capital to a private equity investment vehicle to finance the underlying investments in companies and to cover the vehicle's management fees and other expenses. Only when the underlying investments are successfully exited, i.e. when the investee companies are sold or floated on the public stock market, are the proceeds distributed back to the investors.

Each limited partner commits himself to provide a certain amount of capital to a private equity fund. This committed amount is drawn and invested by the fund over several (typically five) years, as attractive investment opportunities arise. Generally, after three to seven years, the private equity fund exits the investment via a sale to a trade buyer or financial investor or an IPO of the company.

Following a successful exit of the investment, the proceeds either in cash or listed securities in the case of an IPO are distributed by the fund to the limited partners.

Due to the long-term nature of private equity investments, limited partnership contracts have a duration of typically up to 10 years. During that period, the contracting parties cannot withdraw from their obligations as defined in the agreements.

Single Fund Annual Cash Flows to Investors

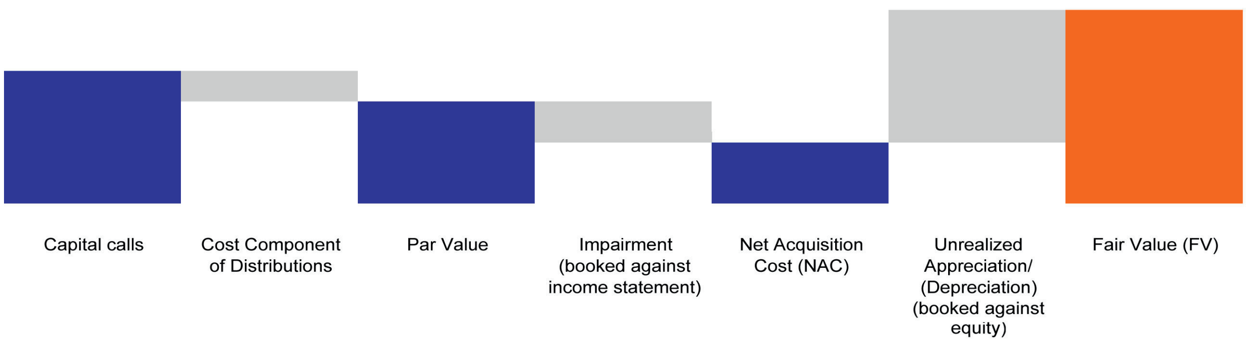


Glossary of Terms

Capital Calls	Amount of capital called from the Group by a private equity fund. Each transaction is translated into EUR by using the foreign exchange rate as of the transaction date.
Capital Contributed (Invested)	Amount of capital contributed (invested) by the Group to direct or indirect investments since inception. Each transaction is translated into EUR by using the foreign exchange rate as of the transaction date.
Capital Gain/(Loss)	Difference between total distribution and the cost component of distribution of a specific investment.
Commitment	Amount that the Group has committed to make available to a private equity fund or direct investment. In accordance with IFRS, this amount is not recorded in the balance sheet. The translation into EUR is made by using the foreign exchange rate as of the relevant reporting date.
Comprehensive Income/ (Loss)	The sum of "Profit/(Loss)" as per income statement and the "Net change in fair value of financial assets available for sale", which is credited/(debited) to shareholders' equity. .
Distribution	Amount of net proceeds (including cost component, capital gains and interest/dividends) received by the Group. Each transaction is translated into EUR by using the foreign exchange rate as of the transaction date.
Cost Component of Distribution	Portion of distribution which reflects the contributed capital.
Fair Value (FV)	The price at which an investment would change hands between a willing buyer and a willing seller, neither being under a compulsion to buy or sell and both having a reasonable knowledge of relevant facts. Fair value of a private equity fund, i.e. fair value of assets minus liabilities. The translation into EUR is made by using the foreign exchange rate as of the relevant reporting date.
Gross/Total Commitment	The sum of net acquisition cost and unfunded commitment.
Impairment	Permanent decline in value of an investment. Write-downs (as opposed to unrealized appreciation and depreciation) are recorded in the income statement. Difference between the par value and the net acquisition cost of an investment.
Net Acquisition Cost (NAC)	Capital contributed minus cost component of distribution minus write-downs.
Par Value	Capital contributed minus cost component of distribution.

Unfunded/Outstanding Commitment	Amount that the Group has not yet contributed to a private equity fund. Difference between original commitment and contributed capital.
Unrealized Appreciation/ (Depreciation)	Temporary increase or decrease in value of a fund or direct investment. Unrealized appreciation and depreciation are booked directly in shareholders' equity without effect on the income statement. Equal to the difference between the fair value of an investment and the net acquisition cost.
Vintage Year	Year in which a private equity fund has made its first Capital Call for investment purposes. In general, this coincides with the first year of a private equity fund's term.

Composition of Fair Value



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