

Chairman's Letter for the First Quarter of the Financial Year 2011/2012

Dear Shareholders

Private Equity Holding AG (PEH) reports a comprehensive net gain of EUR 1.9m for the first quarter of the financial year 2011/2012. As of June 30, 2011, the net asset value per share (NAV) stood at EUR 55.08 (CHF 66.34), representing an increase of 1.6% in EUR during the quarter (decrease of 5.7% in CHF).

The closing share price of PEH shares on June 30, 2011 was CHF 44.00 (EUR 36.53). This is a decrease of 2.2% in the quarter and a 12 month increase of 17.3%. The discount between share price and NAV stood at 33.7% on June 30, 2011, having narrowed from 36% at the beginning of the financial year.

Volatile FX Environment

Ongoing fears around debt levels of several EU member states and the United States has resulted in a continuously increased FX volatility, which has influenced PEH's NAV development in the past months.

Recovering Private Equity Markets

Private equity markets have been further recovering and increased deal activity was recorded throughout the quarter. The Unquote Private Equity Barometer reports total European deal values more than doubling in the quarter, with a high number of secondary buyouts driving the figure to EUR 27.3 billion, the highest amount since the third quarter of 2007.

The investment and divestment activity in PEH's portfolio was somewhat lower than in prior months, however included noteworthy events like the IPO of HomeAway, the leading vacation rental marketplace in the world and a portfolio company of Institutional Venture Partners (IVP), and two landmark transactions in Russia, to which PEH has exposure through Alpha Russia & CIS Secondary: the IPO of Russian search engine Yandex and the merger of the leading stock exchanges RTS and Micex. ALPHA Russia & CIS Secondary is invested in Yandex through UFG Private Equity Fund II and Baring Vostok IV, and in RTS directly and through Da Vinci Capital CIS PSGF. On the investment side noteworthy events were Bridgepoint Europe IV's investments into Medipole, the largest independent medical services group in South East France, and CABB, a specialty chemicals manufacturer headquartered in Germany.

As already mentioned in the annual report, PEH has committed USD 7.5 million to ABRY Partners VII, a fund managed by ABRY Partners, a highly sought after private equity manager with a longstanding and very successful track record in the media sector. This is PEH's third investment in a fund managed by ABRY partners, marking the continuation of a successful relationship.

Continuity

At the Annual General Meeting on June 14, 2011, the shareholders approved all proposals of the Board of Directors. I would like to take the opportunity to thank you for your continued support in re-electing Dr. Chris Tanner, Martin Eberhard and myself. We are looking forward to working together with Bernhard Schürmann, who was elected as a new board member and brings longstanding experience as an asset manager in the Swiss market.

The shareholders further approved a tax-exempt distribution from the capital contribution reserve, which is a continuation of the distribution policy first implemented in 2010: a distribution of CHF 2 per share will be made through the banking system for value September 15, 2011. We continue to believe that providing shareholders with current income in addition to securing long term NAV growth through selective investments should form the pillars of PEH's strategy and will ensure long-term growth and the attractiveness of the company.



Dr. Hans Baumgartner
Chairman of the Board of Directors

July 29, 2011

Key Figures

Share Value

	30.06.2011 EUR	31.03.2011 EUR	Change in %	30.06.2011 CHF	31.03.2011 CHF	Change in %
Net Asset Value per Share, based on Fair Values	55.08	54.21	1.6%	66.34	70.35	(5.7%)
Price per Share (PEHN.S)	36.53	34.68	5.3%	44.00	45.00	(2.2%)

Comprehensive Income Statement

	01.04.11-30.06.11 EUR 1,000	01.04.10-30.06.10 EUR 1,000	Change in %
Profit/(Loss) for the Period	1,938	(9)	n/m
Total Comprehensive Income for the Period	1,938	13,278	(85%)

Balance Sheet

	30.06.11 EUR 1,000	31.03.11 EUR 1,000	Change in %
Net Current Assets	8,415	11,893	(29%)
Total Non-Current Assets	191,556	188,848	1%
Non-Current Liabilities	—	—	—
Total Equity	199,971	200,741	(0%)

Asset Allocation

	Fair Value 30.06.2011 EUR million	Unfunded Commitments 30.06.2011 EUR million	Total Exposure ¹ 30.06.2011 EUR million	Total Exposure ¹ 30.06.2011 EUR million
Buyout Funds	92.4	33.7	126.1	49%
Venture Funds	46.7	10.8	57.5	23%
Special Situation Funds	40.2	18.9	59.1	23%
Total Fund Investments	179.3	63.4	242.7	95%
Direct Investments and Loans	12.3	0.3	12.6	5%
Total Direct Investments and Loans	12.3	0.3	12.6	5%
Total Funds, Direct Investments and Loans	191.6	63.7	255.3	100%

¹ Fair Value plus Unfunded Commitments

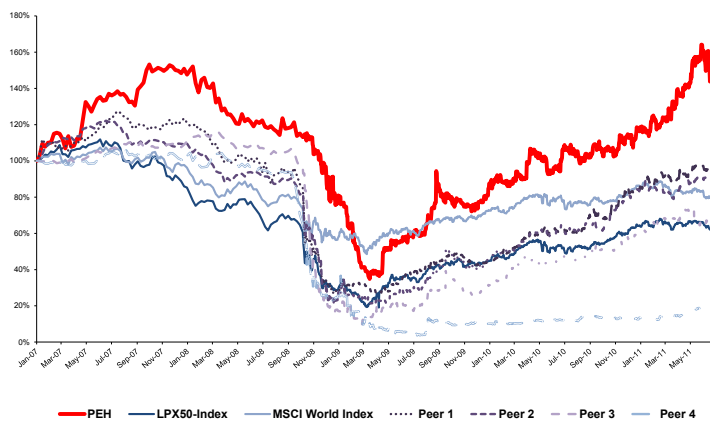
	30.06.2011	31.03.2011	Change in %
Unfunded Commitments (EUR million)	63.7	63.8	(0%)
Overcommitment ²	29%	27%	7%
Net Current Assets / Unfunded Commitments	13%	20%	(35%)

² Overcommitment = (unfunded commitments - net current assets) / (non-current assets - non-current liabilities)

Development of Net Asset Value and Share Price

Share Price and NAV per Share

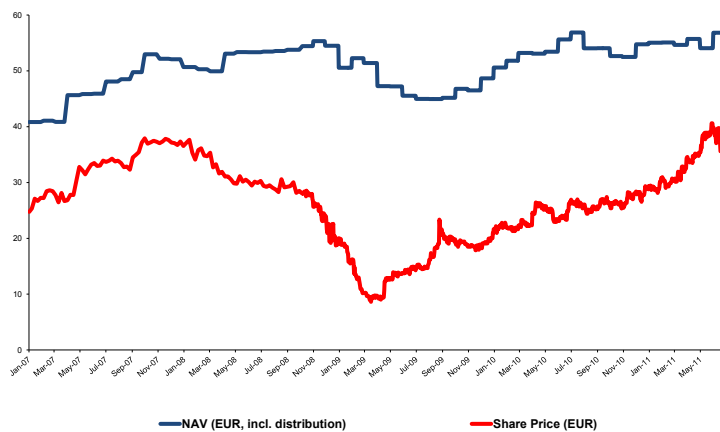
01.01.2007 – 30.06.2011



NAV 01.01.07 - 30.06.11 (in EUR, incl. Distribution):	38.6%
NAV 01.01.07 - 30.06.11 (in CHF, incl. Distribution):	4.1%
Share price 01.01.07 - 30.06.11 (in EUR, incl. Distribution):	45.5%
Share price 01.01.07 - 30.06.11 (in CHF, incl. Distribution):	9.5%
Discount to NAV as of 30.06.2011:	-33.7%

Relative Performance of PEHN

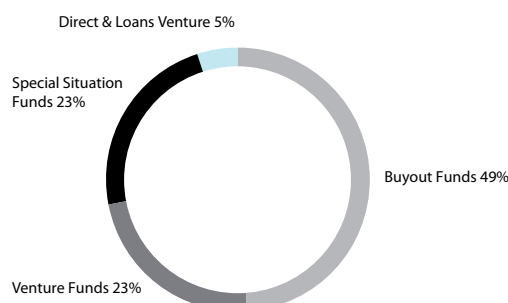
01.01.2007 – 30.06.2011



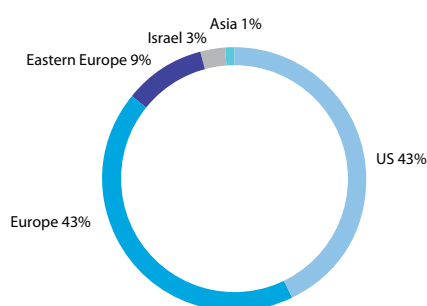
Outperformance PEHN vs. LPX-50 PE-Index:	83.4%
Outperformance PEHN vs. MSCI World:	65.1%
Outperformance PEHN vs. best performing peer:	53.0%
Outperformance PEHN vs. worst performing peer:	129.4%

Portfolio Report for the First Quarter of the Financial Year 2011/2012

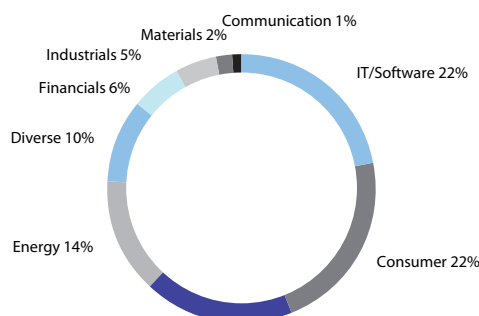
Allocation by Investment Category¹



Allocation by Geography²



Allocation by Industry²



¹ Based on fair values plus unfunded commitments

² Based on fair values of the underlying companies

The Period in Review

For the first quarter of the financial year 2011/2012, Private Equity Holding AG reports a total comprehensive income of EUR 1.9 million.

As of June 30, 2011, the fair value per share stood at EUR 55.08. This represents an increase of EUR 0.87 or 1.6% compared to March 31, 2011.

As of June 30, 2011, total long-term assets amount to EUR 191.6 million (March 31, 2011: EUR 188.8 million). The change since March 31, 2011 includes an increase in the fair value of fund investments of EUR 3.3 million and a decrease in the fair value of direct investments and loans of EUR 0.4 million. During the first three months of the financial year, the investment portfolio was cash flow positive with total distributions amounting to EUR 4.1 million and capital calls of EUR 3.9 million.

Since the beginning of the financial year, April 1, 2011, the Group's net current assets decreased from EUR 11.9 million to EUR 8.4 million.

Fund Investments

As of June 30, 2011, the fair value of the fund portfolio stood at EUR 179.3 million (March 31, 2011: EUR 175.9 million). The change results from capital calls of EUR 3.9 million, distributions of EUR 3.5 million and positive net value adjustments of EUR 3.0 million.

PEH has committed USD 7.5 million to *ABRY Partners-VII*, a fund managed by ABRY Partners, a highly sought after private equity manager with a longstanding and very successful track record in the media sector. This is PEH's third investment in a fund managed by ABRY partners, marking the continuation of a successful relationship.

17 Capital Fund distributed proceeds from its investment in Fuego, following the sale of shares in one of its portfolio companies, and called capital to fund Project Dolfing, an investment in a European mid-market buyout fund.

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

Alpha Russia & CIS Secondary received distributions from its investments in UFG Private Equity Fund II and Russia Partners II and III.

Avista Capital Partners II invested in (i) DataBank, a provider of colocation space, power and internet connectivity, (ii) Hi-Crush Proppants, a company

engaged in the mining of raw sands for use in hydraulic fracturing operations in oil and gas wells, (iii) Enruding Resources II, an investment vehicle focused on natural gas and crude oil reserves, and completed several follow-on investments.

Bridgepoint Europe IV called capital to finance investments in Medipole and CABB, as well as LGC. Medipole is the largest independent medical services group in South East France, specialising in general medicine, surgery and obstetrics, operating three clinics and seven private hospitals. CABB is a specialty chemicals manufacturer headquartered in Germany with global market leadership in its core product offerings. LGC, the Fund's analytical testing business, acquired the world's largest sports drugs surveillance laboratory, HFL Sport Science, in December 2010 and BE IV invested further capital into LGC to support this acquisition. Furthermore, in May, the fund agreed to acquire a joint-controlling stake in Foncia, a French residential property management services business and in June announced the acquisition of SPTS, a market leading capital equipment provider serving high growth manufacturing applications within the microchip industry.

The *DB Secondary Opportunities Fund A* distributed proceeds from Thayer Equity Investors IV, KKR 1996 Fund, McCown De Leeuw & Co. IV, Morgan Stanley Dean Witter Capital Partners IV, Capital International Global Emerging Markets, Morgan Stanley Leveraged Equity Fund II, Welsh, Carson, Anderson & Stowe VIII, and Saratoga Partners IV.

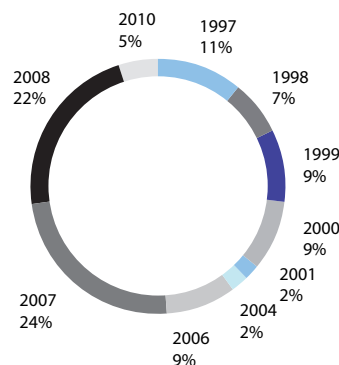
The *DB Secondary Opportunities Fund C* made a distribution primarily attributable to proceeds received from BC European Capital VII, BC European Capital VII TopUp, Avista Capital Partners (Offshore), RBS Special Opportunities Fund G and Leonardo 102.

Investindustrial IV called funds in respect of a new investment in Grupo Coin S.p.A. Grupo Coin is Italy's leading apparel retail group successfully operating a network of 797 stores in Italy and 86 abroad under the brands of OVS Industry, Coin and UPIM and employs 9,498 people. The company is listed on the Milan stock exchange.

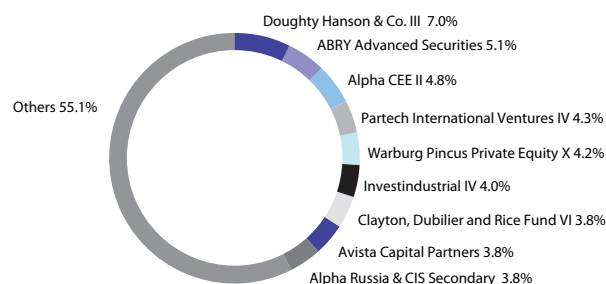
Kennet III called funds for an investment in Next Performance SAS, an online advertising business based in France focusing on both dynamic retargeting of individuals as well as audience targeting.

Institutional Venture Partners XII called capital to fund new investments and distributed proceeds from the sale of Aster Data Systems, provider of an analytical database for frontline data warehousing, to Teradata Corporation (TDC) and from the partial sale of IVP XII's stock in DeNA Co., Ltd., the leading publisher and developer for iPhone OS devices.

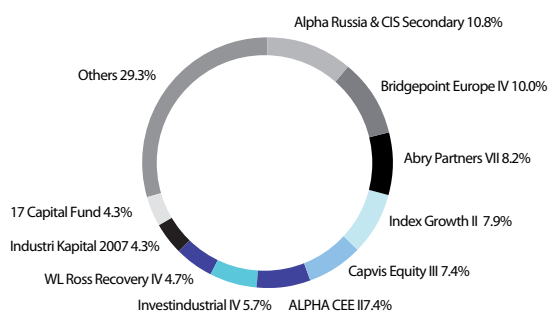
Diversification of the Fund Portfolio by Vintage Year³



Largest Exposures by Fair Value



Largest Exposures by Unfunded Commitment



³ Based on fair values of the fund investments.

Kiwi II Ventura Servicios distributed funds from the sale of Cellmania Inc., the leading provider of wireless search, provisioning and billing solutions to wireless operators (or carriers) and Cambridge Broadband Limited.

OCM European Principal Opportunities Fund II made various new investments, including in (i) Gulmar Shipping, which provides engineering, construction, marine and diving services to the offshore oil and gas industry, in (ii) shipping company Hansa Heavy Lift taking over the core business of portfolio company Beluga, in (iii) Jackson Square Aviation, a full-service aircraft leasing company, in (iv) Knightsbridge Student Housing, a new student accommodation investment company.

Strategic European Technologies N.V. made a distribution to the shareholders following the sale of Native Instruments, a developer and distributor of software synthesizers, to its management.

Warburg Pincus Private Equity X invested in (i) Rural Metro Corporation, a leading national provider of ambulance and private fire protection services in the United States; (ii) Beijing Fert Technology, a leading domestic producer of single-use precision filtering intravenous infusion products used to deliver IV drugs in hospitals throughout China; (iii) Zhejiang Weixin, a human vaccine company based in Zhejiang, China; (iv) Velvet Energy, a newly formed oil and gas exploration and production company focused on the Western Canadian Sedimentary Basin; (v) Triton Container International Limited, a Bermuda-based company which is the world's largest owner-leaser of marine intermodal cargo containers; (vi) DB Power, an India-based power generation company; (vii) Datong International Holdings Limited, an independent life insurance agency in China. The fund distributed proceeds from the sale of its remaining shares of WuXi PharmaTech, a contract research organization with operations in China and the United States; proceeds from the partial sale of Scotsman Industries, a leading global manufacturer of commercial, industrial and high-end residential ice machines, refrigeration units and related products and the sale of China Health Systems Ltd., a holding company for one of the largest privately owned pharmaceutical logistics companies in China.

WLR Recovery Fund IV distributed (i) dividends received from American Home Mortgage Services Inc., (ii) earn-out proceeds from ZCS Investments, a mortgage services company and (iii) proceeds from WLR PPIP, vehicles investing in mortgage securities.

Direct Investments

As of June 30, 2011, the fair value of the direct portfolio

(incl. loans) stood at EUR 12.3 million (March 31, 2011: EUR 12.9 million). During the first three months of the financial year 2011/2012, distributions amounted to EUR 0.5 million and negative net value adjustments of EUR 0.1 million were recorded on the portfolio.

During Q2 2011, PEH has sold the remaining position in *Epicept*, an oncology and pain specialty pharmaceutical company, and the loan to the company was repaid.

Condensed Consolidated Statement of Comprehensive Income

EUR 1,000		01.04.11- 30.06.11	01.04.10- 30.06.10
	Notes		
Income			
Gains on financial assets available for sale		—	4,670
Net gain from financial assets at fair value through profit or loss	9.3	2,764	134
Interest income		4	78
Dividend income		356	143
Foreign exchange (losses)/gains		(39)	337
Total Income		3,085	5,362
Expenses			
Impairment of financial assets available for sale		—	2,635
Administration expense	5	866	2,545
Corporate expense		256	191
Transaction expense		25	—
Total Expenses		1,147	5,371
Profit/(Loss) from Operations		1,938	(9)
Income tax expense		—	—
Profit/(Loss) for the Period attributable to Equity Holders of the Company		1,938	(9)
Other Comprehensive Income			
Net change in fair value of financial assets available for sale ¹		—	13,287
Other comprehensive income/(loss) for the period, net of income tax		—	13,287
Total Comprehensive Income for the Period attributable to Equity Holders of the Company		1,938	13,278
		01.04.11- 30.06.11	01.04.10- 30.06.10
Weighted average number of shares outstanding during period		3,678,696	3,846,353
Basic Earnings per share (EUR)		0.53	(0.002)
Diluted Earnings per share (EUR)		0.53	(0.002)
Comprehensive Earnings per share (EUR)		0.53	3.45

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

¹The Group early adopted IFRS 9 *Financial Instruments* as of April 1, 2011 (see Note 3).

Condensed Consolidated Balance Sheet

EUR 1,000			
	Notes	30.06.11	31.03.11
Assets			
Current Assets			
Cash and cash equivalents		5,360	9,823
Financial assets at fair value through profit or loss	9.1	2,852	2,601
Receivables and prepayments		695	371
Total Current Assets		8,907	12,795
Non-Current Assets			
Financial assets at fair value through profit or loss ¹	9.2	191,556	—
Financial assets available for sale		—	188,848
Total Non-Current Assets		191,556	188,848
Total Assets		200,463	201,643
Liabilities and Equity			
Current Liabilities			
Payables and other accrued expenses	6	492	902
Total Current Liabilities		492	902
Equity			
Share capital		15,034	15,034
Share premium	4	115,348	115,253
Treasury shares	4	(11,796)	(8,993)
Fair value reserve ¹		—	13,561
Retained earnings		81,385	65,886
Total Equity		199,971	200,741
Total Liabilities and Equity		200,463	201,643
		30.06.11	31.03.11
Total number of shares as of period end		4,009,500	4,009,500
Number of treasury shares as of period end		(378,598)	(306,773)
Number of Shares Outstanding as of Period End		3,630,902	3,702,727
Net Asset Value per Share (EUR)		55.08	54.21

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

¹The Group early adopted IFRS 9 *Financial Instruments* as of April 1, 2011 (see Note 3).