

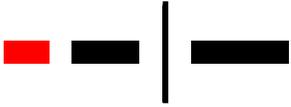
PRIVATE EQUITY HOLDING AG

10th ANNUAL GENERAL MEETING 2007

Dr. Hans Baumgartner
Chairman of the Board of Directors

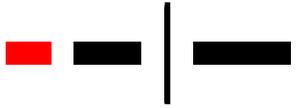
Dr. Peter Derendinger
CEO ALPHA Associates AG

Zug, June 19, 2007



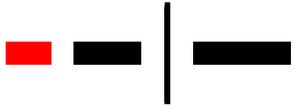
AGENDA ITEMS AND PROPOSALS

1. Address of welcome
2. Presentation of the 2006/2007 Annual Report and the Statutory and Group Auditor's Reports
3. Approval of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements of the Financial Year 2006/2007; Application of the Accumulated Deficit
4. Discharge of the Board of Directors
5. Election of the Board of Directors
6. Election of the Statutory and Group Auditors
7. Resolution not to Reduce the Nominal Value per Share
8. Authorized Capital
9. Miscellaneous



AGENDA ITEM 1

1. Address of Welcome



TRAKTANDUM 2

2. Presentation of the 2006/2007 Annual Report and the Statutory and Group Auditor's Reports



ANNUAL REPORT 2006/2007

KEY FIGURES

EUR m	Financial Year 01.04.06- 31.03.07	Financial Year 01.4.05- 31.03.06
Comprehensive Income /(Loss)	73.6	(12.0)
Total Income	83.5	8.5
Impairment	(10.3)	(14.1)
Operating Expenses	(9.4)	(5.7)
Financial Expenses, net	-	(0.1)
EUR m	Per 31.03.07	Per 31.03.06
Total Assets	190.3	119.8
Total long-term assets	176.0	112.1
<i>thereof Earn-Out</i>	73.6	-
Total Liabilities	7.3	2.1
Total Shareholders' Equity	183.1	117.7
Unfunded Commitments	19.8	9.0

- **Impairments** on securities available for sale decreased from EUR 14.1m to EUR 10.3 m.
- **Total long-term assets** amounted to EUR 176m (previous year: EUR 112.1m); Earn-Out recorded on the balance sheet for the first time.
- After the AGM of June 28, 2006, 450'000 treasury shares were destroyed and the par value per share was reduced from CHF 10 to CHF 8. Share capital: CHF 32.4m.



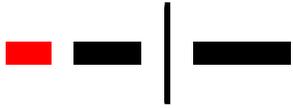
ANNUAL REPORT 2006/2007

EARN-OUT

EUR m	31.03.07	31.12.06	30.09.06	31.03.06
Value of Earn-Out	73.635	57.817	48.873	n/a
Earn-Out Payments received	6.740	-	-	-

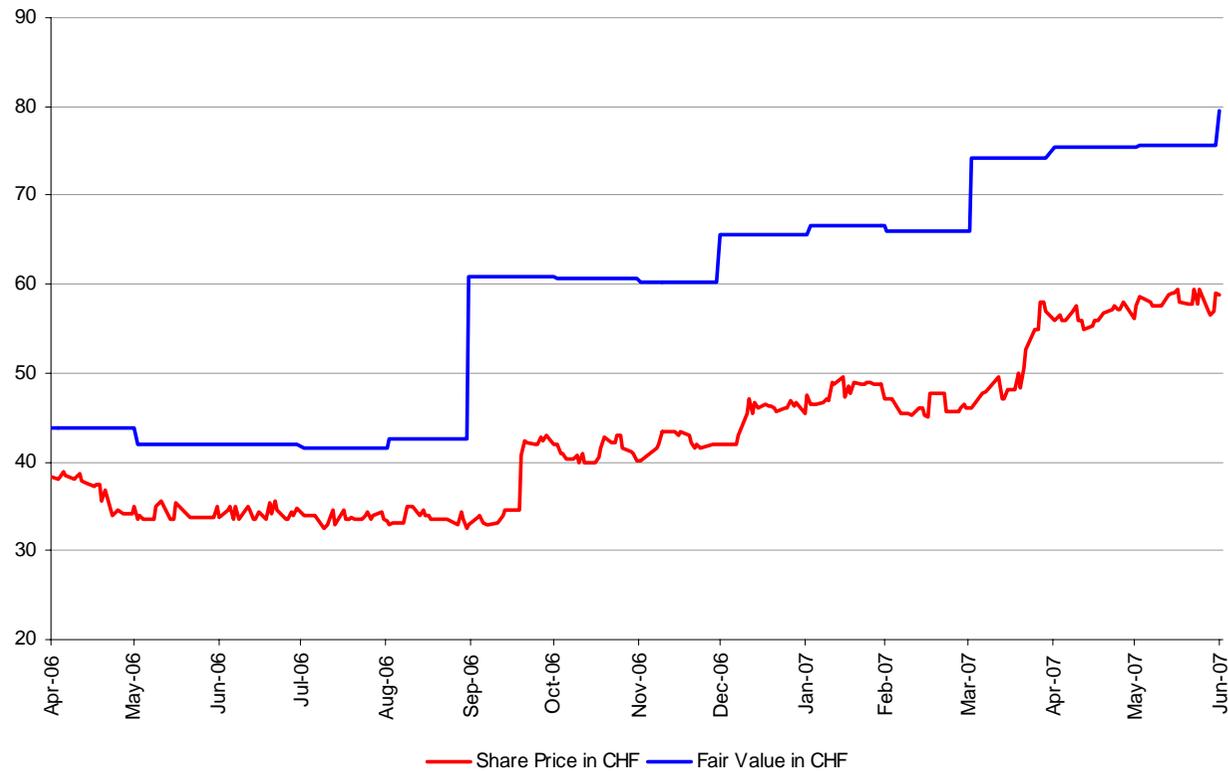
	< 1.15x	1.15-1.30x	1.30-1.50x	>1.50x
Earn-Out Hurdles as of 31.12.06 (EUR m)		254.464	287.030	330.451
PEH's Earn-Out Participation	0%	50%	75%	100%
Earn-Out Participation between Hurdles (EUR m)		16.28	32.57	unlimited

- As of March 31, 2007, the value of the Earn-Out on the „Portfolio A“ on the balance sheet amounted to EUR 73.6 million. In Q1 2007, Private Equity Holding AG received an Earn-Out payment of EUR 6.7 million from CSFB Strategic Partner II Fund.
- The value of the Earn-Out is adjusted at the end of every quarter, next as of June 30, 2007.
- The value of the Earn-Out on the „Portfolio B“ is currently nil.

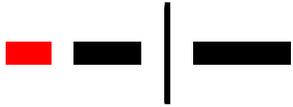


DEVELOPMENT OF FAIR VALUE AND SHARE PRICE

	31.03.06	31.05.07	
Fair Value	CHF 45.01	CHF 75.46	(+ 68%)
Share Price	CHF 37.75	CHF 58.50	(+ 55%)



} Discount 31.05.07
23%



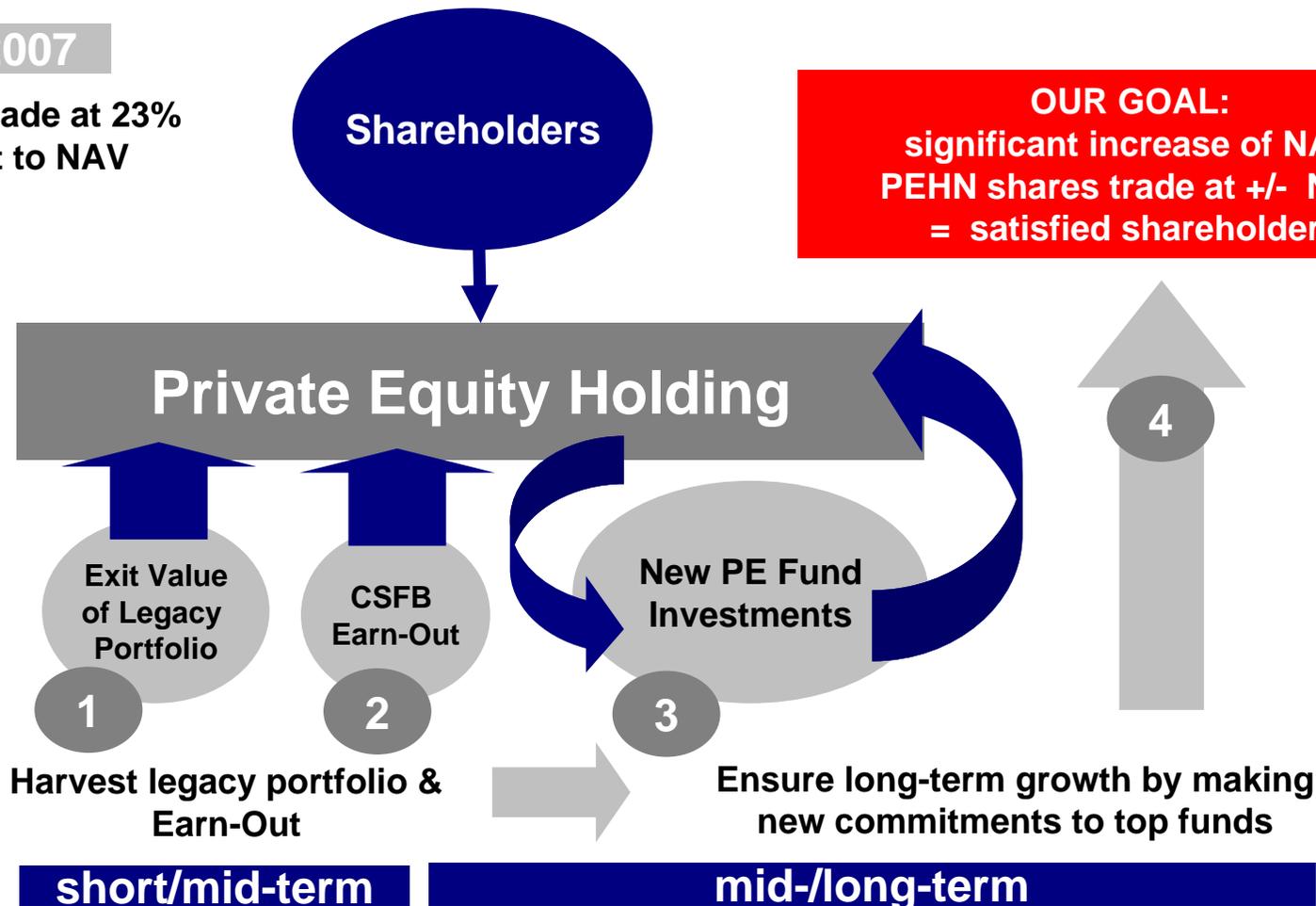
REDUCTION OF THE DISCOUNT THROUGH GROWTH

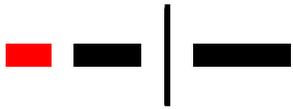
31.5.2007

PEH shares trade at 23% discount to NAV

Shareholders

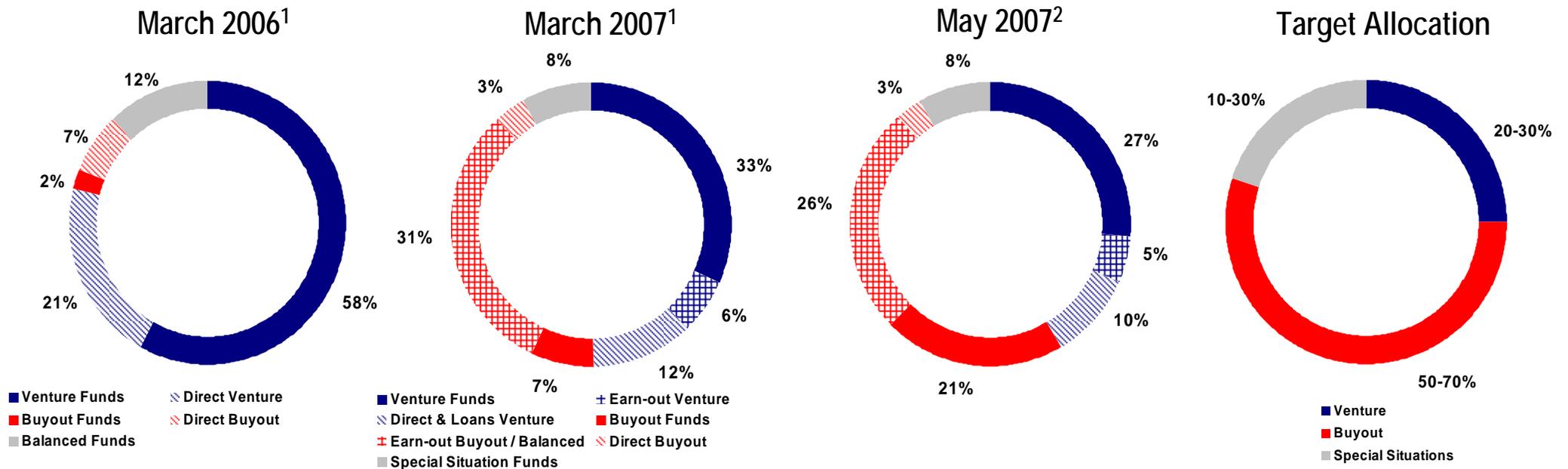
OUR GOAL:
significant increase of NAV
PEHN shares trade at +/- NAV
= satisfied shareholders





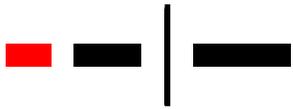
PORTFOLIO ASSET ALLOCATION

Portfolio Breakdown by Stage



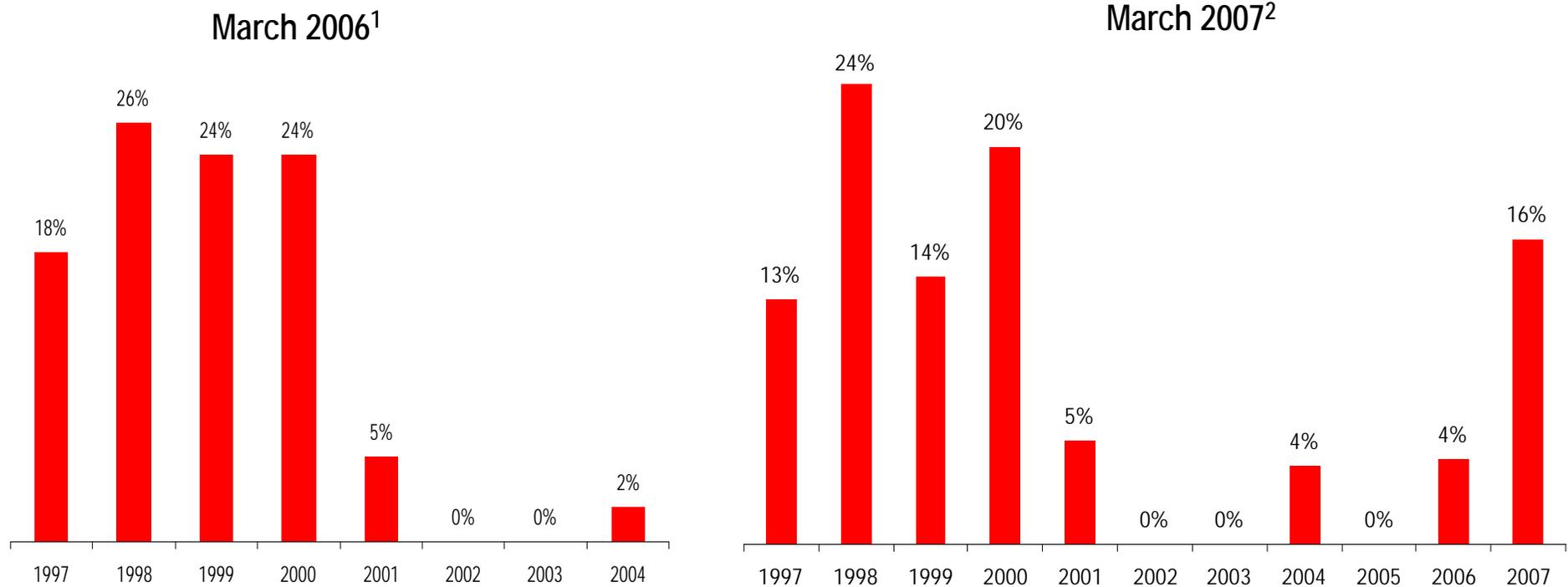
1 Based on fair values plus unfunded commitments

2 Based on fair values plus unfunded existing commitments plus unfunded NEW Commitments entered into after March 31, 2007



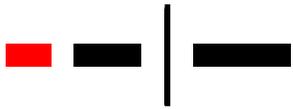
PORTFOLIO ASSET ALLOCATION

Portfolio Breakdown by Vintage Year



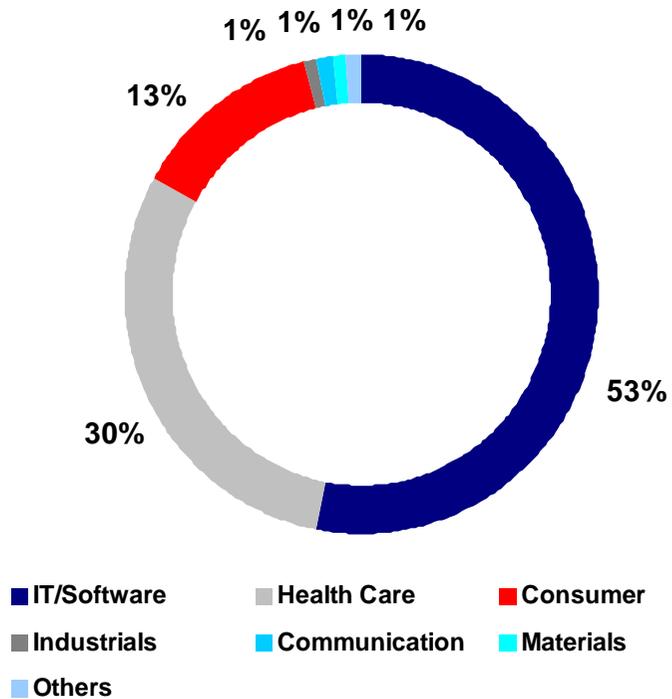
1 Based on fair values of the fund investments

2 Based on fair values and unfunded commitments of the fund investments, excl. Earn-Out portfolio

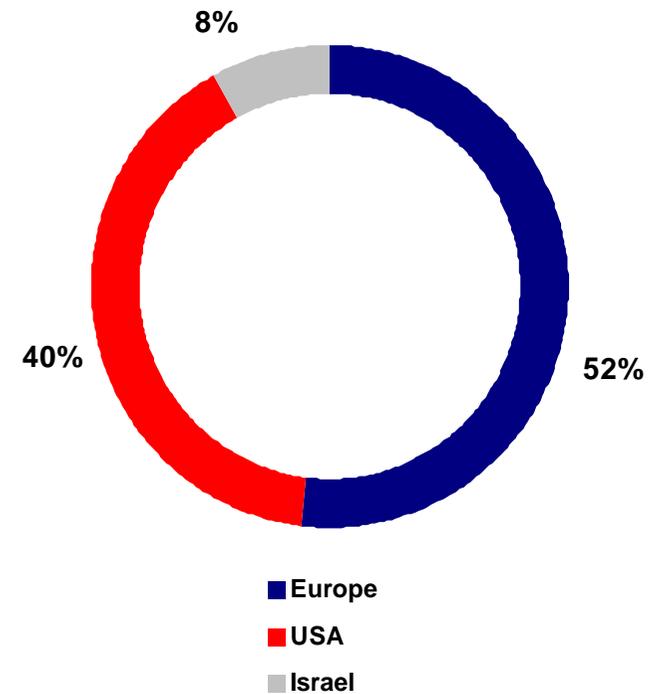


PORTFOLIO ASSET ALLOCATION AS OF 31.03.07

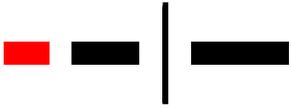
Portfolio Breakdown by Industry¹



Portfolio Breakdown by Geography¹



¹ Based on fair values of the underlying companies, excl. Earn-Out portfolio



INVESTMENT STRATEGY

- **Consistent NAV-growth with the aim to significantly and sustainably reduce the discount** (minimize difference between share price and fair value)
- **New investments with relatively short-term upside potential** (mitigation of so-called J-curve-effect)
- **Decrease share of venture investments** in the portfolio to 20-30%
- **Increase buyout investments** to 50-70%
- **Special situations:** 10-30%, in particular “distressed”
- **Geography:** increased focus on Europe, including Central and Eastern Europe



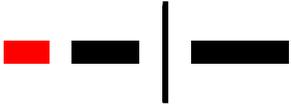
FUND-INVESTMENTS since Q1 2007 (1)

- **OCM Opportunities Fund VII** USD 5.0 m
OCM Opportunities Fund VIIb USD 5.0 m
strategy: investments in distressed assets
- **Deutsche Bank Secondary Opportunities Fund A** USD 5.4 m
Deutsche Bank Secondary Opportunities Fund C USD 9.3 m
strategy: global secondary investments
- **ALPHA CEE II** EUR 15.0 m
strategy: investments in top Private Equity funds in Central and Eastern Europe to achieve superior Private Equity returns
- **Avista Capital Partners** USD 10.0 m
strategy: investments in US mid-market buyouts
focusing on: energy, healthcare and media



FUND-INVESTMENTS since Q1 2007 (2)

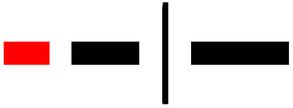
- **Institutional Venture Partners XII LP** **USD 5.0 m**
Leading West Coast Venture Capital fund
Strategy: investments in venture growth firms (later stage)
- **Industri Kapital 2007** **EUR 10.0 m**
One of the leading pan-European mid-market buyout groups
Strategy: acquisition of control positions in Western European buyouts
- **EAC (European Acquisition Capital Fund) II** **EUR 1.8 m**
Pan-European fund
Strategy: investments in buyouts and development capital
PEH has exercised its pre-emptive right



AGENDA ITEM 3

3. Approval of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements of the Financial Year 2006/2007; Application of the Accumulated Deficit

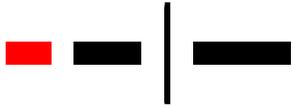
The Board of Directors proposes that the annual report, the annual financial statements and the consolidated financial statements for 2006/2007 be approved and that the accumulated deficit of CHF 63.209 million be carried forward.



AGENDA ITEM 4

4. Discharge of the Board of Directors

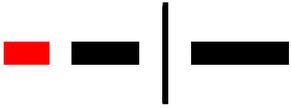
The Board of Directors proposes that discharge be granted to the corporate bodies for their activities during the financial year 2006/2007.



AGENDA ITEM 5

5. Election of the Board of Directors

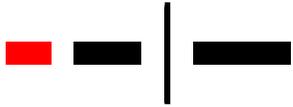
The period of office of the present Members of the Board of Directors expires by this Annual General Meeting. All the acting Members of the Board of Directors stand for re-election. The Board of Directors of Private Equity Holding AG proposes to elect **Dr. Hans Baumgartner, Dr. Hans Christoph Tanner** and **Stuart D. Frankel** to the Board of Directors for a term ending on the day of the 2008 Annual General Meeting.



AGENDA ITEM 6

6. Election of the Statutory and Group Auditors

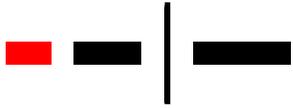
The Board of Directors proposes that **PricewaterhouseCoopers AG** be re-elected for a further one-year term of office as statutory and group auditors.



AGENDA ITEM 7

7. Resolution Not to Reduce the Nominal Value per Share

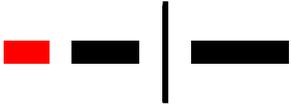
The Annual General Meeting held on June 28, 2006, authorized the Board of Directors to propose at the Annual General Meeting 2007 a share capital reduction of max. CHF 7.50 and therefore no new fund commitments or secondary transactions may be made. At the Extraordinary General Meeting on December 7, 2006, these restrictions were lifted. Thereafter, the Board of Directors was intensely occupied with the strategy of the company and mandated the manager, to restart the investment activity. Since January 1, 2007, the company has entered into new commitments for a total of EUR 56.5 million. The Board of Directors is convinced that the attractiveness of the company has been increased considerably by restarting the investment activity. Taking this fact into account, the Board of Directors abandons a share capital reduction.



AGENDA ITEM 8

8. Authorized Capital (1)

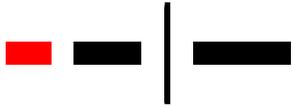
The Annual General Meeting held on August 26, 2003 authorized the Board of Directors to increase the company's share capital by a maximum of CHF 22,500,000 effective for the period up to August 25, 2005. The Board of Directors did not make any use of this authorization and the period has now expired. The Board of Directors proposes that the Annual General Meeting approve 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. It therefore proposes that the Annual General Meeting approve the following amendment to Art. 3a of the by-laws:



AGENDA ITEM 8

8. Authorized Capital (2)

"1 The Board of Directors is hereby authorized to increase the company's share capital pursuant to Art. 3 of the by-laws by a maximum of CHF 16,000,000 through the issuance of a maximum of 2,000,000 shares of CHF 8 nominal value each, all to be fully paid up, such authorization to be effective until June 18, 2009. 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.

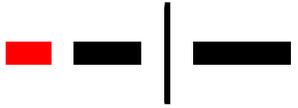


AGENDA ITEM 8

8. Authorized Capital (3)

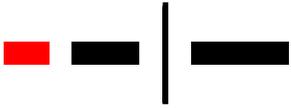
2 The Board of Directors is entitled to waive the preemptive rights of the shareholders and to allocate subscription rights to third parties, if the new registered shares are to be used by the company or a group company to acquire companies, company divisions or private equity portfolios. If, in connection 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."



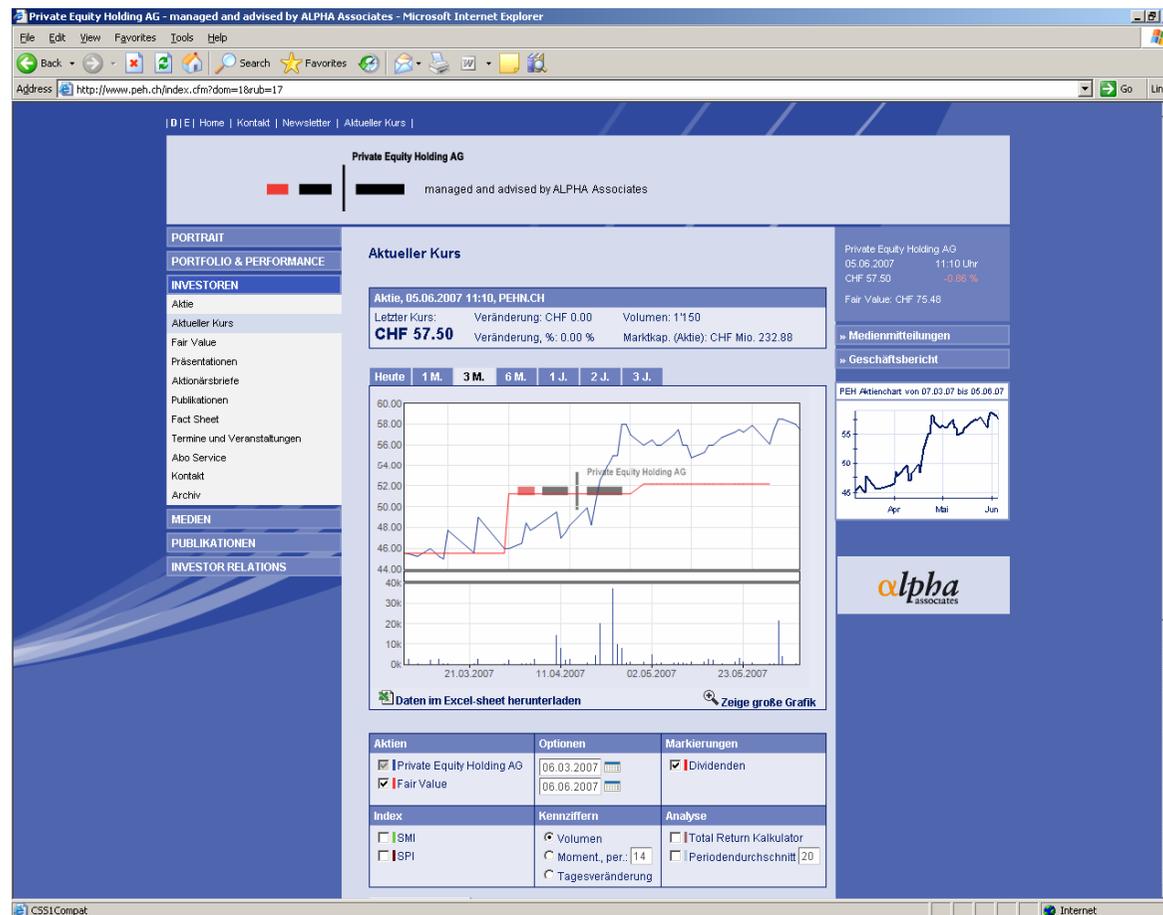
AGENDA ITEM 9

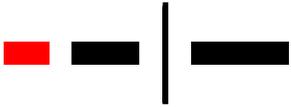
9. Miscellaneous



NEW WEB LAYOUT (1)

Current Share Price / Fair Value





NEW WEB LAYOUT(2) Online Annual Report

Private Equity Holding AG - managed and advised by ALPHA Associates - Microsoft Internet Explorer

Address: http://www.peh.ch/static/annual_report/chairman_s_letter_on_the_financial_year_2006_2007.htm

Private Equity Holding AG
managed and advised by ALPHA Associates

Annual Report
[Profile](#)
[Key Figures](#)
[Development of Fair Value and Share Price \(in CHF\)](#)
[Chairman's Letter on the Financial Year 2006/2007](#)
[Manager's Report on the Financial Year 2006/2007](#)
[Selected Investments](#)
[Consolidated Financial Statements Private Equity Holding Group](#)
[Financial Statements Private Equity Holding AG](#)
[Corporate Governance](#)
[5-Year Review](#)
[Information for Investors](#)
[On Private Equity](#)
[Glossary of Terms](#)
[Downloads](#)
[Close Window](#)

Chairman's Letter on the Financial Year 2006/2007 [Download PDF](#)

Dear Shareholders

Private Equity Holding is pleased to report a total comprehensive net gain of EUR 73.6 million for the financial year ending March 31, 2007. Since April 1, 2006, the fair value per share (in EUR) rose by over 50% (65% in CHF). At the end of the financial year it stood at EUR 45.66 (CHF 74.14). The following table shows the development of the fair value, the share price and the discount (share price/fair value) per share during the financial year 2006/2007.

Date	Fair Value (CHF)	Fair Value (EUR)	Share Price (CHF)	Share Price (EUR)	Discount
31.03.06	45.01	28.52	37.75	23.92	16%
31.12.06	65.62	40.84	42.00	26.14	36%
31.03.07*	74.14	45.66	46.00	28.33	38%

* The fair value includes a provision of EUR 1.43 per share for future performance fees.

At the Extraordinary General Meeting held on December 7, 2006, the shareholders of Private Equity Holding elected a new Board of Directors and decided to lift the investment restrictions in order to allow the Company to again pursue suitable investment opportunities. The Board of Directors and ALPHA Associates, the Company's adviser and manager, have started to implement a long-term growth strategy. The ultimate objective of the Company's modified investment strategy is to improve the quality and return potential of the portfolio and increase the fair value per share consistently. Consistent growth should, over time, result in a significant and sustainable reduction of the discount between the share price and the fair value per share. Since the end of the financial year, the bid/offer spread for the Private Equity Holding shares has narrowed and the discount has decreased to currently 25% (basis: closing price May 16, 2007).

The Company aims to decrease its exposure to venture investments from currently approx. 50% to 20-30% over the next three years. It is also planned to increase the percentage of buyout investments to 50-70%. 10-30% is reserved for special situations, in particular investments in funds which invest in distressed securities. Geographically, the strategy foresees to increase the allocation to Europe, including the fast growing region of Central & Eastern Europe.

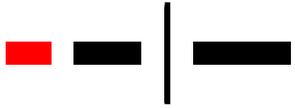
Target Allocation by Style

Other (e.g. Distressed Funds) 10-30%
Venture 20-30%

Given that the Company has not made any new fund investments for some time, the strategy foresees making, over the next 12 to 18 months, a number of fund investments with relatively short-term upside potential, in order to mitigate the J-curve effect on the portfolio in connection with the restart of the investment program.

Over the last months, the Company has made six new fund investments, which are described on page 6 of this report.

In order to secure continuity in the management of the existing portfolio and the implementation of the new investment strategy, the term of the management agreement was extended by three years to March 31, 2012. In turn, ALPHA Associates agreed to defer the payment of any performance



Thank you very much for your attention.
