

Private Equity Holding AG



Private Equity Holding AG

LPEQ Listed Private Equity Day
Geneva, November 8, 2011

Dr. Peter Derendinger

prepared by

alpha associates

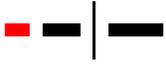


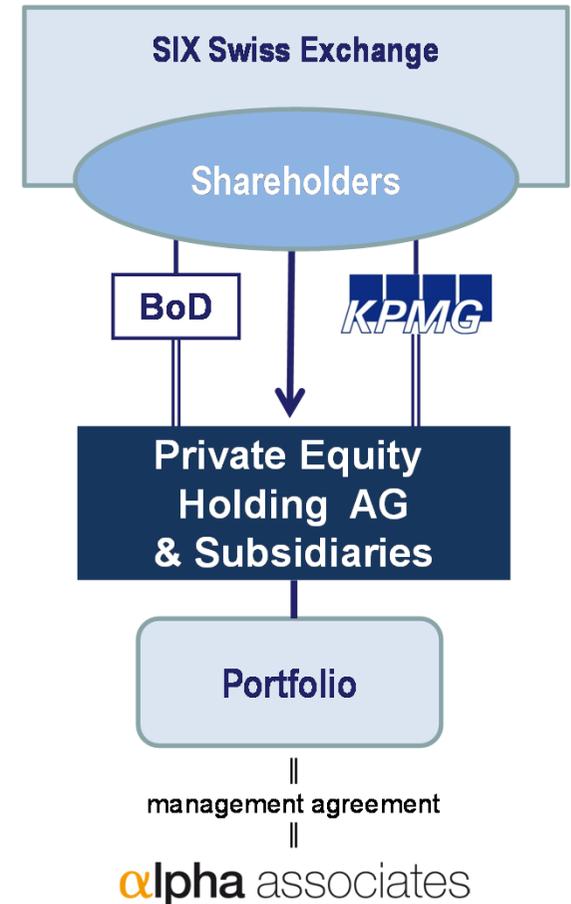
Table of Contents

- Executive Summary
- Manager & Adviser
- Portfolio & Performance
- Corporate Objectives
- Summary



Executive Summary (1/2)

- Private Equity Holding AG (PEH) is a SIX Swiss Exchange listed Investment Company
- Established 1997 and listed 1999; restr. 2003
- Independent Board of Directors
- Alpha Associates, a leading independent private equity manager with a team of 30 professionals, manages and advises PEH since 2004
- PEH offers its shareholders the opportunity to participate in a broadly diversified portfolio of carefully selected private equity funds
- Global investment strategy including primary and secondary investments; meaningful exposure to CEE and Russia/CIS
- Alpha's partners are PEH's largest (14.4%) shareholder (strong alignment of interest)

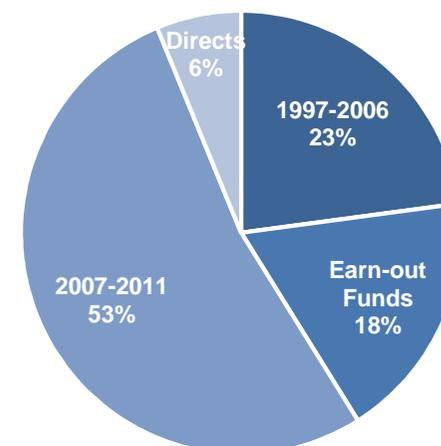




Executive Summary (2/2)

- Well diversified portfolio of private equity funds and mature direct co-investments
 - Blend of mature assets (short term liquidity) and more recent top tier investments
 - Exposure to growth markets of CEE and Russia/CIS
- Prudent investment approach
 - Not forced to sell any portfolio positions during financial crisis
 - Solid balance sheet with moderate over-commitment
 - Focus on top tier managers
- Distribution policy and share buy-backs
 - Implemented in 2010, with CHF 2 per share distributed in 2010 and 2011
 - Repurchased 755,948 shares for a total of EUR 22.2m since April 1, 2005 (17.3%)

**Fund and Direct Investments
as of Sep 30, 2011
Fair Value by Vintage Year**



2011 Investments

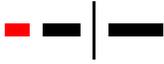
ABRY Partners VII	USD 7.5m
Focus on the US media sector with investments ranging from USD 25m to 150m	
Index Growth II	EUR 5.0m
Growth equity and late stage venture investments with focus on IT	



Manager and Adviser Alpha Associates

alpha associates

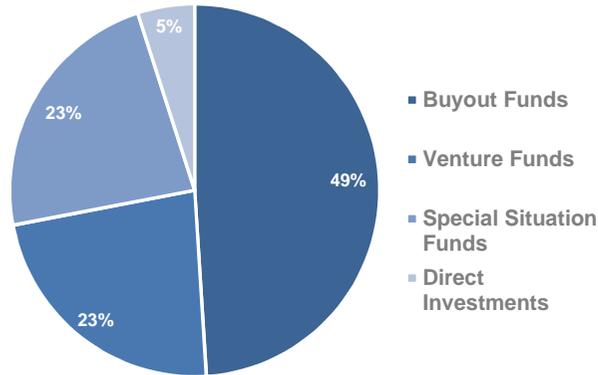
- Team led the restructuring of PEH in 2003
- Independent since 2004, when Alpha Associates took over the management mandate for PEH
- Largest shareholder of PEH ensuring strong alignment of interest
- Team of 30 highly qualified employees in Zurich
- Team consistency for +10 years
- “One-stop-shopping“ private equity advisory and management services
- Construction and management of tailor-made private equity fund programs (managed private equity accounts) for institutional investors
- Thematic private equity funds-of-funds for institutional investors and HNWIs



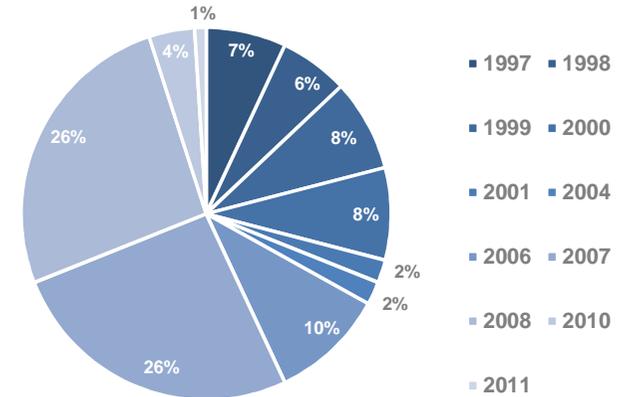
Portfolio

Diversification as of September 30, 2011

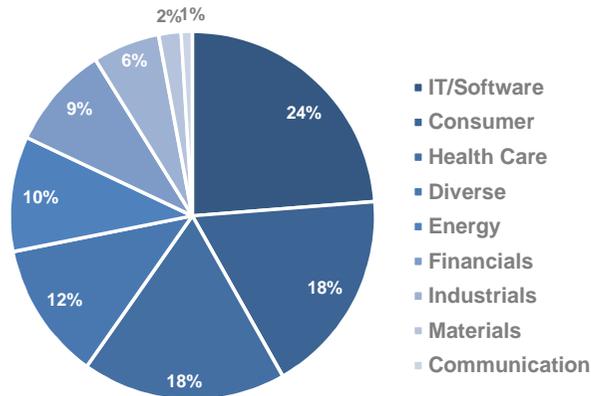
Investment Stage
(Fair Value + Unfunded Commitment)



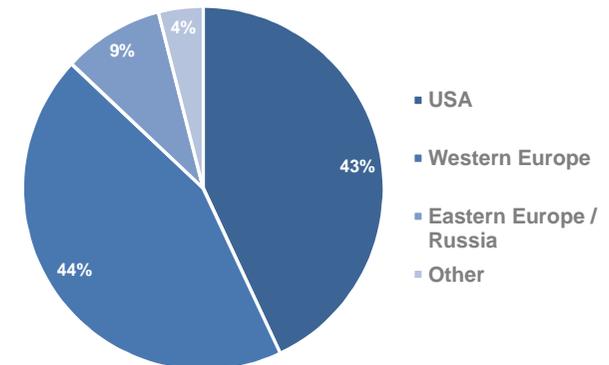
Vintage Year
(Fair Value)



Industry
(Fair Value)



Geography
(Fair Value)

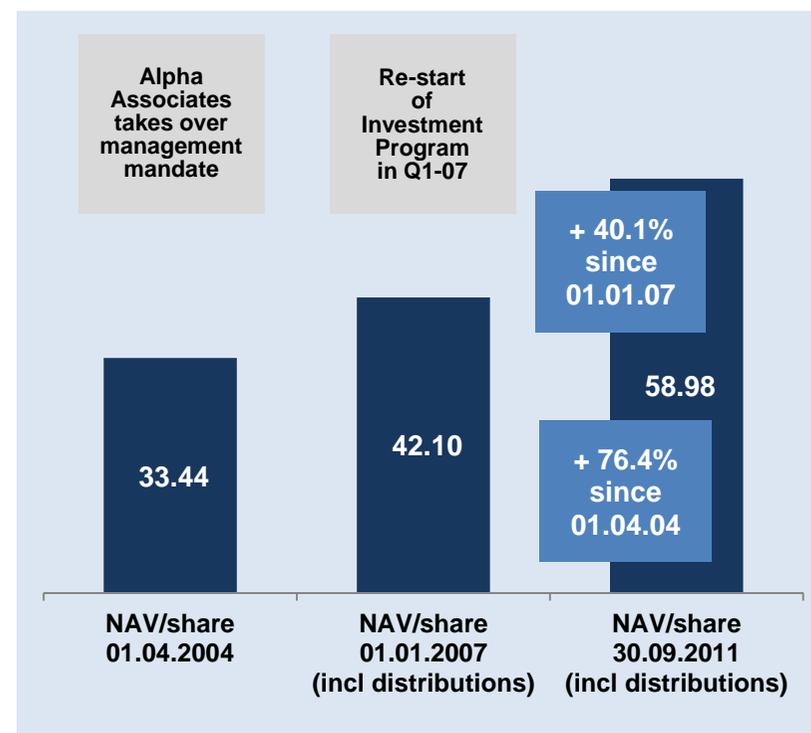




Performance

NAV April 2004 – September 2011 (in EUR)

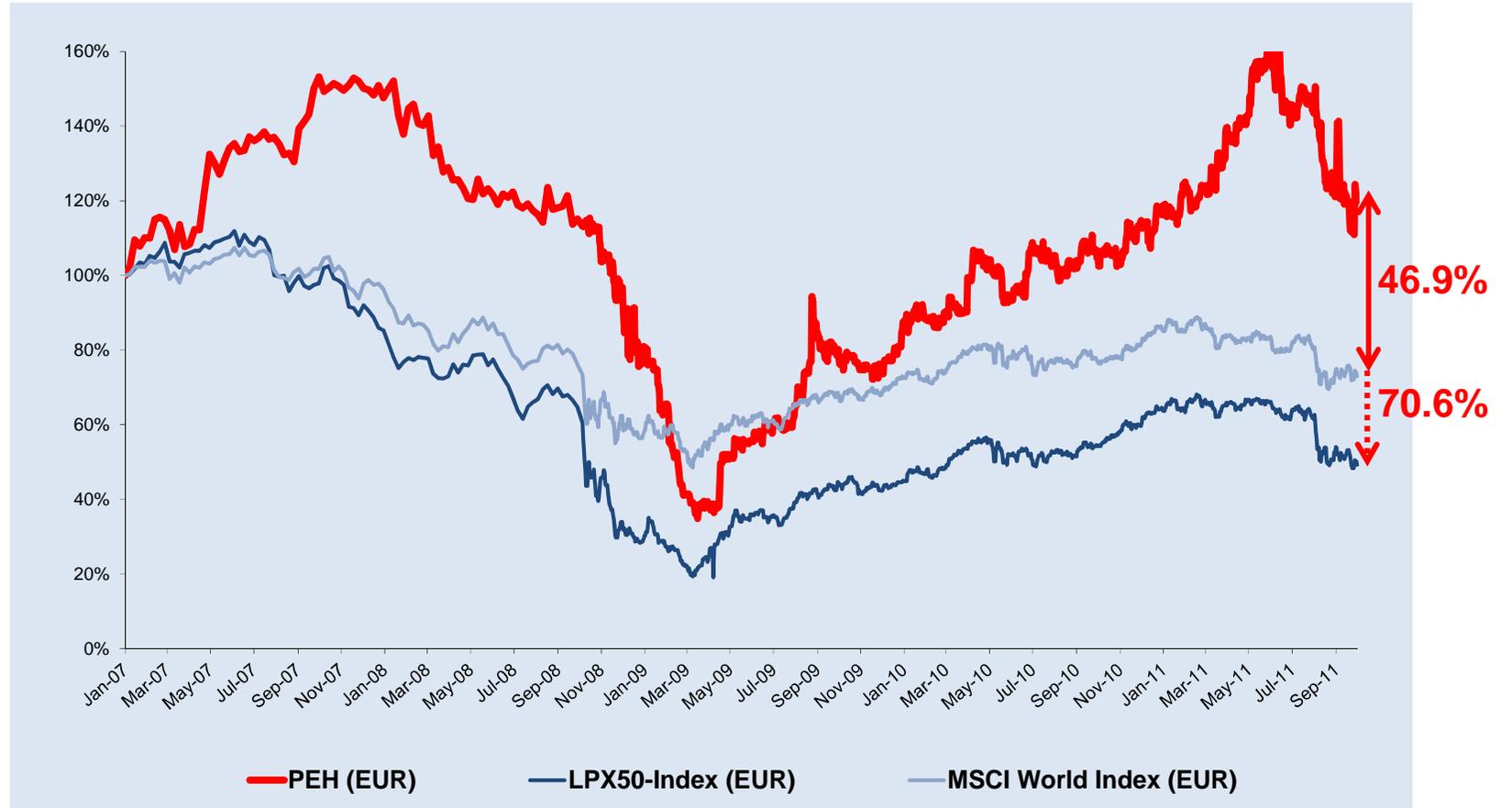
- 2003: PEH needed deep restructuring due to aggressive over-commitment strategy of the 97-01 manager; restructuring led by Alpha team
- 2004: Alpha Associates takes over management mandate; completion of 2003 restructuring, reduction of unfunded, tight liquidity
- H2/2004-2006: investment restrictions imposed by shareholders; PEH missed two attractive vintages*
- Q4/2006: earn-out option (negotiated in 2003 restructuring) gets into money
- Dec 2006: election of a new BoD; investment restrictions are lifted; restart of investment program in Q1/2007*
- Net Asset Value (NAV) growth of EUR 57.7m since 01.01.2007 (excl. distributions and share buy-backs)**





Performance

Share Price 01.01.2007 – 30.09.2011





Performance

Monthly NAV Development in EUR (incl. dist.)



Monthly NAV Net Returns (incl distr)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	PEH ytd	PEH since 1.1.07	SIX-listed Peers ytd average	Outperf. PEH vs. SIX-listed Peers	
2011	0.1%	-0.8%	2.0%	-3.0%	5.1%	-0.4%	2.1%	-3.8%	3.8%				4.9%	41.3%	n/a	n/a	
2010	2.4%	2.7%	-0.3%	0.6%	4.1%	2.2%	-5.0%	0.1%	-2.7%	-0.3%	4.3%	0.5%	8.8%	34.8%	21.5%	-12.7%	
2009	3.4%	-1.7%	-8.0%	-0.1%	-3.6%	-1.2%	-0.1%	0.5%	3.5%	-0.6%	4.7%	4.0%	0.1%	23.9%	-10.5%	34.4%	
2008	-0.8%	-0.7%	6.3%	0.6%	-0.1%	0.2%	0.2%	0.4%	1.2%	1.7%	-1.5%	-7.3%	-0.3%	23.8%	-29.1%	52.9%	
2007	0.6%	-0.5%	11.7%	0.4%	0.1%	4.7%	0.9%	2.6%	6.5%	-1.5%	-0.2%	-2.7%	24.1%	24.1%	15.9%	8.2%	
average return per month					0.7%	last 12 months				9.7%	positive months			33	negative months		24



Corporate Objectives

Higher Share Price – Lower Discount

**Continue Making
New Investments
for Long Term Growth**

**Purchase
Treasury
Shares
(NAV
Accretion)**

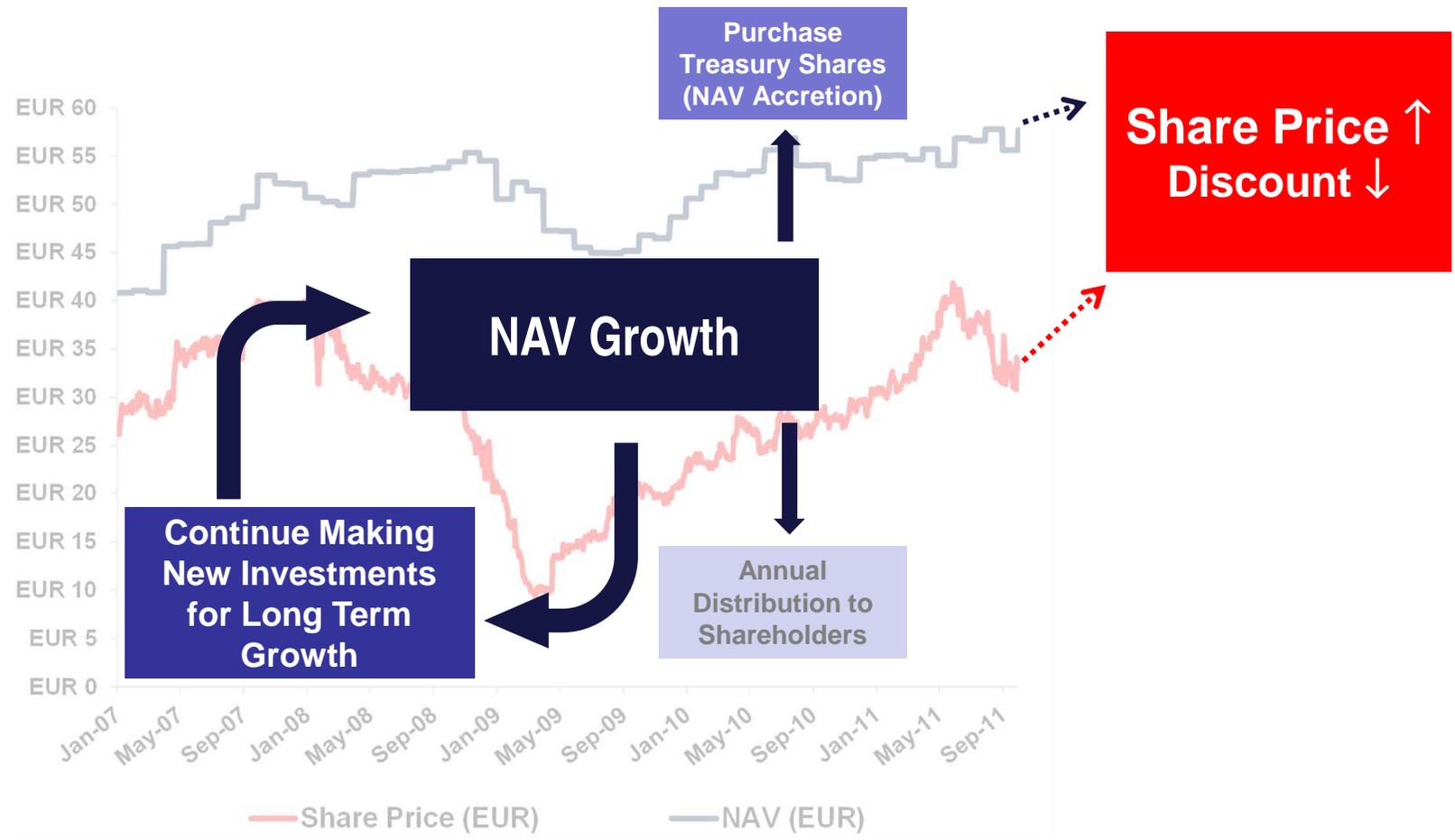
**Annual
Distribution
to Share-
holders**

Stay Liquid at All Times



Corporate Objectives

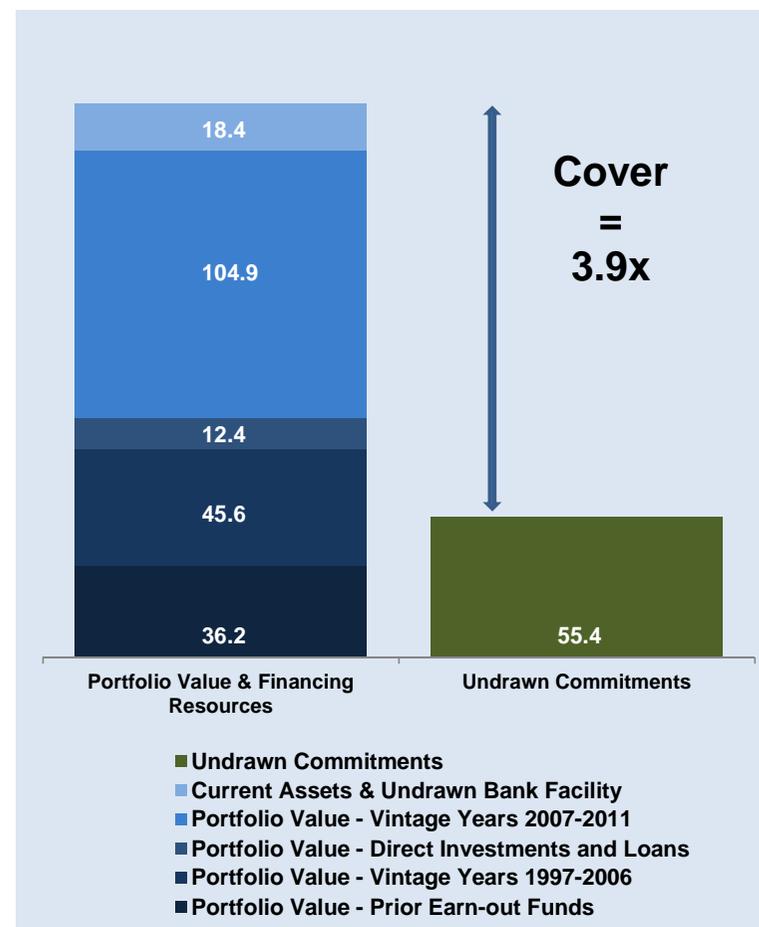
Higher Share Price – Sustainably Lower Discount





Objective 1: Stay Liquid at All Times Commitments Sufficiently Covered

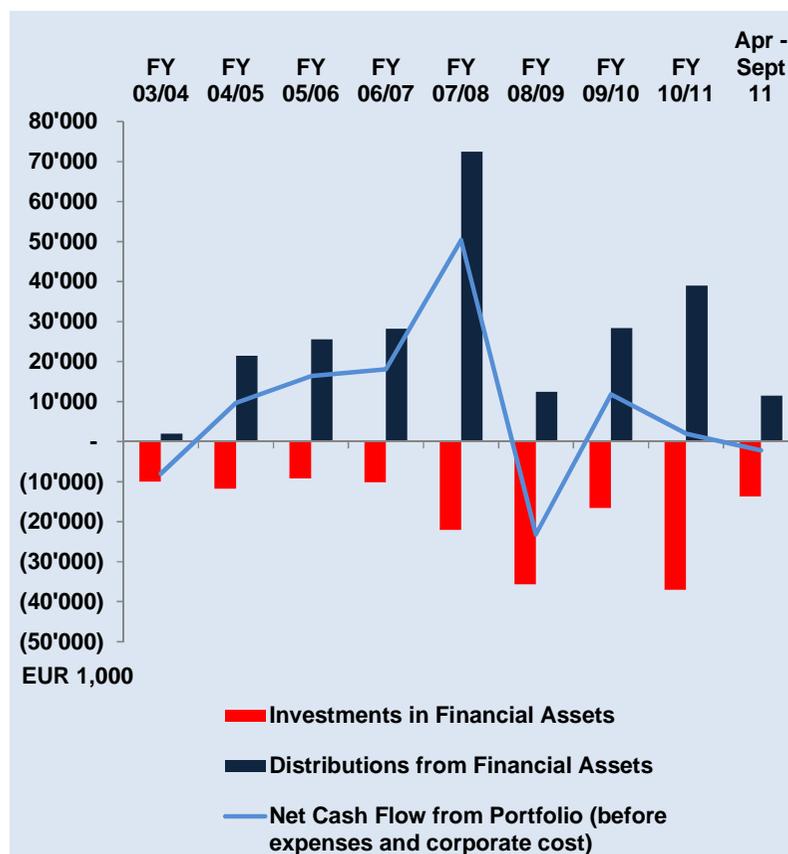
- Portfolio of mature assets (1997-2006)
- Restart of investment program in 2007; first distributions received from portfolio
- Conservative over-commitment strategy (27%)
- Selective new investments
- No need to sell any assets during the crisis
- Repurchased shares for a total of EUR 14m since 01.01.2007
- Distributed EUR 12m to shareholders (Sep 2010 & 2011)
- **Portfolio Value + Financing Resources = 3.9 x Undrawn Commitments**





Objective 1: Stay Liquid at All Times

Portfolio Cash Flows 2003/04 – 2011/12



Significant distributions from mature fund investments in the last twelve months

- **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
- **Partech International Ventures IV** distributed proceeds of the sales of InQira to Oracle and Dailymotion to Orange
- Direct investment **Cydex**, the US specialty pharmaceutical company, was acquired by NASDAQ-listed Ligand Pharmaceuticals

Significant distributions from recent fund investments in the last twelve months

- **Milestone 2008** distributed proceeds from the disposal of coffee vending business Coffee Nation to Costa Limited
- **Avista Capital Partners I and II** sold their stake in Nycomed, a mid-sized pharmaceutical company focused on the sale of branded prescription and over-the-counter drugs, at an enterprise value of EUR 9.6b



Objective 2: Active Investment Policy

Fund Investments since 2007

	Europe and CEE	US
Buyout	Alpha CEE II Industri Kapital 2007 Capvis III Bridgepoint VI Investindustrial IV Milestone 2007 & 2008	Avista Capital Partners (aged primary) Avista Capital Partners II ABRY Partners VI ABRY Partners VII Warburg Pincus (global expansion capital)
Venture	Kennet III Index Growth II	Institutional Venture Partners XII Institutional Venture Partners XIII
Special Situations / Secondaries / Distressed	EAC (secondary / ROFR) 17 Capital Fund (mezzanine for secondaries) Alpha Russia & CIS Secondary Renaissance Ventures (secondary)	OCM Opportunities VII OCM Opportunities VIIIb WLR Recovery Fund IV OCM European Principal Opportunities Fund II Francisco Partners I (secondary) ABRY Advanced Securities Fund

Expansion into CEE & Russia

No Mega Buyout Funds

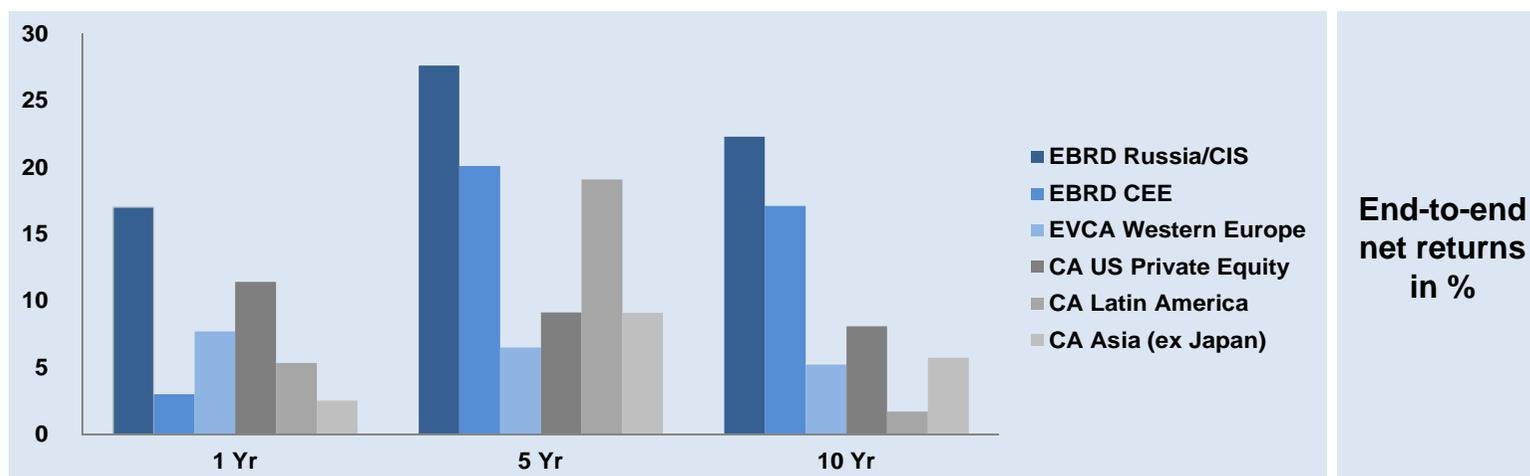
No Early Stage Venture Funds

Focus on Secondaries and Distressed Funds



Objective 2: Active Investment Policy Exposure to CEE and Russia/CIS

- CEE/CIS has been the best performing private equity market globally over the past 10 years
- CEE private equity opportunity offers unique combination of emerging market characteristics and developed market characteristics
- Synergistic combination of primary fund commitments to the leading managers in the region, secondary investments at attractive discounts to NAV as a result of market inefficiency and selective direct co-investments enables outperformance



Sources: End-to-end returns, net of fees and expenses, as of December 31, 2009; Cambridge Associates, EBRD Fund Performance Report 2010, EVCA (EVCA data in EUR, other data in USD).

Note: The European Bank for Reconstruction and Development, London, is the largest private equity investor in CEE and Russia & CIS, with aggregate commitments of over EUR 2.3b. EBRD data is the most representative sample of private equity returns in the region.



Objective 2: Active Investment Policy

Investment Examples – Fund Portfolio



- LMW is a global leader in the production of blades and brake systems for wind turbines; held through **Doughty Hanson & Co. III**, a 1997 vintage fund
- Single largest underlying position within PEH portfolio
- 2010 was a challenging year for LMW. Both sales and EBITDA decreased. European markets should stabilize in 2011, with North America, China and India continuing their growth trajectory



- **Alpha Russia & CIS Secondary** 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 also makes selective primary commitments
- With a final closing in May 2011 at USD 107m, the fund already reports a total return multiple of 1.8x
- The fund is excluded from the NAV for the purpose of calculating the management fee



Objective 2: Active Investment Policy

Investment Example – Direct Portfolio

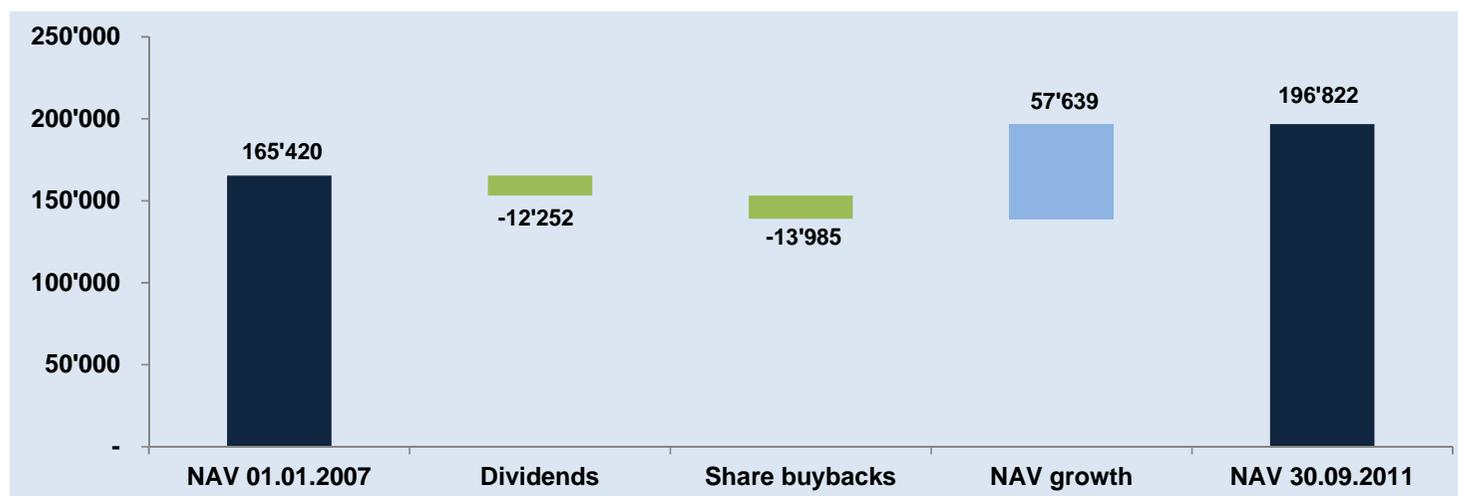


- Enanta Pharmaceuticals ('Enanta') is a research and development company that uses its novel chemistry approach and drug discovery capabilities to create best in class small molecule drugs in the anti-infective field
- In 2006, Enanta and Abbott signed a worldwide agreement to develop and commercialize hepatitis C virus protease inhibitors; Enanta received a USD 57m upfront payment consisting of a cash license payment and an equity investments
- In October 2011, Enanta won a contract from the U.S. National Institute of Allergy and Infectious Diseases (NIAID) worth USD 43m, making the development of bicyclolides possible; bicyclolides are very effective against resistant pathogens, including both community and hospital-acquired superbugs such as MRSA and VRE



Objective 3: Annual Distribution Tax Efficient Distribution Policy

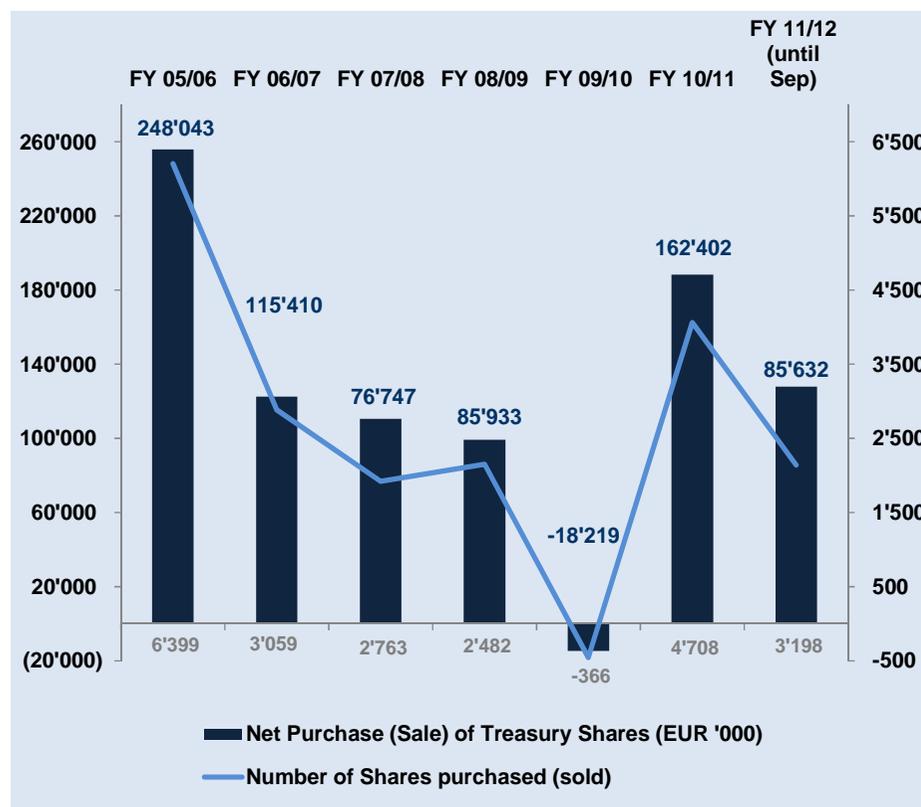
- 1st distribution made to shareholders in 2006
- Annual distribution policy established in 2010 and applied tax efficiently
 - CHF 2 per share distributed in 2010 from reduction of nominal capital
 - CHF 2 per share distributed in 2011 from paid in reserves
- Payment provides current income in addition to capital growth to investors
- Attractive yield in current low interest environment (5.5%)





Objective 4: NAV Accretion

Treasury Share Transactions 2005 - 2011



- PEH purchased 755,948 shares for a total of EUR 22.2m since April 1, 2005
- Equal to 17.3% of outstanding shares as of April 1, 2005
- Purchase of treasury shares was/is NAV accretive
- Cancellation of treasury shares: 2006 (450,000); 2010 (40,500), 2011 (209,500)
- As of September 30, 2011, PEH held 182,905 treasury shares (4.8%)



Summary

- Private Equity Holding provides access to a portfolio with solid return potential and an attractive cash flow profile
 - Blend of very mature assets and recent commitments to top quartile funds (largely invested post crisis)
 - Exposure to unique private equity opportunity in Eastern Europe and Russia
- Strong NAV performance in recent years due to
 - Selective investments into top tier funds
 - NAV accretion
 - No need to sell funds during financial crisis
- Distribution policy provides for attractive cash yield on investment
- Transparency, best practice in corporate governance and strong alignment of interest
- Current environment bears risks, especially FX related risks, but also offers attractive opportunities for portfolio and new investments



Annex

- **Key Data**
- **Organization**
- **Portfolio Concentration**



Key Data as of September 30, 2011

Structure	Swiss Investment company (AG/Ltd)
Investment Focus	Globally diversified portfolio of private equity funds, incl. secondaries and a small legacy portfolio of co-investments
Listing	SIX Swiss Stock Exchange (SIX: PEHN)
Total Equity	EUR 196.8m
NAV per Share	EUR 54.41 / CHF 66.35
Share Price	EUR 29.68 / CHF 36.20
Discount	(45.4%)
Number of Shares issued	3,800,000 registered shares (nominal value: CHF 6)
Number of Shares Outstanding	3,617,095
Distribution Policy	Annual distribution to shareholders (2010: CHF 2/share; 2011: CHF 2/share)
Shareholders > 3%	Alpha Associates AG & Partners (14.4%), PF Swiss Railways (5.3%), Dr. Hans Baumgartner (5.0%), Private Equity Holding AG (4.8%; treasury shares), PF SAir Pilots (>3.0%), Mantra Investissement (>3.0%), Barwon Investment Partners (>3.0%), Ironsides Partners (>3.0%)
Auditors	KPMG AG, Zurich
Manager / Adviser	Alpha Associates (Cayman) L.P. / Alpha Associates AG
Fees	1.5% of NAV (+1% of FV of directs), 10% PF with 6% hurdle and HWM; CHF 500k admin From April 1, 2012: 75% NAV base (1.5%; + 1% of directs) and 25% share price base (2%)



Organization

Responsibilities

Board of Directors

- PEH is governed by an independent Board of Directors. The Board is responsible for the Company's investment strategy
- Responsibilities further include the day-to-day contact with the Manager of PEH and contacts with key investors
- Strong commitment to corporate governance and transparency
- **Dr. Hans Baumgartner, Chairman**
Senior partner Baumgartner Mächler, experienced investor
- **Dr. Hans Christoph Tanner**
CFO and board member Cosmo Pharmaceuticals SpA
- **Martin Eberhard**
Former co-founder and CEO NZB Neue Zürcher Bank AG
- **Bernhard Schürmann**
Independent asset manager and senior partner at asset management boutique

Manager and Advisor Alpha Associates

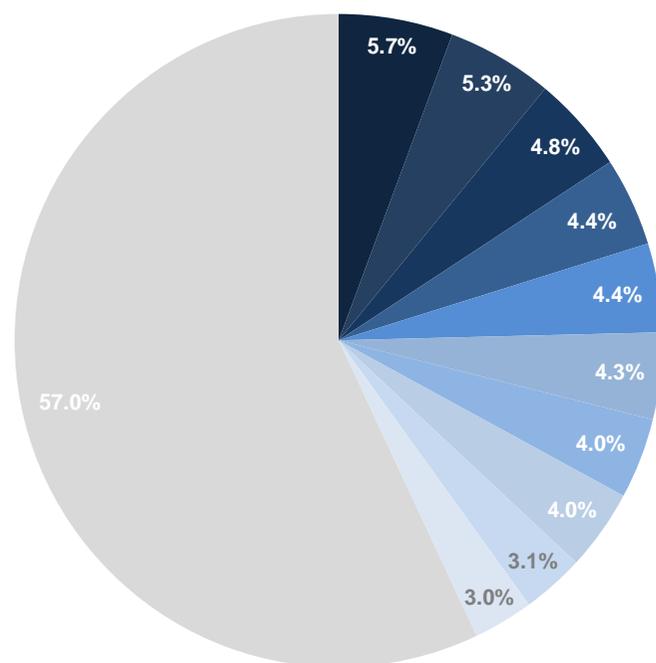
- The tactical asset allocation and the investment responsibility are delegated to Alpha Associates (Cayman) L.P., which in turn is advised by Alpha Associates AG in Zurich
- Alpha Associates is responsible for investment selection and execution, portfolio management, corporate management and administration services
- These include accounting & controlling, cash flow management, reporting, investor relations, legal & compliance
- Full service contract; no outsourcing of, e.g., accounting etc.
- **Dr. Peter Derendinger, CEO**
Former CFO and Head of the Corporate Center of Credit Suisse Private Banking and General Counsel of Credit Suisse Group
Member of the Board of Directors of, i.a., Bank Sarasin & Cie AG
- Team of 30 employees



Portfolio as of September 30, 2011

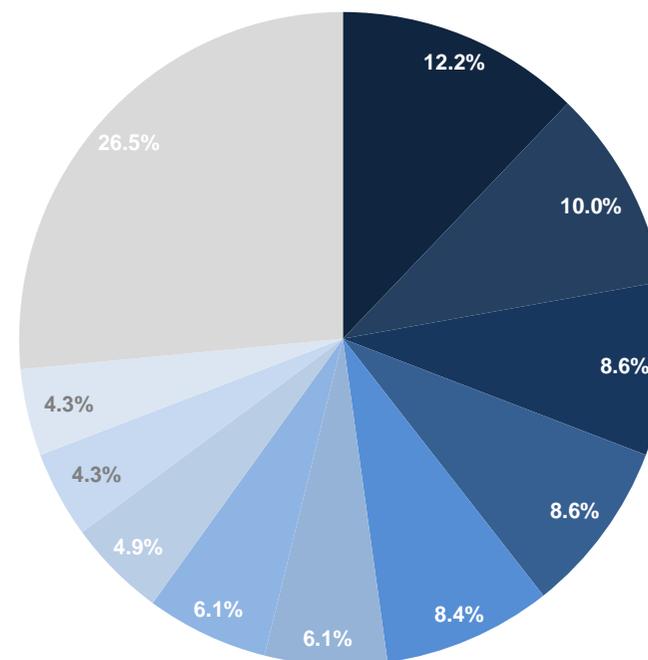
Concentration Analysis

Fair Value - Risk



- ABRY Advanced Securities Fund
- ALPHA CEE II
- Doughty Hanson & Co. III
- Warburg Pincus Private Equity X
- Industri Kapital 2007 Fund
- Investindustrial IV
- Partech International Ventures IV
- Avista Capital Partners
- ALPHA Russia & CIS Secondary
- Palamon European Capital Partners
- Others

Unfunded - Opportunity



- Alpha Russia & CIS Secondary
- ABRY Partners VII
- Index Groth II
- Investindustrial IV
- Institutional Venture Partners XIII
- Others
- Bridgepoint Europe IV
- Capvis Equity III
- ALPHA CEE II
- WL Ross Recovery Fund IV
- DB Secondary Opportunities Fund C



Contact Details and Disclaimer

Private Equity Holding AG

Innere Güterstrasse 4
CH – 6300 Zug

Phone: +41 41 726 79 80

Fax: +41 41 726 79 81

www.peh.ch, info@peh.ch

This presentation is for information purposes only and does not constitute an offer nor is part of an offering nor creates an obligation of Private Equity Holding (“PEH”) or ALPHA Associates (“ALPHA”) to make an offer nor will form the basis of any transaction except as expressly provided for in a definitive written instrument if and when executed.

Neither PEH nor ALPHA make any express or implied representation or warranty as to the accuracy or completeness of the information presented in this presentation, and each of PEH and ALPHA expressly disclaim any liability therefore.