

Private Equity Holding AG



# Private Equity Holding AG

Presentation to Investors  
October 25, 2007

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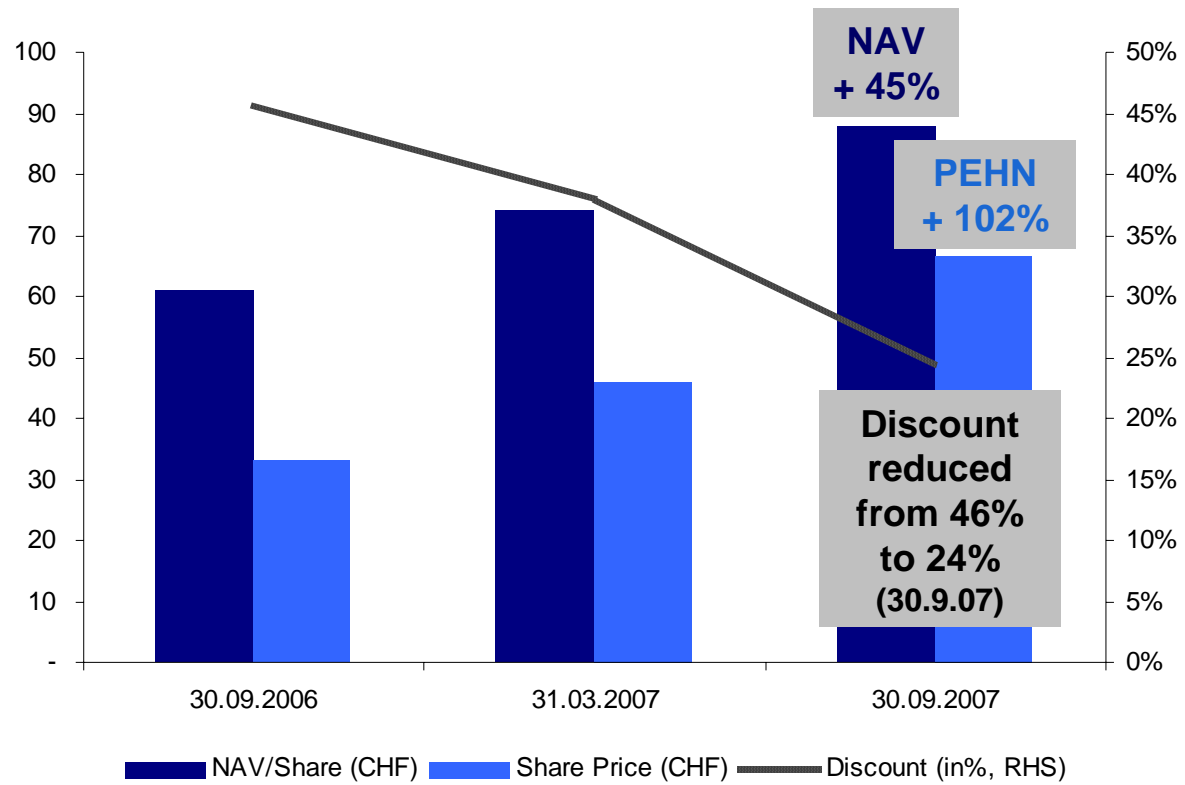
## Facts and Figures

- Structure: Swiss Investment Company (AG)
- Investments: Broadly diversified portfolio of Private Equity Funds, Secondaries and Co-Investments (fund-of-funds concept)
- Listing: Swiss Stock Exchange (SWX: PEHN)
- Market capitalization: CHF 263.4 m (as of 24.10.07)
- Total Equity: EUR 211.5 m / CHF 351.2 m (30.9.07)
- Share price: CHF 66.00 (as of 24.10.07)
- Fair value/share: CHF 88.00 (final value as of 30.09.07)
- No. shares issued: 4,050,000 registered shares
- No. shares outstanding: 3,991,173 registered shares
- Shareholders > 5%: 32.5%<sup>1</sup> CSFB Strategic Partners III  
10.4%<sup>1</sup> Alpha Associates Group
- Manager: Alpha Associates (Cayman) L.P.
- Adviser: Alpha Associates AG

<sup>1</sup> in % of shares outstanding

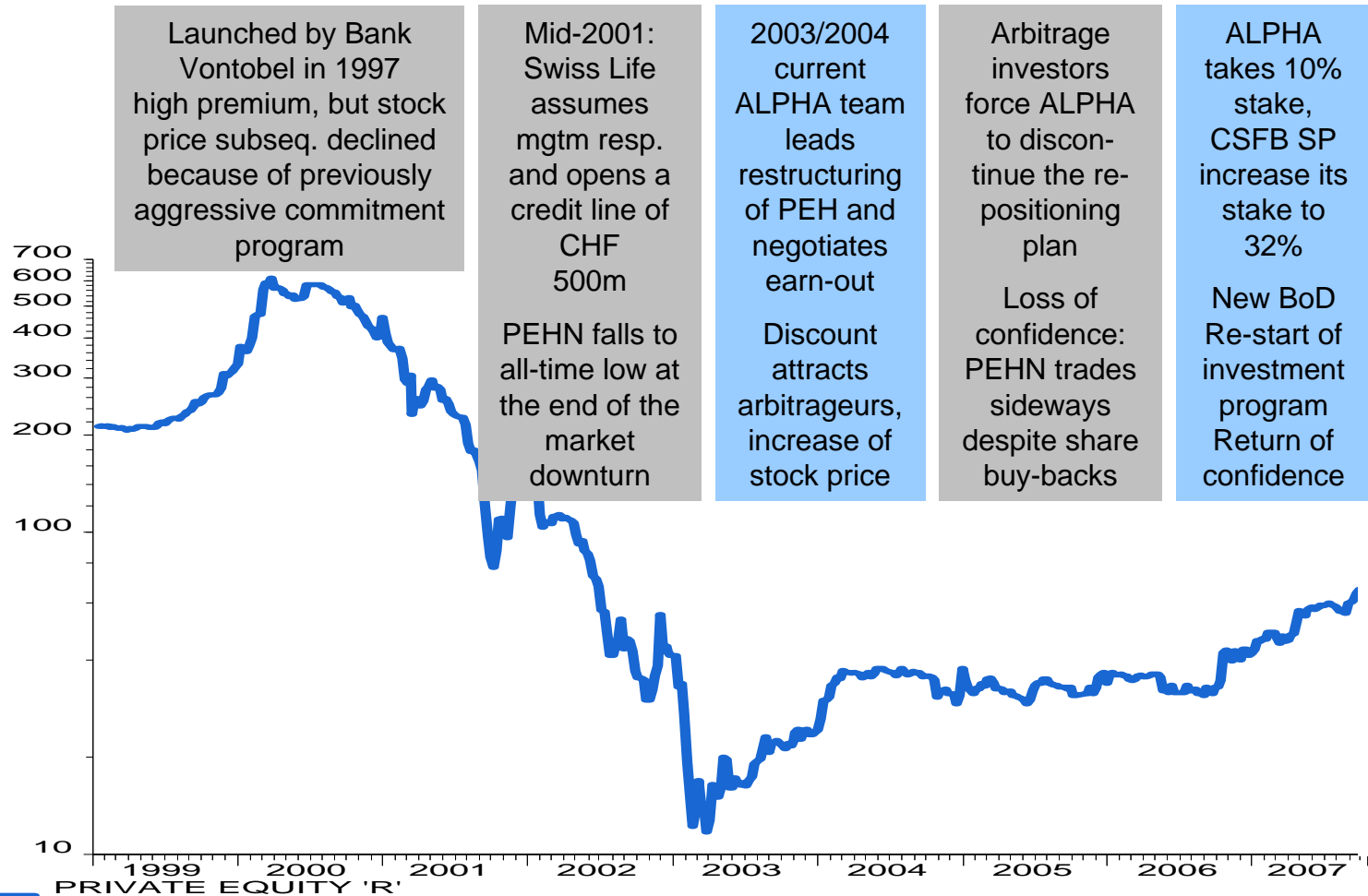


## PEHN: Strong Performance ...





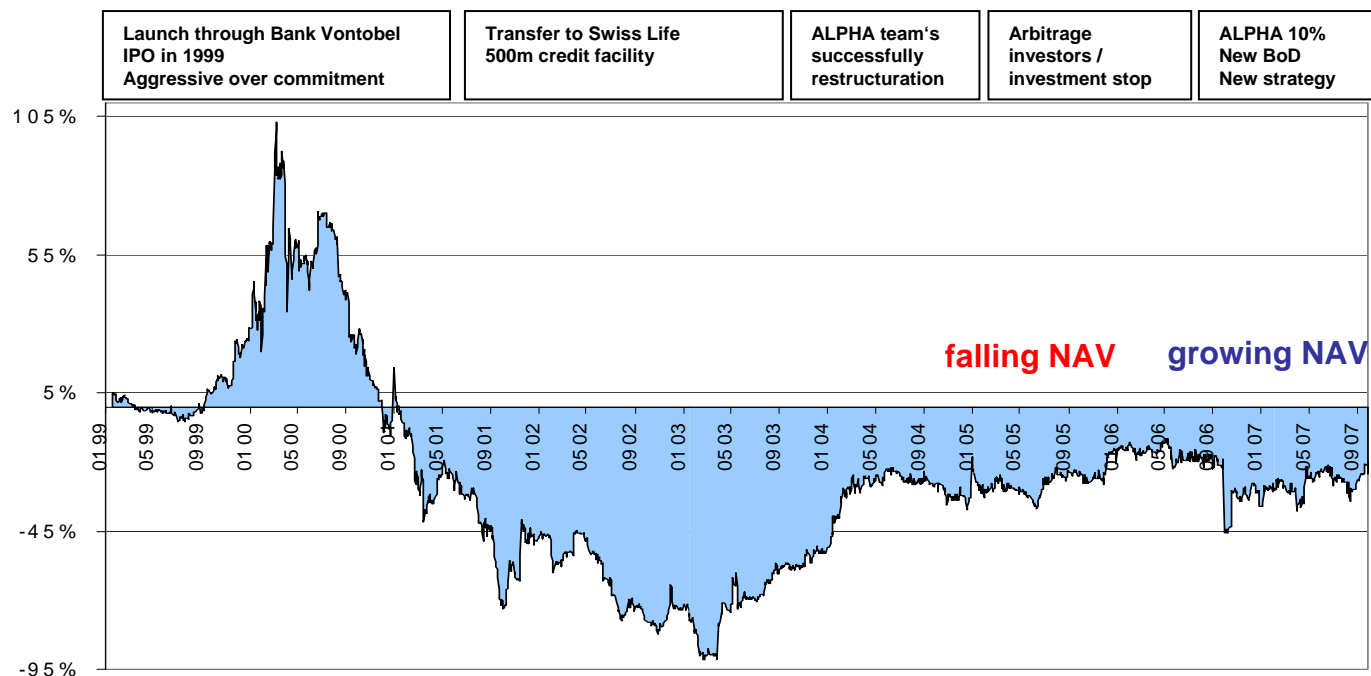
## ... after a very turbulent history





## Volatile premium / discount history

- Premium max. (08.03.2000): 103%
- Discount max. (28.03.2003): 92%
- Discount 24.10.2007: 25% (but NAV has gone up)





## Half-Year Results (1/3)

### Key Figures

EUR m	01.04.07- 30.09.07	01.04.06- 30.09.06
<b>Comprehensive Income</b>	<b>29.017</b>	<b>44.888</b>
Total Income	25.360	49.794
Impairment	1.990	5.263
Operating Expenses	5.097	1.631

EUR m	Per 30.09.07	Per 30.09.06
<b>Total Assets</b>	<b>222.531</b>	<b>156.649</b>
Total long-term assets	182.750	150.354
<i>thereof Earn-Out</i>	<i>71.337</i>	<i>48.873</i>
Total Liabilities	11.052	1.096
<b>Total Shareholders' Equity</b>	<b>211.479</b>	<b>155.553</b>
<b>Unfunded Commitments</b>	<b>44.117</b>	<b>5.961</b>



## Half Year Results (2/3)

### Strong Performance of Fund Portfolio

- Total contributions of EUR 12.5 m, mainly in relation to fund commitments made after April 1, 2007
- Total distributions of EUR 17.9 m between 1.4. and 30.9.07
  - EAC (Scotland) EUR 8.7 m
  - Carmel Software Fund EUR 1.9 m
  - DB Secondary Opp. Fund A EUR 1.5 m
  - NeSBic EUR 1.3 m
  - Kiwi II Ventura Servicios SA EUR 0.7 m
  - Avista Capital Partners EUR 0.7 m
  - CDC Innovation 2000 EUR 0.6 m
  - Procuritas Capital Partners II EUR 0.6 m
- Receivables of EUR 1.6 m in respect of pending distributions
- Total fair value of the fund portfolio of EUR 79.8 m (excl.receivev.)



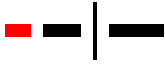


## Half Year Results (3/3)

### Strong Cash Flow from Earn-out Portfolio

EUR m	30.09.2007
Fair Value of the Earn-out Portfolio as of March 31, 2003	171.440
Total Unfunded Commitments as of March 31, 2003	45.662
Deduction for preferred return paid by CSFB to Swiss Life	4.794
Total Distributions received by CSFB until June 30, 2007	281.270
Aggregated Fair Value of Earn-out Portfolio as of June 30, 2007	101.486
<b>Earn-out Payments to PEH (January 1 – September 30, 2007, incl payable)</b>	<b>29.817</b>

EUR m	30.09.2007	30.06.2007	31.03.2007	31.12.2006	30.09.2006
<b>Total Value of Earn-out</b>	101.154	84.166	80.375	57.817	48.873
./. Earn-out Payments received (cumulative)	(29.817)	(13.344)	(6.740)	(2.912)	-
<b>Balance Sheet Value of Earn-Out</b>	<b>71.337</b>	70.822	73.635	54.905	48.873
Increase in Value during Reporting Quarter	16.988	3.791	22.558	8.944	48.873



## **ALPHA Associates AG (1/3)**

### **Adviser of PEH, but not only that**

- Independent private equity fund-of-funds manager and adviser
- Builds and manages global fund-of-funds and client portfolios in excess of CHF 1.5 billion
  - Private Equity Holding AG (since restructuring 2003)
  - 5E Holding (vintage 1998)
  - ALPHA 2001 L.P. (vintage 2001)
  - ALPHA CEE II L.P. (vintage 2006); dedicated FoF for Central & Eastern Europe with total commitments of EUR 309 m
  - Tailor-made portfolios for institutional investors
- Team of 20 people
- Based in Zurich and Cayman Islands



## ALPHA Associates AG (2/3)

### Management Team

#### **Peter Derendinger/CEO**

Dr.iur., LL.M., attorney  
Swiss  
Swiss Life Private Equity  
M&A Adv., Credit Suisse



#### **Petr Rojicek/CIO**

Dipl. Ing., MBA  
Czech  
Swiss Life Private Equity  
Bank Vontobel  
UBS



#### **Petra Salesny/COO**

Dr.iur., LL.M., attorney  
Austrian  
Swiss Life Private Equity  
Bank Vontobel  
Helbling Consulting



#### **Christoph Huber/CFO**

CPA  
Swiss  
Swiss Life Private Equity  
Bank Vontobel  
Allreal





## ALPHA Associates AG (3/3)

### Key People

#### **Guy Myint-Maung**

Partner, British  
B.Sc. Biological Sc.  
MBA, CFA  
Swiss Life Private Equity  
UBS



#### **Daniela Hauenstein**

Partner, Swiss  
MBA  
Family office  
M&A boutique  
UBS



#### **Richard Seewald**

Partner, American  
JD Law, MBA  
Benson Oak, CMS



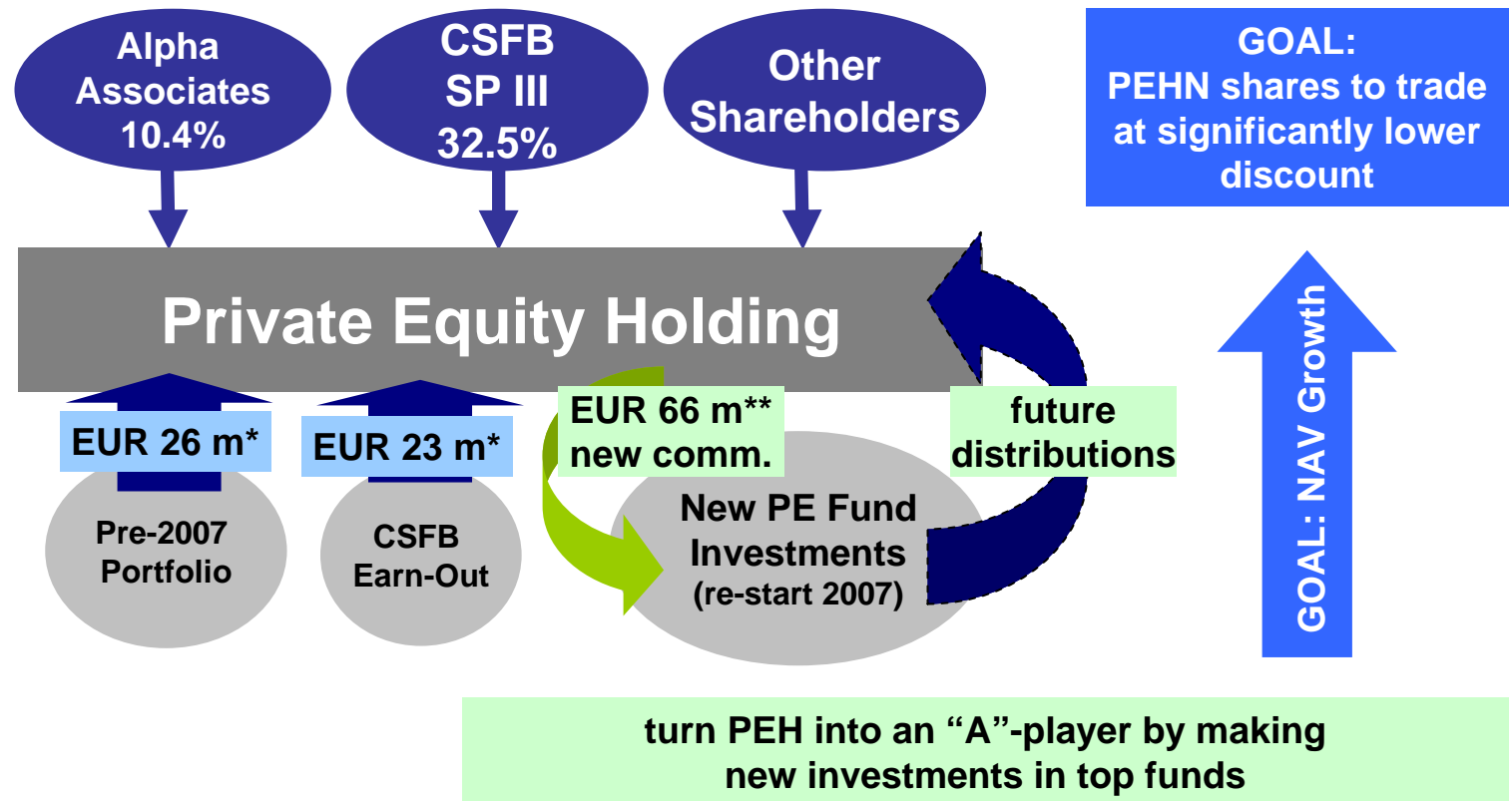
#### **Giovanni Locatelli**

Senior Adv., Swiss/Italian  
Master of Science  
Swiss Life Private Equity  
BCV, CS

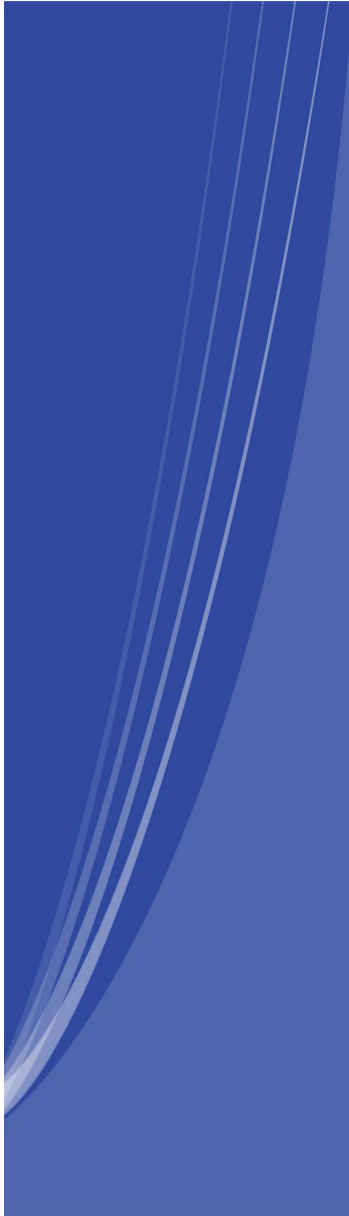




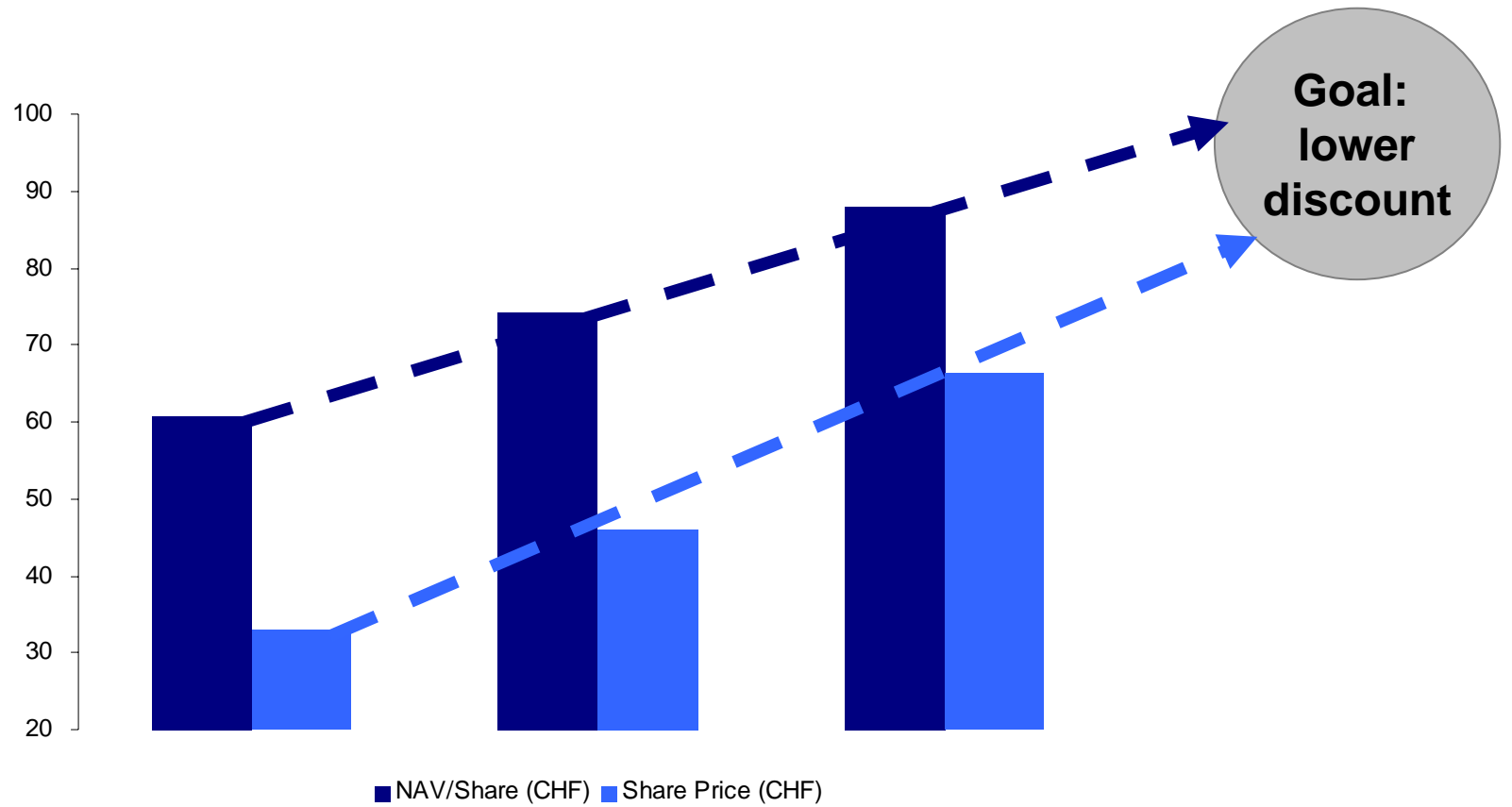
# PEHN went up 102% in the last 12 months ... and it is still a very good long-term investment



\* Since April 1, 2007; \*\* since January 1, 2007



## Consistent, continuous NAV growth ... should lead to a lower discount





## But strong performance is not sufficient The market determines the price!

- If Shareholder A wants to sell at market price, but there is no Buyer at this price, a new – lower – price will be established
- Managing PEH for performance is therefore not sufficient
- Following the re-start of the investment program, PEH increased its PR and marketing activities and launched a new website

**Fair value,**  
der; Billiglinie  
eines Grossver-  
teilers

Richtig oder falsch? Wer sich bei  
Private Equity Anlagen kein X  
für ein U vormachen lassen will,  
vertraut am besten auf die  
Spezialisten der Private Equity  
Holding AG.

Private Equity Holding AG



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**Private equity,**  
das; Pferde-  
rennen im  
privaten Kreise

Richtig oder falsch? Wer sich bei  
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**Liquidity risk,**  
das; Risiko  
beim Steuern von  
Fahrzeugen in  
angetrunkenem  
Zustand

Richtig oder falsch? Wer sich bei  
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## Our Strategy

- Re-Balance the Portfolio
- Accelerate asset value growth, mitigate J-Curve effect
- Timely deploy cash proceeds
- Invest in funds managed by well-known top managers
- Increase exposure to Europe

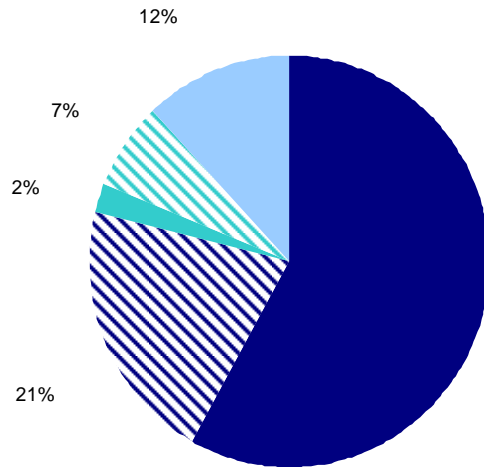




# Asset Allocation & Re-Balancing of the Portfolio

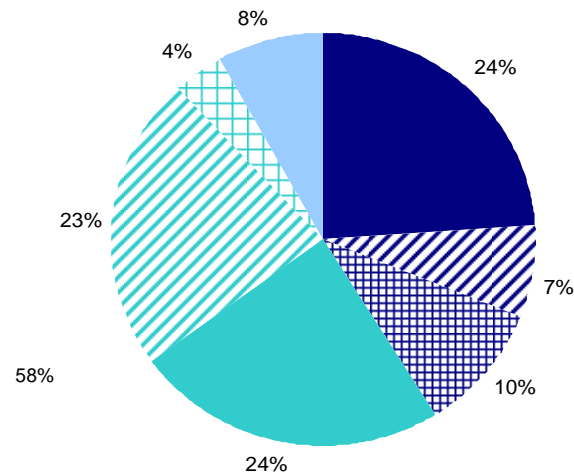
## We have done a lot already!

Allocation March 06<sup>1</sup>



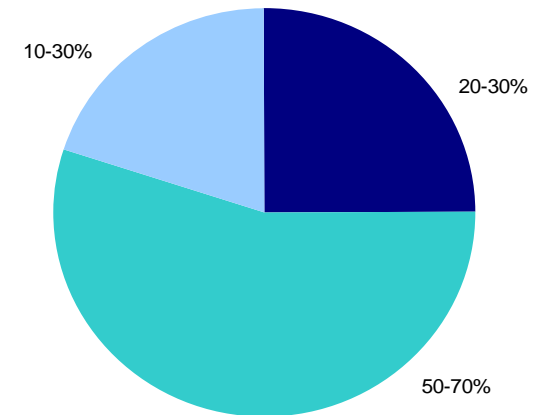
■ Venture Funds  
■ Buyout Funds  
■ Balanced Funds  
■ Direct Venture  
■ Direct Buyout

Allocation Sep. 07<sup>2</sup>



■ Venture Funds  
■ Buyout Funds  
■ Special Situation Funds  
■ Directs & Loans Venture  
■ Earn-out Buyout  
■ Earn-out Venture  
■ Direct Buyout

Target Allocation



■ Venture  
■ Buyout  
■ Special Situations

- significant reduction of venture exposure
- focus on buyout and distressed funds

<sup>1</sup> based on fair values plus unfunded commitments

<sup>2</sup> based on fair values plus unfunded commitments, incl. Capvis III



## New Commitments 2007 Overview

		<u>committed</u>		
Buyout	Alpha CEE II	15.0		
Buyout	Avista	7.3		
Buyout	Capvis III	10.0		
Buyout	EAC II (Secondary)	1.8		
Buyout	Industri Kapital 2007	10.0		
Special Situations	DB Secondary A	3.9		
Special Situations	DB Secondary C	6.8		
Special Situations	OCM VII	3.7		
Special Situations	OCM VIIb	3.7	Actano	<u>invested</u> 0.1
Venture	IVP XII	3.7	Epicept	1.1
	<b>Total Funds</b>	<b>65.8</b>	<b>Total Directs</b>	<b>1.2</b>

in EUR million



## New Investment Q2/07: Special Situations Oaktree Opportunities VII & VIIb

- Fund size: USD 3.5 billion and USD 3.5-4.5 billion
- Commitment: USD 5 million each
- Focus: Acquisition of equity and debt instruments of companies that have under-valued assets due to financial or other distress  
Well positioned to take advantage of a „credit crunch“ in the market across the next 3-4 years
- Team: One of the top teams investing in distressed assets, has excellent reputation over 20 years of pursuing the same distressed investing strategy, international network provides access to less mature and efficient distressed debt markets

„Nothing is better than market turbulence for creating the potential for superior risk-adjusted returns“ (Howard Marks, Chairman, Oaktree, August 2007)



## New Investment Q2/07: Late Stage Venture Institutional Venture Partners XII

- Fund size: USD 303 million
- Commitment: USD 5 million
- Focus: Venture capital expansion and late stage deals in the US; the fund intends to invest at least 90% of the capital in expansion-stage private companies and the balance in selected public market opportunities, and expects to lead or co-lead a majority of its investments
- Team: Top quartile team, leading US west coast venture capital specialist; has shown consistent ability to buy excellent late-stage companies at good valuations; the team has resisted increasing the fund size and remained with their successful strategy



## New Investment Q3/07: Mid-Market Buyout Capvis Equity III L.P.

- Fund size: EUR 500 million
- Commitment: EUR 10 million
- Focus: Corporate spin-offs and family owned businesses; succession solutions  
Focus on market leading companies with a competitive edge in their industry
- Team: Independent private equity manager based in Switzerland with a leading position in German speaking Europe, and roots going back to Swiss Bank Corporation's Equity Division; has completed 37 investments since 1990 with a transaction volume in excess of EUR 2.5 billion

Capvis wurde für das Jahr 2006 von "Private Equity International" zum sechsten Mal in Folge zum besten Private Equity Unternehmen der Schweiz gewählt.

