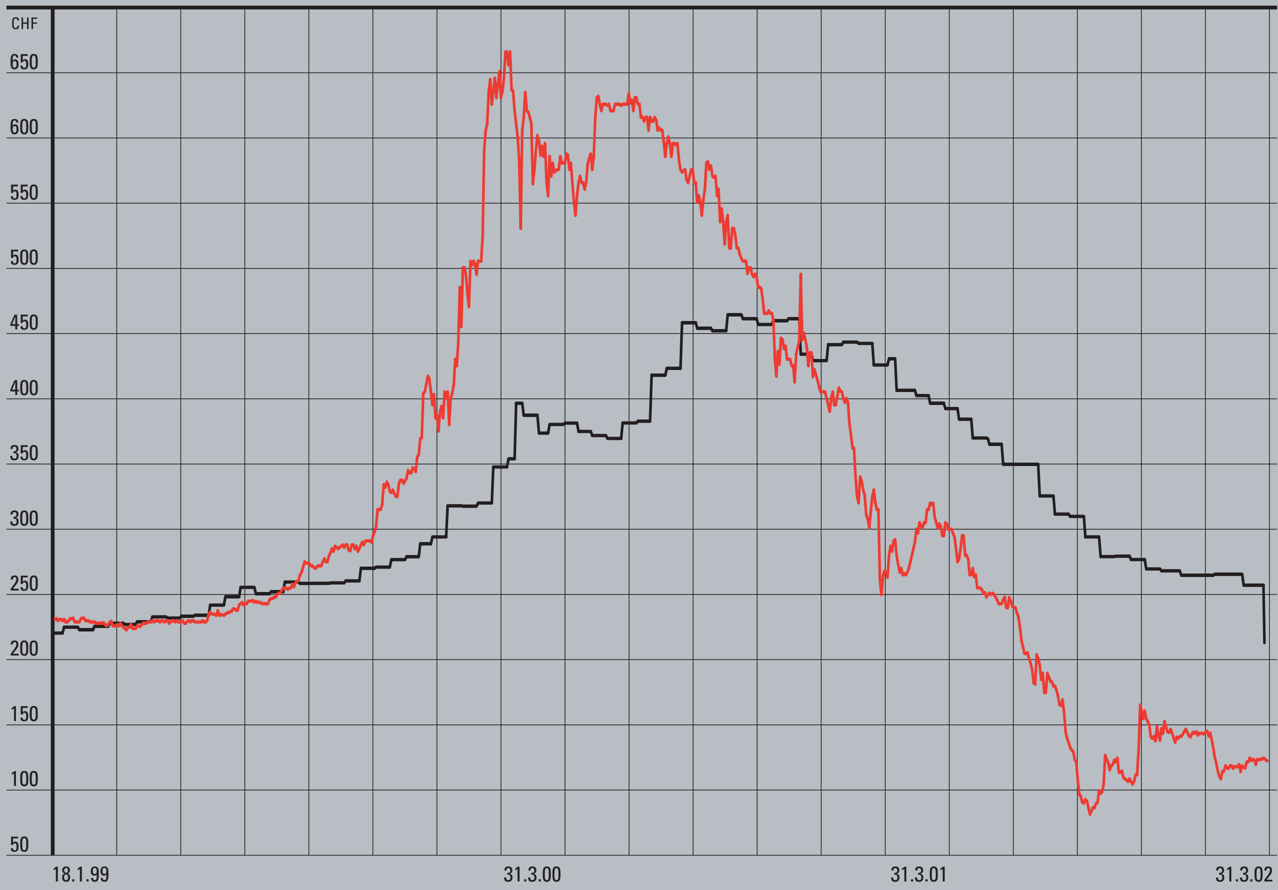
2001/2002 Annual Report

Development of Fair Value and Share Price



Share Price ■ Fair Value

Performance

Per Share Data	Share Price CHF	Fair Value CHF	Discount/Premium
IPO (18.1.99)	226.50	215.55	5%
31.3.99	220.00	222.13	(1%)
31.3.00	605.00	391.25	55%
31.3.01	275.00	401.14	(31%)
31.3.02	116.00	213.52	(46%)
Since IPO until 31.3.02	(51%)	(1%)	
Average per annum	(19%)	0%	

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Dieser Geschäftsbericht ist auch in Deutsch erhältlich.
Die englische Version ist rechtlich verbindlich.

Private Equity Holding AG offers institutional and private investors the opportunity to invest, within a simple legal and tax optimized structure, in a broadly diversified, professionally managed private equity portfolio.

Private Equity Holding AG invests primarily in top-quality private equity funds with a focus on Western Europe, the USA and Israel. In addition to investing through funds, it also makes direct investments in promising companies together with its partner funds.

The shareholders of Private Equity Holding AG indirectly participate in over 1,500 companies in the dynamic and promising private equity sector.

Key Figures

		31.3.02 CHF	31.3.01 CHF
Share Value	Value per share, based on fair values	213.52	401.14

		1.4.01–31.3.02 CHF 1,000	1.4.00–31.3.01 CHF 1,000
Income Statement	Consolidated net profit/(loss)	(264,873)	52,831

		31.3.02[1] CHF 1,000	31.3.01 CHF 1,000
Balance Sheet	Total assets	1,197,691	1,677,283
	Shareholders' equity	932,181	1,358,191

		Invested[2] 31.3.02 CHF million	Invested[2] 31.3.02 %	Outstanding Commitment 31.3.02 CHF million	Total 31.3.02 CHF million	Total 31.3.02 %
Asset Allocation	Venture Funds	681.6	51	409.7	1,091.3	55
	Balanced Funds	181.3	14	93.1	274.4	14
	Buyout Funds	340.5	26	148.8	489.3	25
	Total Fund Investments	**1,203.4**	**91**	**651.6**	**1,855.0**	**94**
	Direct Investments (non-traded)[3]	102.7	8	–	102.7	5
	Direct Investments (traded)[4]	13.2	1	–	13.2	1
	Total Direct Investments	**115.9**	**9**	**–**	**115.9**	**6**
	Total Investments	**1,319.3**	**100**	**651.6**	**1,970.9**	**100**

[1] Based on fair values and not comparable to the previous years' figures.
[2] Net acquisition costs except for traded securities which are marked to market.
[3] Classified as "Direct Investments" and "Loans".
[4] Classified as "Securities".

Dear Shareholders,

In several respects, the 2001/2002 financial year was the most difficult year for Private Equity Holding AG since formation in 1997. The new Board of Directors accepted a very great challenge in taking on the legacy of a company in need of a turnaround. Not only was the transition occurring in an environment of adverse financial market conditions but also the company was still shaken by the management turbulence and unsecured long-term financing which led to the final separation from the former manager.

Over the past few months, we have made remarkable progress and met many of our primary goals with regard to establishing new corporate structures and processes. These lay the foundation for Private Equity Holding AG to flourish once again as the private and public equity markets recover.

2001/2002 at a Glance

In its fifth financial year (April 1, 2001 – March 31, 2002), Private Equity Holding AG posted a consolidated net loss of CHF 264.9 million (2000/2001: net profit of CHF 52.8 million). The primary factor in the worst financial performance in the company's history was write-downs on fund investments and direct investments, corrections which more than doubled to CHF 258.8 million from the CHF 106.3 million reported the previous year. The largest single write-down, amounting to CHF 118 million, was taken in the fourth quarter for the venture fund investment US Ventures, LP. Total capital gains from investments declined by 68% to CHF 67.5 million (CHF 210.5 million), mainly due to lower fund distributions and the lack of opportunities for exits from the portfolio of direct investments.

The year 2001 witnessed strong corrections in the markets with the average valuation for venture-backed companies declining by 45.5% [1]. Similarly, the fair value per share for Private Equity Holding AG declined by 47% from CHF 401.14 to CHF 213.52 in the reporting year. Substantial downward revaluations had to be made, primarily on the venture investments and across all industries, with the life science sector least affected. Reflecting the different reporting cut-off dates of the individual companies and funds held in the portfolio, the fair value calculation as of March 31, 2002, is mainly based on reports effective December 31, 2001.

[1] PricewaterhouseCoopers MoneyTree Survey, US Report

With a share price of CHF 116.00 as of March 31, 2002, the shares of Private Equity Holding AG were traded at a significant discount of 46% to fair value.

Between April 1, 2001, and March 31, 2002, consolidated shareholders' equity declined from CHF 1.75 billion, which corresponds to the closing equity as of March 31, 2001 but restated to fair values, to CHF 932.2 million. The difference also includes a net change in unrealized depreciation of CHF 554.1 million, booked against equity in accordance with the new IAS 39 accounting standard, which requires unrealized appreciation/depreciation of a non-permanent nature to be accounted for under equity. In contrast, valuation changes of a permanent nature are charged to the income statement.

Over the reporting period, total investments decreased from CHF 1.95 billion (including restatement to fair values of CHF 392.7 million) to CHF 1.15 billion. Likewise, total commitments declined considerably from CHF 2.71 billion to CHF 1.97 billion. The main reason for the reduction was the sale of seven portfolio funds, which improved the ratio of invested capital to total commitments from 0.6 to 0.67 compared to an industry benchmark of 0.7.

The generally lower market valuations provided attractive investment opportunities in which Private Equity Holding AG was able to participate within the context of earlier commitments to various funds. The scope for putting new money into investment funds and direct investments was limited by the high level of outstanding commitments.

Implementing the Turnaround

When we assumed responsibility for Private Equity Holding AG, we were confronted with the fundamental challenge of restructuring the company and achieving a turnaround.

Our initial analysis identified a number of issues that called for immediate attention such as:
- securing the company's long-term financing,
- adopting sustainable corporate governance,
- adopting a proactive stance in managing the portfolio,
- implementing a competitive fee structure, and
- creating a balanced portfolio in the longer term.

Our declared core values of openness, transparency and consistency in our communication provide the framework for achieving this goal, thereby building and bolstering investor confidence.

Although significant challenges still lie ahead, we already have some important milestones behind us:

Secured long-term financing

The securing of financial resources for the company was a pivotal achievement. Disproportionate commitments, mainly from obligations entered in 1999 and 2000, coupled with difficult financial markets, ultimately led to a tight financial situation by mid 2001. Short-term liquidity requirements were met by the disposal of seven fund investments in a secondary market transaction in July 2001 for a total cash consideration of CHF 242.4 million. This secondary market transaction reduced our outstanding commitments and alleviated the tight liquidity situation at that time. Furthermore, some unrealized gains on the stakes sold were realized in an otherwise volatile market environment. Overall, the transaction resulted in a net profit contribution of CHF 20 million and a reduction in fair value of CHF 7 per share. One of the prime tasks of the manager remains the close monitoring of cash flows in order to secure short-term liquidity requirements. A satisfactory liquidity level was achieved with the credit facility from Swiss Life/Rentenanstalt of up to CHF 500 million, half of which remained unutilized as of the end of March 2002.

Sustainable corporate governance

A new corporate governance structure was implemented with effect from December 1, 2001. Under the new system, the Board of Directors continues to be ultimately responsible for the corporate strategy and for the management of the company. The main corporate executive responsibilities lie with the Delegate of the Board, who is supported in this supervisory role by an independent firm acting as internal auditors. Swiss Life Private Equity Partners is responsible for the investment advisory and investment management services, finance, reporting and day-to-day operations of the Private Equity Holding Group. Clearly defined tasks and responsibilities provide an excellent platform for managing the company in the best interests of its shareholders.

Competitive fee structure

Effective January 1, 2002, a more performance-oriented and flexible model replaced the previous fee structure. Both the management fee and the performance fee are tied to the net asset value of the Private Equity Holding Group. In addition, the performance fee is also linked to share performance through stock options.

Balanced portfolio

Our declared objective of securing a better portfolio balance remains a medium-to-longer-term goal. The high level of outstanding commitments will continue to impose limits on new positions. In addition, the market for secondary transactions has not yet provided suitably attractive opportunities for us to participate in.

A review of the progress that has been made over the first few months under the new leadership reaffirms our confidence that Private Equity Holding AG will be in a position to fully capitalize on a private equity market recovery. Nevertheless, private equity requires a long-term horizon, allowing investors to take an interest in the leading companies of the future, whether these are new ventures or existing companies in the buyout segment that are restructuring themselves for a prosperous tomorrow.

I thank you for your continued support.

Marinus W. Keijzer
Chairman and Delegate of the Board of Directors

Dear Shareholders of Private Equity Holding,

Last July, Swiss Life Private Equity Partners was entrusted with the management of Private Equity Holding AG. From the outset it was clear to us that we had embarked on a challenging but also very worthwhile task. In a very short time and thanks to the excellent cooperation and mutually held views with the new Board of Directors it has been possible to efficiently and effectively implement the necessary steps to address the inherited financial burden as well as the outstanding portfolio issues. This included a reshuffle of strategy, a critical appraisal of the portfolio holdings and the deployment of new structures and efficient operational procedures, always bearing the long-term business perspectives in mind. Obviously, the realignment of the company did not prevent the negative marks left on the 2001/2002 financial results.

Market Developments and Outlook

The year 2001 was characterized by a dramatic shakeout in the venture capital segment, which experienced its worst year since the venture capital industry began over 30 years ago. Clearly, this constitutes a strong reaction to the exuberance and excesses of the late 90s. The closing of the IPO window and the simultaneous drying-up of private equity funding, which almost halved over last year, caused difficulties for many companies, in particular those with non-sustainable business models. As a result, companies either went out of business or were subsequently funded at substantially lower valuations. The buyout segment also suffered from weaker IPO and M&A activity, but to a lesser extent due to the more mature operating stage of the companies targeted. Although valuations in most sectors seem to be bottoming out, both in venture capital and buyout segments, the market is still volatile and offers relatively low visibility. The capital calls and distribution levels should be limited in the short term given the current phase of the cycle, but as IPO and M&A activity resumes a rebound in the draw downs could be expected, followed by an increase in distributions.

Fund Investments

During the 2001/2002 financial year no new commitments were made to investment funds. The investment activity of the funds and their distribution rates declined in the wake of weak market conditions. Overall, the funds held in the portfolio made new investments totaling CHF 239.9 million (2000/2001: CHF 691.5 million) and distributed CHF 97.8 million (CHF 167.7 million). Most of the transactions have been executed at attractive valuation levels, taking advantage of the more realistic market environment.

Our assessment of the valuations carried out by the fund managers resulted in write-downs on fund investments totaling CHF 203.5 million (CHF 31.4 million). After adjustment of the value of the underlying assets, an extraordinary write-down of CHF 118 million to the US Ventures, LP fund participation was made. The commitment to US Ventures, LP was made in March 2000 and represents the largest single participation of the Private Equity Holding Group. The capital of the fund has been fully drawn down and invested in the areas of media, telecommunications and e-commerce, which suffered significantly over the second half of 2000 and in 2001.

Over the reporting period, the fair value of the fund investments decreased from CHF 1.51 billion to CHF 1.05 billion. Most affected was the venture segment with a fair value decrease to CHF 572.1 million, followed by the balanced segment declining to CHF 134.9 million. These severe contractions chiefly resulted from the continuing deterioration in the business environment in the internet, telecommunications and software sectors. At underlying company level, the valuations were impacted by the aggregation of the following factors: discontinuation of operations, financing at lower prices and adjustment of previously inflated valuation levels. In contrast, the buyout segment developed positively with a fair value increase to CHF 338.6 million despite the global economic weakness, triggering a slow-down in activity and of fund raising pace.

Direct Investments

Commitments to direct investments slowed down significantly over the past financial year with no investments in new companies. Only selective follow-on financings, totaling CHF 8.6 million, were closed for 8 companies of the portfolio. The latest financing took place in the first calendar quarter of 2002, when Private Equity Holding AG contributed an additional CHF 1.5 million in capital to Cytos Biotechnology AG, a company focusing on protein discovery, product development for immunotherapeutic compounds and the development of products for larger pharmaceutical companies.

During the period under review, additional write-downs in the amount of CHF 55.3 million (CHF 70.5 million) were necessary in order to reflect the poor operating performance, the challenging business environment or the limited access to capital faced by the direct portfolio. The largest items were Surface/Interface Inc., Tinka-Servicos de Consultoria S.A., ArrayCom, Inc., Centaur Pharmaceuticals and Hyperwave AG. The fair value of the direct portfolio decreased from CHF 159.8 million to CHF 101.5 million.

Operations Progress Report

In a private equity portfolio, short-term measures need to be appreciated with a long-term perspective, in particular by matching the liquidity requirements with the performance and asset allocation targets. Changes in those areas can only be successfully implemented over time. Within the last nine months we have reached a number of important milestones:

Proactive portfolio management

In order to manage the investments more efficiently, we initially proceeded with a diligent analysis of every single position in the portfolio. We then took the appropriate measures and played a particularly active role where we felt we could positively contribute. This continuous process is supported by a sophisticated and comprehensive proprietary monitoring system. The quality of the analysis, essential for the management of Private Equity Holding AG, is further strengthened by the more detailed data available, a more reliable reporting and an improved cash flow planning.

Qualified valuation approach

The constant monitoring of the fund and direct investments of Private Equity Holding AG allowed us to identify the need for additional write-downs to fully comply with the International Accounting Standards (IAS) and EVCA guidelines. Several management adjustments were then implemented, resulting in lower valuations than the ones reported by the fund managers. Finally, the revised fair values were reviewed and approved by an internal Valuation Committee.

Managing currency exposure

In order to reduce the volatility of the fair value related to currency fluctuations, the currency exposure is actively managed, in particular the exposure to the USD. For this purpose Private Equity Holding Group entered into two swap transactions with a bank. As of March 31, 2002 the fair value of the swaps was positive.

Outlook

Our major mid-term objective is to progressively shift the portfolio mix to achieve a better balance between the various stages of investments and to enhance the financial flexibility to allow new commitments.

Based on the work performed by our team over the past months we are confident that the values reported for the Private Equity Holding AG portfolio now reflect the situation as of March 31, 2002 adequately. Globally the valuations observed have adjusted to more realistic levels and the market correction is already well advanced. Nevertheless, some specific sectors should be further affected by continuous adverse market conditions over 2002. This should lead to additional failures with companies missing the adequate funding in a challenging market environment.

Over time, a strengthening of the economy coupled with the reopening of the IPO window, an increase in M&A activity, and the restoration of investor confidence will provide the necessary spark to a sustainable recovery of the private equity markets. We are convinced that Private Equity Holding AG will be then favorably positioned to take advantage of an upswing in the markets.

We thank you for the confidence you have placed in us.

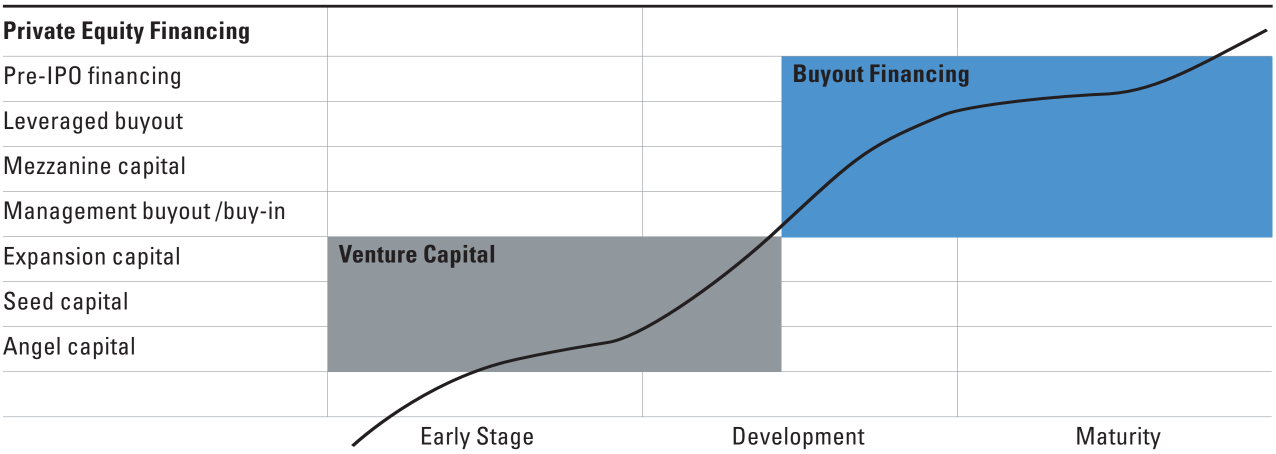
Swiss Life Private Equity Partners Ltd.

David Salim
Partner & CEO

Dr. Dominik Meyer
Partner

Over the last decade, private equity has emerged as a major asset class in the alternative investment sector. Institutional and private investors have been attracted to private equity by the prospect of superior returns compared to public markets and the benefits of diversifying traditional investment portfolios with non-traditional investments. Investing in private equity differs in many aspects from investing in quoted securities, such as listed shares or bonds. Most importantly, private equity is a long-term investment requiring a long-term horizon. Even under the prevailing adverse market conditions, investors adopting a long-term perspective are therefore not shying away from the sector but continue to make new investments in private equity thereby taking advantage of the currently attractive valuation levels.

Development stages of a company



What is Private Equity?

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. Originally, the term “private equity” referred mainly to investments in emerging companies, i.e. venture capital. Today, it is used in a broader sense to describe any type of equity-related financing in non-quoted companies.

Private equity investments can be categorized by the development stage of a company at which financing is provided:

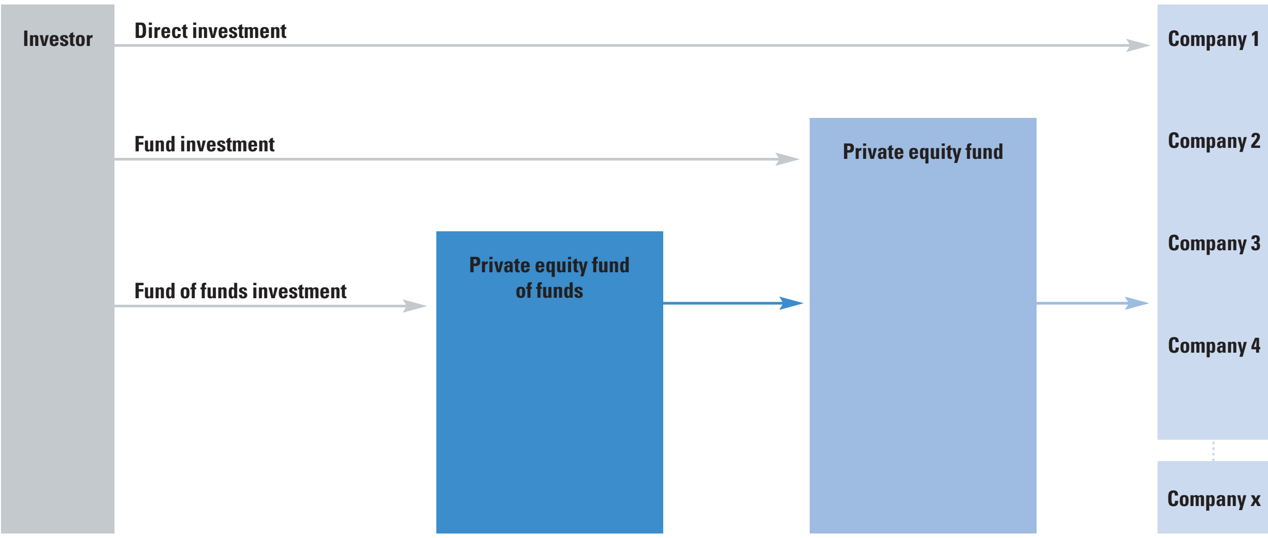
Venture capital refers to the financing of relatively small, rapidly growing, young companies that do not have access to public markets or debt financing. Such investments obviously entail a greater risk but also offer significant potential for above-average returns. Angel capital provides backing to very early-stage businesses or business concepts. Angel investors are typically entrepreneurs who have become very wealthy, often in technology-related industries. 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 or development 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 established company by the incumbent management and/or an external investor. The external investor, for example a private equity firm, backs either the incumbent management (management buyout) or replaces the existing managers with new management (management buy-in). A management buyout is generally one of the less risky types of private equity investments because the company is already established and the managers running it have in-depth knowledge of the business and the market in which it operates. The term ‘leveraged buyout’ refers to the acquisition of a company using debt combined with equity to finance the purchase. In such a situation, the assets of the acquired company are put up as collateral to secure the loan. In a leveraged buyout transaction, mezzanine capital is typically used to provide financing which is subordinated to the senior debt layer but ranks senior to the equity layer. 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

Institutional and private investors seek to invest in private equity vehicles that achieve the excellent returns for which this asset class is known. Bearing in mind that historically outstanding returns were only achieved by the top 25% of all private equity funds (so-called “top quartile funds”), a profound knowledge of the market and good contacts to its players are crucial for investing successfully in private equity.

There are different ways of investing in private equity: the investor can either invest directly in a company (direct investment), in a private equity fund which itself invests in companies directly, or ultimately in a private equity fund of funds which invests in different private equity funds. The route that an investor chooses depends mainly on the size of his investment, his desire to get involved in the administration of the investment and, finally, his need for diversification of the investment risk.



The “fund of funds” approach, i.e. investing indirectly in privately held companies by investing in several private equity funds, allows for maximum diversification of a private equity investment. The fund of funds investor establishes a range of indirect holdings in all of the private equity fund's portfolio companies. 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 or asset class. To the smaller investor, a fund of funds offers an opportunity to capture the unique returns and strategies offered by alternative investments without the significant capital needed for a properly diversified portfolio.

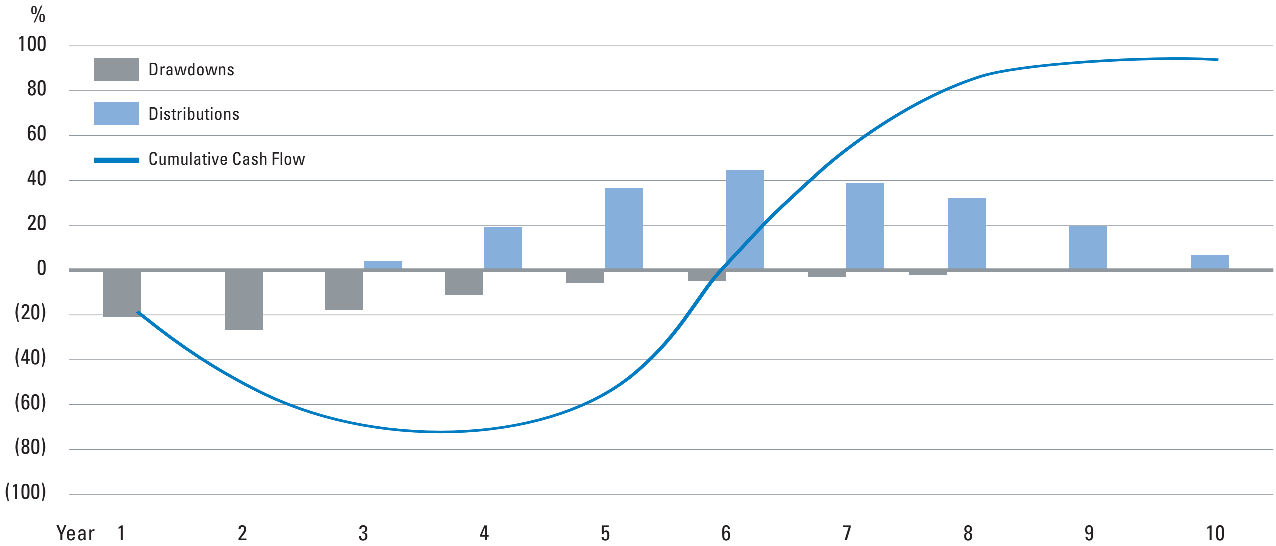
Private Equity is a Long-Term Investment

Private equity is a long-term investment requiring a long-term perspective. The investor provides capital to a private equity investment vehicle, which subsequently invests the capital either directly or indirectly in several privately held companies. Only when the investment is successfully exited again, i.e. when the company is sold or floated on the public stock market, are the proceeds distributed to the investors.

Long-Term Partnerships

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, formerly the management company (i.e. the professionals managing the private equity fund), manages the fund and its investments in all respects, but most importantly, the general partner sources, selects, acquires, monitors, develops and sells the companies on behalf of the fund. Therefore, the investor in a private equity fund, i.e. the limited partner, focuses his due diligence on the fund, with the main criteria being the quality and the experience of the general partner.

Single Fund Annual Cash Flows to Investors



Source: EVCA, "Why and How to Invest in Private Equity", February 2002

Long-Term Investing

Each limited partner commits himself to provide a certain amount of capital to the private equity fund, his obligation to provide capital being limited to the level of the committed amount, i.e. the commitment. The committed amount is neither drawn nor invested immediately by the fund at the point in time of the commitment but rather spread over several years, as interesting investment opportunities arise. The fund invests the committed capital over an investment period of typically five years. Generally, after three to seven years, the private equity fund exits the investment via a trade sale to a competitor or an IPO of the company. Following a successful exit of the investment, the proceeds are distributed by the fund to the limited partners. These proceeds can either be in cash or to a lesser extent – in the case of an IPO – in listed securities. As successful vehicles return cash from realizations before all capital is called, the actual maximum amount paid in normally reaches only 60% to 80% of the commitment made.

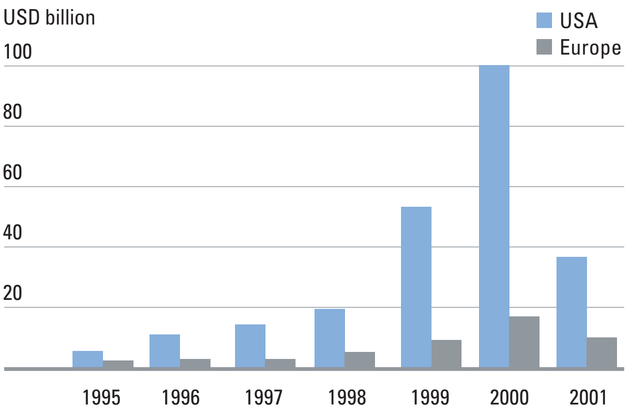
Long-Term Contracts

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.

In sharp contrast to the record levels seen in 2000, 2001 was characterized by a shake-up of venture capital investments across all stages in terms of re-organization, adjustment of valuation and even company closings.

Following the economic down-turn, early-stage companies suffered badly and company valuations fell. Portfolio valuations were adjusted by significant write-downs to reflect or anticipate current or future financing rounds, public market comparables and company outlooks, especially in light of slower than expected sales and market growth in the technology and software sectors. Cost-cutting measures were carried out to optimize available cash, there were reorganizations and headcounts were reduced.

Venture Capital Investments



Source: USA: NVCA, Europe: EVCA

As a consequence of all the above negative factors, several venture capital funds which invested between 1998 and 2000 are likely not to return the invested capital. During this shake-up, fund strategy shifted from "momentum player", as seen in 1999 and 2000, to "company builder". This investment environment has three major implications: (i) investment decisions take longer due to the greater emphasis on management capability and marketability of products, (ii) terms at the closing of a transaction are much stricter than before, with a particular emphasis on liquidation preferences to protect investments, and (iii) the time to exit has doubled with the IPO markets closed and trade sales slowing down. For limited partners, this means slower draw-downs of commitments and delayed distributions.

Funds are now looking to share expertise and risk and have a keen interest in bringing in additional pockets through syndication, all of which were low priorities when they favored financing deals on their own. With the euphoria in the venture capital market gone, deal flow has decreased but quality is now higher. This, combined with revaluations, significantly curbed investment activity compared to the two previous years (see chart). Follow-on investments, impacted by reorganizations and milestone-based schedules, decreased as well. Fund managers are largely occupied with monitoring and developing their existing portfolio companies. Therefore, the large funds raised in 2000 – 2001 still have the majority of commitments left to invest, with the first mega-funds reducing fund size.

Unlike the US, European funds have traditionally been less specialized. This broader diversification across sectors had a positive impact on fund performance last year, with the UK, France and Germany still the most active markets in Europe. Countries with a less developed venture capital market, such as Italy and the Benelux, fell back.

Although companies are taking longer to close deals and it is still difficult to find a lead investor to price deals, quality companies are attracting the financing and support of specialized venture capitalists.

Life Sciences

In 2001, life science funds had their second best ever year from the point of view of fund raising, with venture capital funds raising approximately USD 10 billion for investment in life sciences and healthcare. In 2001, approximately USD 23 billion was raised by life science and biotechnology companies, both private and public, a USD 32 billion fall on 2000, but Q1 2002 was relatively robust raising USD 5.7 billion (Source: BioCentury)

The fundamentals driving investment in life sciences and biotechnology are obvious. With an ageing population, the incidence of disease will increase and spur demand for healthcare. In addition, pharmaceutical companies under pressure to maintain their top-line and bottom-line growth depend on the life science and biotechnology companies to provide products for their pipelines. Other positive factors for investing in biotechnology are the increasing maturity of the industry itself, the improved financial firepower of industry leaders and size of the product pipeline. In 2000, over 60% of NDA's (New Drug Applications) came from the biotechnology industry, and in 2001 the industry performed well with 16 new product approvals and an estimated pipeline of over 300 products.

Many of the life science companies in the portfolio benefited from venture capital interest and capitalized on the opportunity to secure good funding levels for their programs over the next few years. The FDA's (US Food and Drug Administration) cautious approach to NDA approval and the extended timelines have created an in-creased financing risk for biotechnology companies as IPO markets remain closed and their compounds advance toward later and more costly stages of development. Investing in life sciences companies is still attractive and upward pricing pressure has not been as severe as in other sectors, despite the near-record amounts directed towards the sector. The life sciences sector has the capacity to productively absorb substantial capital.

Telecommunications

Over the last twelve months, the broad communications industry, estimated at USD 232 billion in 2001 and including services and equipment providers for both wireline and wireless, experienced one of the worst years in history after a period of unprecedented growth.

The principal reasons behind the current crisis were as follows: (i) cyclical factors, including high-tech meltdown, global economic slowdown and tight capital markets and (ii) structural factors which differ between wireline (heavy capital investments generating excess network capacity, overhang in equipment inventories, failure of the alternative carrier business model) and wireless (slower penetration and revenue per subscriber growth, uncertainty over 2.5 and 3G adoption rate, huge debt load resulting from the 3G auctions).

The major impact on the communications private market which usually lags behind the public market by 6 to 9 months, is concentrated on telecom services (large proportion of buyout deals) and networking infrastructure segments which enjoyed particularly dynamic growth between 1997-2000. These sectors reached their peak in 2000 with USD 17.9 billion and USD 11.4 billion respectively invested across all stages. In terms of venture capital, the bulk of investments has focused on optical components (including laser, switches, routers) and wireless (chip design, platform solutions) spaces. Situated at the lower end of the communications supply chain, the optical and wireless components sectors went through a painful but necessary readjustment process in the past year following the net reduction in capital spending by large telecom and network operators.

While weakness is still likely to persist in the short term, the technological and market potential, especially for networking equipment and wireless, should remain attractive in the longer term and be fueled by the large amount of money currently available from recent fund raising activities, especially in the USA.

IT Services and Software

Driven by IT budget pressure among corporate buyers, the software industry has been contracting since Q3 2000 when license revenue growth peaked year-on-year. Several spending trends for 2002 are emerging within enterprise software, one of the catalysts being information security and disaster recovery systems where budgets are not constrained. We might also see renewed interest in integrated ERP (Enterprise Resource Planning) vendors. However, supply chain management software and new initiatives in areas such as wireless and e-commerce, which have been hit the hardest in the past year, are still experiencing deferred implementation, with return on investments still to be proved. IPOs and M&A activities in the second half of 2001 have been very slow. The decision to outsource a significant proportion of an enterprise's IT budget will prove crucial this year. The mid- and long-term fundamentals for outsourcing opportunities are real and will be enhanced by cost-cutting trends, with corporations tending to outsource these types of services rather than use in-house capabilities.

IT Hardware

According to current opinion, the semi-conductor and capital equipment markets have bottomed out. The large inventory levels are starting to clear out in the supply chain and OEMs (Original Equipment Manufacturers) are clearly consuming more IC (Integrated Circuits) content than the semi-conductor companies are producing. The inventory burn-off, a leading indicator of recovery in the past, should occur sometime this year. At the same time, supply is showing signs of coming into line with demand. New devices (such as Xbox, Playstation), PDAs and wireless networking should help overcome the relatively subdued growth in the Personal Computer industry and continued weakness in the communications market. IC manufacturers are still deferring purchases, given the low utilization rates and cost reduction structures. The recovery in capital equipment is likely to take longer than the semi-conductor sector.

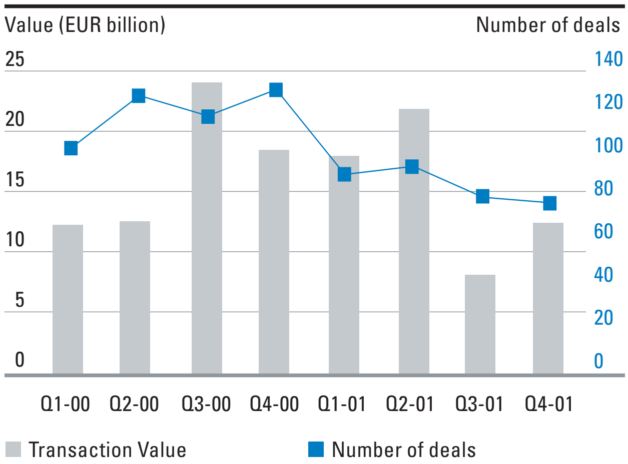
Outlook

We expect the overhaul of portfolios to approach completion in 2002. As well as offering attractive valuations, the market is generating renewed interest among investors and entrepreneurs to start something new. One of the positive developments over the past years is the increasing awareness of large corporations that venture-backed companies are an important source of products and technologies. We therefore expect a continued increase in merger and acquisition activity.

European Market

In 2001, volume on the European buyout market reached EUR 58.1 billion generated by 324 transactions. While the market was surprisingly steady in the first half of the year, the second half saw deals fall by 40% and transaction volume decline sharply by 52% compared with the same period in 2000. The reduction in volume was due to a generally difficult environment, a lack of debt, unmatched pricing expectations on the part of vendors and lack of confidence in a quick recovery.

European Buyout Market



Source: Market Research

The rise in transaction volume in Q4 2001 was accounted for solely by four large transactions representing 60% of deal volume. Although the decrease in M&A transactions affected the UK in particular, it is still by far the largest buyout market in Continental Europe, with France and Germany ranked second and third respectively.

The marked economic decline impacted on the performance of most portfolio companies, with few of them reaching their budgets. Nevertheless, buyout firms view the weakness as temporary and expect the performance of portfolio companies to bounce back once the markets recover. By contrast, the decline in transaction prices to an average of approx. 6 times EBITDA seems permanent. In terms of financing, the banks are considerably more conservative with debt financings of 3-3.5 times EBITDA. In summary, the European buy-out market which outperformed the US market several times over in 2001, was relatively robust despite the extreme market conditions.

US Market

Buyout firms closed deals worth USD 23 billion in 2001, down from USD 41 billion in 2000. Although it is difficult to calculate the amount of "dry powder" capital available in the market, buyout firms clearly have sufficient funds to deploy. This means that invested capital may yield lower than expected returns when prices for companies increase and could also lead to investment managers structuring deals with more equity on account of tight debt markets.

Debt financing was cheap but unfortunately not plentiful in 2001. Coupled with a reduction in lending activity by remaining players, the decrease in available debt financing put more downward pressure on prices paid for companies. Debt multiples declined from close to 6 times EBITDA to an almost unprecedented 4 times as lenders took a more conservative approach, such as emphasizing asset-based rather than cash flow-based lending. Prices for companies are likely to stabilize after a year that has seen buyout prices decline on average by 1.5 times EBITDA.

On the fund-raising front, 2001 was a tough year, but solid track records and limited issues within portfolios made it easier for well-known buyout houses to close their funds as investors fled to quality. On the other hand, many private equity houses of standing had to downsize their fundraising targets, experience disappointing closings or even postpone fundraising activities.

Outlook

In Europe, numerous reputable buyout firms raised tens of billions of euros for investment over the coming years. Although this could lead to increased activity in the buyout segment, a timely upswing is unlikely as the environment remains unstable. A pick-up in M&A activity would certainly have a positive impact on the buyout business, particularly in the mid-size segment of EUR 20 – 400 million transaction volume. The upper buyout segment (above EUR 400 million) often seeks an IPO as an exit route. A number of portfolio companies are lined up for a stock exchange listing once the markets reopen. Overall, we expect a recovery in the second half of 2002 at the earliest and possibly only during the course of 2003.

In the USA, the mood suggests that the recovery is regarded as ongoing. However, any supporting demand from consumers or businesses is not expected to fuel a vigorous economic rebound over the next few quarters. Most buyout firms are willing to wait for better visibility on earnings power, a source of concern for equity as well as debt providers. Financial buyers expect valuations to rise, but the rise will clearly be tied to delivering positive performance figures.

The rationale for investing in Private Equity Holding AG resides on four main pillars:

Publicly Listed Private Equity Investment Company

Access to the private equity market has historically been limited to investors with the ability to commit significant resources over extended time horizons. Private Equity Holding AG combines the private nature of its investments with the public quotation. By investing in Private Equity Holding AG, shareholders gain access to a diversified and professionally managed portfolio in a simple legal and tax optimized structure. The minimal participation stake is one single share, giving retail investors access to the attractive private equity asset class. As a company listed on the SWX Swiss Exchange, Private Equity Holding AG reports on its activities in a transparent manner and views investor relations as a priority.

Broad Diversification

Shareholders of Private Equity Holding AG indirectly participate in over 1,500 companies. The investments are at different stages of development, in different geographic regions and varying industry sectors. The fund of fund strategy is a useful and cost sensitive approach in professional investment management leading to a wide diversification and thereby limiting the risk inherent to private equity financings.

Selection Competence

The investment process of Private Equity Holding AG follows the approach taken by its manager, Swiss Life Private Equity Partners. In an annual review process the Board of Directors in consultation with the manager approves an asset allocation for each business year. Within this framework, the manager selects the best investment opportunities available. The investment process as such is then structured into several steps. The graph below outlines this approach:

Strategic Review

Strategy	Fund Selection	Investment	Management
Base strategy	Market analysis	Legal due diligence	Administration
Asset allocation	Access to top funds	Tax due diligence	Fund monitoring
Investment guidelines and procedures	Rating and triage	Contract negotiations	Reporting
Organization and resources	Due diligence	Contract closing	Performance analysis
	Investment recommendation		Cash flow planning

Experienced Private Equity Team

The portfolio of Private Equity Holding AG is managed and monitored by the team of Swiss Life Private Equity Partners comprising over 20 experienced professionals. The strong team competence is based on individuals with significant expertise in private equity investing coupled with diverse specialist know-how. Different educational backgrounds and broad based business experience across a variety of functions and industries form a solid knowledge platform for our activities.

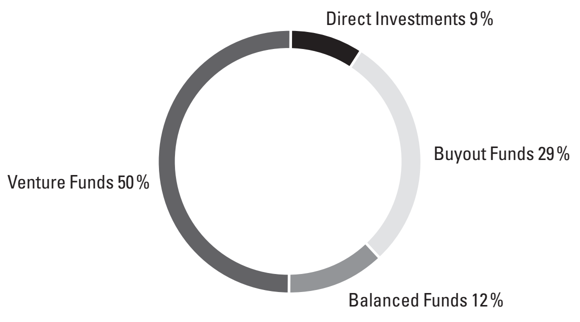
The allocation of assets among the various investments opportunities presented to Private Equity Holding AG is guided by the relative attractiveness of the various private equity investment segment and the goal of maintaining sufficient diversification across geographic regions, industries and stages of development in investee companies.

The high investment degree of Private Equity Holding coupled with restricted financial resources and difficult markets shifted the spectrum of activities for 2002 and the midterm essentially to a monitoring of investments rather than new engagements. With such a stable portfolio composition, shifts in the asset allocation (expressed in fair values) result only from valuation changes affecting the individual investments to a different degree. This can lead to deviations from the asset allocation targets in the short-term. In addition, asset allocation objectives such as introducing a better balance in the portfolio are only achievable over the mid to longer term if additional sources of financing can be tapped.

The asset allocation targets are set out in the company's investment guidelines and are featured below:

Allocation by Investment Category

The primary focus is on fund investments with a portion of the assets allocated for selective direct investments.



Fund Investments

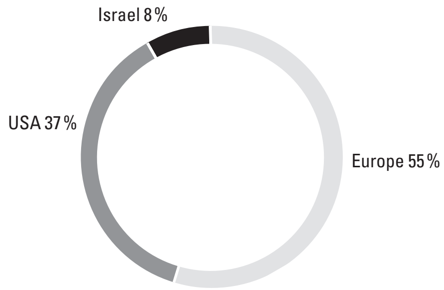
The Private Equity Holding Group continually evaluates private equity vehicles from which the most promising are selected. There are currently several hundred private equity vehicles in Europe and several thousand in the United States ranging in size from CHF 50 million to several billion CHF. The Private Equity Holding Group classifies the funds in which it invests in three categories:
(i) Venture Funds invest in companies in the start-up and early stages, but also in established companies with an interesting growth potential,
(ii) Balanced Funds invest in companies at various stages of development,
(iii) Buyout Funds invest primarily in management buy-outs and company take-overs.

The main criteria for the selection of private equity vehicles are a successful track record of the management team coupled with a sound investment strategy, a favorable investment environment in the targeted markets and countries, and the terms of the proposed investment, e.g. fees and profit sharing.

Direct Investments

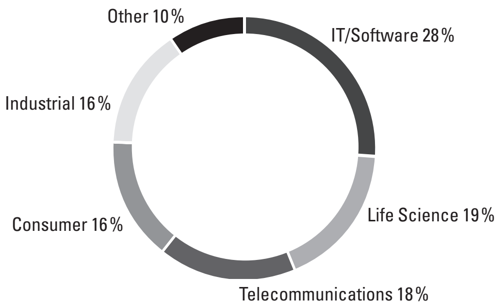
Through the participation in the leading private equity funds, the company receives a number of direct co-investment opportunities. From these, the most promising are selected.

Allocation by Geography



The geographic investment focus is mainly on Western Europe with emphasis on Switzerland, Germany, France and the United Kingdom. Investments outside this region are concentrated in the United States and Israel.

Allocation by Industry



Private Equity Holding AG does not have a specific target allocation by industry segment but seeks diversification across industries. Emphasis is placed, however, on investments in high-tech sectors including information technology, telecommunications, and life sciences.

Financing

To maintain a high level of investment of the Private Equity Holding Group's equity capital, fund commitments are kept higher than the capital base. Private Equity Holding Group may use debt financing at any time through a regular line of credit in an aggregate amount up to 50% of its equity. In every case, the sum of consolidated share capital and long-term debt must be at least 50% of the total fund commitments.

(All figures based on fair values as of March 31, 2002)

The ten largest investments ranked by share of fair value are highlighted below. Together they account for 38% of the total fair value of the investment portfolio of the Private Equity Holding Group.

DOUGHTY HANSON & Co

Doughty Hanson & Co. Funds III, LP 12 **7.7%**

Buyout fund. Focus: no specific industry sector; Western Europe and North America.

As a principal investor, Doughty Hanson & Co. usually takes a majority stake in its investments, and has sufficient funds available to complete even the largest transactions without syndication. The investment goal is to achieve attractive returns after a period of 3 – 5 years through successful flotation or sale to a third party in the industry. Since 1987, the funds managed by Doughty Hanson & Co. have invested in over 30 companies. The IRRs on realized investments were in the top-quartile range. At the end of December 2001, the fund had invested 66% of its committed capital in 13 companies in Europe and USA.

candover

Candover 1997, LP **5.4%**

Buyout fund. Focus: engineering, financial services, media, chemicals, leisure, healthcare, business services; Western Europe, mainly UK, Germany and France.

Candover invests jointly with reputable managers in medium-sized to large companies with a turn-over of between GBP 50 and 500 million. At the end of 2001, the fund was fully invested in 15 platform buyout transactions, 10 of which were UK based. The performance of the investee companies is overall very satisfactory and several exits have taken place; more are likely to take place in 2002. In the first quarter of 2002, the fund exited Pipeline Integrity International and Regional Independent Media, both at cash multiples above 2x cost and both at a respectable IRR.

DAVENPORT CAPITAL VENTURES

US Ventures, LP **4.8%**

Venture fund. Focus: software, telecommunications, internet; USA, Canada.

The fund investment in US Ventures, LP, the largest commitment made by the Private Equity Holding Group, was made in March 2000. The fund has fully drawn the capital commitments and made investments in the areas software, telecommunications and e-commerce. Due to revaluations of the underlying assets, Private Equity Holding AG made an extraordinary write-down on the venture fund participation US Ventures, LP of CHF 118 million to be recorded on the income statement for the financial year ending March 31, 2002.

alpha

Alpha Private Equity Fund 3 Boötes CI, LP **3.5%**

Buyout fund. Focus: no specific industry focus; France and Germany.

Alpha operates in the mid-market buyout sector mainly in France and Germany. Alpha's investment strategy focuses on family companies and smaller divisions of larger corporations which are market leaders in their respective segments, whether because of technological innovation, market share or the distribution channels they control. By the end of 2001, the fund had invested 81% of the committed capital in 12 companies, with 3 investments made last year (EUR 90 million). The fund's net asset value is currently in excess of paid-in capital.

Apax PARTNERS

Apax Europe IV-A, LP **3.4%**

Balanced fund. Focus: IT, telecommunications, healthcare/biotech, media and retail; pan-European.

At the end of December 2001, the fund had invested 78% of its committed capital in 68 companies in various industries and at different stages of development. By March 2002, approximately 20% of the committed capital had already been repaid to investors Apax Partners is one of the leading European private equity funds.

The European Private Equity Fund 'B', LP **3.3%**

Buyout fund. Focus: no specific industry focus; UK, Continental Europe.

Bridgepoint's position is based on an extensive deal-flow origination and execution network. The fund invests in private equity transactions in businesses located throughout Europe. At the end of 2001, 89% of the committed capital had been invested into 65 companies. The remaining capital is reserved for follow-on investments. The portfolio shows five exits to date. The last exit we have seen was the tradesale of Eurocom, a German data storage and services company (closed in early 2002). Bridgepoint achieved excellent returns on this investment. EPEF I is (slowly) reaching maturity. We expect that the fund will show more exits in 2002.

Duke Street Capital IV UK No. 2, LP **2.8%**

Buyout fund. Focus: leisure, printing/packaging, specialty chemicals, media; UK, Europe.

Duke Street Capital is an independent private equity fund which invests in established, mid-market pan-European businesses with an enterprise value in excess of EUR 30 million. Since its launch in spring 1999 up to the end of December 2001, the fund had invested 77% of its committed capital in 12 transactions, of which four were already realized. A substantial part of the commitments was returned. The rest of the portfolio companies are performing either in line with or ahead of the plan.

Apax France V-A, FCPR **2.6%**

Balanced fund. Focus: IT, internet, media, retail/consumer goods, healthcare; mainly France.

At the end of December 2001, the fund had called 95% of its committed capital and hence is fully invested. Investments were made in 27 companies in various industries and stages of development. The fund has not performed fully to expectations, in particular with regard to the internet-related investments . However, the management expects that the fund should return in excess of all capital commitments.

TVM "Medical Ventures" **2.5%**

Venture fund. Focus: Biotechnology, e-health, medical devices, healthcare services; Germany/Western Europe.

TVM Medical Ventures invests in high growth companies in the life sciences sector. The majority of these companies are based on cutting-edge science in the biotechnology field, with a special emphasis on the emerging discipline of genomics. At the end of March 2002, the fund had drawn down all of its commited capital, and made investments in 17 companies. So far the fund could realize 4 exits.

MPM BioVentures II-QP, LP **2.5%**

Venture fund. Focus: Health care with emphasis on biotechnology; USA, Europe.

MPM have an excellent network within the venture capital and scientific community which enables them to lead, syndicate and assess their investments excellently. By the end of 2001, the fund was 67% drawn down and had invested circa 54% of the fund into 31 companies. During 2001 the fund made 15 new investments, and several follow-on investments in companies.

A detailed description of all fund and direct investments held in the portfolio of the Private Equity Holding Group can be found on the company's website at www.peh.ch.

CHF 1,000	Note	1.4.01–31.3.02	1.4.00–31.3.01
Income			
Gains/(losses) on securities available for sale, net	12	67,530	210,479
Trading securities gains/(losses), net	13	(16,280)	(2,970)
Other income/(expenses), net		70	–
Total Income		**51,320**	**207,509**
Write-Downs	**14**	**258,838**	**106,275**
Expenses			
Administration expenses	19	26,707	42,928
Corporate expenses		3,907	3,606
Total Expenses		**30,614**	**46,534**
Total Income/(Loss) from Operations		**(238,132)**	**54,700**
Financing Income			
Interest income		1,982	7,207
Total Financing Income		**1,982**	**7,207**
Financing Expenses			
Interest expenses	9	18,280	8,744
Financing charges	9	1,905	–
Foreign exchange losses/(gains), net		8,538	(332)
Total Financing Expenses		**28,723**	**9,076**
Net Income/(Loss)		**(264,873)**	**52,831**
		CHF	CHF
Earnings/(Loss) per Share	10	**(60.67)**	**12.14**
Earnings/(Loss) per Share, Fully Diluted	10	**(60.67)**	**12.14**

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

Consolidated Balance Sheet

CHF 1,000	Note	31.3.02	31.3.01
Assets			
Current assets			
Cash and cash equivalents	3	33,221	45,124
Trading securities	4	13,250	70,081
Derivative financial instruments	6	195	–
Receivables and accrued income		4,124	776
Total current assets		**50,790**	**115,981**
Long-term assets			
Loans	5	12,911	8,958
Securities available for sale	5	1,133,990	1,552,344
Total long-term assets		**1,146,901**	**1,561,302**
Total Assets		**1,197,691**	**1,677,283**
Liabilities and Shareholders' Equity			
Current liabilities			
Trading liabilities	4	–	7,099
Payables	7	15,510	19,624
Short-term bank borrowings	8	–	142,369
Total current liabilities		**15,510**	**169,092**
Long-term liabilities	**9**	**250,000**	**150,000**
Total liabilities		**265,510**	**319,092**
Shareholders' equity			
Share capital paid in	10	450,000	450,000
Share capital premium		770,644	770,644
Treasury shares	10	(78,097)	(78,546)
Fair value reserve	11	(161,393)	–
Retained earnings		215,900	163,262
Profit/(loss) for the year		(264,873)	52,831
Total shareholders' equity		**932,181**	**1,358,191**
Total Liabilities and Shareholders' Equity		**1,197,691**	**1,677,283**

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

CHF 1,000	1.4.01–31.3.02	1.4.00–31.3.01
Cash Flows from Operating Activities		
Proceeds from sale of securities available for sale	348,074	308,142
Proceeds from sale of trading securities	46,559	64,072
Repayment of loans	(2,028)	15,958
Interest received	25,279	7,616
Commissions received	–	460
Other payments	70	–
Total	**417,954**	**396,248**
Securities available for sale purchased	(279,245)	(843,638)
Loans granted	(6,617)	(18,528)
Trading securities purchased	(13,173)	(30,423)
Management and performance fees paid	(31,978)	(46,997)
Interest paid	(42,895)	(8,722)
Old age and unemployment contributions paid	(8)	– [1]
Capital taxes paid	(266)	(244)
Bank charges paid	(66)	– [1]
Rent paid	(3)	– [1]
Insurance paid	(107)	– [1]
Professional fees paid	(2,131)	– [1]
Board member fees paid	(374)	– [1]
Borrowing costs paid	(2,104)	(3,482)
Travelling costs paid	(43)	– [1]
Marketing costs paid	(135)	– [1]
Stamp tax paid	–	(4,444)
Other payments	(61)	(307)
Total	**(379,206)**	**(956,785)**
Net Cash Provided by/(Used in) Operating Activities	**38,748**	**(560,537)**

[1] Due to different fee agreements, these cost components were included in the all-in-fee.

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

CHF 1,000	1.4.01–31.3.02	1.4.00–31.3.01
Cash Flows from Financing Activities		
Purchases of treasury shares	–	(157,811)
Proceeds from sales of treasury shares	256	72,774
Proceeds from short-term bank borrowings	–	142,369
Repayment of short-term bank borrowings	(142,369)	(25,359)
Proceeds from long-term bank borrowings	100,000	150,000
Net Cash Provided by/(Used in) Financing Activities	**(42,113)**	**181,973**
Foreign Currency Exchange Gains/(Losses)	**(8,538)**	**9**
Increase/(Decrease) in Cash and Cash Equivalents	**(11,903)**	**(378,555)**
Cash and cash equivalents at beginning of year	45,124	423,679
Cash and Cash Equivalents at End of Year	**33,221**	**45,124**

As the primary operations of the Group revolve around investment activities, no separate presentation in the consolidated statement of cash flows for operating and investing activities is made.

During the year ended March 31, 2002, the following non-cash transaction occurred:
– Reclassifications from direct investments to loans of CHF 2.9 million

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

CHF 1,000	Note	Share capital paid in	Share capital premium paid in	Treasury shares	Fair value reserve	Retained earnings	Profit/(loss) for the year	Total
Opening balance as of 1.4.00		450,000	770,644	–	–	169,753	–	1,390,397
Purchase of treasury shares		–	–	(157,811)	–	–	–	(157,811)
Sale of treasury shares		–	–	79,265	–	(6,491)	–	72,774
Net profit		–	–	–	–	–	52,831	52,831
Total as of 31.3.01		**450,000**	**770,644**	**(78,546)**	**–**	**163,262**	**52,831**	**1,358,191**
Opening balance as of 1.4.01		450,000	770,644	(78,546)	–	216,093[1]	–	1,358,191
Effect of adopting IAS 39	11	–	–	–	392,702	–	–	392,702
Balance at 1.4.01, restated		450,000	770,644	(78,546)	392,702	216,093	–	1,750,893
Sale of treasury shares	10	–	–	449	–	(193)	–	256
Losses from fair valuation	11	–	–	–	(554,095)[2]	–	–	(554,095)
Net loss		–	–	–	–	–	(264,873)	(264,873)
Total as of 31.3.02		**450,000**	**770,644**	**(78,097)**	**(161,393)**	**215,900**	**(264,873)**	**932,181**

[1] Total as of March 31, 2001 (CHF 163,262) plus net profit (CHF 52,831)
[2] Included in this amount is the transfer of CHF 74.9 million to the income statement as the corresponding investments have been sold (see Note 12)

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

Note 1: Group Structure

Private Equity Holding AG (the "Company"), is a joint stock company incorporated under Swiss law with the registered address at Innere Güterstrasse 4, 6300 Zug, Switzerland. The business activities of the Company are conducted mainly through its subsidiaries (together the "Group").

The primary activity of the Group consists of purchasing, holding in the short to medium term and disposing of investments in independent companies and private equity funds, whose operations are not yet fully developed, but whose growth potential management and the Boards of Directors of the subsidiaries deem to be above average. This investment activity can be carried out directly by the Company or indirectly through its subsidiaries. The investment management of the Group is provided by SLPEP (Cayman) Ltd., Cayman Islands (SLPEPC), and the corporate management of the Company is conducted by Swiss Life Private Equity Partners Ltd., Zurich (SLPEP). SLPEP and SLPEPC are referred to together as SLPEP Group.

As of March 31, 2002, the Group has no employees.

Note 2: Accounting Policies

Basis of Presentation

The consolidated financial statements of the Group are prepared in accordance with International Accounting Standards ("IAS") and the accounting guidelines laid down in the SWX Swiss Exchange's supplementary listing rules for investment companies. The consolidated financial statements are prepared under the historical cost convention, modified by the fair valuation of securities available for sale, financial assets and financial liabilities held for trading and all derivative contracts. The preparation of financial statements in conformity with IAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

These consolidated financial statements were authorized for issue on June 16, 2002 by the Board of Directors.

Changes in Accounting Policies

Effective April 1, 2001, the Group adopted IAS 39 Financial Instruments: Recognition and Measurement. The financial effects of adopting IAS 39 are reported in the consolidated statement of changes in shareholders' equity. Further information is disclosed in accounting policies for loans, investments and derivative financial instruments.

During 2001/2002 the Group adopted the policy of accruing capital calls payable and distributions receivable from fund investments. As of March 31, 2002, CHF 2.5 million are included in receivables and accrued income for distribution receivable and CHF 8.4 million are included in payables for capital calls payable (see Note 7).

Principles 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
Private Equity Holding AG	Zug, Switzerland	n/a
Private Equity Holding Cayman	Grand Cayman, Cayman Islands	100 %
Private Equity Holding (Luxembourg) SA	Luxembourg, Luxembourg	100 %
Private Equity Holding (Netherlands) BV	Amsterdam, Netherlands	100 %
Private Equity Fund Finance	Grand Cayman, Cayman Islands	100 %
Private Equity Star Finance	Grand Cayman, Cayman Islands	100 %
Private Equity SR Finance	Grand Cayman, Cayman Islands	100 %
Private Equity Direct Finance	Grand Cayman, Cayman Islands	100 %
Private Equity Co-Finance	Grand Cayman, Cayman Islands	100 %
Private Equity Bridge Finance	Grand Cayman, Cayman Islands	100 %
Private Equity US Holding Cayman	Grand Cayman, Cayman Islands	100 %
Private Equity US Fund Finance	Grand Cayman, Cayman Islands	100 %
Private Equity US Direct Finance	Grand Cayman, Cayman Islands	100 %

As of March 31, 2002, the Group holds ownership interests of 50% or more in the following fund investments. In certain cases, the investments were made into parallel funds in order to achieve favorable tax treatments. In these cases the percentage in the overall fund is significantly below 50%.

Alpha Private Equity Fund III Boötes CI, LP
Doughty Hanson & Co. Funds III, LP 12
Formula Ventures Partners, LP
InSight Capital Partners (Cayman) II, LP
InSight Capital Partners (Cayman) III, LP
Newbury Ventures Cayman, LP
TAT Investments I CV
Trefoil Euro Fund, LP
US Ventures, LP

As these investments of the Group are held as part of the Group's portfolio solely for the purpose of capital gains upon sale in the near future, the Group's management considers that consolidation or equity accounting would not give a true and fair view of the Group's interest in its investments.

Segment Reporting

The Group is focused exclusively on one business activity, the investment in private equity markets. Accordingly, there is no segment disclosure reporting.

Earnings per Share

Earnings per share are calculated using the weighted average number of shares in issue, net of treasury share transactions.

Foreign Currencies

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

All transactions in foreign currencies entered into by the Group are recorded in Swiss Francs at the exchange rate in effect on the day of the transaction. Gains and losses resulting from transactions settled at a later date are recorded in the consolidated income statement.
Monetary assets and liabilities denominated in foreign currencies are translated into Swiss Francs at the exchange rate valid at the end of the fiscal year. Realized and unrealized gains and losses on foreign currency transactions with monetary assets and liabilities are charged or credited to the income statement as "Foreign currency exchange gains/(losses), net". Non-monetary assets and liabilities (including equity instruments and share capital) denominated in foreign currencies are translated at historical rates. Gains and losses resulting from translation of foreign currency balances in non-monetary assets and liabilities are recognized directly in equity.

Cash and Cash Equivalents

Cash and cash equivalents comprise demand, call and term deposits with a maturity of three months or less.

Loans

Effective April 1, 2001, the Group adopted IAS 39. Pursuant to the provisions of IAS 39 loans are measured at amortized costs less any impairment adjustments. 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 amortizations are recorded in the income statement or balance sheet, respectively. Prior to adopting IAS 39 the loans were also measured at amortized cost less any impairment adjustments.

Investments

Effective April 1, 2001, the Group adopted IAS 39 and classified its investment securities into the following two categories: trading securities and securities available for sale. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Securities Available for Sale

Investments intended to be held for an indefinite period of time for the purpose of capital gains upon sale are classified as available for sale. Securities available for sale are initially recorded at cost. These securities are subsequently re-measured at fair value (see separate section "Fair Values"). Gains and losses arising from changes in the fair value of securities available for sale are recognized in equity. When the securities are disposed of or once they are impaired, the related accumulated fair value adjustments are included in the income statement as "Gains/(losses) on securities available for sale, net". A financial asset is impaired if its carrying is greater than its estimated recoverable amount.

The effect of adopting IAS 39 as of April 1, 2001, is shown in the consolidated statement of changes in shareholders' equity and represents the impact on changing from carrying the securities at cost to fair valuation.

Prior to the adoption of IAS 39 these investments were carried at cost less any impairment adjustment.

Trading Securities

Trading securities are securities which were either distributed by funds or direct investments which went public. These securities are initially recognized at cost and subsequently re-measured at fair value. All related realized and unrealized gains and losses are included in the income statement as they arise.

Derivative Financial Instruments

Derivative financial instruments including foreign exchange contracts, stock market indices and interest rate futures, forward rate agreements, currency and interest rate options (both written and purchased) and other derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are re-measured at their fair value. All derivatives are carried in assets when amounts are receivable by the Group and in liabilities when amounts are payable by the Group.

On the date a derivative contract is entered into, the Group designates certain derivatives as either (1) a hedge of the fair value of a recognized asset or liability (fair value hedge); or, (2) a hedge of a future cash flow attributable to a recognized asset or liability, a forecasted transaction or a firm commitment (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group's criteria for a derivative instrument to be accounted for as a hedge include:
– formal documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship is prepared before hedge accounting is applied;
– the hedge is documented showing that it is expected to be highly effective in offsetting the risk in the hedged item throughout the reporting period; and
– the hedge is effective on an ongoing basis.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that prove to be highly effective in relation to the hedged risk, are recorded in the income statement, along with the corresponding change in fair value of the hedged asset or liability that is attributable to that specific risk.

If the hedge no longer meets the criteria for hedge accounting, an adjustment to the carrying amount of a hedged interest-bearing financial instrument is amortized to net profit or loss over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that prove to be highly effective in relation to the hedged risk are recognized in fair value reserve in equity. Where the forecasted transaction or firm commitment results in the recognition of an asset or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts deferred in equity are transferred to the income statement and classified as revenue or expense in the periods during which the hedged firm commitment or forecasted transaction affects the income statement.

Borrowings and Borrowing Costs

Borrowings on the consolidated balance sheet are carried at nominal values. Borrowing costs are recognized as an expense in the period in which they are incurred.

Taxes

Private Equity Holding AG

The Company is taxed as a holding company in the Canton of Zug. Income, including the dividend income and capital gains from its participations, is exempt from taxation at the cantonal and communal level.

For Swiss federal tax purposes, an 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 20% of the other company's share capital or has a value of not less than CHF 2 million. The participation exemption is extended to capital gains on the sale of a substantial participation (i.e., at least 20%), which has been acquired after January 1, 1997, and was held for a minimum holding period of one year. The result of the participation exemption pursuant to the aforementioned requirements is that dividend income and capital gains are almost fully excluded 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 30% for the first NLG 50,000 of profit and at a rate of 35% thereafter. However, there is no income tax due on dividends and capital gains if the related investment qualifies for the participation exemption. To date, there is no final ruling from the Dutch tax authorities regarding the application of the tax relief for dividends and capital gains.

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 37%. However, there is no income tax due on dividends and capital gains if the related investment qualifies for the participation exemption. To date, there is no final ruling from the Luxembourg tax authorities regarding the application of the tax relief for dividends and capital gains.

Revenue Recognition

Security and investment transactions are accounted for on a trade date basis, being the date the order to buy or sell is executed. Dividends from investee companies or funds are recorded as income on the day the Group obtains the right to the dividends. Interest income on deposits and loans to investee companies is recognized on an accrual basis.

Financial Instruments

The majority of the Group's consolidated balance sheet positions qualify as financial instruments, and their accounting treatment and valuation principles are discussed above.

Fair Values

The following comments reflect the method of determining the fair value of the financial instruments.

Trading Securities

The fair values for trading securities are based on quoted bid prices.

Securities Available for Sale

The fair values assigned to securities 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 securities available for sale existed, and those differences could be material.

The responsibility for determining fair values of the securities available for sale lies exclusively with the Board of Directors.

Direct Investments

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.

In determining the fair value of a quoted investment, the Group assesses the reliability of the price quotation for that investment. In assessing whether a price quotation is representative of fair value, all of the following factors are considered (as applicable): the source and age of the quotation, variation among quotes should multiple quotations be available, the size of the bid-ask spread, the depth of the market in that security, unique security rights (including restrictions on transferability), and the nature of the quote (based on an orderly sale or immediate transaction).

If determined to be representative of fair value, the investment is valued using the quoted bid price without adjustment. If the quoted price is not considered to be representative of fair value, the Group assesses whether sufficient objective and reliable evidence exists to substantiate and quantify an adjustment to the quoted price. In this regard, the following would be considered objective and reliable evidence: a contractual agreement to sell the investment in question at a different price in the immediate future.

If sufficient objective and reliable evidence exists to substantiate and quantify adjustments to the quoted price, the investments are valued by reference to the quoted bid price including the adjustment. If sufficient objective and reliable evidence to substantiate and quantify adjustments to the quoted price does not exist, the investment is valued by reference to the procedures for unquoted investments.

Unquoted Investments

In estimating the fair value of an unquoted investment, the Group considers all appropriate and applicable factors relevant to their value, including but not limited to the following:
– 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

Based on a composite assessment of all appropriate and applicable indicators of fair value, the Group makes a good faith estimate of the fair value as of the valuation date.

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

Derivative Financial Instruments

Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

Other Balance Sheet Positions

All other financial assets and liabilities have maturities of three months or less except for long-term borrowings which mature as described in Note 9. The fair values of such positions, therefore, are deemed to be equal to book value. Interest on the Swiss Life Finance loan is based on market rates such that the fair value equals book value.

Note 3: Cash and Cash Equivalents	31.3.02 CHF 1,000	31.3.01 CHF 1,000
Cash and demand deposits	4,162	17,585
Term deposits	29,059	27,539
	33,221	**45,124**

As of March 31, 2002, CHF 4.0 million of cash and demand deposits is subject to restrictions pursuant to the credit facility agreement described in Note 9 (2001: CHF 7.6 million).

See Note 19 regarding cash and cash equivalents deposited with related parties.

Note 4: Trading Securities	31.3.02 CHF 1,000	31.3.01 CHF 1,000
Shares (cost CHF 14,129; 2001: CHF 76,121)	13,250	70,081
Securities sold short (proceeds CHF 0; 2001: CHF 8,121)	–	7,099

As of March 31, 2002, freely tradeable securities are carried at market value and amount to CHF 13.2 million (2001: CHF 42.2 million). Tradeable securities with underlying restrictions are carried at market value and amount to CHF 0 (2001: CHF 27.9 million).

Note 5: Securities Available for Sale and Loans	31.3.02 CHF 1,000	31.3.01 CHF 1,000
Fund Investments (2001: at cost, 2002: at fair values)	1,045,534	1,409,541
Direct Investments (2001: at cost, 2002: at fair values)	88,456	142,803
	1,133,990	**1,552,344**
Loans	**12,911**	**8,958**

The following amounts have been called in connection with capital commitments made to investees from April 1, 2002, up to the date of issuance of these consolidated financial statements. These amounts are due and payable after March 31, 2002, and therefore they are not reflected in the consolidated balance sheet.

	Original currency	Original amount CHF 1,000	Original due date
Abingworth Bioventures II, SICAV	USD	516.6	22.5.02
Alfieri Associated Investors Serviços des Consultoria SA	EUR	790.2	3.5.02
Amadeus II “B”, LP	GBP	143.7	15.4.02
Apax Europe IV - A, LP	EUR	733.3	9.4.02
Apax France VI, LP	EUR	1,167.7	8.4.02
Carmel Software Fund (Cayman), LP	USD	808.4	22.5.02
Clayton, Dubilier & Rice Fund VI, LP	USD	1,091.2	19.4.02
Digital Ventures II Limited	USD	386.4	1.5.02
Doughty Hanson & Co. III, LP 12	USD	6,375.2	30.5.02
EAC (Scotland), LP	EUR	581.2	10.5.02
Elderstreet Capital Partners	GBP	333.9	1.4.02
European E-Commerce Fund “B”, LP	USD	107.0	1.5.02
European Private Equity Fund “B”, LP	GBP	318.9	15.4.–2.5.02
France Private Equity Fund II, FCPR	EUR	2,406.3	24.4.02
Index Venture I (Jersey), LP	USD	107.0	7.5.02
Insight Capital Partners (Cayman) IV, LP	USD	1,166.1	4.4.02
Intersouth Partners V, LP	USD	315.4	21.5.02
Italian Private Equity Fund III, LP	EUR	4,280.9	9.4.–15.5.02
MPM Bioventurs II-QP, LP	USD	2,002.6	2.5.02
Palamon European Equity “C”, LP	EUR	413.8	1.5.02
Pitango Venture Capital II (USA), LP	USD	1,374.3	1.5.02
Shamrock Capital Growth Fund, LP	USD	2,467.6	8.5.02
Trefoil Euro Fund, LP	USD	294.4	13.5.02

Note 5a: Securities Available for Sale and Loans		Commitments 1,000			
Funds	Original Currency	Original Amount Original Currency	Paid in through 31.3.02 Original Currency	Outstanding Commitment Original Currency	Outstanding Commitment CHF
Venture Funds					
Abingworth Bioventures II, SICAV	USD	5,210	4,362	848	1,427
Amadeus II "B"	GBP	3,000	903	2,097	5,028
Atlas Venture Fund III, LP	USD	11,900	11,900	0	0
Atlas Venture Fund IV, LP	USD	38,000	38,000	0	0
Atlas Venture Fund V, LP	USD	40,000	40,000	0	0
Banexi Ventures II, FCPR	EUR	7,622	7,622	0	0
Banexi Ventures III, FCPR	EUR	10,000	4,000	6,000	8,791
Boulder Ventures III, LP	USD	7,500	6,937	563	947
Boulder Ventures IV, LP	USD	15,000	1,875	13,125	22,088
Carmel Software Fund (Cayman), LP	USD	10,000	3,250	6,750	11,360
CDC Innovation 2000, FCPR	EUR	10,002	8,076	1,926	2,822
Columbia Capital Equity Partners II (Cayman), LP	USD	7,000	5,940	1,060	1,784
Columbia Capital Equity Partners III (Cayman), LP	USD	10,000	4,050	5,950	10,013
Crescendo IV, LP	USD	30,000	18,786	11,214	18,872
Digital Ventures II Limited	USD	10,000	8,431	1,569	2,640
Elderstreet Capital Partners, LP	GBP	7,000	4,564	2,436	5,840
European E-Commerce Fund "B", LP	USD	7,500	6,143	1,357	2,284
Evergreen Partners US Direct Fund III, LP	USD	10,000	6,000	4,000	6,732
FCPR Innovacom 4	EUR	5,000	2,750	2,250	3,297
Formula Ventures II, LP	USD	10,000	2,250	7,750	13,042
FV-PEH, LP (formerly Formula Ventures I)	USD	15,000	13,831	1,169	1,967
Galileo II, FCPR	EUR	15,245	15,245	0	0
Galileo III, FCPR	EUR	10,000	10,000	0	0
Grosvenor Venture Partners III, LP	USD	4,000	4,000	0	0
Index Venture I (Jersey), LP	USD	7,500	6,594	906	1,525
InSight Capital Partners (Cayman) II, LP	USD	7,960	8,090	(130)	(219)
InSight Capital Partners (Cayman) III, LP	USD	30,000	28,650	1,350	2,272
InSight Capital Partners (Cayman) IV, LP	USD	20,000	3,900	16,100	27,095
Intersouth Partners V, LP	USD	10,000	3,625	6,375	10,728
InVenture, Inc.	USD	4,650	4,650	0	0
JK & B Capital III, LP	USD	20,000	12,440	7,560	12,723
Kiwi I-Ventura Serviços SA	EUR	7,500	7,561	(61)	(89)
Kiwi II-Ventura Serviços de Consultaria SA	EUR	14,000	11,685	2,315	3,392
MiniCap Technology Investment AG	CHF	9,882	10,966	(1,084)	(1,084)
MPM BioVentures II-QP, LP	USD	25,000	16,765	8,235	13,859
NeSBIC Converging Technologies e-commerce (Cte) Fund II	EUR	25,000	12,500	12,500	18,315
Newbury Ventures Cayman III, LP	USD	15,000	3,750	11,250	18,933
Newbury Ventures Cayman, LP	USD	7,300	7,300	0	0
Newbury Ventures, LP	USD	2,700	2,700	0	0
Partech International Ventures IV, LLC	USD	15,000	6,044	8,956	15,072
Piper Jaffray Healthcare Fund III, LP	USD	10,000	8,719	1,281	2,156
Pitango Venture Capital III (USA), LP	USD	17,000	6,812	10,188	17,145
Polaris Venture Partners III, LP	USD	15,000	8,700	6,300	10,602
Renaissance Ventures, LP	GBP	5,000	3,000	2,000	4,795
Sofinnova Capital III, FCPR	EUR	9,147	7,702	1,445	2,117
Sofinnova Venture Partners IV, LP	USD	6,000	5,700	300	505
Sofinnova Venture Partners V, LP	USD	20,000	9,000	11,000	18,512
Star Growth Enterprise GbR	USD	10,000	7,400	2,600	4,376
Star Seed Enterprise GbR	USD	5,000	5,000	0	0
Strategic European Technologies NV	EUR	18,151	18,151	0	0
SVE Star Ventures Enterprises GmbH & Co. No. IX KG	USD	15,000	5,475	9,525	16,030

			Book Values				
Book Value 1.4.01 CHF 1,000	**Adopting IAS 39** CHF 1,000	**Fair Value 1.4.01** CHF 1,000	**Increase** [1] CHF 1,000	**Decrease** [2] CHF 1,000	**Write-down** [3] CHF 1,000	**Change in** [4] **Fair Value** CHF 1,000	**Fair Value 31.3.02** CHF 1,000
2,723	5,034	7,757	1,563	0	0	1,178	10,498
0	0	0	7,661	(5,433)	0	(492)	1,736
13,421	23,110	36,531	728	(14,149)	0	(23,110)	0
47,087	30,726	77,813	0	(47,087)	0	(30,726)	0
31,603	(1,739)	29,864	5,223	(36,826)	0	1,739	0
9,745	31,050	40,795	2,325	(520)	0	(29,044)	13,556
3,061	(194)	2,867	2,969	0	0	(708)	5,128
8,686	4,376	13,062	1,882	0	0	(8,584)	6,360
0	0	0	3,199	0	0	(658)	2,541
3,490	(365)	3,125	2,107	0	0	(725)	4,507
8,638	3,921	12,559	2,981	(1,249)	0	(4,250)	10,041
8,482	(293)	8,189	1,039	(343)	(776)	(4,106)	4,003
4,834	(343)	4,491	2,039	(79)	0	(2,016)	4,435
29,743	(373)	29,370	2,434	0	(4,556)	(13,744)	13,504
12,290	2,188	14,478	1,598	(75)	(6,893)	(3,051)	6,057
4,846	(192)	4,654	1,936	0	0	(1,347)	5,243
7,469	1,064	8,533	2,476	0	(4,015)	(1,342)	5,652
7,535	(486)	7,049	2,495	(276)	0	(2,789)	6,479
0	0	0	4,181	0	0	(480)	3,701
859	9	868	2,978	0	0	(483)	3,363
16,920	10,848	27,768	5,197	0	0	(16,041)	16,924
8,612	10,194	18,806	1,157	(9,769)	0	(10,194)	0
3,226	(227)	2,999	0	(3,226)	0	227	0
6,670	828	7,498	0	(313)	0	(1,498)	5,687
9,058	1,277	10,335	1,357	(1,069)	(4,596)	(919)	5,108
10,360	20,451	30,811	0	(1,935)	0	(23,881)	4,995
36,985	12,372	49,357	5,319	(329)	(1,832)	(26,785)	25,730
5,152	(301)	4,851	1,493	0	0	(807)	5,537
2,839	(312)	2,527	3,305	0	0	(1,302)	4,530
7,222	4,079	11,301	0	0	0	(2,617)	8,684
20,175	2,874	23,049	748	0	0	(10,303)	13,494
967	22,664	23,631	0	(84)	0	(8,419)	15,128
10,706	(1,532)	9,174	5,767	(1,266)	(441)	(1,575)	11,659
9,883	293	10,176	0	0	(2,849)	(294)	7,033
15,287	(454)	14,833	13,138	0	0	(1,165)	26,806
10,301	(72)	10,229	3,813	0	(5,538)	(3,143)	5,361
2,658	(203)	2,455	3,721	(205)	0	(905)	5,066
11,001	64,878	75,879	0	(1,364)	0	(66,577)	7,938
4,002	23,767	27,769	0	(419)	0	(24,225)	3,125
7,270	(266)	7,004	2,843	0	(2,389)	(2,037)	5,421
10,404	503	10,907	3,960	(246)	0	(3,009)	11,612
7,225	(206)	7,019	4,332	0	0	(3,359)	7,992
9,509	(147)	9,362	4,817	0	0	(4,330)	9,849
4,979	(992)	3,987	2,464	0	0	(541)	5,910
9,422	4,799	14,221	1,351	0	0	(3,925)	11,647
8,367	11,825	20,192	0	(256)	0	(11,654)	8,282
8,309	(1,252)	7,057	6,910	0	(1,783)	(265)	11,919
7,733	363	8,096	3,995	0	0	(626)	11,465
7,776	220	7,996	0	0	0	(746)	7,250
22,129	(854)	21,275	5,538	0	(8,582)	554	18,785
6,042	466	6,508	2,926	0	0	(868)	8,566

[1] Increases represent capital calls.
[2] Decreases represent the cost component of distribution and sales proceeds.
[3] Write-downs represent a permanent decline in values and are accounted for in the income statement.
[4] Change in fair value represents temporary changes in value and is accounted for in shareholders' equity, "fair value reserve".

Note 5a: Securities Available for Sale and Loans (continued from page 34)

Funds	Original Currency	Commitments 1,000 Original Amount Original Currency	Paid in through 31.3.02 Original Currency	Outstanding Commitment Original Currency	Outstanding Commitment CHF
Venture Funds					
SVE Star Ventures Enterprises VII GbR	USD	5,000	4,325	675	1,136
TAT Investments I CV	USD	24,000	23,649	351	591
TAT Investments II CV	USD	15,000	9,812	5,188	8,731
TVM "Medical Ventures"	EUR	12,782	12,782	0	(0)
TVM IV GmbH & Co. KG	EUR	15,000	10,125	4,875	7,143
TVM No. III, LP	USD	3,675	3,675	0	0
TVM Techno Venture Management III GmbH & Co. Bet.-KG	EUR	5,369	5,369	0	0
US Ventures, LP	USD	120,000	120,000	0	0
VantagePoint Communications Partners, LP	USD	10,000	9,000	1,000	1,683
VantagePoint Venture Partners III, LP	USD	20,000	13,000	7,000	11,780
VantagePoint Venture Partners IV (Q), LP	USD	40,000	6,400	33,600	56,545
Wellington Partners Ventures II GmbH & Co. KG (A)	EUR	6,000	3,010	2,990	4,381
					409,683
Balanced Funds					
Apax Europe IV-A, LP	EUR	50,000	42,000	8,000	11,722
Apax France V-A, FCPR	EUR	22,875	21,123	1,752	2,567
Apax France VI, FCPR	EUR	29,970	7,595	22,375	32,784
Apax Germany II, LP	EUR	10,226	10,244	(18)	(26)
Apax UK VI-C, LP	GBP	3,000	3,074	(74)	(177)
EAC (Scotland), LP	EUR	20,000	19,209	791	1,159
European Secondary Development Fund, LP	EUR	4,573	4,116	457	670
France Private Equity Fund II, FCPR	EUR	9,145	4,063	5,082	7,446
Klesch Capital Partners, LP	USD	15,000	15,588	(588)	(990)
Palamon European Equity "C", LP	EUR	10,000	4,585	5,415	7,934
Shamrock Capital Growth Fund, LP	USD	25,000	6,930	18,070	30,410
Trefoil Euro Fund, LP	USD	19,568	19,768	(200)	(337)
					93,161
Buyout Funds					
Alfieri Associated Investors Serviços de Consultaria SA	EUR	15,000	4,419	10,581	15,503
Alpha Private Equity Fund 3 Bootes CI, LP	EUR	26,000	24,180	1,820	2,667
Candover 1997, LP	GBP	28,400	28,252	148	355
Cinven "The Second Fund"	GBP	30,000	23,963	0	0
Clayton, Dubilier & Rice Fund VI, LP	USD	50,000	21,456	28,544	48,037
CVC European Equity Partners II (Jersey), LP	USD	50,000	41,809	0	0
Doughty Hanson & Co. Funds III, LP 12	USD	65,000	47,152	17,848	30,036
Duke Street Capital IV UK No. 2, LP	EUR	28,000	27,012	988	1,448
Europe Capital Partners IV, LP	EUR	10,000	10,000	2,472	7,528
GCV Capital Partners V "A" & "E"	GBP	10,000	5,025	4,975	11,928
Halder Investments IV-A CV	EUR	13,613	13,628	13,628	(15)
Italian Private Equity Fund III, LP	EUR	20,000	9,887	10,113	14,818
Mercapital Spanish Private Equity (Jersey) Partners II, LP	EUR	13,523	12,873	650	952
Nordic Capital IV, LP	SEK	120,000	79,283	40,717	6,604
Procuritas Capital Partners II, LP	SEK	40,000	31,379	8,621	1,398
The European Private Equity Fund "B", LP	GBP	15,000	13,322	1,678	4,023
Rounding					
					148,777
Total Fund Investments					**651,621**

Book Values							
Book Value 1.4.01 CHF 1,000	Adopting IAS 39 CHF 1,000	Fair Value 1.4.01 CHF 1,000	Increase [1] CHF 1,000	Decrease [2] CHF 1,000	Write-down [3] CHF 1,000	Change in [4] Fair Value CHF 1,000	Fair Value 31.3.02 CHF 1,000
6,441	882	7,323	0	0	0	(31)	7,292
32,281	15,194	47,475	864	(1,710)	0	(29,655)	16,974
11,875	(189)	11,686	4,323	0	0	(3,276)	12,733
19,299	15,785	35,084	974	0	0	(9,098)	26,960
13,374	(547)	12,827	2,254	0	0	(1,717)	13,364
5,214	624	5,838	0	0	0	1,232	7,070
5,069	23,236	28,305	0	(795)	0	(18,117)	9,393
193,103	(2,433)	190,670	0	(7,896)	(118,073)	(14,401)	50,300
11,195	14,865	26,060	819	0	0	(16,618)	10,261
16,247	7,541	23,788	3,383	(582)	0	(15,396)	11,193
5,388	(953)	4,435	5,529	0	(1,468)	(2,900)	5,596
1,883	(31)	1,852	1,808	(119)	0	(932)	2,609
827,070	**357,350**	**1,184,420**	**155,919**	**(137,620)**	**(163,791)**	**(466,876)**	**572,052**
47,264	(4,528)	42,736	10,208	(1,271)	(5,673)	(9,686)	36,314
30,155	6,359	36,514	3,013	(823)	0	(10,993)	27,711
7,469	(366)	7,103	4,126	0	(3,787)	(3,209)	4,233
9,173	6,570	15,743	0	(1,266)	0	(5,793)	8,684
5,247	569	5,816	0	(348)	0	(2,677)	2,791
28,380	2,995	31,375	1,833	0	0	(7,873)	25,335
3,730	43	3,773	676	(574)	0	374	4,249
3,393	(110)	3,283	1,532	0	(1,338)	(1,521)	1,956
10,000	1,533	11,533	0	0	(10,000)	(1,533)	0
4,397	(8)	4,389	2,631	0	0	(2,305)	4,715
6,166	281	6,447	8,231	(2,851)	0	(1,841)	9,986
34,436	(478)	33,958	344	0	(13,132)	(12,294)	8,876
189,810	**12,860**	**202,670**	**32,594**	**(7,133)**	**(33,930)**	**(59,351)**	**134,850**
3,859	2	3,861	2,814	0	0	(205)	6,470
22,916	(1,093)	21,823	14,109	0	0	981	36,913
54,227	1,497	55,724	4,520	(3,571)	0	118	56,791
51,390	1,801	53,191	6,176	(57,566)	0	(1,801)	0
30,310	2,663	32,973	5,496	0	(4,871)	(14,699)	18,899
49,044	6,220	55,264	11,525	(60,800)	231	(6,220)	0
63,455	112	63,567	4,951	0	0	13,116	81,634
27,166	2,407	29,573	9,312	(11,594)	0	2,472	29,763
1,818	(803)	1,015	2,019	0	0	(520)	2,514
7,009	(624)	6,385	5,121	(218)	0	185	11,473
20,323	(847)	19,476	0	0	0	(3,179)	16,297
7,932	(1,116)	6,816	7,157	0	(1,132)	(1,636)	11,205
18,617	231	18,848	1,602	(610)	0	(6,174)	13,666
1,418	(107)	1,311	11,200	0	0	(97)	12,414
4,288	(326)	3,962	300	(507)	0	2,058	5,813
28,889	4,470	33,359	2,438	(266)	0	(752)	34,779
					(3)	4	1
392,661	**14,487**	**407,148**	**88,740**	**(135,132)**	**(5,775)**	**(16,349)**	**338,632**
1,409,541	**384,697**	**1,794,238**	**277,253**	**(279,885)**	**(203,496)**	**(542,576)**	**1,045,534**

[1] Increases represent capital calls.
[2] Decreases represent the cost component of distribution and sales proceeds.
[3] Write-downs represent a permanent decline in values and are accounted for in the income statement.
[4] Change in fair value represents temporary changes in value and is accounted for in shareholders' equity, "fair value reserve".

Note 5a: Securities Available for Sale and Loans (continued from page 36)	Original Currency	Commitments 1,000 Original Amount Original Currency	Paid in through 31.3.02 Original Currency
Direct Investments			
Applied Spectral Imaging Ltd., Jerusalem, Israel	USD	4,036	4,036
ArrayComm, Inc., San Jose, CA, USA	USD	5,000	5,000
ART Advanced Recognition Technologies Inc., Topanga Canyon USA/ Israel	USD	750	750
Autobahn Tank & Rast Holding GmbH, Bonn, Germany	EUR	549	549
Avecia Ltd., Manchester, United Kingdom	GBP	7,073	7,073
Betterware plc, Birmingham, United Kingdom	GBP	188	188
CanalWeb.net, Paris, France	EUR	572	572
Categoric Ltd., Leatherhead, Surrey, United Kingdom	GBP	1,102	1,102
CCMX, Issy-les-Moulineaux, France	EUR	3,689	3,689
Centaur Pharmaceuticals, Inc., Sunnyvale, CA, USA	USD	8,284	8,284
Chiaro Networks Ltd., Richardson, TX, USA	USD	4,000	4,000
CyDex, Inc., Overland Park, KS, USA	USD	2,000	2,000
Cytos Biotechnology AG, Zurich, Switzerland	CHF	3,499	3,499
Enanta Pharmaceuticals, Inc., Weston, MA, USA	USD	3,500	3,500
EpiCept Corporation, New Jersey, USA	USD	2,000	2,000
Framesoft AG, Zug, Switzerland	EUR	2,000	2,000
GeneSoft, Inc., San Francisco, CA, USA	USD	3,000	3,000
HyperWave AG, Munich, Germany	EUR	6,511	6,511
IDM Immuno-Designed Molecules SA, Paris, France	EUR	1,372	1,372
Industry to Industry Inc., Boston, MA, USA	USD	2,500	2,500
Viviance AB, Stockholm, Sweden	CHF	1,554	1,554
LEA SA, Cesson-Sévigne, France	EUR	639	639
MainControl, Inc., McLean, VA, USA	USD	3,000	3,000
Neurotech SA, Orsay, France	EUR	1,372	1,372
Nordsee Holding GmbH, Bremerhaven, Germany	EUR	323	323
Peptor Ltd., Rehovot, Israel	USD	5,000	5,000
Surface/Interface, Inc., Sunnyvale, CA, USA	USD	5,130	5,130
Synt:em SA, Nimes, France	EUR	3,000	3,000
Tecoplan AG, Ottobrunn/Munich, Germany	EUR	1,023	1,023
Tinka-Serviços de Consultoria, SA, Madeira, Portugal	EUR	5,211	5,211
Unitive Electronics Holding Ltd., Raleigh, NC, USA	USD	5,500	5,500
Viviance AG new education, St. Gallen, Switzerland	CHF	3,056	3,056
Wilex AG, Munich, Germany	EUR	492	492
ZF Linux Devices, Inc., Palo Alto, CA, USA	USD	2,813	2,813
Rounding			
Total Direct Investments			
Total Securities Available for Sale			
Loans			
Subordinated			
Autobahn Tank & Rast Holding GmbH, Bonn, Germany	EUR	2,096	2,096
Nordsee Holding GmbH, Bremerhaven, Germany	EUR	1,212	1,212
Other Loans			
Betterware plc, Birmingham, United Kingdom	GBP	1,858	1,858
Categoric Software Ltd./Corp., Surbiton, United Kingdom	USD	1,739	1,739
Enanta Pharmaceuticals Inc., Weston, MA, USA	USD	809	809
Framesoft AG, Zug, Switzerland	EUR	2,000	2,000
Main Control Inc., McLean, VA, USA	USD	498	498
TAT I Investments, LP	USD	1,000	1,000
Viviance AG new education, St. Gallen, Switzerland	CHF	666	666
Total Loans			

Book Value 1.4.01 CHF 1,000	Adopting IAS 39 CHF 1,000	Fair Value 1.4.01 CHF 1,000	Increase [1] CHF 1,000	Decrease [2] CHF 1,000	Write-down [3] CHF 1,000	Change in [4] Fair Value CHF 1,000	Fair Value 31.3.02 CHF 1,000
Book Values							
6,897	107	7,004	20	0	(1,729)	(187)	5,108
7,498	1,179	8,677	0	0	(5,308)	(1,265)	2,104
1,082	220	1,302	0	0	0	(40)	1,262
878	(40)	838	0	0	0	(33)	805
17,187	230	17,417	0	0	0	(459)	16,958
227	5	232	0	0	(227)	(5)	0
894	(21)	873	0	0	(894)	21	0
1,309	119	1,428	0	0	(1,309)	(119)	0
5,894	(262)	5,632	0	0	0	(227)	5,405
5,789	1,399	7,188	0	0	(5,789)	(1,399)	0
3,526	(55)	3,471	0	0	0	(1,144)	2,327
3,415	56	3,471	0	0	0	(105)	3,366
3,499	0	3,499	1,500	0	0	0	4,999
5,683	391	6,074	0	0	0	(184)	5,890
3,276	195	3,471	0	0	0	(105)	3,366
3,120	(67)	3,053	0	(3,120)	0	67	0
4,712	494	5,206	0	0	0	(157)	5,049
10,475	(535)	9,940	0	0	(6,984)	223	3,179
2,203	(108)	2,095	0	0	0	(85)	2,010
2,134	35	2,169	0	0	(2,134)	(35)	0
0	0	0	1,554	0	(1,554)	0	0
978	(2)	976	0	0	0	(39)	937
4,159	1,047	5,206	0	0	(2,079)	(603)	2,524
2,207	(112)	2,095	0	0	0	(85)	2,010
523	(30)	493	0	0	0	(20)	473
7,605	1,072	8,677	0	0	(1,901)	(465)	6,311
7,736	1,167	8,903	0	(1,509)	(6,227)	(1,167)	0
4,569	11	4,580	0	0	0	(184)	4,396
816	(35)	781	0	0	(816)	35	0
7,960	(4)	7,956	0	0	(7,960)	4	0
8,603	942	9,545	0	0	0	(289)	9,256
3,056	0	3,056	470	(1,342)	(2,183)	(1)	0
740	11	751	0	0	0	(30)	721
4,153	728	4,881	0	0	(4,154)	(727)	0
0	0	0	0	0	1	(1)	0
142,803	**8,137**	**150,940**	**3,544**	**(5,971)**	**(51,247)**	**(8,809)**	**88,457**
1,552,344	**392,834**	**1,945,178**	**280,797**	**(285,856)**	**(254,743)**	**(551,385)**	**1,133,990**
3,356	(156)	3,200	1,094	0	0	(136)	4,158
1,964	(114)	1,850	0	0	0	(75)	1,775
2,242	46	2,288	0	0	(2,242)	(46)	0
1,396	113	1,509	198	0	(1,399)	(106)	202
0	0	0	1,357	0	0	5	1,362
0	0	0	3,120	0	0	(190)	2,930
0	0	0	1,646	0	0	30	1,676
0	0	0	1,656	(861)	0	13	808
0	0	0	666	(212)	(454)	0	0
8,958	**(111)**	**8,847**	**9,737**	**(1,073)**	**(4,095)**	**(505)**	**12,911**

[1] Increases represent capital calls.
[2] Decreases represent the cost component of distribution and sales proceeds.
[3] Write-downs represent a permanent decline in values and are accounted for in the income statement.
[4] Change in fair value represents temporary changes in value and is accounted for in shareholders' equity, "fair value reserve".

Note 5b: US Ventures, LP

US Ventures, LP is a Cayman Islands exempted limited partnership established by agreement between Davenport Capital Ventures LDC, Braintree, MA (the 'General Partner') and Private Equity US Ventures Finance, Cayman Islands, BWI, a subsidiary of Private Equity Holding AG, Zug (today Private Equity US Fund Finance, Cayman; 'PEH' or the 'Limited Partner'). The partnership is scheduled to terminate on March 31, 2004, unless extended for up to two additional one-year periods. Subject to the terms of allocation of income, expenses and net realized capital gains and losses as set forth in the partnership agreement, the General Partner is entitled to a 20% carried interest. The Group holds a 99% interest in US Ventures, LP.

Operations and policies of the partnership and the authority to take any and all actions and make any decisions regarding the business of the partnership reside with the General Partner. The investment committee of the partnership has a limited role in approving investment decisions. The investment committee is comprised of three members, including a representative of the General Partner and two independent members.

Due to the significance of this investment in the context of the March 31, 2002 consolidated financial statements of the Group as a whole, the following disclosures relating to the financial position of US Ventures, LP are presented: condensed unaudited balance sheet and unaudited summary of investments held by US Ventures, LP as at December 31, 2001, presented in accordance with accounting principles generally accepted in the United States.

Condensed Unaudited Financial Information of US Ventures, LP:

Balance Sheet	31.12.01 USD 1,000	31.3.01 USD 1,000
Assets		
Portfolio investments at fair value (cost of USD 104.8 million)	25,097	85,240
Cash and cash equivalents	4,842	20,626
Other assets	250	5,414
Total Assets	**30,189**	**111,280**
Liabilities and Partners' Capital		
Accounts payables and accrued expenses	79	299
Partners' capital	30,110	110,981
Total Liabilities and Partners' Capital	**30,189**	**111,280**

i) Public Companies	Cost 31.12.01 USD 1,000	Fair Value 31.12.01 USD 1,000	Fair Value 31.3.01 USD 1,000
At Comm Corporation	2,000	13	500
Corvis Corporation (free warrants in conjunction with debt facility)	–	382	2,663
@pos.com, Inc	2,000	191	67
Total Public Companies	**4,000**	**586**	**3,230**

ii) Private Companies	Cost 31.12.01 USD 1,000	Fair Value 31.12.01 USD 1,000	Fair Value 31.3.01 USD 1,000
adAlive.com, Inc.	4,000	–	2,000
American Town Network, LLC	368	–	–
Cimetric Commerce, Inc.	10,065	–	9,065
CODEON Corporation	1,043	1,043	2,802
Commerce. TV Corporation	2,000	–	2,000
Dorsal Networks	1,835	1,376	–
eBondUSA.com, Inc.	2,000	–	1,000
e-Commerce Solutions Holdings, Inc.	7,723	–	6,150
e-True.com, Inc.	6,600	–	6,600
FastChannel Network, Inc.	2,707	2,707	2,207
Hot Roof, Inc.	3,500	–	3,000
HRLD Venture Partners IV, LP	2,917	973	9,728
HRLD Venture Partners VII, LP	764	1,400	2,295
HRLD Venture Partners VIII, LP	144	262	1,300
Monotech International, Inc.	3,000	–	3,000
NetPCS Networks, Inc.	3,000	1,500	2,250
OnMark Corporation	3,800	–	3,800
Optical Capital Group, LLC	3,000	750	3,000
Pivotech Systems, Inc.	2,750	–	2,750
The Platform for Media, Inc.	4,000	–	3,000
Professional Team Physicians, Inc.	4,000	–	–
Quantum Photonics	3,500	3,500	–
Real Home.com, Inc.	4,000	1,000	2,000
ReceiptCity.com, Inc.	3,000	–	2,336
Spike Technologies, Inc.	1,809	–	1,202
Vanteq, Inc.	4,800	–	2,025
VIP Switch, Inc.	4,500	–	3,500
YottaYotta, Inc.	10,000	10,000	5,000
Total Private Companies	**100,825**	**24,511**	**82,010**
Total Portfolio	**104,825**	**25,097**	**85,240**

Note 5c: Significant Investment Disposal

During 2001/2002, Private Equity Fund Finance entered into an agreement with an unrelated entity whereby all of its ownership interests, including outstanding commitments, in Atlas Venture Fund III, LP, Atlas Venture Fund IV, LP, Atlas Venture Fund V, LP, Galileo II FCPR, Galileo III FCPR, Cinven "The Second Fund" and CVC European Equity Partners II (Jersey), LP were sold.

The total purchase price was CHF 241.3 million and a realized gain of CHF 19.6 million was recorded as a result of this transaction. Total commitments that were outstanding at the date of sale and which were extinguished as a result of the transaction were CHF 83.0 million.

Note 6: Derivative Financial Instruments	31.3.02 CHF 1,000	31.3.01 CHF 1,000
Gains/(losses) from fair valuation, foreign exchange component (see Note 11)	(2,232)	–
Gains/(losses) from fair valuation, interest component	2,427	–
Fair Value	**195**	**–**

Effective November 14, 2001, Private Equity Holding Cayman entered into a first Swap transaction ("Swap 1") with an unrelated counterparty. The termination date of Swap 1 is August 31, 2004. Under the terms of Swap 1, Private Equity Holding Cayman will pay the counterparty a final exchange amount of USD 120.4 million and will receive a final exchange amount of CHF 200.0 million from the counterparty on August 31, 2004.

Effective January 18, 2002, Private Equity Holding Cayman entered into a second Swap transaction ("Swap 2") with an unrelated counterparty. The termination date of Swap 2 is August 31, 2004. Under the terms of Swap 2, Private Equity Holding Cayman will pay the counterparty a final exchange amount of USD 30.0 million and will receive a final exchange amount of CHF 50.0 million from the counterparty on August 31, 2004.

Private Equity Holding Cayman will pay interest to the counterparty, calculated based on the applicable USD-3 year swap rate, and will receive interest from the counterparty, calculated based on the 6-month CHF LIBOR interest rate. The interest payment dates will be each February 28 and August 31 during the term of the Swaps, with the first payment date being February 28, 2002.

The fair values of the Swaps are determined based on the contractual terms and conditions. Fair valuation adjustments are recognized as follows:
- those which relate to the movement in foreign exchange rates are recognized within the fair value reserve in the consolidated balance sheet (cash flow hedge).
- those which relate to the movement in interest rates are recognized within unrealized gains and losses in the consolidated income statement (fair value hedge).

Note 7: Payables	31.3.02 CHF 1,000	31.3.01 CHF 1,000
US Ventures, LP	–	8,848
Open capital calls	8,446	–
Accrued interest on swaps	840	–
Related parties	5,488	9,259
Others	736	1,517
	15,510	**19,624**

As of March 31, 2001, the Group had a payable of approximately CHF 8.8 million to US Ventures, LP, one of its underlying fund investments. A corresponding receivable is included in the US Ventures, LP financial statements as of March 31, 2001.

Related parties payables stand in connection with management fees due but not yet paid. As of March 31, 2002, related parties mean Swiss Life Private Equity Partners AG and SLPEP (Cayman) Ltd., whereas in prior years, the amount related to Vontobel entities.

See Note 19 regarding payables to related parties.

Note 8: Short-Term Bank Borrowings	31.3.02 CHF 1,000	31.3.01 CHF 1,000
Vontobel Holding AG	–	104,015
Vontobel Investment Management Ltd., Cayman	–	38,354
	–	**142,369**

See Note 19 regarding short-term bank borrowings with related parties.

Note 9: Long-Term Borrowings	31.3.02 CHF 1,000	31.3.01 CHF 1,000
Swiss Life Finance Limited, BVI	250,000	–
IKB Deutsche Industriebank and co-lenders	–	150,000

On August 29, 2001, Private Equity Holding Cayman and certain of its subsidiaries as co-debtors entered into a CHF 500.0 million roll-over credit facility agreement with Swiss Life Finance Limited, BVI.

Proceeds from the Swiss Life Finance credit facility were used to refinance the IKB credit facility and the Vontobel facility (see Note 8) and will be used to finance existing and future fund and direct investments and to pay administrative costs under the management agreement.

The credit facility is secured by the Company's ownership interests in Private Equity Holding Cayman and Private Equity Holding (Luxembourg) SA. The consolidated equity of these ownership interests as of March 31, 2002 amounts to CHF 890.6 million (2001: CHF 1,262 million) and CHF (13.0) million (2001: CHF 7.0 million), respectively.

The rate of interest of the loan is based on 6-month CHF LIBOR, plus a margin based on an over-coverage-ratio (OCR), which is defined as the aggregate fair value of the investments divided by the aggregate loan principal advanced. The margin requirements are as follows:

Amount of OCR	**Margin**
>= 6	2.0% p.a.
5 <= OCR < 6	2.5% p.a.
3 <= OCR < 5	3.0% p.a.

Financial covenants under the terms of the credit facility agreement are as follows:
- the OCR will not be less than three
- the aggregate of all investment commitments to third parties shall be equal to or less than the aggregate of consolidated equity and financial debts multiplied by two
- the Group shall only hold treasury shares to the extent their total nominal value does not exceed 10% of the stated share capital of the Company

In the event of non-compliance with any of the above financial covenants, subject to a cure period as defined in the credit facility agreement, the Group may be required to pay back the outstanding loan balance immediately.

As an additional security for this loan an escrow account has been established, which will be funded under certain conditions up to an amount of CHF 50.0 million. As of March 31, 2002 the account is funded with CHF 4.0 million.

The facility expires, unless previously terminated, on August 31, 2004. Under the terms of the loan agreement the Board of Directors cannot recommend dividend payments to the general assembly without the prior approval of the lenders.

For arrangement of this facility, the Group incurred borrowing expenses of CHF 1.9 million which mainly stood in connection with the break-up of the IKB credit facility.

See Note 19 regarding long-term bank borrowings with related parties.

Note 10: Share Capital and Earnings/(Loss) per Share	31.3.02	31.3.01
Number of shares authorized and issued	4,500,000	4,500,000
Par value per share (CHF)	100	100

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

Reconciliation of Number of Shares Outstanding	31.3.02	31.3.01
Number of shares outstanding, net of treasury shares at beginning of year	4,364,794	4,500,000
Purchase of treasury shares (see below)	–	(263,446)
Sale of treasury shares (see below)	933	128,240
Number of shares outstanding, net of treasury shares at end of year	**4,365,727**	**4,364,794**

Per Share Data	31.3.02	31.3.01
Weighted average of total number of shares (1,000)	4,365	4,352
Net profit/(loss) (CHF 1,000)	(264,873)	52,831
Earnings/(loss) per share (CHF)	(60.67)	12.14
Fair value per share (CHF)	213.52	401.14
Book value per share (CHF)	213.52	311.17

As of March 31, 2002 and 2001, there are no items with a potentially dilutive effect except for treasury shares. As such, basic and diluted earnings/(loss) per share are the same.

Shareholders with Shares and Voting Rights of 5% and more	Number of Shares 31.3.02	Participation 31.3.02
Versicherungseinrichtung des Flugpersonals der Swissair	517,845	11.51 %
Pensionskasse des Basler Staatspersonals	420,000	9.33 %
Allgemeine Pensionskasse der SAirGroup	300,000	6.66 %
Vontobel Group	227,604	5.06 %

Changes in Treasury Shares		Number of Shares	Average Price CHF	Total Cost Base CHF 1,000
April 1, 2001		135,206	580.94	78,546
May 2001	Total sales	(600)	275.00	(289)
June 2001	Total sales	(333)	275.00	(160)
March 31, 2002		**134,273**	**581.62**	**78,097**

Included in the consolidated statement of changes in shareholders' equity is a reduction (i.e. debit) of CHF 0.19 million to retained earnings relating to the sale of treasury shares, representing the excess of the treasury share acquisition cost over the sales proceeds (i.e. loss).

Note 11: Fair Value Reserve	31.3.02 CHF 1,000	31.3.01 CHF 1,000
On adoption of IAS 39 as of April 1, 2001 (see Note 5)	392,702	–
Net gains/(losses) from changes in fair value of investments[1] (see Note 5)	(551,863)	–
Net gains/(losses) from changes in fair value of swap transaction (see Note 6)	(2,232)	–
Total Changes in Fair Value	**(161,393)**	**–**

[1] Included in this amount is the transfer of CHF 74.9 million to the income statement as the corresponding investments had been sold (see Note 12).

On the adoption as of IAS 39 at April 1, 2001, all investment securities classified as available for sale were re-measured to fair value. The difference between the original carrying amounts and their fair values as of April 1, 2001 was credited to equity (see consolidated statement of changes in equity). Gains and losses from the change in the fair value of investments available for sale and derivative financial instruments since that date are recognized as a revaluation reserve directly in equity.

Note 12: Gains/(Losses) on Securities Available for Sale, Net	31.3.02 CHF 1,000	31.3.01 CHF 1,000
Realized gains/(losses) on disposal of fund investments, net	67,375	142,373
Realized gains/(losses) on disposal of direct investments, net	155	65,633
	67,530	**208,006**
Dividend income from direct investments	–	2,137
Loans	–	336
	67,530	**210,479**

CHF 74.9 million have been transferred from fair value reserve to "Gains/(losses) on securities available for sale, net" as the corresponding securities had been sold.

Note 13: Trading Securities Gains/(Losses), Net	31.3.02 CHF 1,000	31.3.01 CHF 1,000
Realized gains on trading securities	19,030	18,674
Realized losses on trading securities	(34,431)	(16,626)
Total net realized gains/(losses)	(15,401)	2,048
Unrealized gains on trading securities	51,557	32,655
Unrealized losses on trading securities	(52,436)	(37,673)
Total net unrealized losses	(879)	(5,018)
Total Trading Securities Gains/(Losses), Net	**(16,280)**	**(2,970)**

Note 14: Write-Downs	31.3.02 CHF 1,000	31.3.01 CHF 1,000
Fund investments	203,496	31,385
Direct investments	51,247	70,475
Loans	4,095	4,415
	258,838	**106,275**

Note 15: Liquidity

Outstanding commitments as of year-end exceed cash and cash equivalents available to the Group. Through realizations on its investment portfolio and by securing adequate credit and other sources of capital, the Group expects to be able to meet all of its financial commitments as they become due. However, there is no guarantee that sufficient sources of capital will be available to the Group when required.

Note 16: Financial Instruments

Credit Risk

The assets that expose the Group to credit risk consist principally of cash, deposits, securities including options, investments, loans and receivables. The maximum credit risk to which the Group is exposed is therefore the sum of these positions and commitments to invest, and amounts to CHF 1,971 million as of March 31, 2002 (CHF 2,727 million as of March 31, 2001). The Group seeks to minimize credit risk by placing short-term funds with established, reputable banks, and by investing in companies and funds whose growth potential is judged to be very strong.

Market Risks

Interest Rate Risk: The Group is funded by equity and financial debts. The Group's cash position is invested in call deposits bearing market interest rates. Financial debts bear interest as described in Note 9.

Foreign Exchange Risk: A significant portion of the Group's investments are denominated in foreign currencies, which expose the Group to the risk that the exchange rate of those currencies against the Swiss Franc will change in a manner which adversely impacts the Group's consolidated net income and consolidated net assets.

Other Market Risk: All of the companies in which the Group and its investee funds invest are subject to the risks inherent in their industries. Additionally established markets do not exist for these holdings, and, therefore, they must be 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 research. In addition, the Group invests its liquid assets in accordance with the investment guidelines in the money market or capital market including certain derivative products and written options, the values of which may be volatile and bear a high degree of risk. 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 and capital markets. Negative developments in such markets resulting in an investments' performance below the Group's expectations or losses on such investments could have a material and adverse effect on the Group's financial results.

Off Balance Sheet Risk: In the normal course of its business, the Group enters into various financial transactions where the risk of potential loss due to changes in the market (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the related amounts recorded. These financial instruments include securities sold short. Securities sold short represent obligations of the Group to make future delivery of specific securities and correspondingly, create an obligation to purchase the security at market prices prevailing at the later delivery date or to deliver the security if already owned by the Group. As a result, short sales create the risk that the Group's ultimate obligation to satisfy the delivery requirements may exceed the amount of the proceeds initially received or the liability recorded in the consolidated financial statements.

Note 17: Contingent Liabilities and Commitments

Contingent Liabilities

The Management Agreement between the Group and SLPEPC is valid through March 31, 2006. If this agreement is terminated prior to March 31, 2006, the Group is obliged to pay the investment manager the amount which would otherwise have been earned by the investment manager in the period from the date of termination to March 31, 2006. The basis for this amount is the average annual management fees and performance fees earned by the investment manager from the Group from July 1, 2001 to the date of actual termination. For details, refer to Note 19.

The company issued a guaranty in favor of Dresdner Bank. The guaranteed sum amounts to CHF 75 million. The underlying transaction is linked to hedging activities and was documented in an ISDA Agreement between Private Equity Holding Cayman and Dresdner Bank.

Commitments

Beyond the commitments to invest as disclosed in Note 5 no further contingent liabilities exist as of March 31, 2002. In certain circumstances capital calls can exceed total commitment mainly due to payments of management fees and short-term borrowings.

Legal Proceedings

As of March 31, 2002, the Group was not engaged in any litigation proceedings which could have a material adverse effect on the financial situation of the Group.

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 entities.

Note 18: Subsequent Events

Except as disclosed in Note 5, the Group has not made new capital commitments from April 1, 2002 up to the date of issuance of these consolidated financial statements.

Note 19: Related Party Transactions

Related Parties

The following parties are considered related to the Group as of March 31, 2002:

– Swiss Life Private Equity Partners Ltd., Zurich;
– SLPEP (Cayman) Ltd., Cayman Islands;
– other entities of the Swiss Life/Rentenanstalt Group; and
– Members of the Board of Directors of the Company.

The following parties are considered related to the Group as of March 31, 2001:

– Vontobel Management Services AG, Zug;
– Vontobel Private Equity Management Cayman;
– Bank Vontobel AG, Zurich;
– other entities of Vontobel Group; and
– Members of the Board of Directors of the Company.

Under a repurchase agreement dated July 13, 2001, Private Equity Holding Cayman sold 124,801 shares of Private Equity Holding AG to Swiss Life/Rentenanstalt for an amount of CHF 20 million. The shares were then repurchased by Private Equity Holding Cayman on the day that the first drawdown under the loan facility provided by Swiss Life Finance was made. The repurchase price was CHF 20 million plus interest charged at the rate of 2% above 3-month CHF LIBOR. This transaction was executed and settled during the business year.

As discussed in Note 1, the investment management and advisory of the Group is provided by the SLPEP Group, under the terms of a Management Agreement effective July 1, 2001, and further amended as discussed below, effective January 1, 2002.

Prior to the appointment of the SLPEP Group, the investment management of the Group was provided by Vontobel Private Equity Management, Cayman (VPEM). The management agreements between the Group and VPEM were terminated effective July 1, 2001 in accordance with a settlement deed dated August 15, 2001.

For the period April 1, 2001 through December 31, 2001, the services of VPEM (April 1, 2001 to June 30, 2001) and the SLPEP Group (July 1, 2001 to December 31, 2001) were provided to the Group in return for the following consideration:

Fees for Private Equity Group as a whole
– 1% management fee (all-in-fee) on a commitment related basis,
– 15% performance fee on the increase in consolidated net capital, in excess of a minimal benchmark return of 8 % p.a. Any shortfall against the benchmark is carried over to the following period.

Additional fees for Private Equity Direct Finance and Private Equity US Direct Finance
– 1.5% management fee on the higher of each company's net capital or share capital plus paid up and unpaid premium,
– 20% performance fee on the increase in each company's net capital. Losses were carried forward to the following period.

From January 1, 2002, under the terms of the revised Management Agreements between the Group and the SLPEP Group, the services of the SLPEP Group are provided to the Group in return for the following consideration:

Fees for Private Equity Holding Group as a whole
- CHF 975,000 fees for administration services p.a., plus
- 1.25% management fee on total Group net asset value, plus
- 10% performance fee on the increase in consolidated net asset value of the Group, in excess of a minimal benchmark return of 8% p.a. until December 31, 2001 and 6% p.a. as of January 1, 2002. Any shortfall against the benchmark is carried over to the following period.

Additional fees for direct investments
- 1% management fee on the fair value of each company's direct investments.

In addition, Private Equity Holding Cayman has granted SLPEPC the option to purchase a total of 75,000 registered shares of the Company over a period of three years from January 1, 2002. The exercise price of the option is CHF 200 per share. As of March 31, 2002, SLPEPC held no shares in the Company.

The above-mentioned management and performance fees do not include third party costs for services rendered to the Group which relate to corporate matters and transactions of the Group. Accordingly, from January 1, 2002, the Group is responsible for meeting costs such as those pertaining to professional services received, maintenance of investor relations, due diligence, tax and legal advice received.

The Management Agreement with SLPEPC, including the agreement effective up to and including December 31, 2001 and that effective from January 1, 2002, contains a termination clause which requires the Group, or any individual company within the Group, to pay to SLPEPC an amount of termination damages in the event that the management agreement is terminated by the Group, or an individual company within the Group, prior to March 31, 2006, for any reason other than a default of SLPEPC as defined within the agreement. The amount of termination damages that the Group would be required to pay to SLPEPC is the amount which otherwise would have been earned by SLPEPC under the Management Agreement in the period from the date of termination to March 31, 2006, calculated by reference to the historical level of management and performance fees paid.

Upon expiration of the Management Agreement SLPEPC is entitled to receive in each of the 20 quarters following the expiration of the Agreement 50% of the quarterly performance fee paid by the Group until SLPEPC has received 50% of a theoretical performance fee equaling 10% of the amount of unrealized appreciation as stated on the balance sheet at the date of expiration of the Management Agreement.

SLPEP Group and VPEM earned the following management and performance fees:

	31.3.02 CHF million	**31.3.01** CHF million
Management fees – VPEM	8.0	31.2
Performance fees – VPEM	–	11.8
Management fees – SLPEP Group	18.7	–
Performance fees – SLPEP Group	–	–
	26.7	**43.0**

As disclosed in Note 7, included in the year end payables balance is an amount of CHF 5.5 million (2001: CHF 9.3 million) relating to these management and performance fees.

Total compensation of the Board of Directors amounts to CHF 0.5 million (2001: CHF 0.5 million).

Report of the Group Auditors to the General Meeting of Private Equity Holding AG, Zug

As auditors of the Group, we have audited the consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity and notes to the consolidated financial statements) of Private Equity Holding AG, Zug for the year ended March 31, 2002.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession and with International Standards on Auditing issued by the International Federation of Accountants (IFAC), which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Accounting Standards, the accounting provisions as contained in the Additional Rules for the Listing of Investment Companies of the Swiss Exchange (SWX) and comply with the Swiss law.

Without qualifying our opinion, we draw attention to Note 5 to the consolidated financial statements. As indicated in Note 5, the consolidated financial statements include investments (funds, direct investments and loans) stated at their fair value of CHF 1,146.9 million. Because of the inherent uncertainty associated with the valuation of such investments and the absence of a liquid market, these carrying values may differ from their realizable values, and the differences could be material.

The fair values of the investments have been determined by the Board of Directors and have been disclosed in Note 5. We have reviewed the procedures applied by the Board of Directors in valuing such investments and have sighted the underlying documentation. While in the circumstances the procedures appear to be reasonable and the documentation appropriate, determination of fair values involves subjective judgement which is not capable of independent verification.

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

Zurich, April 19, 2002

PricewaterhouseCoopers Ltd

Thomas Huber Thomas Brunschwiler

CHF 1,000	1.4.01-31.3.02	1.4.00-31.3.01
Income		
Gains on securities available for sale, net	–	9,476
Total Income	**–**	**9,476**
Write-Downs		
Securities available for sale	232,635	5,537
Intangible assets	4,039	4,059
Total Write-Downs	**236,674**	**9,596**
Expenses		
Administration expenses	3,430	3,979
Corporate expenses	2,915	3,968
Losses on treasury shares	1,504	2,394
Total Expenses	**7,849**	**10,341**
Total Income/(Loss) from Operations	**(244,523)**	**(10,461)**
Financing Income	14,658	1,715
Financing Expenses	11,251	–
Net Income/(Loss)	**(241,116)**	**(8,746)**

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

CHF 1,000	Note	31.3.02	31.3.01
Assets			
Current assets			
Cash and cash equivalents		1,192	1,352
Treasury shares	2	1,099	2,861
Receivables from subsidiaries		41,049	196,012
Accrued income		90	187
Total current assets		**43,430**	**200,412**
Long-term assets			
Securities available for sale	1	919,042	1,151,333
Intangible assets		4,650	8,688
Total long-term assets		**923,692**	**1,160,021**
Total Assets		**967,122**	**1,360,433**
Liabilities and Shareholders' Equity			
Current liabilities			
Payables third parties		270	–
Payables related parties		7	2,121
Accrued expenses		182	533
Total current liabilities		**459**	**2,654**
Long-term liabilities		**–**	**150,000**
Total liabilities		**459**	**152,654**
Shareholders' equity			
Share capital paid in		450,000	450,000
Share capital premium		696,991	770,076
Reserve for treasury shares		78,097	5,012
Accumulated deficit		(258,425)	(17,309)
Total shareholders' equity		**966,663**	**1,207,779**
Total Liabilities & Shareholders' Equity		**967,122**	**1,360,433**

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

CHF 1,000	Share capital paid in	Share capital premium paid in	Reserve for treasury shares	Retained earnings	Profit/(loss) for the year	Total
Opening balance as of 1.4.00	450,000	775,088	–	(8,563)	–	1,216,525
Net loss	–	–	–	–	(8,746)	(8,746)
Reserve for treasury shares	–	(5,012)	5,012	–	–	–
Total as of 31.3.01	**450,000**	**770,076**	**5,012**	**(8,563)**	**(8,746)**	**1,207,779**
Opening balance as of 1.4.01	450,000	770,076	5,012	(17,309) [1]	–	1,207,779
Net loss	–	–	–	–	(241,116)	(241,116)
Reserve for treasury shares	–	(73,085) [2]	73,085 [2]	–	–	–
Total as of 31.3.02	**450,000**	**696,991**	**78,097**	**(17,309)**	**(241,116)**	**966,663**

[1] Total as of March 31, 2001 (CHF (8,563)) minus net loss (CHF (8,746)).
[2] Amount includes prior years' reclassification from share capital premium to reserve for treasury shares.

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

Note 1: Securities Available for Sale	Percentage of Capital Held	Book Value Nominal Value CHF 1,000	Book Value 31.3.02 CHF 1,000
Private Equity Holding Cayman, Cayman Islands, BVI	100.00%	1,100,000	890,641
Private Equity Holding (Luxembourg) SA , Luxembourg	100.00%	14,483	–
MiniCap Technology Investment AG, Solothurn, Switzerland	8.77%	6,360	7,033
Trefoil Euro Fund, LP, USA	50.00%	34,436	21,368
Total			**919,042**

Note 2: Treasury Shares	Number of Shares	Book Value 31.3.02 CHF 1,000
Balance brought forward	10,405	5,012
Increase	–	–
Decrease	(933)	(450)
Balance as of 31.3.02	9,472	4,562
Provision for own shares		(3,463)
Market Value as of 31.3.02		**1,099**

Note 3: Provisions	CHF 1,000
Provision as of 1.4.01	7,469
Write-down MiniCap Technology Investment AG	2,849
Write-down Trefoil	13,132
Write-down Private Equity Holding Cayman	209,359
Write-down Private Equity Holding Luxembourg	7,295
Provision as of 31.3.02	**240,104**

Note 4: Shareholders which held Stakes and Voting Rights of 5% and more	Number of Shares 31.3.01	Participation 31.3.01
Versicherungseinrichtung des Flugpersonals der Swissair	517,845	11.51%
Pensionskasse des Basler Staatspersonals	420,000	9.33%
Allgemeine Pensionskasse der SAirGroup	300,000	6.66%
Vontobel Group	227,604	5.06%

Note 5: Pledges	CHF 1,000
Investment Private Equity Holding Cayman	890,641
Investment Private Equity Holding Luxembourg	–

The above investments have been pledged in favor of Swiss Life Finance Limited, BVI as security for the long-term bank borrowings of Private Equity Holding Cayman.

Note 6: Guaranty Issued

The company issued a guaranty in favor of Dresdner Bank. The guaranteed sum amounts to CHF 75.0 million. The underlying transaction is linked to hedging activities and was documented in an ISDA Agreement between Private Equity Holding Cayman and Dresdner Bank.

Report of the Statutory Auditors to the General Meeting of Private Equity Holding AG, Zug

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of Private Equity Holding AG, Zug for the year ended March 31, 2002.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements comply with the Swiss law and the company's articles of incorporation.

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

Zurich, April 19, 2002

PricewaterhouseCoopers Ltd

Thomas Huber Thomas Brunschwiler

Private Equity Holding AG is committed to good corporate governance. Private Equity Holding AG follows corporate governance standards acknowledged by the financial community, aiming to strike a balance between management and operational efficiency and transparency and accountability to shareholders. The corporate governance rules of Private Equity Holding AG are laid down in the company's Articles of Association and the Organizational Regulations. In the financial year 2001/2002 Private Equity Holding AG implemented a number of measures to improve corporate governance. In disclosing the following Private Equity Holding AG substantially complies with the Directive on Information relating to Corporate Governance of the SWX Swiss Exchange of April 17, 2002 (Richtlinie betreffend Informationen zur Corporate Governance).

The Board of Directors and the Delegate of the Board

Role of the Board of Directors and the Delegate of the Board

The members of the Board of Directors are elected by the shareholders of the company for a term of three years. Directors may be re-elected for another term. Directors may be dismissed by shareholders' vote or resign before the end of their term.

The Board is responsible for the ultimate direction, supervision and control of the company and the company's management. The primary, inalienable and non-transferable functions of the Board according to the Swiss Code of Obligations ("CO"), the Articles of Association and the Organizational Regulations of Private Equity Holding AG are:

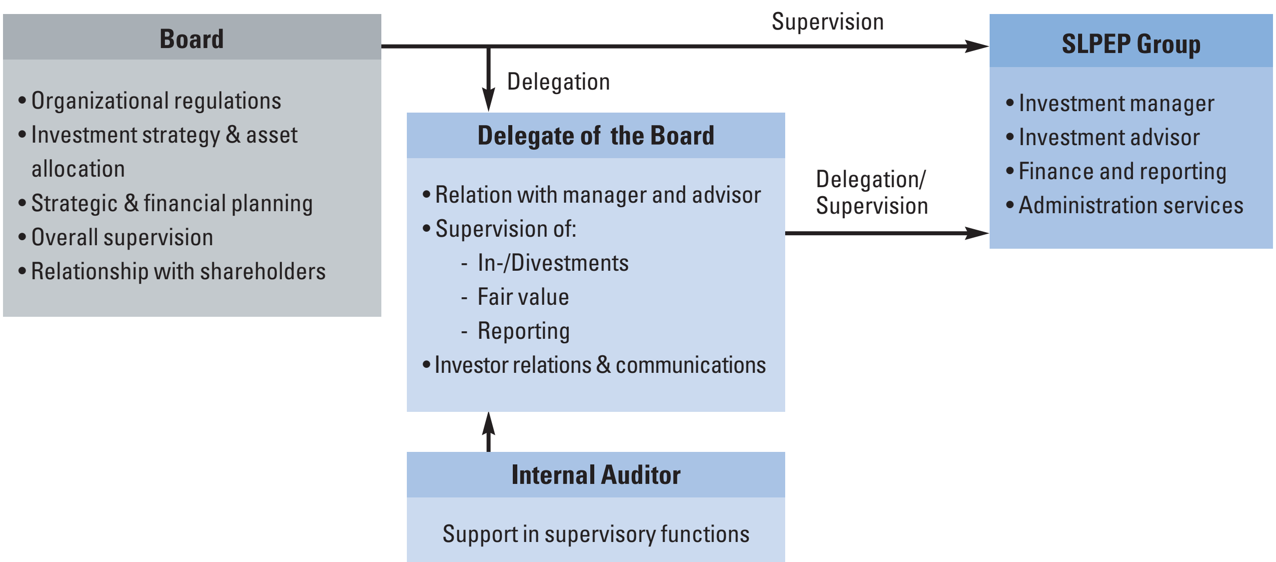
– Organizational regulations
– Investment strategy and asset allocation
– Strategic & financial planning
– Overall supervision
– Relationship with shareholders

The Board of Directors convenes whenever business requires, but at least four times a year, and resolves on all matters by majority vote in the presence of a majority of its members. Meetings are convened by the chairman and 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.

According to art. 716b CO and the Articles of Association of Private Equity Holding AG the Board of Directors of Private Equity Holding AG has delegated the management of the company to Marinus W. Keijzer, as Delegate of the Board. The Delegate 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. The Delegate has entrusted certain matters to Swiss Life Private Equity Partners Ltd. and its affiliates ("SLPEP Group") as investment manager and investment advisor and is responsible for the instruction, supervision and control of SLPEP Group. The Delegate monitors all financial and operational matters of the company and maintains a close working relationship with SLPEP Group.

An Internal Auditor, i.e. KPMG, assists the Delegate in matters of supervision, control and compliance.

The competencies of each of the executive bodies of Private Equity Holding AG are set forth in the Organizational Regulations issued by the Board of Directors.



Composition of the Board of Directors

The Board of Directors of Private Equity Holding AG consists of five independent members, who contribute a range of international experience and knowledge from various fields and industries. Four directors are non-executive directors. The chairman, Marinus W. Keijzer, also acts as Delegate of the Board.

The Board of Directors is composed as follows:

Name	Function	Time in Office Since	Expiration of Term
Marinus W. Keijzer	Chairman, Delegate	2001	2004
Georges Muller	Vice-Chairman	2001	2004
Stuart D. Frankel	Member	2001	2004
Max Koch	Member	1997	2004
Tony Reis	Member	2000	2004

Marinus W. Keijzer, Chairman, * 1939, Dutch citizen
Marinus Keijzer holds a business degree of the Erasmus University of Rotterdam. His active career spans central banking, OECD and for the last 18 years he was active at PGGM, the second largest private pension fund in the Netherlands, where as director of investment strategy he was instrumental in making this institution into one of Europe's leading private equity investors. After his retirement in 2001 he continues in the role of advisor to the latter fund. He holds board memberships in various pension funds, investment companies and mutual funds. He is chairman of the advisory board of the European Pension Fund Investment Forum and the AIG Capital Partners Strategic Advisory Board.

Georges Muller, Prof. Dr., Vice-Chairman, *1940, Swiss citizen
Georges Muller is honorary professor for corporate law at the University of Lausanne, Switzerland. Amongst others he is the chairman of the board of Serono SA, SGS Société Générale de Surveillance Holding SA, NMT New Medical Technologies and the Swiss Institute for Cancer Research as well as a member of the board of various corporations including Swiss Life/Rentenanstalt.

Stuart D. Frankel, *1947, US citizen
Stuart Frankel is a Managing Partner of the diversified private equity firm Grotech Capital Group, domiciled in Maryland, USA. He graduated from the University of Southern California with a degree in telecommunications. Prior to joining Grotech, he held leading positions at CBS Television, Westinghouse Broadcasting and S&F Communications and can look back on many years of experience in the telecommunications sector. Stuart Frankel is a board member of several growth companies.

Max Koch, *1949, Swiss citizen
Max Koch is the founder and member of the board of Komax Holding AG, which was listed in 1997 on the SWX Swiss Exchange. He holds a degree in electrical engineering from the Swiss Federal Institute of Technology, Zurich. He has been awarded the Branco-Weiss Prize for Entrepreneur of the Year 1987, the Innovation Prize of the Central Swiss Chamber of Commerce and the "Spirit of Swiss Innovation" award from the Arthur D. Little Foundation. Max Koch is a member of the board of various companies.

Tony R. Reis, *1941, Swiss citizen
Tony Reis is the former Chief Executive Officer of Swisscom AG. Previously he held various positions at IBM, with his last appointment being General Manager Country Operations of IBM at the European headquarters in Paris. Tony Reis is a board member of various companies including Vontobel Holding AG, Clariant AG, Metallwaren-Holding AG, and Karl Steiner Generalunternehmung.

Swiss Life Private Equity Partners Group

Role of SLPEP Group
SLPEP Group, including Swiss Life Private Equity Partners Ltd., Zurich ("SLPEP") and its Cayman Islands affiliate (SLPEPC, together with SLPEP "SLPEP Group"), provides administration services to Private Equity Holding AG and acts as investment manager and advisor of Private Equity Holding Group.

Administration Services
SLPEP provides administration services to Private Equity Holding AG. Such services include the performance of accounting services, corporate services and support to the Delegate of the Board in performing his tasks.

Investment Management and Corporate Management Services
Investment management and corporate management services are performed in the Cayman Islands and include the provision of investment advice, the selection, execution and divestment of investments in accordance with the company's investment strategy, cash management, arrangement for the performance of banking services and assumption of all administrative tasks of the companies of Private Equity Holding Group, in particular financial accounting and arrangement for the audit of the annual financial reports.

Investment Advisory Services
Investment advisory services are performed in Zurich and include research, identification and evaluation of investment opportunities, monitoring of investments made and evaluation and presentation to the investment manager of potential exit strategies from such investments.

Description of SLPEP Group
SLPEPC is a Cayman Islands entity controlled by SLPEP and employs local personnel with substantial knowledge and experience in accounting, financial management and investment management. SLPEP is incorporated in Zurich and a wholly owned subsidiary of Swiss Life/Rentenanstalt. The SLPEP Group manages and advises various private equity investment programs including the Swiss Life private equity investment program and 5E Holding AG, a Swiss company investing in private equity funds and companies in Central and Eastern Europe. The SLPEP Group currently advises and manages commitments of over CHF 3.5 billion in private equity and is among the premier players in the industry.

For further information on SLPEP please consult their website at www.slpep.com.

Remuneration of the Directors and SLPEP Group

Remuneration of the Directors
Non-executive members of the Board of Directors each receive an annual fee of CHF 50,000 plus CHF 2,500 for each meeting attended and hold options to purchase 3,000 shares of Private Equity Holding AG each year for the duration of their term for an exercise price of CHF 200 per share. The chairman, who is also the Delegate, receives an annual fee of CHF 100,000 plus CHF 2,500 for each meeting attended and holds options to purchase 5,000 shares of Private Equity Holding AG each year for the duration of his term for an exercise price of CHF 200 per share. Directors are reimbursed for expenses for travel and accommodation.

The directors' remuneration is determined by the Board of Directors. No board member receives other fees or compensation for services provided to Private Equity Holding AG or benefits from any third party contract with the company. No board member is entitled to special compensation upon departure.

Remuneration of SLPEP Group
Please refer to Note 19 of the consolidated financial statements for details regarding remuneration of the SLPEP Group.

Share Capital and Options

Private Equity Holding AG has an issued share capital of CHF 450 million divided into 4,500,000 fully paid-in registered shares with a par value of CHF 100 each. The shares are quoted on the SWX Swiss Exchange. No other securities of Private Equity Holding AG are in issue. Private Equity Holding AG has not issued any preferred shares or shares subject to voting or transfer restrictions.

The members of the Board of Directors of Private Equity Holding AG hold shares in the aggregate amount of 25,438 and options to purchase an aggregate of 17,000 shares of Private Equity Holding AG each year for the duration of their term for an exercise price of CHF 200 per share (please refer to the section "Remuneration of Directors" for further details).

SLPEPC has the option to purchase an aggregate of 75,000 registered shares of the company over a period of 3 years starting on January 1, 2002 for an exercise price of CHF 200 per share, as part of its performance fee (see Note 19 to the consolidated financial statements).

No other options to purchase shares of Private Equity Holding AG have been issued by the company.

Disclosure of Shareholdings

Registered shareholders holding more than 5% of the voting rights in Private Equity Holding AG are disclosed in Note 10 to the consolidated financial statements, as required by Swiss company law regarding listed corporations.

Dividend Policy

Private Equity Holding AG does not expect to pay out dividends.

Information Policy

Private Equity Holding AG reports on its financial performance on a quarterly basis with the year-end figures as of March 31 being audited. The quarterly reports are published in full on the company's website at www.peh.ch and an abbreviated version thereof is distributed by mail and/or email to the shareholders registered in the company's shareholder register. In between the quarterly report publications relevant information (including information subject to Ad-hoc publicity according to sec. 72 of listing regulation) is published in the form of news releases and available at www.peh.ch.
The fair value of Private Equity Holding AG shares is published on a monthly basis. Shareholders and other interested parties may subscribe to the email newsletter at www.peh.ch to receive information automatically upon publication by email. For further information Investor Relations can be contacted at +41 41 726 79 80 or info@peh.ch.

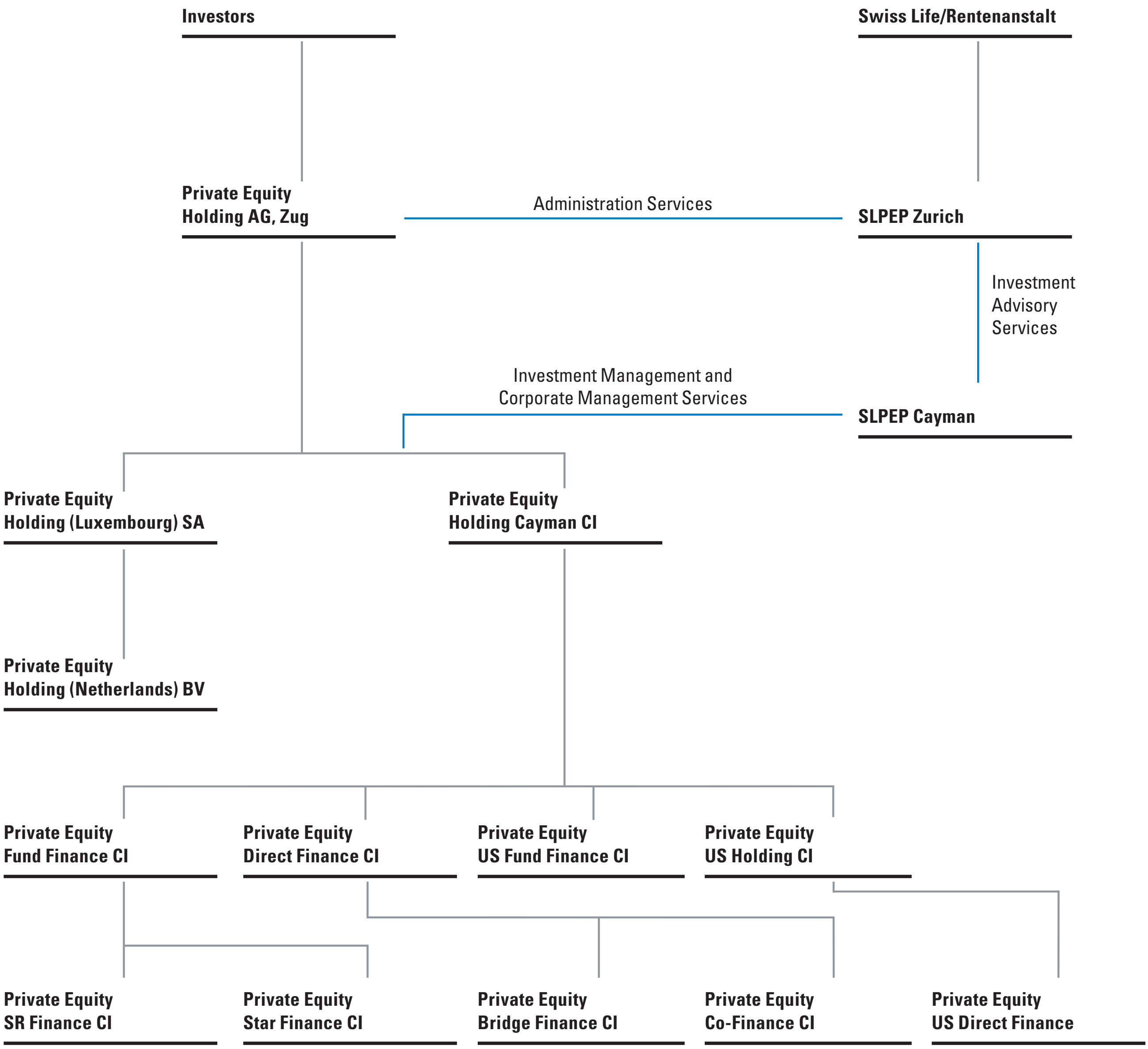
Auditors

Auditors of Private Equity Holding AG are PricewaterhouseCoopers, Zurich ("PWC"). PWC have been acting as statutory auditors and auditors of the consolidated accounts of the company since inception of the company. Total audit fees invoiced by PWC in the financial year ending March 31, 2002 amounted to CHF 400,000.

KPMG in its function as internal auditor of Private Equity Holding AG invoiced approx. CHF 100,000.

Additional information is outlined in the notes to the consolidated financial statements.

The Corporate Governance Report including general information regarding Participation Rights of Shareholders according to Swiss Law and Rules on Change of Control according to Swiss Law is published in full on the company's website at www.peh.ch.



For further information on shareholdings, please refer to Notes 2 and 10 to the consolidated financial statements.

		31.3.02	31.3.01	31.3.00	31.3.99
Share Data (CHF)	Value per share, based on fair values	213.52	401.14	391.25	222.13
Balance Sheet (CHF million)	Balance sheet total	1,197.7 [1]	1,677.3	1,434.3	830.4
	Shareholders' equity	932.2 [1]	1,358.2	1,390.4	815.7
	Liabilities	265.5 [1]	319.1	43.9	14.7
Income Statement (CHF million)	Consolidated net profit/(loss)	(264.9)	52.8	130.3	54.0
Capital (CHF million)	Committed capital	1,970.9	2,714.1	1,962.2	1,194.5
	Invested capital (net aquisition costs)	1,319.3	1,616.2	972.4	400.0
	Fair value	1,147.0	2,008.9	1,354.0	418.3
	Invested capital/committed capital	67%	60%	50%	34%
	Committed capital/total liabilities and shareholders' equity	165%	162%	137%	144%
Asset Allocation	**Committed capital**				
	Venture funds	55%	54%	40%	32%
	Balanced funds	14%	12%	14%	18%
	Buyout funds	25%	25%	36%	33%
	Direct investments	6%	9%	10%	17%
	Invested capital				
	Venture funds	51%	51%	39%	29%
	Balanced funds	14%	12%	10%	14%
	Buyout funds	26%	24%	28%	22%
	Direct investments	9%	13%	22%	35%
	Fair Value				
	Venture funds	49%	59%	40%	27%
	Balanced funds	12%	10%	11%	15%
	Buyout funds	30%	20%	21%	20%
	Direct investments	9%	11%	28%	38%

[1] 2002 figures are based on fair values and are not comparable to previous years' figures.

Stock Exchange Listing

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

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

Market Making

Zürcher Kantonalbank, Uraniastrasse 35, 8001 Zurich, Peter Wullschleger, direct dial +41 1 293 65 04

Banca del Gottardo, Schützengasse 31, 8001 Zurich, Marcel Lüchinger, direct dial +41 1 215 73 07

Share Data

	31.3.02	31.3.01
Number of registered shares	4,500,000	4,500,000
Nominal value per share (CHF)	100	100
Earnings per share (CHF)	(60.67)	12.14

Share Price
(per share)

	01/02 CHF	00/01 CHF
High (8.5.01/10.4.00)	315	629
Low (3.10.01/16.3.01)	77	245
Year-end (as at 31.3.02)	116	275

Market Capitalization

	01/02 CHF million	00/01 CHF million
High (8.5.01/10.4.00)	1,418	2,831
Low (3.10.01/16.3.01)	347	1,103
Year-end (as at 31.3.02)	522	1,238

Calendar

July 30, 2002	Quarterly Report as of June 30, 2002
August 22, 2002	Annual General Meeting
October 29, 2002	Half-Year Report as of September 30, 2002
February 4, 2003	9-Month Report as of December 31, 2002
April 2003	Annual Results as of March 31, 2003

Private Equity Holding AG

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