



NEWS RELEASE

Zug, February 4, 2003

Private Equity Holding AG: 9-Month Results as of December 31, 2002

In the course of the first nine months of the financial year 2002/2003 (April 1 - December 31, 2002), the fair value per share of Private Equity Holding progressively declined from CHF 213.52 to CHF 154.60. During the past quarter, permanent write-downs of CHF 38 million were recorded in the income statement (first nine months 2002/2003: CHF 96 million) and value adjustments considered to be of temporary nature amounting to net CHF 12 million were booked against equity (first nine months 2002/2003: CHF 136 million). The main reasons were again (i) corrections of the valuations in response to the prevailing weak market conditions, (ii) operational issues and failure by portfolio companies to meet business targets and (iii) currency effects. Between October and December the currency exchange rate of both the USD and the EUR against the Swiss Franc had a particularly negative impact. In summary, the reporting 9-month period closed with a net loss of CHF 122 million and a loss of CHF 49 million in the third quarter alone.

Between April 1 and December 31, 2002, total assets declined from CHF 1.20 billion to CHF 1.04 billion. The value of the investments (securities available for sale, loans and trading securities) contracted from CHF 1.16 billion to CHF 968 million.

Over the 9-month reporting term, outstanding commitments decreased by nearly CHF 200 million from CHF 651 million to CHF 456 million. This reduction was brought about by capital calls met as well as the impact from the USD-CHF currency exchange rate. Accordingly, total commitments declined from CHF 1.97 billion as of April 1, 2002, to CHF 1.76 billion as of December 31, 2002. The ratio of invested capital to total commitments remained at 0.6.

Securing adequate financial resources continues to present the major challenge. The combination of concurrent adverse factors such as difficult market conditions, lower valuations of the portfolio investments, disproportionate commitments made in the past and a low level of distributions significantly worsened the already tight financial situation during the last quarter of 2002. By the end of 2002, CHF 350 million of the credit facility from Swiss Life had been drawn. The credit facility is governed by several covenants, one of which requires a three-fold over-coverage of the loan with certain assets of the Private Equity Holding Group. In early January, Private Equity Holding repaid an amount of CHF 25 million to Swiss Life in order to remain in compliance with the covenants and thereby reduced the total long-term borrowings



Page 2/3, February 4, 2003

to CHF 325 million. In this context, Private Equity Holding committed itself to present to Swiss Life as soon as possible an acceptable proposal on the early repayment of the outstanding balance of the loan.

Several alternative sources of financing, including additional or alternative debt financing as well as the sale of part of the portfolio, are being actively pursued. With regard to the longer term, the objective is also to achieve a better alignment of the maturity of the financing solution with the long-term nature of private equity commitments.

Outlook

Therefore, the challenge for Private Equity Holding in the near-term will consequently be to bridge the financing gap and to establish a satisfactory long-term financing solution in order to preserve the value of the investments.

Notwithstanding possible further declines in valuations and the uncertain timing of a rebound, we reiterate our fundamentally positive outlook with regard to the investment portfolio. A recovery in the public markets and a pick-up in M&A and trade sale activity, however, are a prerequisite for any benefits to materialize.

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Private Equity Holding AG (SWX: PEHN), managed by Swiss Life Private Equity Partners, offers investors the opportunity to invest, within a simple legal and tax optimized structure, in a broadly diversified and professionally managed private equity portfolio. As of December 31, 2002, the company held fund investments in 85 funds and direct investments in 23 companies. For further information: www.peh.ch or Eva Kalias, Investor Relations and Communications (phone +41 41 726 79 80).

The full 9-Month Report as of December 31, 2002, is available on our website at www.peh.ch from February 4, 2003.



Consolidated Financial Statements for the 9 Months ended December 31, 2002 (abbreviated)

Income Statement

CHF 1,000	1.10.02-31.12.02 (unaudited)	1.4.02-31.12.02 (unaudited)	1.4.01-31.12.01 (unaudited)
Income			
Gains on securities available for sale, net	1,557	11,867	60,940
Trading securities losses, net	(2,435)	(5,463)	(16,351)
Other income, net	-	28	50
Total Income/(Loss)	(878)	6,432	44,639
Write-Downs	38,104	96,314	84,996
Expenses			
Administration expenses	2,927	9,660	22,802
Corporate expenses	598	1,732	3,460
Transaction expenses	147	396	230
Total Expenses	3,672	11,788	26,492
Total Loss from Operations	(42,654)	(101,670)	(66,849)
Financing Income			
Interest income	333	1,989	1,503
Total Financing Income	333	1,989	1,503
Financing Expenses			
Interest expenses	4,916	19,139	14,167
Financing charges	203	819	-
Foreign exchange losses, net	1,267	2,130	9,384
Total Financing Expenses	6,386	22,088	23,551
Total Financing Expenses, net	(6,053)	(20,099)	(22,048)
Net Loss before Extraordinary Items	(48,707)	(121,769)	(88,897)
Extraordinary Loss	-	(156)	-
Net Loss	(48,707)	(121,925)	(88,897)

Balance Sheet

CHF 1,000	31.12.02 (unaudited)	31.3.02
Assets		
Current assets	71,762	50,790
Long-term assets	964,257	1,146,901
Total Assets	1,036,019	1,197,691
Liabilities and Shareholders' Equity		
Current liabilities	12,188	15,510
Long-term liabilities	350,000	250,000
Shareholders' equity	673,831	932,181
Total Liabilities and Shareholders' Equity	1,036,019	1,197,691