J|P|E|L

J.P. Morgan Private Equity Limited

Unaudited Interim Report and Financial Statements

for the period ended 31 December 2010

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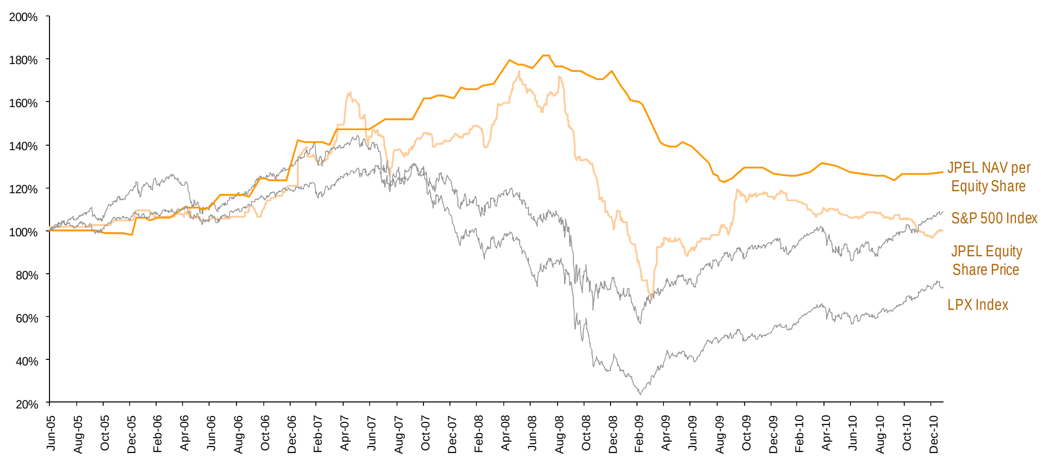
Financial Highlights *(Company Information)*

Overview	
	31 December 2010
Equity Shares	
NAV per Share	$1.30
Share Price	$1.02
Shares in Issuance	367.9m
2013 ZDP Shares	
NAV per Share	61.23p
Share Price	65.75p
Shares in Issuance	63.4m
2015 ZDP Shares	
NAV per Share	57.69p
Share Price	67.25p
Shares in Issuance	69.4m
JPEL Warrants[1]	
Warrant Price	$0.06
Warrants in Issuance	57.9m
Balance Sheet	
Investments at Fair Market Value	$601.9 m
Bank Deposits	91.8 m
Net Current Assets[2]	98.5 m
Credit Facility[3]	(99.3 m)
Other Liabilities[4]	(1.5m)
Total Net Asset Value[5]	**$601.2 m**

JPEL Performance of US$ Equity Shares Since Inception as at 31 December 2010



Past performance is not a reliable indicator of future results.

(1) JPEL issued warrants free of subscription cost to shareholders on record as of 17 August 2009. The warrants are publicly traded on the London Stock Exchange under the symbol "JPWW."
(2) Includes accrued performance fees, accounts payable, accrued expenses, and accrued interest income.
(3) On 8 May 2008, J.P. Morgan Private Equity Limited entered into a $100 million secured credit facility.
(4) Includes fee accruals and other payables.
(5) Numbers may not add due to rounding.

Overview

J.P. Morgan Private Equity Limited ("JPEL" or the "Company") is a Guernsey registered and incorporated closed ended investment company that trades on the London Stock Exchange (LSE: JPEL, JPEZ, JPZZ, JPWW). The Company is designed primarily to invest in the global private equity market. The fair value of the Company's total assets as at 31 December 2010 was $702.1 million.

JPEL held its initial public offering on 30 June 2005 under the name "Bear Stearns Private Equity Limited". The Company currently has three classes of shares: US$ Equity Shares, 2013 Zero Dividend Preference Shares ("2013 ZDP Shares") and 2015 Zero Dividend Preference Shares ("2015 ZDP Shares"). As at 31 December 2010, 2013 ZDP Shares made up 10.1% of total capital, 2015 ZDP Shares made up 10.4% of total capital and US$ Equity Shares made up the remaining 79.5%.

JPEL issued warrants free of subscription cost to shareholders who were on the Company's register as at 17 August 2009. One warrant was issued for every six US$ Equity Shares owned. The warrants are publicly traded on the London Stock Exchange under the symbol "JPWW". As at the time of publication of the Semi-Annual Report, there were 57,943,108 warrants in issue.

JPEL is managed by Bear Stearns Asset Management Inc and JPMorgan Asset Management (UK) Limited (collectively, the "Managers"), both wholly-owned subsidiaries of JPMorgan Chase & Co. Following the acquisition of The Bear Stearns Companies Inc. by JPMorgan Chase & Co., the investment management team within BSAM Inc. that has managed the Company since its inception joined J.P. Morgan Asset Management. The Company has entered into a management agreement with the Managers to invest the assets of the Company on a discretionary basis, subject to the overall supervision of the Board of Directors (the "Directors"), a majority of whom are independent. The Directors are responsible for the determination of the Manager's investment policy and have overall responsibility for the Company's activities.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $2 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity.

Strategy

The Company primarily pursues the following strategies to enhance shareholder value and to meet its investment objective:

- acquire secondary market portfolios of direct fund investments, significantly invested partnership interests and partially drawn commitments, with a goal of accelerating Net Asset Value development;
- opportunistically invest in buyout, special situation, venture capital and other fund investments throughout the world based on attractive transaction values, advantageous market conditions and compelling risk-adjusted return potential;
- obtain exposure to individual companies by co-investing alongside private equity sponsors in companies that offer the potential for substantial equity appreciation;
- diversify its portfolio by manager, industry, geography, investment stage and vintage year; and
- actively manage the Company's portfolio by repositioning its investment composition from time to time in efforts to capitalise on changes in private equity market conditions.

In summary, the investment objective of the Company is to achieve both short-term and long-term capital appreciation by investing in a well-diversified portfolio of private equity fund interests and by capitalising on the inefficiencies of the secondary private equity market.

Chairman's Statement

Increased distribution activity, tender facility reinstated.

Over the past five years, it has been our view that in order to be successful over the long term, JPEL would need to focus on four key areas: first, building a diversified portfolio with low levels of debt; second, seeking to buy into value in the secondary market; third, maintaining a strong balance sheet; and finally returning cash to shareholders on a periodic basis. I believe that JPEL has met these objectives and the Managers have built a strong platform that can withstand market dislocations and remain poised for long term growth.

31 December 2010 marked the end of a calendar year of two distinct halves. The rally in public markets in early 2010 caused many would-be-sellers of private assets to increase their pricing expectations. Throughout the first six months of 2010, deal volume was underwhelming and new entrants crowded the buy-side. As a result, JPEL experienced a higher level of deal execution failure than normal given the Managers' lower pricing levels and lack of confidence in a general market rebound. The Company closed only three transactions in the first half of 2010, totaling $11.3 million of purchase price. However, during the second half of 2010, JPEL's investment pace doubled and the Company secured a robust pipeline of investments that the Managers expect to close in the early part of 2011.

Among the key events of the past six months, I would like to highlight the following:

- ***Accelerated Investment Pace:*** The Company's investment pace has accelerated with a full pipeline after a slow first half of 2010. During the second half of 2010, the Company closed six separate secondary transactions, representing approximately $29.3 million of net asset value as at 31 December 2010. This is double the number of transactions completed in the first half of 2010, when misplaced investor enthusiasm caused a higher level of deal execution failure due to the Managers' lower pricing levels.

- ***Strong Distribution Activity:*** JPEL's portfolio generated substantial distributions of $18.6 million representing approximately 3.2% of JPEL's private equity asset value. For the twelve month period ending 31 December 2010, JPEL's portfolio generated over $52 million of distributions, approximately double the amount of capital calls received during the same period.

- ***Return of Capital to Shareholders:*** Distributions and a strong balance sheet enabled the Company to return capital to investors through a tender offer to purchase up to 3% of the Shares then outstanding at NAV. When distribution activity is sufficient, the Company endeavours to give shareholders the ability to periodically redeem shares at NAV even when the stock price trades at a discount. Including the 31 December tender offer, JPEL has returned over $127 million of cash to investors since inception at an average price per US$ Equity Share of $1.65.[1] I would like to highlight that JPEL continues to be the only listed private equity fund to operate a tender facility at NAV.

- ***Solid Growth of Top Assets:*** JPEL's largest buyout investments enjoyed solid operational performance over the last twelve months (LTM). The weighted average LTM revenue growth and EBITDA growth for the Company's top 34 buyout investments was 10.7% and 23.1%, respectively. In addition, JPEL's top 34 buyout holdings were held at a weighted average of 8.2x LTM EBITDA and the weighted average Net Debt / LTM EBITDA was 1.9x.[2]

[1] Includes 31 December 2010 tender.

[2] Represents largest underlying buyout investments within JPEL's largest 50 underlying companies. Buyout related investments represent 34 of JPEL's largest 50 investments or approximately 29.8% of private equity investment values at 31 December 2010. Information based on latest available underlying fund and company data at time of publication.

Chairman's Statement *(Continued)*

- ***Consistent Exposure to Growth Companies in Asia:*** During the second half of 2010, JPEL maintained its exposure to Asia as the Managers have identified the region as a key area of focus. Over the past year, JPEL has focused on growth companies with lower levels of debt and has found ways to invest in this region at compelling entry valuations. At 31 December 2010, JPEL's exposure to Asia was 20% of the private equity portfolio.[1]

Investment Activity

After a period of limited investment activity in the first half of 2010, JPEL closed on six investments at what the Managers believe are discounts to intrinsic value.

JPEL made three secondary direct investments in second lien debt supported by private US middle-market companies. The first investment was in a leading ATM deployment company. JPEL also invested in a nationwide provider of vehicle logistics. Base case projected internal rate of return for these two investments are approximately 20%. Given significant cash flow and structural protections, the Managers believe this to represent superior risk adjusted returns. JPEL's third secondary direct investment in second lien debt is supported by a provider of integrated air cargo transportation and aviation support services.

JPEL also completed a secondary direct investment in a business that acquires run-off insurance portfolios. As part of this transaction, the underlying investment will acquire three run-off portfolios at significant discounts to net asset value.

During October 2010, JPEL purchased a secondary interest, at a discount to reported value, in Blue River Capital I, LLC ("Blue River"). The largest asset in the Blue River portfolio is one of the largest road construction and toll operators in India. This company registered over 30% revenue and EBITDA growth for the first six months of its fiscal year 2011.

In November 2010, JPEL closed an investment in a distressed real estate opportunity in the United States, representing $6.3 million in purchase price. JPEL was able to purchase the underlying assets at approximately one third of the replacement cost and less than 50% of the construction funding advanced on the project.

Subsequent to 31 December 2010, the Company completed one secondary direct investment in one of Europe's leading industrial flooring companies with extensive business in Latin America. JPEL was able to make this investment at an attractive valuation due to the liquidity needs of three diverse sellers: a liquidating hedge fund, a bank prop desk seeking liquidity, and a European construction company.

The Managers believe that the investments made during the 2010 calendar year will significantly contribute to the Company's NAV development over the next twelve months.

[1] Percentage is based on JPEL's private equity investment portfolio and does not include cash or cash equivalents at the Company level.

Chairman's Statement *(Continued)*

NAV and Share Price Performance

In the last six months 2010, JPEL's NAV per US$ Equity share grew by 1.6% from $1.28 to $1.30. JPEL's NAV development has been relatively flat for the last several months. The Managers believe that this is due to a combination of factors, including the following:

- ***Deal Activity Slow to Materialize in 1H 2010:*** As discussed earlier, the first six months of 2010 were slow for the Company from a deal execution perspective. During the twelve month period ending 31 December 2010, JPEL invested $35.8 million, $24.5 million of which was invested in the last six months of the year.
- ***Valuations:*** In the year following the credit crisis, many of JPEL's underlying fund managers have been reluctant to increase the valuations on their portfolios. As a result, the Managers believe that there is imbedded value in the underlying JPEL portfolio as evidenced by the strong levels of revenue and EBITDA growth at the Company's top 34 buyout positions.
- ***Post-Secondary Education:*** Over the past year, the post-secondary education sector has come under pressure from proposed US government regulations. Post-secondary education represents approximately 8% of JPEL's private equity portfolio at 31 December 2010[1] However, the Managers are encouraged by recent events following the November mid-term elections in the US and valuations are increasing.
- ***Mid East Exposure:*** Lingering effects of the Dubai crisis continued to affect less than 5% of JPEL's private equity portfolio over the six month period ending 31 December 2010.[1]
- ***Foreign Exchange Volatility:*** Foreign exchange volatility continues to affect JPEL's performance as the Company maintains underlying investment exposure to the US Dollar, Euro, British Pound and Australian Dollar. During the six month period ending 31 December 2010, the Euro, British Pound and Australian Dollar posted strong gains against the US Dollar appreciating 9.36%, 4.46% and 21.71%, respectively.
- ***Financing Cost:*** Ongoing expenses, including JPEL's credit facility and Zero Dividend Preference Shares offset a portion of net asset value development.

The Company's US$ Equity Shares fell 8.5% during the six month period ending 31 December 2010. As at 18 February 2011, the Company traded at a 16% discount to net asset value, which was approximately half of the average discount of the selected peer group of 33.1%.[2] Still, the Company is disappointed by this decline and is redoubling its effort to increase its rating.

JPEL's 2013 ZDP Shares continue to perform well. The NAV of 2013 ZDP Shares rose 3.6% during this period, from 59.09p to 61.23p per share. JPEL's 2013 ZDP Share price has increased 52.9% since inception, closing at 65.75p on 31 December 2010. At 31 December 2010, JPEL's 2013 ZDP Shares traded at a 7.39% premium to NAV.

JPEL's 2015 ZDP Shares also continue to perform well. The NAV of 2015 ZDP Shares rose 4.3% during this period, from 55.33p to 57.69p per share. JPEL's 2015 ZDP Share price has increased 31.9% since inception, closing at 67.25p on 31 December 2010. At 31 December 2010, JPEL's 2015 ZDP Shares traded at a 16.57% premium to NAV.

[1] Percentage is based on JPEL's private equity investment portfolio and does not include cash or cash equivalents at the Company level.
[2] Source: J.P. Morgan Cazenove Alternative Statistics, Bloomberg as at 18 February 2011. Peer Group members based on multi-manager listed private equity funds included in the research publication "LPE Focus" by RBS and includes: APEN, SHPN, PEHN, PIN, CPEN, PEY, CCAP, ABSP, HPEQ, FPEO, NBPE, HVPE, SEP

Chairman's Statement *(Continued)*

Market Outlook

It is the Managers' opinion that the current market offers an attractive secondary investment environment in terms of both supply of potential transactions and pricing. The need for liquidity on the part of multiple institutions (including banks, insurance companies, endowment funds, sovereign wealth funds, hedge funds, etc.) as well as high net worth individuals, has a fuelled a robust supply of new investment opportunities. It is the Managers' view that the key to a strong secondary investment strategy is patience. JPEL would prefer to invest in those unique or more complex transactions that best fit its pricing parameters, rather than deploy capital in a less than favorable secondary environment.

In addition to deploying capital in exciting new investment opportunities, over the next six months JPEL will seek to lower its financing and FX costs and increase efficiency, seek industry consolidation opportunities, increase investor relation activities and explore creative ways to increase JPEL's share price.

I remain confident that JPEL will continue to be recognized as a market innovator in the listed private equity asset class. I believe that the Company's unique strategy, structure and diversified portfolio continue to be reflected in the Company's discount to NAV as compared to its peers.

Once again, I would like to thank shareholders for the support and the continued confidence that they have placed in the Company and in its ability to successfully execute its private equity investment strategy.

Trevor Ash
Chairman

28 February 2011

Corporate Actions

At the Annual General Meeting of the Company on 12 July 2010 all of the following special and ordinary resolutions put to shareholders were duly passed:

- To renew the Company's authority to make purchases of its own issued shares pursuant to any proposed tender offer;
- To renew the Company's general authority to make market purchases of its own issued shares;
- To approve and adopt the Annual Report and Financial Statements of the Company for the year ended 30 June 2009;
- To re-elect Trevor Charles Ash as a non-executive Director of the Company, who retires by rotation;
- To re-elect John Loudon as a non-executive Director of the Company, who retires by rotation;
- To re-elect Christopher Paul Spencer as a non-executive Director of the Company, who retires by rotation;
- To re-elect Gregory S. Getschow as an executive Director of the Company, who retires by rotation;
- To re-elect KPMG Channel Islands Limited as Auditors to the Company;
- To authorise the Directors to determine the Auditors' remuneration.

Furthermore, pursuant to the AGM, the following special resolution put to shareholders was declined:

- To renew the disapplication of the pre-emption rights set out in the Articles of Incorporation.

On 29 September 2010, the Company announced a tender offer to purchase up to 3% of current US$ Equity Shares, 2013 ZDP Shares and 2015 ZDP Shares, respectively, outstanding (excluding shares held in treasury). Shares will be tendered at a price based on the prevailing net asset value (NAV) for the quarter ending 31 December 2010.

On 30 December 2010, the Company announced that J.P. Morgan Asset Management (UK) Limited ("JPMAM") has been appointed as its co-manager. The addition of JPMAM as co-manager reflects the appointment of the legal entity which employs the London-based members of the JPEL team and will have no adverse impact on the operations or management of the Company. JPMAM has been appointed on the same material terms as contained in the existing Investment Management Agreement with Bear Stearns Asset Management Inc. ("BSAM").

On 25 February 2011, the Company announced that it accepted the following shares tendered to it at the applicable Net Asset Value per share as at 31 December 2010:

- 11,036,942 of US$ Equity Shares at a price of USD 1.30 per share.
- 55,011 of 2013 Zero Dividend Preference shares at a price of GBP 0.6123 per share.
- 829,241 of 2015 Zero Dividend Preference shares at a price of GBP 0.5769 per share.

Responsibility Statement

The Directors confirm to the best of their knowledge:

a. The condensed half year financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting; and

b. The Interim Report includes a fair review of the information required by the FSA's Disclosure and Transparency Rules 4.2.7R; and

c. The Interim Report includes a fair review of the information required by the FSA's Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

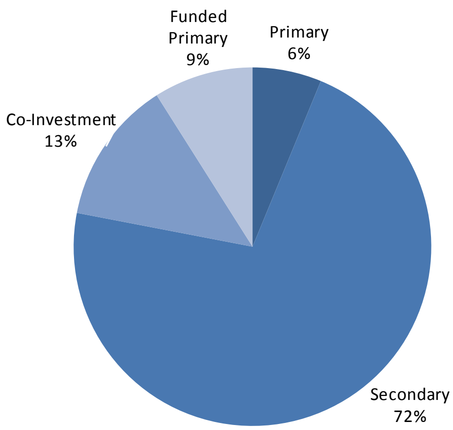
The Interim Report was approved by the Board on 28 February 2011 and the above Responsibility Statement was signed on its behalf by

Trevor Ash
Chairman

Portfolio Review

Since the Company's inception on 30 June 2005, JPEL's portfolio has grown to include 167 fund interests and 11 co-investments. With a private equity portfolio value of $601.9 million as at 31 December 2010, JPEL's portfolio is diversified globally across multiple investment strategies and industries.

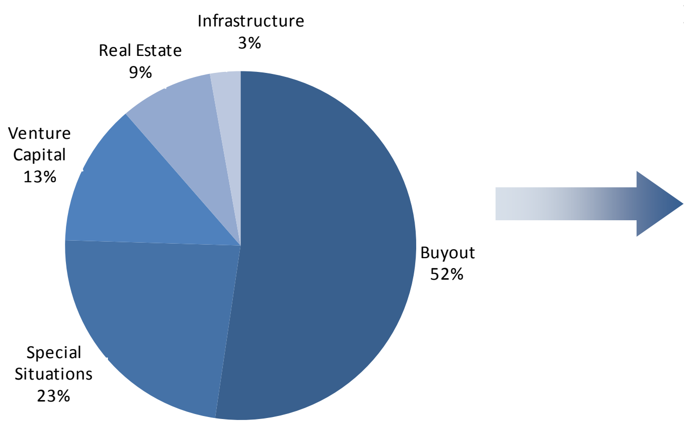
Investment Type[1]



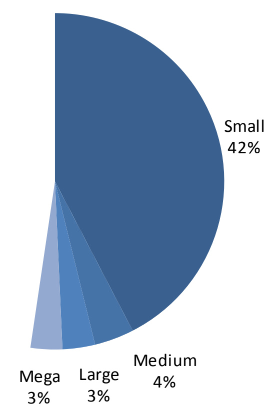
As a dedicated global secondary fund, JPEL's core strategy is to acquire private equity interests in the secondary market. Through acquiring assets that are partially or fully funded, JPEL is able to realize distributions and NAV growth more quickly since they are further along the private equity "J-Curve". Secondary and funded primary investments represent 72% and 9% of the portfolio, respectively.

The Company also participates in co-investments which comprise 13% of the portfolio. From time to time, JPEL may make a primary commitment to a fund, primarily as part of a secondary transaction. As at 31 December 2010, primary investments made up 6% of JPEL's private equity portfolio.

Investment Strategy[1]



Buyout Size Breakout[2]



JPEL's portfolio is defensively structured with 46% of the portfolio invested in small to mid-market buyout funds which generally utilize less leverage. Additionally, Special Situation funds including, mezzanine, debt, turnaround and distressed funds, represent 23% of JPEL's portfolio and tend to fare better in constricted markets. JPEL's exposure to Venture Capital and Real Estate represent 13% and 9% of private equity portfolio value, respectively.

(1) Based on total investment value as at 31 December 2010, percentages based on underlying fund-level values
(2) Buyout Fund Size breakdown is defined as: Small: $0 - $500 million; Medium: $500 million - $2 billion; Large: $2 billion - $5 billion; Mega: over $5 billion.

Buyout Fund Sizes[2]

Portfolio Review *(Continued)*

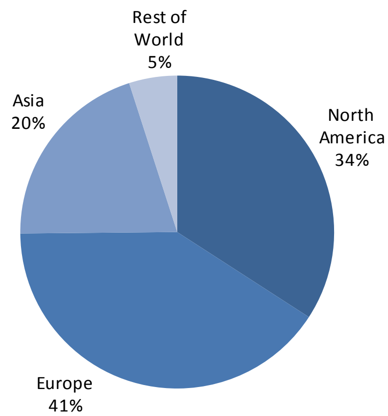
Portfolio Age[1]

Average age of Portfolio by Investment Strategy

Average age of investments:	**4.8 years**
Buyout investments:	4.1 years
▪ Small buyout:	3.9 years
▪ Medium buyout:	5.4 years
▪ Large buyout:	5.8 years
▪ Mega buyouts:	5.7 years
Venture Capital investments:	8.6 years
Real Estate investments:	5.0 years
Special Situations:	4.4 years
Infrastructure investments:	4.9 years

With an average age of 4.8 years, JPEL's portfolio is well positioned on the private equity "J-Curve" to receive distributions once markets normalize.

Geographic Footprint[2]

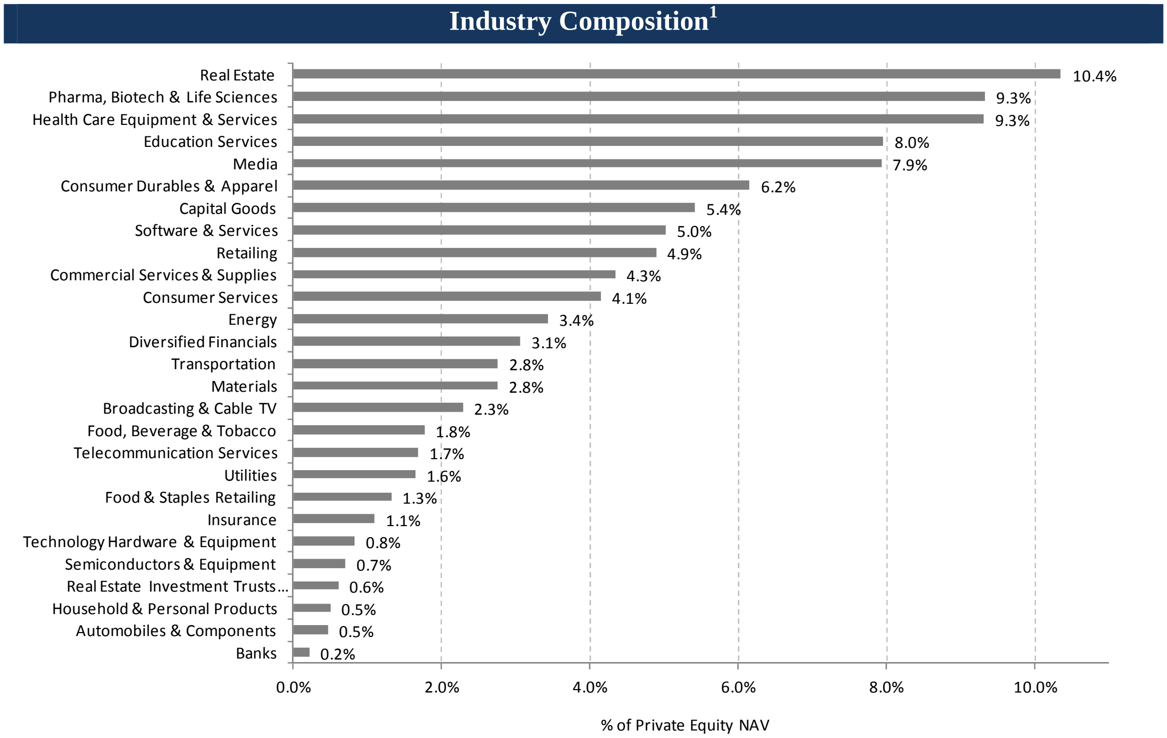


JPEL's portfolio has exposure to over 1,500 underlying companies diversified in approximately 40 countries.

Europe and North America represent the majority of the Company's portfolio at 41% and 34%, respectively. JPEL's exposure to Asia has increased to 20% of NAV since nil at inception. Investments in the rest of the world represent 5% of JPEL's portfolio.

(1) Source: Manager. Average age of investments is based on the vintage year in which each individual portfolio company investment was made, subject to availability. Weighting is based on underlying portfolio company level values. Age calculated as at 31 December 2010. Average is weighted based on private equity investment value as at 31 December 2010, percentages based on underlying company-level values.
(2) Based on total investment value as at 31 December 2010, percentages based on underlying company-level values.

Portfolio Review *(Continued)*



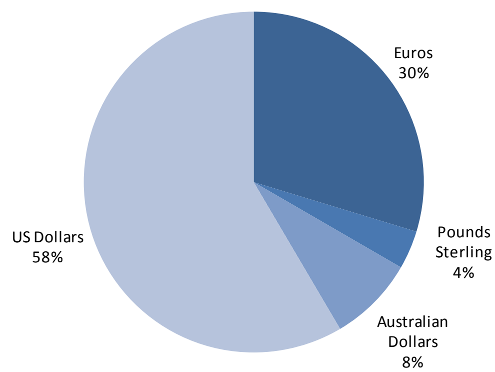
JPEL's investment strategy allows the Managers to actively reposition the portfolio for different market environments. Over the past several quarters, the Company has emphasized opportunities in industries that have defensive characteristics. As at 31 December 2010, health care related companies represent 18.6% of JPEL's private equity NAV.

(1) Based on total investment value as at 31 December 2010, percentages based on underlying company-level values.

Currency Exposure

The Managers continue to monitor JPEL's exposure to foreign currencies and take currency exposure into consideration when selecting investments. The currency composition of JPEL's portfolio may change as the Company continues to pursue an investment policy focused on geographic diversification.

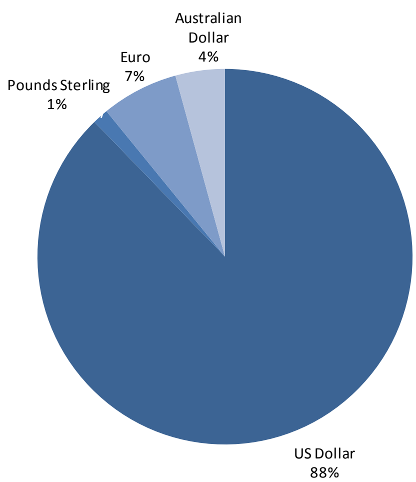
Currency Composition[1]



As at 31 December 2010, JPEL's total investments were valued at $601.9 million. Investments held in US Dollars made up approximately 58% of the portfolio, while investments held in Euro, British Pounds and the Australian Dollar comprised 30%, 4%, and 8%, respectively.

The Managers will continue to pursue investments that will likely enhance currency diversification and reduce overall exposure risk.

Cash Account Holdings[2]



JPEL ended the calendar year with total cash balances of $91.8 million.

Approximately 88% of JPEL's cash balance was held in US Dollars, 1% was held in British Pounds, 7% in Euros and 4% in Australian Dollars.

(1) Based on total investment value as at 31December 2010, percentages based on underlying fund-level values.
(2) Based on cash holdings on the Company level at 31 December 2010. Please refer to page 17 of the financial statements for cash holdings on the Group Level.

Top 20 Funds & Companies Information

Top 20 Funds[1, 2]

	Fund Name	Strategy	Region	% of Private Equity NAV
1	Liberty Partners II, L.P.	Buyout	North America	4.5%
2	Avista Capital Partners (Offshore), L.P.	Buyout	North America	3.6%
3	Life Sciences Holdings SPV I Fund, L.P.	Venture Capital	Europe	3.4%
4	Alcentra Euro Mezzanine No1 Fund L.P.	Special Situations	Europe	2.7%
5	Milestone Link Fund, L.P.	Buyout	Europe	2.7%
6	Esprit Capital I Fund	Venture Capital	Europe	2.5%
7	Hutton Collins Capital Partners II L.P.	Special Situations	Europe	2.4%
8	Omega Fund III, L.P.	Venture Capital	Europe	2.2%
9	Macquarie Wholesale Co-investment Fund	Buyout	Asia	2.1%
10	Global Opportunistic Fund	Buyout	Other	2.0%
11	Almack Mezzanine I Fund L.P.	Special Situations	Europe	1.9%
12	GSC European Mezzanine Fund II LP	Special Situations	Europe	1.9%
13	Leeds Equity Partners IV Co-Investment Fund A, L.P.	Buyout	North America	1.8%
14	Blue River Capital I, LLC	Buyout	Asia	1.7%
15	Strategic Value Global Opportunities Master Fund, L.P.	Special Situations	North America	1.6%
16	Guggenheim Aviation Offshore Investment Fund II, L.P.	Special Situations	North America	1.6%
17	Catalyst Buyout Fund 1	Buyout	Asia	1.6%
18	Strategic Value Global Opportunities Feeder Fund I-A, L.P.	Special Situations	North America	1.6%
19	Leeds Equity Partners IV, L.P.	Buyout	North America	1.6%
20	Global Buyout Fund, L.P.	Buyout	Other	1.5%

Top 20 Companies[1, 2]

	Company Name	Industry Group	Country	% of Private Equity NAV
1	Deutsche Annington Immobilien Group	Real Estate	Germany	6.9%
2	China Media Enterprises Limited	Media	China	5.7%
3	Concorde Career Colleges, Inc.	Consumer Services	United States	3.3%
4	Education Management Corporation	Consumer Services	United States	2.5%
5	FibroGen Europe	Pharma, Biotech & Life Sciences	Finland	2.4%
6	Paratek	Pharma, Biotech & Life Sciences	United States	1.9%
7	WinnCare	Health Care Equipment & Services	France	1.7%
8	InterFloor	Consumer durables & Apparel	United Kingdom	1.6%
9	Amart All Sports	Retailing	Australia	1.1%
10	Hunter Acquisition Limited	Media	Germany	1.1%
11	Back Bay (Guernsey) Limited	Real Estate	United States	1.0%
12	Nycomed	Pharma, Biotech & Life Sciences	Denmark	0.8%
13	Lantheus	Health Care Equipment & Services	United States	0.8%
14	Evergreen International Aviation, Inc.	Transportation	United States	0.8%
15	Ex Libris, Ltd.	Consumer Services	Israel	0.8%
16	Pacific Apparel Solutions	Retailing	Australia	0.7%
17	Gambro Healthcare	Health Care Equipment & Services	Sweden	0.7%
18	Quartier 207	Real Estate	Germany	0.6%
19	Healthcare at Home	Health Care Equipment & Services	United Kingdom	0.6%
20	A2Z Maintenance & Engineering Services Ltd	Commercial Services & Supplies	India	0.6%

(1) Top 20 Funds and Top 20 Companies include underlying funds and companies indirectly owned through the purchase of secondary interest in Private Equity Access Fund II Ltd, Bear Stearns Global Turnaround Fund, L.P., Hunter Acquisition Limited, BoS Mezzanine Partners Fund, L.P. (BoS company-level exposure includes estimated pro rated fund-level leverage), and Macquarie Private Capital Trust.. Top 20 Fund Investments exclude limited partnerships set up specifically to for co-investment purposes
(2) Percentages are calculated based on 31 December 2010 total investment value.

Condensed Consolidated Statement of Comprehensive Income - Unaudited

For the period ended 31 December 2010

	Notes	01/07/2010 to 31/12/2010 $'000	01/07/2009 to 31/12/2009 $'000
Investment income	1	**5,115**	**4,471**
Expenses			
Investment management fee		(4,083)	(4,117)
Administrative fee		(244)	(203)
Audit fee		(25)	(52)
Directors' fees		(51)	(174)
Other expenses		(1,935)	(2,003)
Total Expenses		**(6,338)**	**(6,549)**
Net (loss) before finance costs		(1,223)	(2,078)
Finance costs			
Interest payable on bank borrowings	2	(5,408)	(5,180)
Zero Dividend Preference Share Interest costs		(4,673)	106
Gains from investments			
Net gains on investments	3	23,067	27,927
Realised foreign currency (loss)/gain		(7,825)	13
Unrealised foreign currency (loss)/gain		(3,262)	1,189
PROFIT FOR THE PERIOD		**676**	**21,977**
Other comprehensive income/(loss)			
Movement in currency translation reserve		9,774	(5,320)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		10,450	16,657
Profit/(loss) attributable to:			
Owners of the Company		(2,289)	22,691
Non controlling interests		2,965	(714)
		676	21,977
Total comprehensive income/(loss) attributable to:			
Owners of the Company		8,247	(5,514)
Non controlling interests		1,527	194
		9,774	(5,320)
(Loss)/Earnings per share			
Basic (cents per share)		(1)	6
Diluted (cents per share)		(1)	6

All items in the above statement are derived from continuing operations.

The notes on pages 21 to 28 form an integral part of these financial statements.

Condensed consolidated Statement of financial position - Unaudited

As at 31 December 2010

	Notes	31/12/2010 $'000	30/06/2010 $'000
Non-current assets			
Financial assets at fair value through profit or loss	4	**676,669**	**632,193**
Current assets			
Cash and cash equivalents		104,762	110,341
Receivables		2,977	14,897
Derivative financial assets		11,605	16,845
		119,344	**142,083**
Current liabilities			
Payables and accruals		(6,042)	(12,665)
Derivative financial instruments		(3,364)	(1,669)
Borrowings	5	(10,233)	-
Net current assets		**99,705**	**127,749**
Non-current liabilities			
Borrowings	5	(156,293)	(160,079)
Zero dividend preference shares	6	(123,094)	(113,362)
		(279,387)	**(273,441)**
Net Assets		**496,987**	**486,501**
Represented by:			
Share capital	7	458,661	458,624
Reserves		17,345	11,387
Total equity attributable to equity holders of the Company		**476,006**	**470,011**
Minority interest		20,981	16,490
Total equity		**496,987**	**486,501**
NAV per Equity share (cents per share)		130	128

Condensed Consolidated Statement of Changes in Equity - Unaudited

For the period ended 31 December 2010

	Share Capital $'000	Accumulated Losses $'000	Capital Reserve $'000	Currency Translation Reserve $'000	Total $'000	Minority Interest $'000	Total $'000
At 1 July 2010	**458,624**	**(27,480)**	**10,221**	**28,645**	**470,011**	**16,490**	**486,501**
Profit/(loss) for the period	-	(27,689)	25,400	-	(2,289)	2,965	676
Other comprehensive income for the period	-	-	-	8,247	8,247	1,527	9,774
Total comprehensive income for the period	-	(27,689)	25,400	8,247	5,958	4,492	10,450
Share issue costs	-	-	-	-	-	-	-
Share issue	37	-	-	-	37	-	37
Issue of shares in subsidiary to minority interests	-	-	-	-	-	-	-
At 31 December 2010	**458,661**	**(55,169)**	**35,622**	**36,892**	**476,006**	**20,981**	**496,987**

Condensed Consolidated Statement of Changes in Equity - Unaudited

For the period ended 31 December 2009

	Share Capital $'000	Accumulated Losses $'000	Capital Reserve $'000	Currency Translation Reserve $'000	Total $'000	Minority Interest $'000	Total $'000
At 1 July 2009	**366,445**	**(17,980)**	**(8,607)**	**26,415**	**366,273**	**19,796**	**386,069**
Profit/(loss) for the period	-	(5,692)	28,383	-	22,691	(714)	21,977
Other comprehensive income for the period	-	-	-	(5,514)	(5,514)	194	(5,320)
Total comprehensive income for the period	-	(5,692)	28,383	(5,514)	17,177	(520)	16,657
Share issue costs	(2,371)	-	-	-	(2,371)	-	(2,371)
Share issue	93,477	-	-	-	93,477	-	93,477
Issue of shares in subsidiary to minority interests	-	-	-	-	-	2,565	2,565
At 31 December 2009	**457,551**	**(23,672)**	**19,776**	**20,901**	**474,556**	**21,841**	**496,397**

Condensed Consolidated Cash Flow Statement - Unaudited

For the period ended 31 December 2010

	01/07/2010 to 31/12/2010 $'000	01/07/2009 to 31/12/2009 $'000
Operating activities		
Profit for the period	676	21,977
Adjustments for:		
Interest and dividend income	(7,269)	(4,471)
Interest expense	10,081	4,874
Net (gains) on investments	(23,067)	(27,927)
Net cash movement in derivative contracts	(7,825)	(383)
Unrealised foreign currency loss/(gain)	3,262	(1,188)
Operating cash flows before changes in working capital	**(24,142)**	**(7,119)**
Decrease/(increase) in receivables	17,084	(611)
(Decrease)/increase in payables	(7,582)	(12,387)
Cash flows from operating activities	**(14,640)**	**(20,117)**
Investing activities		
Purchase of investments	(40,190)	(35,578)
Return of capital from investments	34,557	20,307
Interest and other distributions from investments received	27,148	3,787
Cash flows from investing activities	**21,515**	**(11,484)**
Financing activities		
Issue costs	-	(2,371)
Borrowings repaid	(2,253)	(3,719)
Interest paid	(4,040)	(4,483)
Issue of shares in subsidiary to minority interest	(4,589)	2,566
Proceeds from treasury share sale	-	19,789
Proceeds from issue of Equity shares	129	73,687
Proceeds from issue of zero divided preference share	-	49,509
Cash flows from financing activities	**(10,753)**	**134,978**
Net increase in cash and cash equivalents	**(3,878)**	**103,377**
Cash and cash equivalents at beginning of period	110,341	29,397
Effects of exchange difference arising from cash and cash equivalents	(1,701)	(911)
Cash and cash equivalents at end of the period	**104,762**	**131,863**

The notes on pages 21 to 28 form an integral part of these financial statements.

Notes to the Financial Statements

J.P. Morgan Private Equity Limited is a closed-ended investment fund incorporated as a limited liability company in Guernsey under the Companies (Guernsey) Law, 1994 on 28 April 2005. The Company's capital structure consists of three classes of shares, one class of Equity Shares and two classes of Zero Dividend Preference Shares due in 2013 and 2015, each of which is listed on the London Stock Exchange.

The primary objective of the Company and its subsidiaries ("the Group") is to achieve capital growth, with income as a secondary objective, from a diversified portfolio consisting predominantly of private equity limited partnership interests. The Group may also invest directly in private equity investments.

STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting (IFRS) and in accordance with the requirement of IAS 34 *Interim Financial Reporting*.

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2010.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 February 2011.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2010.

Notes to the Financial Statements *(continued)*

1. INTEREST AND DIVIDEND INCOME

The following table details the interest and dividend income earned by the Group during the period:

	01/07/2010 to 31/12/2010	01/07/2009 to 31/12/2009
Dividend income from financial assets that are not at fair value through profit or loss:		
- Cash and cash equivalents	5,115	4,471

2. INTEREST EXPENSE

The following table details the interest expense incurred by the Group and the Company during the period:

	01/07/2010 to 31/12/2010	01/07/2009 to 31/12/2009
Interest expense from financial instruments that are not at fair value through profit or loss:		
- Financial liabilities at amortised cost	(10,081)	(5,074)

3. GAINS FROM FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table details the gains and losses from financial assets and liabilities at fair value through profit or loss for the period ended:

	01/07/2010 to 31/12/2010	01/07/2009 to 31/12/2009
Designated at fair value through profit or loss		
Equity investments	30,001	27,482
Held for trading		
Derivative financial instruments	(6,934)	445
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss.	23,067	27,927

Notes to the Financial Statements *(continued)*

4. INVESTMENTS

The Group has investments in several funds. The following table is an analysis of the investment portfolio disclosing cost and fair value of the investments.

Investments	Market value of investments 31 Dec 2010 $'000	Market value of investments 30 June 2010 $'000
Private Equity Investments		
10th Lane Portfolio	6,064	5,425
Aksia Capital III LP	4,268	3,661
Alia Capital Fund I CV	3,313	3,130
Alto I/ Development Capital I S.C.A	815	728
Alto Capital II	4,227	3,799
Apollo International Real Estate Fund	583	575
Apollo Investment Fund V, LP	2,051	2,060
Apollo Real Estate Investment Fund IV, LP	1,065	1,071
Aqua Internatuional Partners, L.P	0	0
Argan Capital Fund	8,658	6,996
Arlington Capital Partners II, LP	2,201	2,033
Arrow Path Fund II, LP	968	1,047
Avista Capital Partners (Offshore), LP	15,995	16,619
Black Bay (Guernsey Ltd)	6,300	-
Bain Capital Fund VI, LP	79	71
Beacon India Private Equity Fund	8,559	8,042
Bear Stearns Global Turnaround Fund, LP	36,354	36,586
Bear Stearns Private Opportunity Ventures, LP	4,045	4,163
Black Diamond Capital Management	3,457	3,275
Blackstone Capital Partners IV, LP	3,241	3,654
Blackstone Real Estate Partners IV, LP	1,416	1,293
Blue River Capital I LLC	10,324	-
Candover 2001 Fund	572	668
Candover 2005 Fund	2,072	1,612
Clearwater Capital Partners Fund I, LP	4,253	4,965
Clearwater Capital Partners Opportunities Fund, LP	611	901
Colony Investors VI, LP	359	766
CPC Luxury Optical Investment LLC	3,233	3,234
CPC RD Investment LLC	3,486	3,560
Dolphin Communications Fund II, LP	316	332
Doughty Hanson & Co. Technology Fund	694	1,364
EDC Holdings Company LLC	3,139	4,252
Education Management Corp	1,804	1,520
Esprit Capital I Fund	14,916	14,797
Espirit Capital III Fund	92	5
Evergreen International Aviation Inc	4,568	-
Freescale Semiconductor, Inc	988	990
Gemini Israel III, LP	164	166
Global Buyout Fund, LP	8,891	8,472
Global Opportunistic Fund	12,120	14,957
Green Investors III, LP	169	168
Gridiron Capital Fund, LP	2,791	4,385
Guggenheim Aviation Offshore Investment Fund II, LP	9,742	9,674
Highstar Capital III Prism Fund, LP	4,373	4,417
Hupomone Capital Fund, LP	4,493	3,580
Hutton Collins Capital Partners II LP	4,417	3,582

Continued next page

Notes to the Financial Statements *(continued)*

4. INVESTMENTS *(continued)*

Investments	Market value of investments 31 Dec 2010 $'000	Market value of investments 30 June 2010 $'000
Private Equity Investments		
Industry Ventures Acquisition Fund, LP	23	19
Industry Ventures Fund IV, LP	3,294	3,029
Industry Ventures Fund V, LP	4,479	3,048
Leeds Equity Partners IV, LP	9,452	8,692
Leeds Equity Partners IV, LP Co-investment Fund A, LP	10,544	8,901
Leeds Equity Partners V, LP	2,374	2,136
Liberty Partners II, LP	26,799	29,842
Life Sciences Holdings SPV I Fund, LP	20,585	19,731
Main Street Resources I, LP	1,663	1,984
Main Street Resources II, LP	2,701	2,506
Markstone Capital Partners, LP	2,993	3,119
Milestone Link Fund	16,102	13,415
Milestone 2010, L.P	2,679	-
Montagu III LP	3,260	2,785
Morning Street Partners, LP	1,013	1,055
Olympus Capital Asia III (Offshore), LP	1,819	1,941
Omega Fund III, LP	8,828	8,062
Oxford Bioscience Partners IV, LP	806	897
Private Equity Access Fund II Ltd	7,600	8,017
Providence Equity Partners IV, LP	2,129	2,975
Quadrangle Capital Partners, LP	1,007	1,401
Realza Capital Fondo, FCR	1,007	760
Strategic Value Global Opportunities Master Fund, LP	5,645	5,411
Strategic Value Global Opportunities Feeder Fund I-A, LP	5,422	5,230
SVE Star Ventures	614	636
Terra Firma Deutsche Annington LP	1,821	1,665
Terra Firma Deutsche Annington L.P. (JPEL TF Limited)	39,836	36,427
Thomas H. Lee Equity Fund V, L.P.	2,049	2,705
Trumpet Feeder Ltd	2,916	2,838
United Road Services	2,278	2,251
Warburg Pincus Private Equity VIII, LP	4,326	4,180
Wellington Partners Ventures II GMBH & CO.KG (B)	1,115	985
Wellington Partners Ventures III Life Science Fund L.P	1,804	1,692
Total private equity investments held at Company Level	**411,228**	**380,930**

Continued next page

Notes to the Financial Statements *(continued)*

4. INVESTMENTS *(continued)*

Investments	Market value of investments 31 Dec 2010 $'000	Market value of investments 30 June 2010 $'000
Additional private equity investments held by the Group's subsidiaries		
Hunter Acquisition Limited	7,634	6,980
BSPEL/Migdal Mezzanine Limited	104,977	93,005
Ancestry.Com	-	3,898
ABN Amro Capital Australia Fund II	1,023	499
Aisling Capital Partners II, LP	1,389	1,561
Australasian Media and Communications Fund 2 C	1,525	709
Blackstone Capital Partners V, LP	6,049	5,355
Carlyle Asia Partners II, LP.	4,731	3,731
Carlyle/Riverstone Global Energy and Power Fund III	5,729	5,518
Carlyle/Riverstone Renewable Energy Infrastructure Fund I	3,479	3,392
Catalyst Buyout fund 1A	5,628	4,221
Catalyst Buyout fund 1B	5,628	4,221
Ceram Polymerick CN	6	68
Charterhouse Capital Partners VIII	4,237	3,386
China Media Enterprises Limited	40,976	40,976
GBS3 BioVentures	2,777	2,210
HG Capital V, L.P.	1,767	2,057
Industry Ventures Fund IV, L.P.	3,653	3,344
Industry Ventures Acquisition Fund, L.P.	58	146
Macquarie Wholesale Co-investment Fund	13,546	16,525
Macquarie European Infrastructure Fund	5,787	5,357
Macquarie Global Infrastructure Fund A	6	5
Macquarie Global Infrastructure Fund B	12	10
Macquarie Treasury Fund	-	323
Macquarie Alternative Investment Trust I	8,792	7,254
Macquarie Alternative Investment Trust II	16,882	14,970
Macquarie Alternative Investment Trust III	10,025	9,681
PCG Special Situations Partnership	5,475	5,858
Quadrant Private Equity No 1A	427	357
Quadrant Private Equity No 1B	427	357
Quadrant Private Equity No 1, LP	2,532	5,058
Starfish Ventures Pre-Seed	262	230
	265,440	**251,262**

All investments are designated by management at fair value through profit or loss at inception.

The Group has committed to invest in certain private equity funds and investments. Such commitments are payable upon demand at the request of the Fund's administrator or General Partner. As at 31 December 2010, the Group had outstanding commitments of US$129mm which may be called by the underlying limited partnerships.

5. BORROWINGS

	31/12/2010 $'000	30/06/2010 $'000
Bank of Scotland	32,527	32,004
Fortress Credit Corp	99,300	98,852
National Australia Bank	30,699	25,223
Media Champion Investments Limited	4,000	4,000
	166,526	160,079
Amounts due for settlement within 12 months	10,233	-
Amounts due for settlement after 12 months	156,293	160,079

The maturity profile of the loan facilities as at 31 December 2010 are as follows:

Facility	Less than 6 months $'000	6 months to 1 year $'000	1-5 years $'000	Total $'000
Bank of Scotland	-	-	32,527	32,527
Fortress Credit Corp	-	-	99,300	99,300
National Australia Bank	-	10,233	20,466	30,699
	-	10,233	152,293	162,526

The Group has entered into a Revolving Loan Facility with the Bank of Scotland. The facility is for €35,000,000 and may be drawn down in Euros, Sterling or US Dollars bearing interest at a rate of LIBOR, or if the loan is in Euro EURIBOR, plus 1.75%. The maturity date of the facility is 2 May 2012. The loan is secured over the Group's interest in the BoS Mezzanine Partners Fund, LP and its rights under the related limited partnership agreement. The fair value of BoS Mezzanine Partners Fund, LP at the year end was €180,761,870.

The Group has entered into a revolving loan facility agreement with Fortress Credit Corp. The facility is for US$100,000,000 and bears interest of US$ LIBOR + 500 bps on drawn amounts (which would have to be $55 million at all times), and 50 bps on undrawn amounts, has a term of four years (the facility cannot be prepaid in the first two years, but could be prepaid in year three with a 5% prepayment fee and prepaid without penalty in year four). The facility with Fortress remains fully drawn down in the period. The loan with Fortress is secured by the following investments.

	Carrying value as at 31/12/2010 $'000
Hunter Acquisition Limited	8,873
BSPEL Australia Limited	93,690
BSPEL Mezzanine Funding Limited	70,180
	172,743

The Company's subsidiary MPCT has entered into a cash advance facility with National Australia Bank, with a limit of AU$45,000,000 to provide funding for the subsidiary's over-commitment strategy. The drawn down amount as at the period end was AU$ 30,000,000. A decision is to be made on extending the facility by 30 June each year.

Notes to the Financial Statements *(continued)*

6. ZERO DIVIDEND PREFERENCE SHARES

The Company has issued two classes of Zero Dividend Preference Shares (ZDP Shares); 2013 ZDP Shares and 2015 ZDP Shares.

The holders of the 2013 ZDP shares are entitled to a redemption amount of 41.5 pence per ZDP share as increased daily at such a daily compound rate as would give a final entitlement of 73.0 pence on 28 June 2013, the effective interest rate is 7% pa based on the placing price of 42.5 pence per ZDP share. ZDP Shares rank prior to the Equity Shares in respect of the repayment of their entitlement of up to 73 pence per ZDP Share. However, they rank behind any borrowings made by the Company that remain outstanding. They carry no entitlement to income and the whole of their return takes the form of capital.

The holders of the 2015 ZDP shares are entitled to a redemption amount of 48.75 pence per ZDP share as increased daily at such a daily compound rate as would give a final entitlement of 87.30 pence on 31 December 2015, the effective interest rate is 8.25% pa based on the placing price of 50 pence per ZDP share. ZDP Shares rank prior to the Equity Shares in respect of the repayment of their entitlement of up to 87.3 pence per ZDP Share and Pari Passu to the 2013 ZDP Shares. However, they rank behind any borrowings made by the Company that remain outstanding. They carry no entitlement to income and the whole of their return takes the form of capital.

ZDP shareholders will not be entitled to receive any part of the revenue profits, including any accumulated revenue reserves of the Company on a winding-up, even if the accrued capital entitlement of the ZDP Shares will not be met in full.

The movement of ZDP shares in the period was as follows;

2013 ZDP Shares

	Number of shares
Balance as at 1 July 2010 and 31 December 2010	63,367,316

2015 ZDP Shares

	Number of shares
Balance as at 1 July 2010 and 31 December 2010	69,421,547

Notes to the Financial Statements *(continued)*

7. ISSUED CAPITAL AND RESERVES

The Group's capital is represented by the shares outstanding. The primary investment objective is to achieve both short and long-term capital appreciation by investing in a well diversified portfolio of private equity fund interests purchased in the secondary market and sourced through the primary market. The Company also makes investments in individual companies by co-investing with private equity sponsors. These investments are generally illiquid and non-public.

The Group does not have any externally imposed capital requirements.

Authorised share capital

The authorised share capital of the company is £100 divided into 100 founder shares of £1 each, and an unlimited number of redeemable participating preference shares of no par value each, which may be issued and designated as US$ Equity Shares, Sterling Equity Shares, Euro Equity Shares, ZDP shares on any other shares (denominated in any currency) as may be determined by the Board from time to time in accordance with Article 3(4)(d) of the Company's Articles of Association.

Issued share capital

The movement of the US$ Equity Shares in the period was as follows;

	Date	Number of shares	Price
Balance as at 1 July 2010		367,871,129	
Warrant conversion	06 July 10	12,224	$1.00
Warrant conversion	06 October 10	14,744	$1.00
Balance as at 31 December 2010		367,898,097	

8. RELATED PARTY TRANSACTIONS

Mr. G. Getschow, a Director of the Company is a Senior Managing Director of the Manager.

Mr. T. Ash is entitled to receive Director's fees of £25,000 per annum.

Mr. Loudon and Mr. C. Spencer are each entitled to receive Director's fees of £20,000 per annum.

Other than Mr C. Spencer who owns 30,067 US$ Equity Shares, no other Director holds directly or indirectly shares in the Group. There were no other related party transactions in the period.

9. THIRD PARTY FEES

In the six month period ended 31 December 2010, the Company paid fees totalling US$258,750 to third parties in connection with investments in certain assets within the private equity portfolio.

10. POST BALANCE SHEET EVENTS

There were no post balance sheet events that require disclosure in this report.

DIRECTORS:	Trevor Charles Ash (Chairman) Gregory Getschow John Loudon Christopher Paul Spencer
INVESTMENT MANAGERS:	BEAR STEARNS ASSET MANAGEMENT INC. c/o J.P. Morgan Asset Management 270 Park Avenue New York New York 10017 United States of America
	JPMORGAN ASSET MANAGEMENT (UK) LIMITED. 125 London Wall London EC2Y 5AY United Kingdom
ADMINISTRATOR AND COMPANY SECRETARY:	HSBC MANAGEMENT (GUERNSEY) LIMITED St Martins House Le Bordage St Peter Port Guernsey GY1 1BP
AUDITOR:	KPMG Channel Islands Limited 20 New Street St Peter Port Guernsey GY1 4AN
SOLICITORS TO THE GROUP (as to English and US law):	HERBERT SMITH LLP Exchange House Primrose Street London EC2A 2HS United Kingdom
LEGAL ADVISERS TO THE GROUP (as to Guernsey Law):	CAREY OLSEN 7 New Street St Peter Port Guernsey GY1 4BZ
REGISTRAR:	CAPITA IRG (CI) LIMITED 2nd Floor 1 Le Truchot St Peter Port Guernsey GY1 4AE
REGISTERED OFFICE:	St Martins House Le Bordage St Peter Port Guernsey GY1 1BP