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J.P.Morgan Private Equity Limited

Unaudited Interim Report
and Financial Statements
for the period ended 31 December 2011

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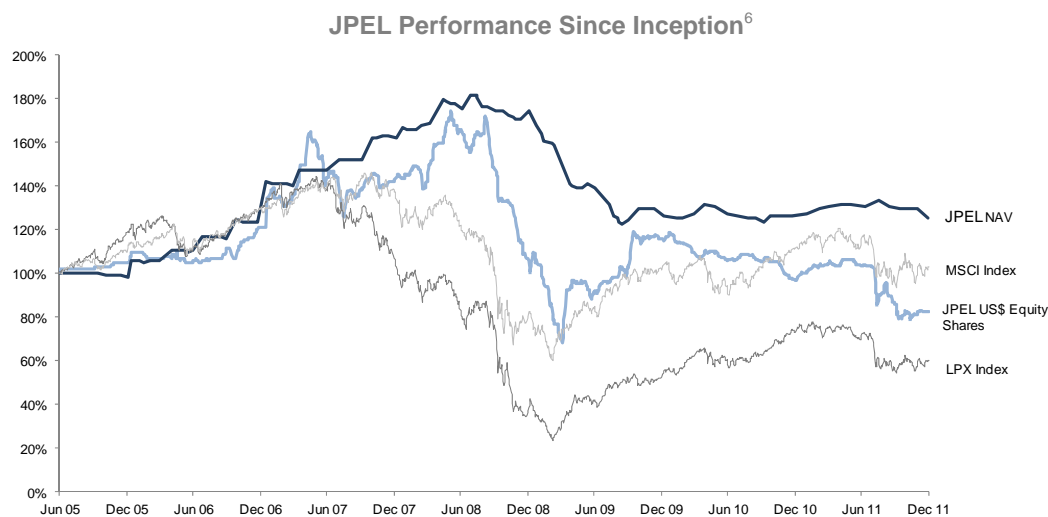
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Financial Highlights Company Information

31 December 2011

US\$ Equity Shares	
NAV per Share	\$1.27
Share Price	\$0.87
Shares in Issuance	398.55m
2013 ZDP Shares	
NAV per Share ¹	65.70p
Share Price	69.00p
Shares in Issuance	63.31m
2015 ZDP Shares	
NAV per Share ¹	62.67p
Share Price	71.75p
Shares in Issuance	68.59m
2017 ZDP Shares	
NAV per Share ¹	66.57p
Share Price	76.75p
Shares in Issuance	30.41m
Statement of Financial Position (extract)	
Investments at Fair Market Value	\$695.9m
Bank Deposits	\$23.4m
Other Assets ²	\$1.5m
Credit Facility ³	(\$51.8m)
Other Liabilities ⁴	(\$1.8m)
Total Net Asset Value⁵	\$667.1m

Performance as at 31 December 2011



Past performance is not an indication of future performance.

1. Throughout the document, the term Net Asset Value per share or "NAV per Share" for each of JPEL's three classes of Zero Dividend Preference Shares (2013 ZDP Shares, 2015 ZDP Shares and 2017 ZDP Shares) refers to the carrying value of the ZDP shares as at 31 December 2011. ZDP shareholders are entitled, subject to there being available assets for distribution in accordance with the Articles of Incorporation of JPEL, to a redemption amount that is increased daily at such a daily compound rate as would give a final entitlement as referenced in Note 6 to the Financial Statements page 24.

2. Includes accrued interest income and derivative assets.

3. On 10 March 2011, JPEL entered in to a multi-currency credit facility in the amount of US\$150 million with Lloyds TSB Bank plc.

4. Includes fee accruals and other payables.

5. Information presented as non-consolidated. The Net Asset Value represents the capital of JPEL which includes the Net Asset Value of each class of the ZDP Shares as well as the Net Asset Value of the US\$ Equity Shares.

6. Source: Managers, Bloomberg as at 31 December 2011. LPX® Composite performance shown is indexed to JPEL's US\$ Equity Share initial trade price of \$1.07 on 30 June 2005. The index is well diversified across regions and LPE investment styles and represents the development of all LPE companies covered by LPX® that fulfill certain liquidity constraints. The LPX® Composite is a global Listed Private Equity ("LPE") index with a broad number of constituents. The MSCI World Index consists of a wide selection of stocks traded in 23 developed countries. It is weighted for market capitalization and is managed by MSCI.

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 main market of the London Stock Exchange (LSE: JPEL, JPEZ, JPZZ, JPSZ and JPWW). The Company is designed primarily to invest in the global private equity market. The fair value of the Company’s total assets (including cash and other current assets) as at 31 December 2011 was \$720.8 million.

JPEL held its initial public offering on 30 June 2005. The Company currently has four classes of shares: US\$ Equity Shares, 2013 Zero Dividend Preference Shares (“2013 ZDP Shares”), 2015 Zero Dividend Preference Shares (“2015 ZDP Shares”), and 2017 Zero Dividend Preference Shares (“2017 ZDP Shares”). At 31 December 2011, the Company’s net asset value was approximately attributable as follows: 10% 2013 ZDP Shares, 10% 2015 ZDP Shares, 5% 2017 ZDP Shares and 75% US\$ Equity Shares.

JPEL issued warrants free of subscription cost to shareholders on record 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 57,895,919 warrants in issuance.

JPEL is managed by Bear Stearns Asset Management Inc. (“BSAM Inc.”) and JPMorgan Asset Management (UK) Limited (“JPMAM UK”) (together, 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 have overall responsibility for the Company’s investment policy and the Company’s activities.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries as at 13 January 2012. 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.

The key measure of performance used by the Board and shareholders to assess the Company’s performance is the net asset value which is prepared on a monthly basis by HSBC Management (Guernsey) Limited (“the Administrator”). The Portfolio Review on pages 8 to 10 is accordingly prepared on the Company basis as this information is considered more relevant to the needs of shareholders for assessment of the Company’s performance.

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, in order to accelerate NAV development;
- opportunistically invests in buyout, venture capital, and special situations funds 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 manages the portfolio by repositioning its investment composition from time to time in order 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 interests and by capitalising on the inefficiencies of the secondary private equity market.

Chairman's Statement

JPEL is an opportunistic secondary investor. It is the Managers' belief that periods of prolonged or intermittent market volatility often create deal flow as investors holding illiquid assets seek liquidity.

In what has become an all too familiar theme, volatility and uncertainty continued to plague the broader equity markets during the last six months of 2011. Following two consecutive quarters of improvement, private equity valuations for the quarter ending 30 September 2011 began to show the effects of depreciating public markets and renewed fears as a result of the European sovereign debt crisis. Beginning in the third quarter of 2011, sovereign debt problems in Europe prevailed as Greece teetered on the brink of default and concerns spread to Italy and France. The United States was not immune to these concerns as Standard & Poor's lowered the nation's rating to one notch below AAA for the first time.

The majority of reports from JPEL's underlying private equity sponsors used in deriving the Company's 31 December 2011 financial statements were dated 30 September 2011 as private equity valuations typically lag the public markets by three to six months. As a result, the performance of JPEL's private equity portfolio during the period reflects the heightened volatility and uncertainty of the global markets. JPEL reports a decline in net asset value ("NAV") per US\$ Equity Share for the period. I discuss JPEL's performance in more detail later in this letter.

I would like to review several of JPEL's key objectives for the six month period ending 31 December 2011:

- **Implement share buyback program:** The Company is disappointed with the recent decline in its US\$ Equity Share price and has taken measures to support its stock price. In the period from 23 August 2011 through 22 February 2012, the Company purchased 4,009,500 US\$ Equity Shares at an average price of \$0.9216 per share
- **Reduce leverage at JPEL's underlying subsidiary levels:** As a result of strong cash flow activity from JPEL's Australia portfolio, the Company was able to pay down the AU\$ 20 million facility held by the Macquarie Private Capital Trust ("MPCT") during the six month period to 31 December 2011. Subsequent to the period, JPEL paid down the remaining AU\$ 10 million facility during January 2012. Since its acquisition of MPCT in June 2008, JPEL has repaid approximately AU\$ 60 million of debt at the MPCT level through distributions from the MPCT portfolio. Following this payment in January 2012, MPCT no longer has a credit facility in place. In addition, during the period, JPEL paid down approximately 11% of its revolving loan facility with Bank of Scotland. This loan is secured over the Company, and its subsidiaries' (together "the Group") interest in the BoS Mezzanine Partners Fund LP.
- **Reinstate Tender Facility:** Since inception, and inclusive of the 31 December 2011 tender, the Company has returned approximately \$143 million to shareholders through this facility at an average price of \$1.60 per US\$ Equity Share. JPEL offers its tender facility to shareholders at prevailing NAV. During the height of the credit crisis, JPEL's Board of Directors temporarily suspended the tender facility in order to bolster JPEL's liquidity position, but resumed it in 2010.
- **Selectively exploit volatility in the global markets in order to invest in opportunistic secondary transactions:** JPEL has continued to reposition its portfolio through new secondary investments. Since 30 June 2011, JPEL has deployed approximately \$91 million in three new investments. Most notably, on 12 September 2011, JPEL completed an all-stock acquisition of a portfolio of 38 European mid-market buyout co-investments ("Co-Investment Portfolio") managed by top-tier buyout firms including 3i, Duke Street, Barclays and Milestone. The Co-Investment Portfolio was purchased from the SPL Funds¹ for £56.5 million through the issuance of £36.7 million of US\$ Equity Shares and £19.8 million of a new class of ZDP Shares due 2017.

1. Includes Private Equity (PE1) IC Ltd, SPL Private Equity (PE2) IC Ltd, and SPL Integrated Finance (PE3 IC Ltd), collectively "SPL Funds". JPEL and the SPL Funds have entered into an Economic Transfer Agreement relating to two interests within the Co-Investment Portfolio. Pursuant to the Economic Transfer Agreement, JPEL will retain record and legal ownership of the relevant ownership interests in accordance with the terms of the Acquisition Agreement but will transfer to the SPL Funds all economic rights, benefits and obligations in and to those ownership interests.

Chairman's Statement continued

NAV and Share Price Performance

In the six months ending 31 December 2011, JPEL's NAV per US\$ Equity Share fell by 6.6% from \$1.36 (audited)¹ to \$1.27. A portion of the decrease was a result of adverse valuation multiples predominantly in the Company's underlying buyout funds, impacted by fall in the public markets in the quarter ending 30 September 2011. However, it is worth recalling that JPEL's NAV is subject to a quarterly time lag and approximately 86% of JPEL's 31 December private equity investment value was based on reports received from underlying sponsors dated 30 September 2011. Equity markets were strong during the fourth quarter of 2011, with the MSCI World Index increasing by 8.1%, the Managers believe that this should have a positive impact on JPEL during the first quarter of 2012. JPEL's NAV per US\$ Equity Share is also impacted by foreign exchange fluctuations within its global private equity portfolio as well as foreign exchange rate fluctuations as it relates to JPEL's three classes of ZDP Shares.

The Managers and Board believe that the current market price does not reflect the underlying value of the Company's portfolio, and as such, buyback authorisation was granted at prevailing market levels. During the period, JPEL's US\$ Equity Share price declined dramatically on somewhat limited trading volume, decreasing 20.4%. As at 31 December 2011, the Company's US\$ Equity Shares traded at a 31.9% discount to NAV, which compared favourably to the average discount of the selected peer group of 38.2%.²

From 23 August 2011 to 31 December 2011, the Company repurchased 3,052,000 US\$ Equity Shares in the open market at an average price of \$0.9311 per US\$ Equity Share. Subsequent to the period, through 22 February 2012, the Company repurchased an additional 957,500 US\$ Equity Shares at an average price of \$0.8911 per US\$ Equity Share.

JPEL's 2013 ZDP Shares continue to perform well. The NAV of 2013 ZDP Shares rose 3.6% during this period, from 63.41p to 65.70p per share. JPEL's 2013 ZDP Share price has increased 60.5% since inception, closing at 69.00p on 31 December 2011. At 31 December 2011, JPEL's 2013 ZDP Shares traded at a 5.02% 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 60.11p to 62.67p per share. JPEL's 2015 ZDP Share price has increased 40.7% since inception, closing at 71.75p on 31 December 2011. At 31 December 2011, JPEL's 2015 ZDP Shares traded at a 14.49% premium to NAV.

JPEL's newly issued 2017 ZDP Shares have performed well since admission on 12 September 2011. The share price has increased 18.1% since inception, closing at 76.75p on 31 December 2011 compared to its initial capital entitlement of 65.0p.

Investment Activity

Although JPEL's investment pace continues to be measured, macro trends – such as regulatory changes in the financial industry, dissolving hedge fund and private equity fund structures, and broken shareholder bases in many private equity backed deals - have increased JPEL's deal flow in terms of new opportunities being reviewed by the Managers during the period, as compared to the prior six calendar months.

As noted before, JPEL deployed approximately £56.5 million in September 2011 to acquire the Co-Investment Portfolio managed by top tier buyout firms including 3i, Duke Street, Barclays and Milestone.

In December, JPEL completed a €2.5 million investment in a mezzanine loan that is supported by the leading multi-brand restaurant chain operator in Spain. JPEL's Managers are familiar with the underlying company and have existing exposure to the equity of the investment. JPEL's investment offers attractive returns of 22.5% PIK and is subject to 1.5x minimum return if refinanced early.

1. JPEL's unaudited NAV per US\$ Equity Share at 30 June 2011 was \$1.34. Unaudited NAV was released via LSE on 16 August 2011.

2. Source: J.P. Morgan Cazenove Alternative Statistics, Bloomberg as at 2 February 2012. Peer Group members based on multi-manager listed private equity funds included in the research publication "LPE Focus" by RBS and includes: APEN, HVPE, PEHN, FPEO, SEP, PIN, NBPE, CPEN, PEY, SHPN, CCAP and HPEN.

Chairman's Statement continued

Additionally, JPEL completed one primary investment in a leading international healthcare investment firm, specialising in direct secondary transactions of late-stage venture capital and growth equity assets.

These investments are consistent with the macro economic perspective the Managers have taken over the past six months and, in general, emphasised selective mid market buyout and mezzanine opportunities in Europe. The Managers believe that these investments will contribute to the Company's NAV development and cash flow distribution pattern over the next twelve months.

Market Outlook

As with any uncertain market environment, opportunities are created. The changing regulatory environment including pressures from Dodd-Frank, Basel III and Solvency II, has led to a significant sell-off of private equity assets by various financial institutions. The Manager's expect this level of activity to continue over the next 18 to 24 months.

Opportunities in the portion of the secondary private equity market where JPEL primarily invests have been aided by the extreme volatility in the world such as the U.S and Eurozone debt issues, geopolitical changes in the Middle East and currency pressures in developing markets. The Managers continue to believe that JPEL's strategy is particularly well-positioned for the current market environment and that JPEL will be able to continue to capitalize on forced sellers of high quality liquid assets. Please refer to the Company's audited financial statements dated 30 June 2011 for a more detailed review of the market risk associated with the Company's investment strategy.

As the Managers have stated before, in this environment they are focused on acquiring investments with specific attributes: (1) attractive entry price; (2) down-side protection (such as preferred equity and senior debt); and (3) sectors with strong growth potential despite general economic malaise.

Once again, I would like to thank shareholders for the support and continued confidence that they have placed in the Company.

Trevor Ash
Chairman

29 February 2012

Corporate Actions

- On 16 August 2011, the Company announced that it had entered into a conditional agreement with Private Equity (PE1) IC Ltd, SPL Private Equity (PE2) IC Ltd, and SPL Integrated Finance (PE3 IC Ltd) (together, the "SPL Funds") to acquire a portfolio of 38 middle-market co-investments in an all-stock acquisition (the "Acquisition") valued at £56.5 million or approximately US\$91.9 million. Under the terms of the Acquisition, the SPL Funds received approximately 65% of the purchase price, or £36.7 million, through the issue of 44,727,053 new US\$ Equity Shares issued at JPEL's unaudited US\$ Equity NAV per share at 30 June 2011 and 35% of the purchase price or £19.8 million through the issue of a new class of 2017 Zero Dividend Preference Shares ("New 2017 ZDP Shares"). The 30,410,753 New 2017 ZDP Shares issued as a part of the transaction have a gross redemption yield of 8.25% and will mature on 31 December 2017. The Acquisition closed on 12 September 2011.
- On 25 August 2011, the Company announced that Liberum Capital Limited, acting as broker on behalf of the SPL Funds, conditionally placed all 2017 ZDP Shares with institutional investors.
- In the period 23 August 2011 through 22 February 2012, the Company purchased 4,009,500 US\$ Equity Shares at an average price of \$0.9216 per share.
- On 15 February 2012, PriceWaterhouseCoopers CI LLP accepted the Board of Directors' invitation to become the Company's auditor. On 14 February 2012, KPMG resigned as the Company's auditor in accordance with Section 273(2) of the Companies (Guernsey) Law 2008.
- On 24 February 2012, the Company announced that it accepted the following shares tendered to it at the applicable Net Asset Value per share as at 31 December 2011:
 - 10,706,290 of US\$ Equity Shares at a price of USD 1.27 per share.
 - 153,284 of 2013 Zero Dividend Preference shares at a price of GBP 0.6567 per share.
 - 1,514,935 of 2015 Zero Dividend Preference shares at a price of GBP 0.6267 per share.

Responsibility Statement

The Directors confirm to the best of their knowledge:

- a. The condensed consolidated 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).

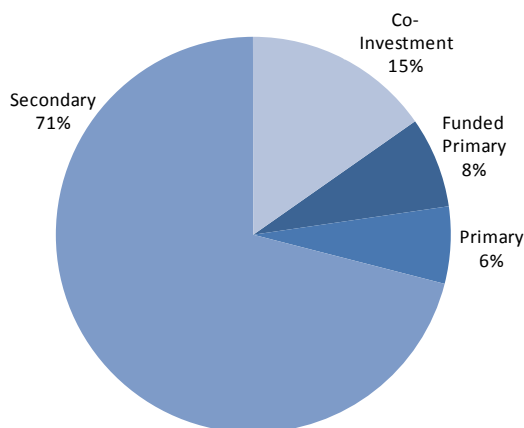
The Interim Report was approved by the Board on 29 February 2012 and the above Responsibility Statement was signed on its behalf by

Trevor Ash
Chairman

Portfolio Review

Since the Company's inception on 30 June 2005, JPEL's portfolio has grown to include 108 separate fund interests, 11 co-investments and six fund of funds. With a private equity portfolio value of \$695.9 million as at 31 December 2011, JPEL's portfolio is diversified globally across multiple investment strategies and industries.

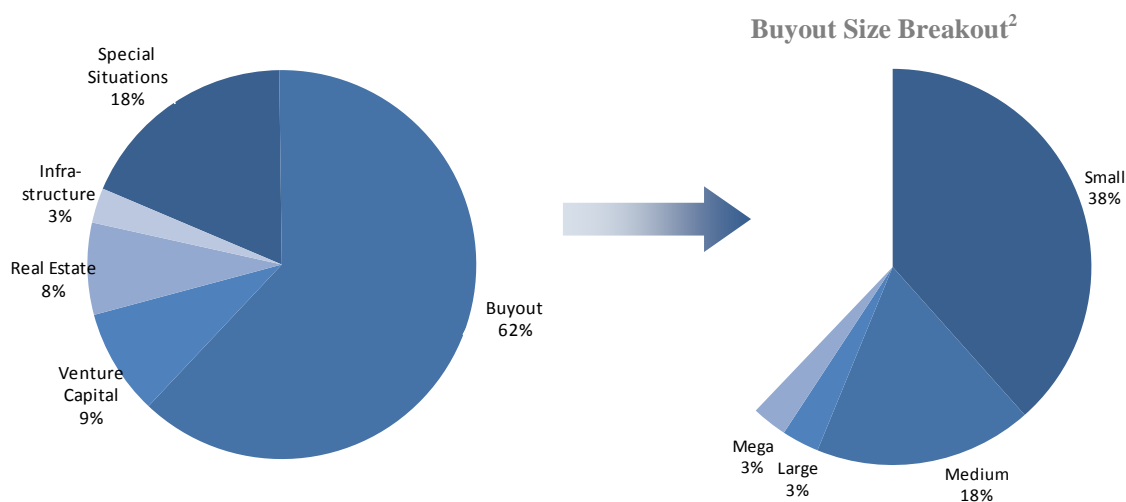
Investment Type¹



JPEL acquires secondary market portfolios of direct fund investments, significantly invested partnership interests and partially drawn commitments. 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 71% and 8% of the portfolio, respectively.

The Company also participates in co-investments which comprise 15% 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 2011, primary investments made up 6% of JPEL's private equity portfolio.

Investment Strategy¹



Currently, buyout funds constitute approximately 62% of JPEL's portfolio. 56% of the Company's investments are with fund managers that focus on small to medium sized buyouts, which generally utilise less leverage. JPEL's exposure to medium sized buyouts increased with the completion of the Co-Investment Portfolio transaction in September 2011.

JPEL maintains an 18% allocation to special situation funds which includes mezzanine, debt, turnaround and distressed funds. Infrastructure, real estate and venture capital funds represent 3%, 8% and 9% of private equity net asset value, respectively.

(1) Based on 31 December 2011 unaudited market value of investments.

(2) Based on 31 December 2011 unaudited market value of investments. 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.

Portfolio Review continued

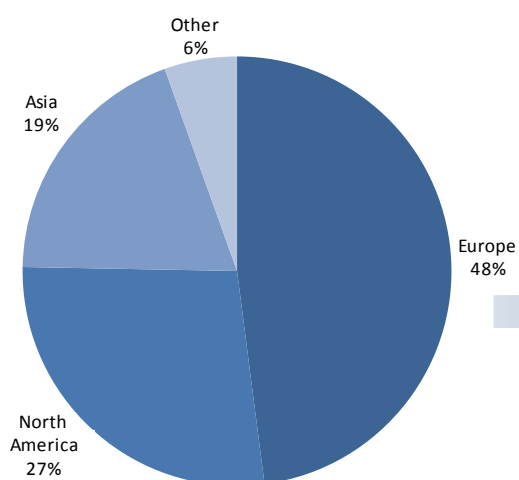
Portfolio Age¹

Average age of Portfolio by Investment Strategy

Average age of investments:	5.4 years
Buyout investments:	4.1 years
▪ Small buyout:	3.8 years
▪ Medium buyout:	4.2 years
▪ Large buyout:	3.3 years
▪ Mega buyouts:	5.5 years
Venture Capital investments:	7.8 years
Real Estate investments:	5.3 years
Special Situations:	5.1 years
Infrastructure investments:	5.5 years

With an average age of 5.4 years, JPEL's portfolio is well positioned on the private equity "J-Curve" to receive distributions once markets normalise.

Geographic Footprint²



European Breakout

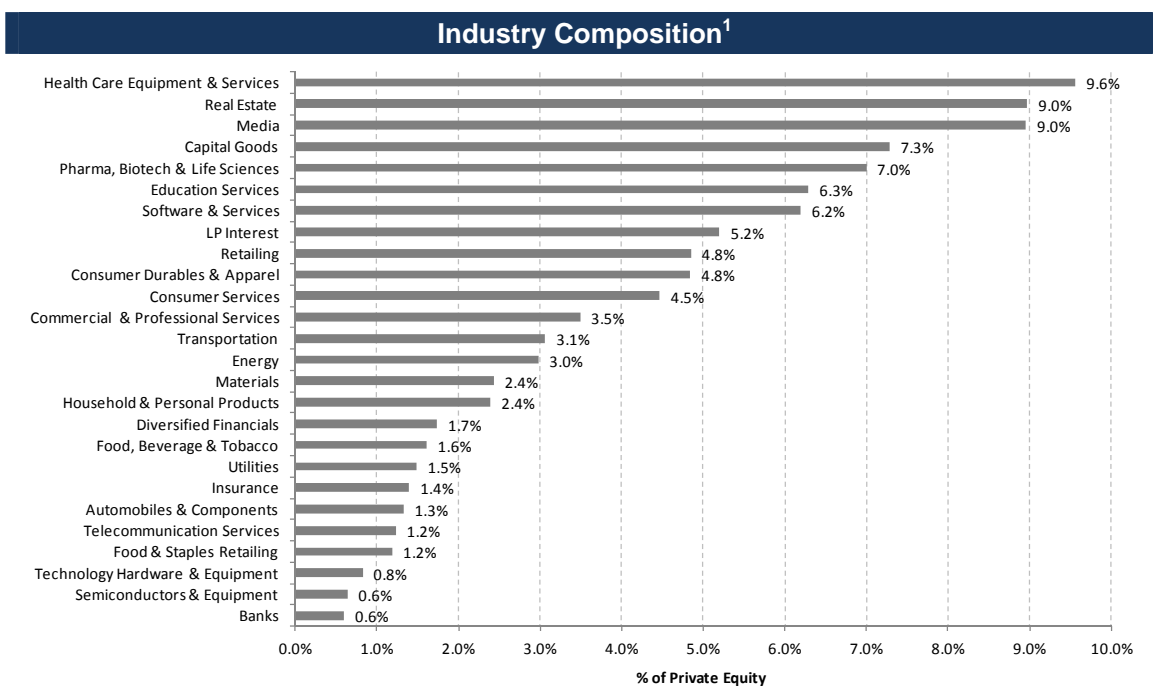
Country	% of JPEL Portfolio
United Kingdom	15.0%
Germany	11.7%
France	5.5%
Spain	4.5%
Italy	2.7%
Sweden	2.2%
Denmark	1.7%
Finland	1.2%
Switzerland	0.9%
Ireland	0.8%
Netherlands	0.8%
Poland	0.4%
Norway	0.2%
Belgium	0.2%
Luxembourg	0.2%

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 48% and 27%, respectively. Approximately 67% of JPEL's assets within Europe are invested in the United Kingdom, Germany and France. JPEL's exposure to Asia has increased to 19% of NAV since nil at inception. Investments in the rest of the world represent 6% of JPEL's portfolio.

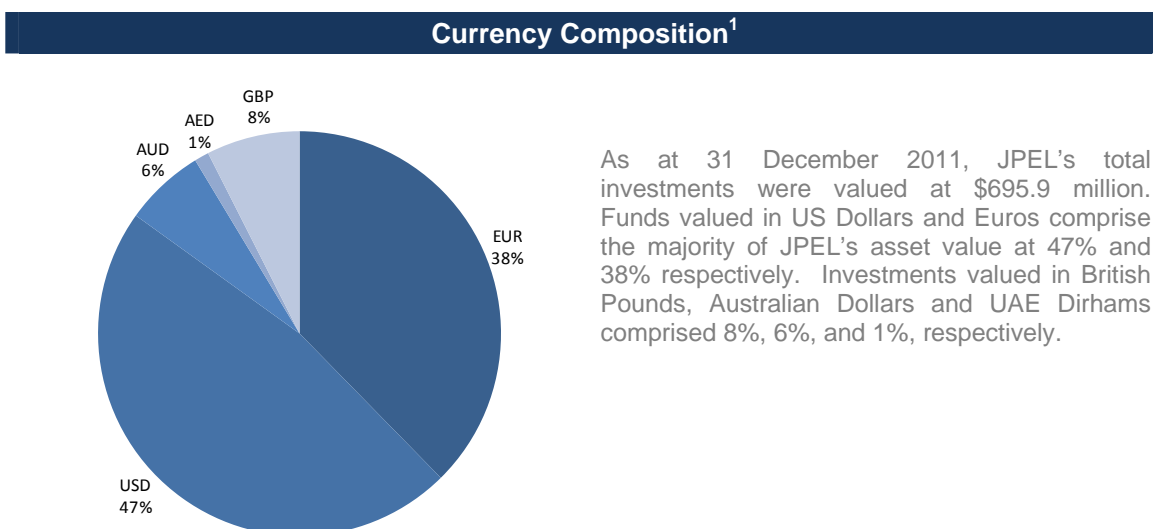
(1) Source: Manager. Average age of investments is based on the vintage year in which each individual portfolio company investment was made, subject to availability. Weighting is based on underlying portfolio company level values. Age calculated as at 31 December 2011. Average is weighted based on private equity investment value as at 31 December 2011, percentages based on underlying company-level values.

(2) Based on 31 December 2011 unaudited market value of investments.

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 2011, health care related companies represent 16.6% of JPEL's private equity NAV.



As at 31 December 2011, JPEL's total investments were valued at \$695.9 million. Funds valued in US Dollars and Euros comprise the majority of JPEL's asset value at 47% and 38% respectively. Investments valued in British Pounds, Australian Dollars and UAE Dirhams comprised 8%, 6%, and 1%, respectively.

(1) Based on 31 December 2011 unaudited market value of investments.

Top 20 Funds & Companies Information

Top 20 Funds^{1, 2}

	Fund Name	Strategy	Region	% of Private Equity NAV
1	Duke Street Co-Investment Vehicle	Buyout	Europe	5.6%
2	Avista Capital Partners (Offshore), L.P.	Buyout	North America	2.9%
3	Life Sciences Holdings SPV I Fund, L.P.	Venture Capital	Europe	2.9%
4	Liberty Partners II, L.P.	Buyout	North America	2.7%
5	Barclays Co-Investment Vehicle	Buyout	Europe	2.5%
6	Alcentra Euro Mezzanine No1 Fund L.P.	Special Situations	Europe	2.4%
7	Milestone Link Fund, L.P.	Buyout	Europe	2.3%
8	Milestone Co-Investment Vehicle	Buyout	Europe	2.2%
9	3i Co-Investment Vehicle	Buyout	Europe	2.0%
10	GSC European Mezzanine Fund II L.P.	Special Situations	Europe	1.8%
11	Hutton Collins Capital Partners II LP	Special Situations	Europe	1.8%
12	Catalyst Buyout Fund 1	Buyout	Asia	1.7%
13	Almack Mezzanine I Fund L.P.	Special Situations	Europe	1.6%
14	Beacon India Private Equity Fund	Buyout	Asia	1.4%
15	Guggenheim Aviation Investment Fund II, L.P.	Special Situations	North America	1.4%
16	Argan Capital Fund	Buyout	Europe	1.4%
17	Omega Fund III, L.P.	Venture Capital	Europe	1.3%
18	Strategic Value Global Opportunities Master Fund, L.P.	Special Situations	North America	1.3%
19	Macquarie European Infrastructure Fund	Infrastructure	Europe	1.3%
20	Macquarie Wholesale Co-investment Fund	Buyout	Asia	1.3%

Top 20 Companies^{1, 2}

	Company Name	Industry Group	Country	% of Private Equity NAV
1	China Media Enterprises Limited	Media	China	6.5%
2	Deutsche Annington Immobilien Group	Real Estate	Germany	6.3%
3	RCR Industrial S.a.r.l	Construction & Engineering	Spain	2.3%
4	Education Management Corporation	Diversified Consumer Services	USA	2.2%
5	Concorde Career Colleges, Inc.	Diversified Consumer Services	USA	2.0%
6	Baby Cadum	Household Products	France	1.9%
7	WinnCare	Health Care Equipment & Supplies	France	1.7%
8	FibroGen	Biotechnology	Finland	1.5%
9	2e2	IT Services	UK	1.2%
10	Oasis	Health Care Providers & Services	UK	1.2%
11	Gulf Healthcare International LLC	Health Care Providers & Services	UAE	1.2%
12	InterFloor	Household Durables	UK	1.1%
13	Compre Group	Insurance	UK	0.9%
14	Original Factory Shop	Multiline Retail	UK	0.9%
15	Paratek	Pharmaceuticals	USA	0.9%
16	Stoneleigh Back Bay Associates LLC	Real Estate	USA	0.8%
17	Bionmis	Life Sciences Tools & Services	Germany	0.8%
18	Civica	IT Services	UK	0.7%
19	Ex Libris Group	Diversified Consumer Services	Israel	0.7%
20	REGE	Auto Components	Germany	0.7%

(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., BoS Mezzanine Partners Fund, L.P. (BoS company-level exposure includes estimated pro rated fund-level leverage), Macquarie Private Capital Trust, and the Co-Investment Portfolio acquired on 12 September 2011.

(2) Percentages are calculated based on 31 December 2011 unaudited market value of investments.

Condensed Consolidated Statement of Comprehensive Income - Unaudited

For the period ended 31 December 2011

	Notes	01/07/2011 to 31/12/2011 \$'000	01/07/2010 to 31/12/2010 \$'000
Investment income	1	<u>1,729</u>	<u>5,115</u>
Expenses			
Investment management fee		(3,604)	(4,083)
Administrative fee		(237)	(244)
Audit fee		(52)	(25)
Directors' fees		(65)	(51)
Other expenses		(3,797)	(1,935)
Total Expenses		<u>(7,755)</u>	<u>(6,338)</u>
Net loss before finance costs		(6,026)	(1,223)
Finance costs			
Interest payable on bank borrowings	2	(2,612)	(5,408)
Zero Dividend Preference Share Interest costs		(5,733)	(4,673)
Gain/(loss) from investments			
Net (loss)/gain on investments	3	(19,536)	23,067
Realised foreign currency gain/(loss)		3,003	(7,825)
Unrealised foreign currency gain/(loss)		9,877	(3,262)
(LOSS)/PROFIT FOR THE PERIOD		<u>(21,027)</u>	<u>676</u>
Other comprehensive income			
Movement in currency translation reserve		(15,201)	9,774
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(36,228)</u>	<u>10,450</u>
Profit/(loss) attributable to:			
Owners of the Company		(20,569)	(2,289)
Non controlling interests		(458)	2,965
		<u>(21,027)</u>	<u>676</u>
Total comprehensive income attributable to:			
Owners of the Company		(12,979)	8,247
Non controlling interests		(2,222)	1,527
		<u>(15,201)</u>	<u>9,774</u>
(Loss)/Earnings per share			
Basic (cents per share)		(5)	(1)
Diluted (cents per share)		(5)	(1)

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

The notes on pages 17 to 26 form an integral part of these financial statements.

Condensed Consolidated Statement of Financial Position - Unaudited

As at 31 December 2011

	Notes	31/12/2011 \$'000	30/06/2011 \$'000
Non-current assets			
Financial assets at fair value through profit or loss	4	760,401	760,823
Current assets			
Cash and cash equivalents		28,840	38,843
Receivables		4,269	4,617
Derivative financial assets		-	311
		33,109	43,771
Current liabilities			
Loan balances	5	(10,227)	(32,166)
Payables and accruals		(7,922)	(17,266)
Derivative financial instruments		(926)	(1,939)
Net current assets/(liabilities)		14,034	(7,600)
Non-current liabilities			
Loan balances	5	(90,557)	(121,571)
Zero dividend preference shares	6	(162,935)	(130,628)
		(253,492)	(252,199)
Net Assets		520,943	501,024
Represented by:			
Share capital	7	501,452	444,335
Reserves		2,740	36,316
Total equity attributable to equity holders of the Com		504,192	480,651
Non-controlling interest		16,751	20,373
Total equity		520,943	501,024
NAV per Equity share (cents per share)		127	136

The notes on pages 17 to 26 form an integral part of these financial statements.

Condensed Consolidated Statement of Changes in Equity - Unaudited

For the period ended 31 December 2011

	Share Capital \$'000	Share Premium \$'000	Warrants \$'000	Accumulated Losses \$'000	Capital Reserve \$'000	Currency Translation Reserve \$'000	Total \$'000	Non- Controlling Interests \$'000	Total \$'000
At 1 July 2011	-	444,363	7,231	(58,135)	41,555	45,637	480,651	20,373	501,024
Profit/(loss) for the period	-	-	-	(1,441)	(19,128)	-	(20,569)	(458)	(21,027)
Other comprehensive income/ (expenses) for the period	-	-	-	-	-	(12,979)	(12,979)	(2,222)	(15,201)
Total comprehensive income for the period	-	-	-	(1,441)	(19,128)	(12,979)	(33,548)	(2,680)	(36,228)
Share buy backs	-	(2,847)	-	-	-	-	(2,847)	-	(2,847)
Share issue	-	59,934	-	-	-	-	59,934	-	59,934
Shares issued on warrant conversion	-	2	-	-	-	-	2	-	2
Minority interest redemption	-	-	-	-	-	-	-	(942)	(942)
At 31 December 2011	-	501,452	7,231	(59,576)	22,427	32,658	504,192	16,751	520,943

Condensed Consolidated Statement of Changes in Equity - Unaudited

For the period ended 31 December 2010

	Share Capital \$'000	Share Premium \$'000	Warrants \$'000	Accumulated Losses \$'000	Capital Reserve \$'000	Currency Translation Reserve \$'000	Total \$'000	Non- Controlling Interest \$'000	Total \$'000
At 1 July 2010		458,648	7,235	(34,739)	10,222	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	-	458,685	7,235	(62,428)	35,622	36,892	476,006	20,982	496,988

Condensed Consolidated Cash Flow Statement - Unaudited

For the period ended 31 December 2011

	01/07/2011 to 31/12/2011 \$'000	01/07/2010 to 31/12/2010 \$'000
Operating activities		
(Loss)/profit for the period	(21,026)	676
Adjustments for:		
Interest and dividend income	(1,729)	(7,269)
Interest expense	8,345	10,081
Net loss/(gain) on investments	22,995	(23,067)
Net cash movement in derivative contracts	(3,458)	(7,825)
Unrealised foreign currency (gain)/loss	(9,045)	3,262
Operating cash flows before changes in working capital	(3,918)	(24,142)
(Increase)/decrease in receivables	(1,131)	17,084
Decrease in payables	(907)	(7,582)
Net Movement in derivatives	2,756	-
Cash flows from operating activities	(3,200)	(14,640)
Investing activities		
Purchase of investments	(126,931)	(40,190)
Return of capital from investments	76,134	34,557
Interest and other distributions from investments received	977	27,148
Cash flows from investing activities	(49,820)	21,515
Financing activities		
Borrowings repaid	(43,636)	(2,253)
Interest paid	(1,737)	(4,040)
Issue of shares in subsidiary to non-controlling interest	-	(4,589)
Proceeds from issue of Equity shares	59,936	129
Equity share buy backs	(2,848)	-
Proceeds of issue of zero dividend preference shares	32,272	-
Cash flows from financing activities	43,987	(10,753)
Net decrease in cash and cash equivalents	(9,033)	(3,878)
Cash and cash equivalents at beginning of period	38,843	110,341
Effects of exchange difference arising from cash and cash equivalents	(970)	(1,701)
Cash and cash equivalents at end of the period	28,840	104,762

The notes on pages 17 to 26 form an integral part of these financial statements.

Notes to the Consolidated 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 four classes of shares, one class of Equity Shares and three classes of Zero Dividend Preference Shares due in 2013, 2015 and 2017, all 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 2011.

These condensed consolidated interim financial statements were approved by the Board of Directors on 29 February 2012.

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 2011.

Notes to the Consolidated Financial Statements continued

1. INTEREST AND DIVIDEND INCOME

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

	01/07/2011 to 31/12/2011	01/07/2010 to 31/12/2010
Dividend income from financial assets that are not at fair value through profit or loss:		
- Cash and cash equivalents	1,729	5,115

2. INTEREST EXPENSE

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

	01/07/2011 to 31/12/2011	01/07/2010 to 31/12/2010
Interest expense from financial instruments that are not at fair value through profit or loss:		
Interest Expense	(2,612)	(5,408)
Zero Dividend Preference Share Interest Cost	(5,733)	(4,673)
Total Finance Cost	(8,345)	(10,081)

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:

	01/07/2011 to 31/12/2011	01/07/2010 to 31/12/2010
Designated at fair value through profit or loss		
Investment portfolio	(22,994)	30,001
Held for trading		
Derivative financial instruments	3,458	(6,934)
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss.	(19,536)	23,067

Notes to the Consolidated Financial Statements continued

4. SCHEDULE OF PRIVATE EQUITY INVESTMENTS

Investments	Market value of investments 31 Dec 2011 \$'000	Market value of investments 30 June 2011 \$'000
<i>Private equity investments held at Company level</i>		
10 th Lane Portfolio	6,887	7,037
Aksia Capital III LP	6,049	6,709
Alia Capital Fund I CV	2,296	2,668
Alto Capital II	5,257	5,276
Apollo International Real Estate Fund	621	660
Apollo Investment Fund V, LP	1,845	2,038
Apollo Real Estate Investment Fund IV, LP	927	1,054
Argan Capital Fund	9,476	10,498
Arlington Capital Partners II, LP	2,059	2,619
Arrow Path Fund II, LP	1,084	1,135
Avista Capital Partners (Offshore), LP	14,695	18,612
Bain Capital Fund VI, LP	21	23
Beacon India Private Equity Fund	9,849	10,507
Bear Stearns Global Turnaround Fund, LP	31,451	36,968
Bear Stearns Private Opportunity Ventures, LP	3,334	3,799
Black Diamond Capital Management	4,872	4,887
Blackstone Capital Partners IV, LP	3,491	4,399
Blackstone Real Estate Partners IV, LP	1,490	1,736
Blue River Capital I LLC	8,510	9,437
Britania Investments S.a.r.l	3,235	-
Candover 2001 Fund	385	506
Candover 2005 Fund	2641	2,940
Clearwater Capital Partners Fund I, LP	3,801	3,990
Clearwater Capital Partners Opportunities Fund, LP	374	398
Colony Investors VI, LP	287	340
CPC Luxury Optical Investment LLC	1,852	1,852
CPC RD Investment LLC	3,115	3,483
Dolphin Communications Fund II, LP	128	155
Doughty Hanson & Co. Technology Fund	571	619
Esprit Capital I Fund	8,365	11,572
Esprit Capital III Fund	708	248
Freescale Semiconductor, Inc	664	1,087
Gemini Israel III, LP	164	164
Global Buyout Fund, LP	5,431	6,320
Global Opportunistic Fund	6,048	9,524
Green Investors III, LP	169	169
Gridiron Capital Fund, LP	4,665	4,667
Guggenheim Aviation Offshore Investment Fund II, LP	9,732	9,732
Gulf Healthcare International LLC	8,060	5,990
Highstar Capital III Prism Fund, LP	4,551	4,480
Hupomone Capital Fund, LP	4,194	4,127
Hutton Collins Capital Partners II LP	3,179	4,207

Notes to the Consolidated Financial Statements continued

4. SCHEDULE OF PRIVATE EQUITY INVESTMENTS continued

Investments	Market value of investments 31 Dec 2011 \$'000	Market value of investments 30 June 2011 \$'000
<i>Private equity investments held at Company level (continued)</i>		
Industry Ventures Acquisition Fund, LP	25	18
Industry Ventures Fund IV, LP	3,066	3,158
Industry Ventures Fund V, LP	4,712	4,916
Industry Ventures Fund VI, LP	432	52
Leeds Equity Partners IV, LP	7,875	9,018
Leeds Equity Partners IV, LP Co-investment Fund A, LP	16,252	13,945
Leeds Equity Partners V, LP	7,021	4,981
Liberty Partners II, LP	19,028	21,566
Life Sciences Holdings SPV I Fund, LP	19,989	21,231
Main Street Resources I, LP	1,143	1,744
Main Street Resources II, LP	3,216	3,183
Markstone Capital Partners, LP	3,185	3,247
Milestone Link Fund	15,971	17,566
Milestone 2010, L.P	5,561	5,872
Montagu III LP	3,479	3,883
Morning Street Partners, LP	870	877
Olympus Capital Asia III (Offshore), LP	1,577	1,955
Omega Fund III, LP	6,138	7,572
Omega Fund IV, LP	54	-
Oxford Bioscience Partners IV, LP	566	682
Parallel Funds 2007	73,824	-
Parallel Funds 2008	25,020	-
Private Equity Access Fund II Ltd	6,969	6,650
Providence Equity Partners IV, LP	814	2,221
Quadrangle Capital Partners, LP	973	1,034
Realza Capital Fondo, FCR	1,412	1,330
Second Lien Debt Investment 1*	-	3,314
Second Lien Debt Investment 2*	-	4,731
Second Lien Debt Investment 3*	-	2,402
Strategic Value Global Opportunities Master Fund, LP	5,160	5,908
Strategic Value Global Opportunities Feeder Fund I-A, LP	3,592	4,301
SVE Star Ventures	540	640
Terra Firma Deutsche Annington LP	1,928	2,158
Terra Firma Deutsche Annington L.P. (JPEL TF Limited)	42,184	47,200
Thomas H. Lee Equity Fund V, L.P.	1,735	2,251
Trumpet Feeder Ltd	4,080	3,904
Warburg Pincus Private Equity VIII, LP	4,674	5,440
Wellington Partners Ventures II GMBH & CO.KG (B)	1,058	1,241
Wellington Partners Ventures III Life Science Fund L.P	1,711	1,988

* Investment fully realized during the period.

Notes to the Consolidated Financial Statements continued

4. SCHEDULE OF PRIVATE EQUITY INVESTMENTS continued

Investments	Market value of investments 31 Dec 2011 \$'000	Market value of investments 30 June 2011 \$'000
<i>Additional private equity investments held by the Group's subsidiaries</i>		
Back Bay (Guernsey) Limited	7,443	7,458
BSPPEL/Migdal Mezzanine Limited	103,174	123,411
ABN Amro Capital Australia Fund II	860	1,095
Aisling Capital Partners II, LP	1,330	1,380
Australasian Media and Communications Fund 2 C	1,134	1,590
Blackstone Capital Partners V, LP	6,004	6,178
Carlyle Asia Partners II, LP.	3,943	4,163
Carlyle/Riverstone Global Energy and Power Fund III	4,365	5,999
Carlyle/Riverstone Renewable Energy Infrastructure Fund I	2,250	2,259
Catalyst Buyout fund 1A	5,676	5,618
Catalyst Buyout fund 1B	5,676	5,618
Ceram Polymerick CN	6	6
Charterhouse Capital Partners VIII	4,904	5,324
China Media Enterprises Limited	54,634	54,634
GBS3 BioVentures	2,634	2,662
HG Capital V, L.P.	2,201	2,226
Industry Ventures Fund IV, L.P.	3,398	3,343
Industry Ventures Acquisition Fund, L.P.	64	47
Macquarie Wholesale Co-investment Fund	8,589	10,935
Macquarie European Infrastructure Fund	8,642	9,561
Macquarie True Index Cash Fund	10,011	-
Macquarie Treasury Fund	-	20,166
Macquarie Alternative Investment Trust I	3,669	7,060
Macquarie Alternative Investment Trust II	7,200	16,651
Macquarie Alternative Investment Trust III	7,279	9,408
PCG Special Situations Partnership	5,145	5,379
Primopiso Acquisition S.a.r.l	15,863	17,749
Quadrant Private Equity No 1A	537	434
Quadrant Private Equity No 1B	537	434
Quadrant Private Equity No 1, LP	628	970
Starfish Ventures Pre-Seed	238	255
Total private equity investments held at Company level and by Group subsidiaries	760,401	760,823

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 underlying General Partners. As at 31 December 2011, the Group had outstanding commitments of US\$ 113m which may be called by the underlying limited partnerships.

Notes to the Consolidated Financial Statements continued

5. BORROWINGS

	31/12/2011 \$'000	30/06/2011 \$'000
Bank of Scotland	34,606	43,397
Lloyds TSB Bank plc	51,951	74,174
National Australia Bank	10,227	32,166
Media Champion Investments Limited	4,000	4,000
	100,784	153,737
Amounts due for settlement within 12 months	10,227	32,166
Amounts due for settlement after 12 months	90,557	121,571

The maturity profile of the loan facilities as at 31 December 2011 are as follows:

Facility	Less than 6 months \$'000	6 months to 1 year \$'000	1-5 years \$'000	Total \$'000
	Bank of Scotland	-	-	34,606
Lloyds TSB Bank plc	-	-	51,951	51,951
National Australia Bank	10,227	-	-	10,227
Media Champion Inv.	-	-	4,000	4,000
	10,227	-	90,557	100,784

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 2014. 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 end of the period was €79,603,347.

The Group has entered into a multi-currency loan facility agreement with Lloyds TSB Bank plc. The facility is for US\$150,000,000 and bears interest of US\$ LIBOR/EURIBOR + 325 bps on drawn amounts with a leverage ratio of greater than 10%. At leverage ratios of below 10% the loan bears interest of US\$ LIBOR/EURIBOR + 275 bps. A flat 1% rate is paid on undrawn amounts.

The facility has an original term of approximately two years and expires on 31 May 2013. The facility is drawn to €40,000,000 at 31 December 2011.

Notes to the Consolidated Financial Statements continued

5. BORROWINGS continued

The loan with Lloyds TSB Bank plc is secured over the entire JPEL held share capital of the following subsidiaries:

	Net asset of subsidiary as at 31/12/2011 \$'000
JPEL Convey Limited	45,067
BSPEL Australia Limited	89,471
BSPEL/Migdal Mezzanine Limited	71,256
Bear Stearns Global Turnaround Fund, LP	31,451
JPEL TF Limited	42,184
JPEL Holdings Limited	110,624
Back Bay (Guernsey) Limited	7,443
	<u>397,496</u>

The Company's subsidiary MPCT has entered into a cash advance facility with National Australia Bank, with a limit of AU\$35,000,000 to provide funding for the subsidiary's over-commitment strategy. The drawn down amount as at the period end was AU\$ 10,000,000. Subsequent to the period, JPEL paid down the remaining AU\$ 10,000,000 facility in January 2012. Following this payment in January 2012, MPCT no longer has a credit facility in place.

The Groups subsidiary, JPEL Convey Limited, has written a promissory note to Media Champion Investments Limited in the amount of \$4,000,000 in lieu of the acquisition of an interest in China Media Enterprises Limited. The promissory note bears an interest of 6% p.a. on principal outstanding and the interest is repayable on a semi-annual basis. Under the terms of the agreement, the promissory note is unsecured and has no fixed repayment period; however the Group does not expect to repay the facility within the next twelve months.

Notes to the Consolidated Financial Statements continued

6. ZERO DIVIDEND PREFERENCE SHARES

The Company has issued three classes of Zero Dividend Preference Shares (ZDP Shares); 2013 ZDP Shares, 2015 ZDP Shares, and 2017 ZDP Shares.

The holders of the 2013 ZDP Shares are entitled to a redemption amount of 41.50 pence per ZDP Share as increased daily at such a daily compound rate as would give a final entitlement of 73.00 pence on 28 June 2013, the effective interest rate is 7.00% pa based on the placing price of 42.50 pence per ZDP Share. ZDP Shares rank prior to the Equity Shares in respect of the repayment of their entitlement of up to 73.00 pence per 2013 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 50.00 pence per ZDP Share. ZDP Shares rank prior to the Equity Shares in respect of the repayment of their entitlement of up to 87.30 pence per 2015 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 2017 ZDP Shares are entitled to a redemption amount of 65.00 pence per ZDP Share as increased daily at such a daily compound rate as would give a final entitlement of 107.13 pence on 31 December 2017, the effective interest rate is 8.25% pa based on the placing price of 65.00 pence per ZDP Share. ZDP Shares rank prior to the Equity Shares in respect of the repayment of their entitlement of up to 107.13 pence per 2017 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.

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

	<u>Number of shares</u>
Balance as at 1 July 2011 and 31 December 2011	63,312,305

2015 ZDP Shares

	<u>Number of shares</u>
Balance as at 1 July 2011 and 31 December 2011	68,592,306

2017 ZDP Shares

	<u>Number of shares</u>
Balance as at 1 July 2011	-
12 September 2011 issue	30,410,753
Balance as at 31 December 2011	30,410,753

Notes to the Consolidated 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;

	<u>Date</u>	<u>Number of shares</u>	<u>Price</u>
Balance as at 1 July 2011		356,877,850	
Warrant conversion	05 July 11	1,593	\$1.370
Market Buyback	23 August 11	(325,000)	\$0.950
Market Buyback	24 August 11	(180,000)	\$0.952
Market Buyback	31 August 11	(125,000)	\$0.964
Market Buyback	01 September 11	(160,000)	\$0.970
Market Buyback	02 September 11	(350,000)	\$0.994
Market Buyback	05 September 11	(350,000)	\$0.998
Market Buyback	06 September 11	(111,000)	\$0.998
Market Buyback	07 September 11	(100,000)	\$0.998
Market Buyback	08 September 11	(150,000)	\$1.000
Share Issue	12 September 11	44,727,053	\$1.340
Market Buyback	13 September 11	(176,000)	\$0.937
Market Buyback	18 October 11	(100,000)	\$0.830
Market Buyback	20 October 11	(50,000)	\$0.840
Market Buyback	03 November 11	(160,000)	\$0.860
Market Buyback	10 November 11	(200,000)	\$0.833
Market Buyback	12 November 11	(200,000)	\$0.833
Market Buyback	14 November 11	(100,000)	\$0.833
Market Buyback	01 December 11	(125,000)	\$0.860
Market Buyback	05 December 11	(90,000)	\$0.860
Balance as at 31 December 2011		<u>398,554,496</u>	

Notes to the Consolidated Financial Statements continued

8. RELATED PARTY TRANSACTIONS

Mr. G. Getschow is a senior executive of Bear Sterns Asset Management Inc, one of the Managers to the Group and a subsidiary of JP Morgan Chase & Co.

Mr. T. Ash is entitled to receive Directors fees of £40,000 per annum.

Mr. Loudon and Mr. C. Spencer are each entitled to receive Directors fees of £30,000 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 2011, the Company paid no fees to third parties in connection with investments in assets within the private equity portfolio.

10. POST BALANCE SHEET EVENTS

Subsequent to 31 December 2011 there were a series of share buybacks purchased into treasury. These purchases were in accordance with the Group's policy to minimise any discount between the market price of its shares and the Company's net asset value.

	<u>Date</u>	<u>Number of shares</u>	<u>Price</u>
Balance as at 31 December 2011		398,554,496	
Market Buyback	6 January 12	(65,000)	\$0.870
Market Buyback	12 January 12	(100,000)	\$0.880
Market Buyback	13 January 12	(50,000)	\$0.880
Market Buyback	7 February 12	(400,000)	\$0.895
Market Buyback	8 February 12	(317,500)	\$0.895
Market Buyback	22 February 12	(25,000)	\$0.903
Tender Offer	24 February 12	(10,706,290)	\$1.270

On 24 February 2012 the Company purchased 153,284 2013 ZDP Shares at 65.70 pence per Share and 1,514,135 2015 ZDP Shares at 62.67 pence per Share via a tender offer.

DIRECTORS:

Trevor Charles Ash (Chairman)
Gregory Getschow
John Loudon
Christopher Paul Spencer

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(as to the Private Equity Portfolio):**

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