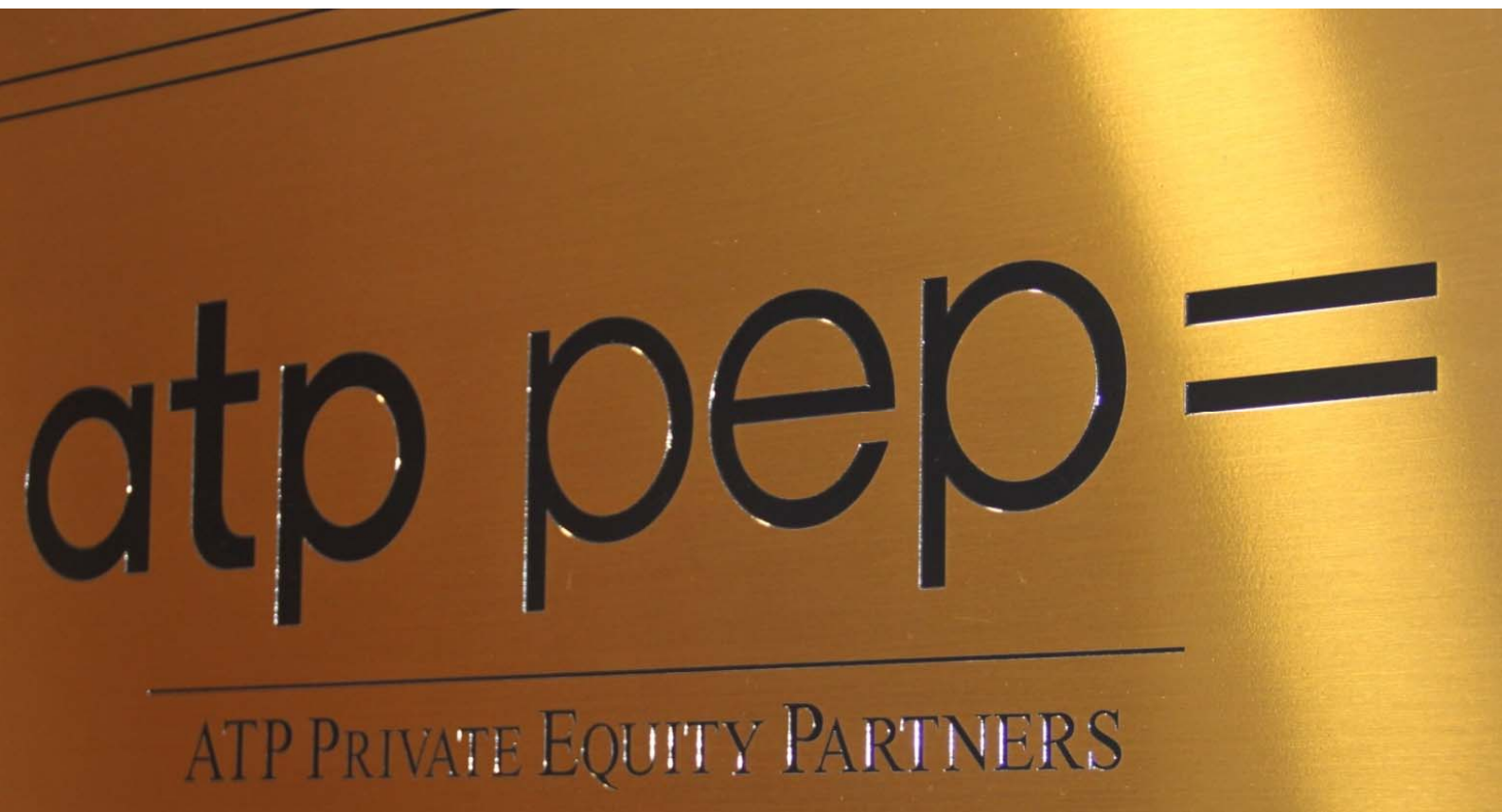


ATP PEP II
Annual Report 2010

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ATP Private Equity Partners II K/S
CVR-nr. 28 51 75 21

Annual Report for the period of:
1 January 2010 - 31 December 2010
(6th financial year)

This annual report has been presented and
reviewed by the companies general assembly

Copenhagen, / 2011

Director



Company Details

ATP Private Equity Partners II K/S
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DK-1122 Copenhagen K

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Website: www.atp-pep.com
E-mail: info@atp-pep.com

CVR-no.: 28 51 75 21
Date of establishment: 1 April 2005
Registered office: Copenhagen
Financial year: 1st January – 31st December
6th financial year

Supervisory board

Lars Rohde (chairman)
Lars Damgaard Sørensen
Henrik Gade Jepsen

Auditors

Deloitte
Statsautoriseret Revisionsaktieselskab
Weidekampsgade 6
DK-2300 København S

Ownership

ATP owns more than 50 % of the share capital.

Annual general meeting

The annual general meeting is to be held on 1st February 2011.

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Financial Highlights

Financial Highlights – ATP Private Equity Partners II K/S (ATP PEP II)

DKK'000	2010 1/1–31/12	2009 1/1–31/12	2008 1/1–31/12	2007 1/1–31/12	2006 1/1–31/12
Income statement:					
Profit (loss) from investment	2,490,350	(79,946)	(805,852)	207,369	193,770
Ordinary operating profit (loss)	2,481,826	(86,795)	(813,022)	177,407	172,006
Profit from financial items	85	273	1,105	1,353	282
Profit (loss) for the year	2,489,915	(86,541)	(821,797)	178,113	171,980
Balance sheet:					
Total assets	8,622,531	6,083,040	5,744,860	4,152,232	1,480,463
Equity	8,418,268	5,827,619	5,397,016	4,028,515	1,459,302
Cash flows:					
Operating activities	(165,911)	(461,908)	(2,207,569)	(2,330,660)	(1,110,892)
Financing activities	100,734	517,144	2,190,297	2,391,099	1,115,605
Employees:					
Average number of full-time employees for ATP Private Equity Partners II K/S, ATP Private Equity Partners I K/S and ATP Private Equity K/S	0*	0*	0*	0*	17
Financial ratios:					
Total Value to Paid-in	1.22x	0.91x	0.91x	1.06x	1.07x
Distributed to Paid-in	0.24x	0.13x	0.11x	0.07x	0.08x
IRR	8.2%	-4.2%	-6.8%	9.8%	19.2%

For terms and definitions please see the accounting policies page 16

* There are no employees in ATP PEP II KS. The employees of the company were transferred to Private Equity Advisors ApS on 23 November 2006

Key figures for ATP Private Equity Partners II K/S (ATP PEP II)¹

IRR (gross since inception)	8.2 %
TVPI	1.22 x
DPI	0.24 x
Number of portfolio funds	34
Number of co-investments	9

Benchmarking as of 30 June 2010²

ATP PEP II was established on 1 April 2005 and is considered a vintage 2005 fund. ATP PEP II has been benchmarked against data from Cambridge Associates LLC from 57 private equity fund-of-funds. For TVPI and DPI the result is a benchmark median, since quartiles are not available. The figures from ATP PEP II and the benchmark data are as of 30 June 2010.

Vintage 2005	Benchmark	ATP PEP II
IRR	0.8 % (Top quartile)	2.5 %
Total value to paid in	0.96x (median)	1.06x
Distributed to paid in	0.08x (median)	0.15x

1. The multiples are net to ATP PEP II, i.e. net of payment of management fee to portfolio funds, but before deduction of administrative expenses to ATP PEP II. IRR is calculated on the basis of realized cash flows and the value of the equity at the end of the period. Total Value to Paid-in (TVPI): Distributions to investors added to the value of the remaining portfolio divided by paid-in capital by the investors. Distributed to paid-in (DPI): Distributions to investors divided by paid-in capital by the investors.
2. Source: Fund-of-funds and Secondaries Benchmark Statistics, Non-Marketable Alternative Asset from Cambridge Associates LLC as at 30 June 2010. Benchmark data are net returns to investors in the fund-of funds that are involved in the benchmark. Performance data for ATP PEP II is net to the investors.

Management Review for 2010

Highlights of the year in ATP PEP II

- The net result for the year was DKK 2,490m equivalent to a return of 35 %.
- The positive return is primarily due to a positive development in the underlying portfolio companies' income and debt reductions, and a positive development in comparable quoted companies.
- In 2010, ATP PEP II made 2 new co-investments and an add-on investment totalling DKK 108m bringing the total commitments since inception up to DKK 10,568m or equivalent to 94% of the committed capital.
- In 2010 DKK 1,237m were paid in from investors to ATP PEP II bringing the total draw downs from investors to DKK 8,574m this is equivalent to 76 % of the committed capital.
- ATP PEP II made further distributions of DKK 1,137m to the investors in 2010 bringing total distributions since inception to DKK 2,061m corresponding to 24 % of total invested capital.

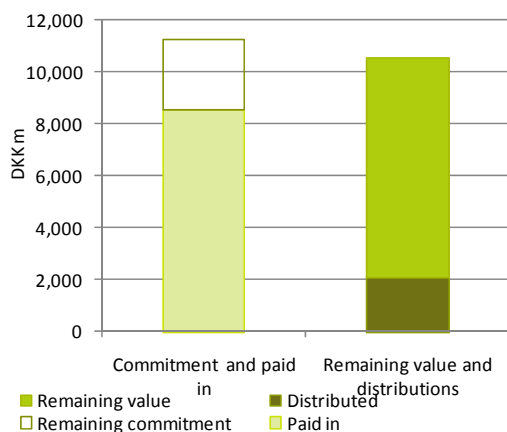
Main Activity

ATP PEP II has a commitment of DKK 11,25bn from ATP. The portfolio is made up of commitments to private equity funds in Europe and North America as well as co-investments with portfolio funds.

The investment period for ATP PEP II has ceased, however the time frame to make co-investments with portfolio funds has been extended through to March 31st 2011.

Investing via a fund-of-funds such as ATP PEP II entails a very long term strategy. ATP PEP II made commitments to funds over a period of 2.5 years. After receiving the commitments the funds in general have a period of 3–5 years to make investments in companies. Portfolio funds usually exit these companies after 3–7 years of ownership. This means that it may take 14 years from the time ATP PEP II made the first commitment to a fund until the final company has been exited. ATP PEP II is in the 6th year of this process.

Overview of capital situation



Portfolio Composition

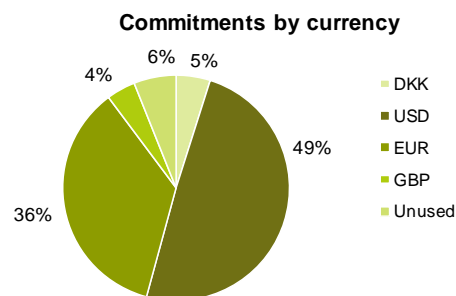
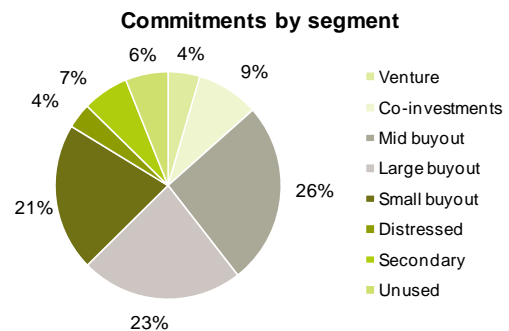
ATP PEP II has made commitments of DKK 10,568m and ATP PEP II's portfolio is a well diversified portfolio comprised of private equity funds, whom have strong competences within their investment strategies.

The goal has been to build a portfolio comprised of private equity funds following different strategies of investment with a limited degree of overlap.

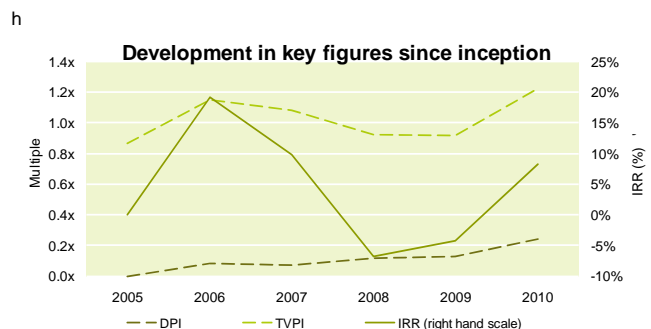
Co-investments in companies are made with funds in the portfolio with no payment of management fee or carry to the funds.

ATP PEP II has made a total of 34 commitments to private equity funds and has completed 9 co-investments.

The pie chart below illustrates how the portfolio is compounded as of December 31st 2010 on segments and currency. On page 9 there is a more in-depth description of the performance for the different segments.



The below-mentioned graph illustrates ATP PEP II's performance and realizations since inception in 2007. The definitions of the key figures are found on page 5.



Profit (loss) for 2010

The profit for the year was DKK 2,490m which is equivalent to a return of 35 %. In 2009 the loss was DKK -87m. At the start of the year it was predicted that the result for 2010 would be better or in line with the results for 2009. The development of the portfolio combined with the market conditions were significantly better than expected and therefore exceeded expectations.

Profit (loss) for 2010

DKK m

Management fee to portfolio funds and administrative expenses	(93.3)
Foreign exchange adjustment of assets (including currency hedges)	(4.0)
Unrealised value adjustments of funds and companies	1,682.5
Interest/dividends/realized gains	896.7
Loss before tax	2,482.0
Tax	8.0
Loss for the year	2,490.0

The unrealised returns in 2010 totalling DKK 1.683m versus DKK -120m in 2009 is attributable to a generally positive development of the underlying portfolio company's earnings and debt reduction combined with a development in the comparable quoted companies and a few extraordinary events at the company level.

The realised returns totalling DKK 897m are significantly higher than the corresponding returns for 2009 which totalled DKK 122m. This is due to the rise in activity of buying and selling of companies in 2010 compared to 2009.

Management fees to portfolio funds and internal administrative expenses were DKK 93m in 2010 versus DKK 120m in 2009. In comparison to similar fund-of-funds the administrative expenses of ATP PEP II are low. ATP PEP II's internal management cost of DKK 9m in 2010 (DKK 91m since inception) correspond to 8 basis points of the total capital commitment from the investors. This should be compared to a level of 25–75 basis points in other fund-of-funds.

In 2010 ATP PEP II had a foreign exchange gain on portfolio funds in foreign currency; however an equivalent foreign exchange loss was realized on forward exchange contracts. The end net currency adjustment loss for ATP PEP II was DKK -4m, vs. DKK -32m in 2009.

Balance sheet

The company's total assets at the end of the year were DKK 8,623m versus DKK 6,083m in 2009. Since the funds' portfolio typically develop over a period of 4-6 years, it is expected that the balance sheet will continue to rise slightly throughout the next year. However, this should be seen together with the fact that the portfolio funds have already called 78% of the total commitments combined with the expectation that there will be an increase in realisations.

Portfolio value

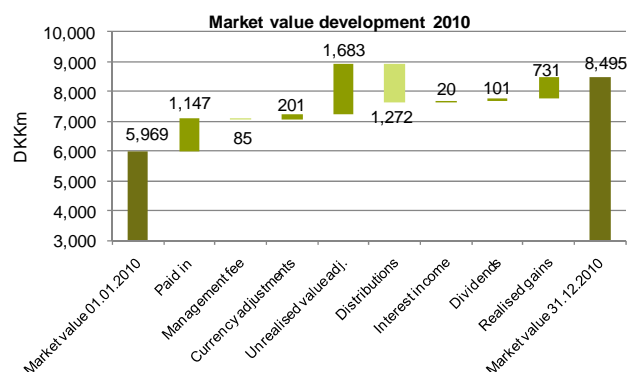
At the year end, the value of the total portfolio was DKK 8,495m versus DKK 5,969m at the end of 2009.

The valuation of investments in non-listed companies is associated with special risks. The funds' own fair value valuations are normally used if the funds report in accordance with the International Private Equity and Venture Capital Valuation Guidelines or US GAAP.

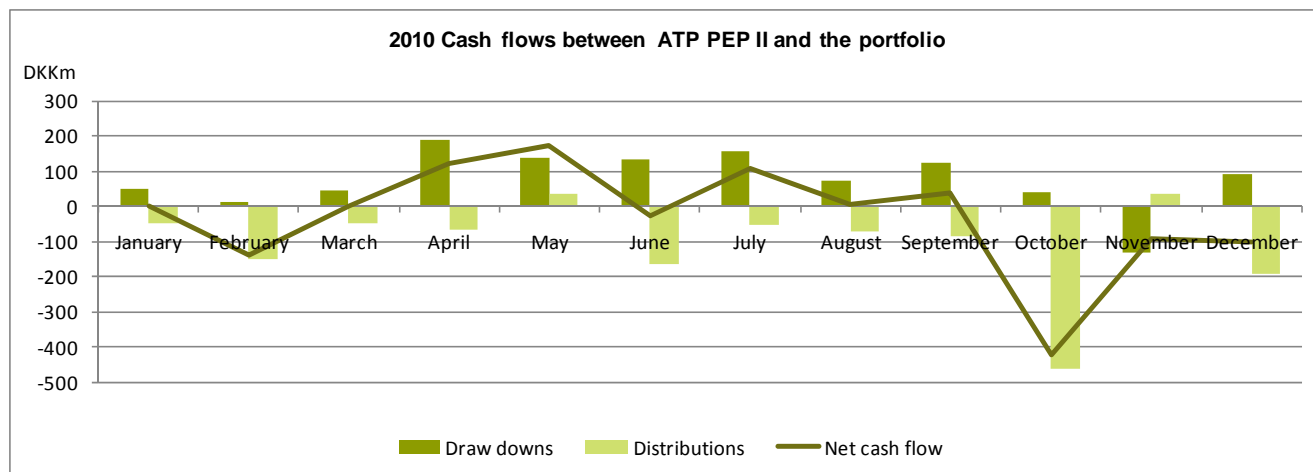
With regard to the investments made by venture funds, the valuation is based on the reporting from the funds. Venture funds typically value companies in accordance with the pricing in most recent financing rounds.

By monitoring the development in the valuations of underlying private equity funds' portfolio investments, ATP PEP II receives current information on the fair market value of the portfolio and is able to monitor the investment activity and the reporting from the portfolio funds. The investment activity is monitored through regular communication with the funds and participation on advisory boards. ATP PEP II is represented on advisory boards in 25 out of 34 portfolio funds.

As mentioned above the market value of the portfolio increased by DKK 2,526m in 2010 to total DKK 8,495m as of December 31st 2010. The chart below indicates that the increase mainly was a result of the unrealised positive value adjustments of the portfolio and to the drawings to new investments and to a lesser extent to the unrealised gain of the currency adjustments. The distributions resulting from the realisations in the portfolio totalling DKK 1,239m have however reduced the market value but not to the full extent since the majority of the realised gains and dividends from the distributions were not recognized in the market value in early 2010.



Cash flows



The above-mentioned graph illustrates the 2010 cash flows between ATP PEP II and the portfolio. Distributions in 2010 were larger than draw downs, especially in the fourth quarter of 2010 which can be attributed to the portfolio having matured as well as improved market conditions for the buying and selling of companies.

Cash flows between ATP PEP II and the investors

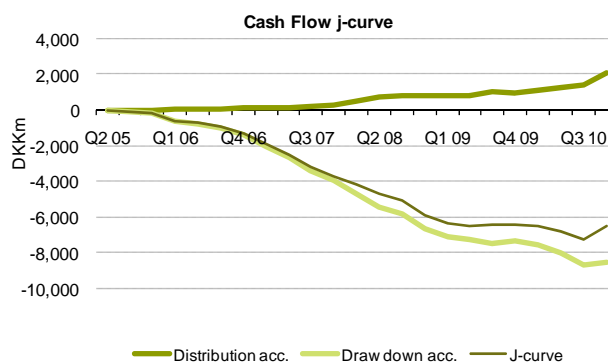
The investors of ATP PEP II paid in DKK 1,237m during 2010 in order to finance investments made by portfolio funds as well as to settle the difference on forward exchange contracts. At the end of 2010 ATP PEP II had drawn a total of DKK 8,574m of ATP's commitment of totaling DKK 11,251m. equivalent to 76 %

The investors of ATP PEP II have throughout the year received distributions totaling DKK 1,137m. At the end of 2010 a total of DKK 2,061m has been returned to investors corresponding to 24% of the invested capital.

Cash flows since the establishment of ATP PEP II

The J curve illustrates accumulated net payments to and distributions from ATP PEP II. In the first couple of years of the investment period the J curve shows net negative cash flows until distributions to investors exceed new cash calls. The net cash flow for 2010 was a negative DKK 100m which is as expected at this stage of the investment process for ATP PEP II. A positive cash flow is anticipated in the years to come.

At the end of 2010 ATP PEP II's maximum net draw down from ATP's commitment was equivalent to 58%. In comparison, the maximum net drawn capital from ATP to ATP PEP I was approximately 40% as the J-curve for this fund bottom four years after the establishment of ATP PEP I.

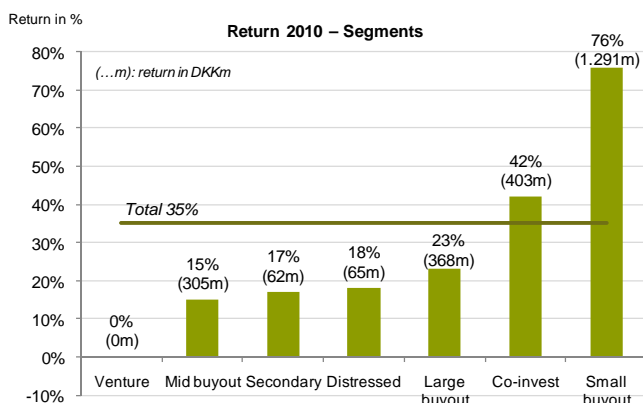


The early distributions to ATP PEP II are mainly received from the secondary positions in funds. In addition, the early distributions are the result of exceptionally good opportunities for the refinancing of the debt in the fund's portfolio companies during 2006 and 2007. 2008 and 2009 saw less-than-expected profit distributions due to the difficult market conditions. The negative tendency is however interrupted in 2010 by the improvement of market conditions for the buying and selling of companies which has caused a significant increase in the divestitures in the portfolio of ATP PEP II.

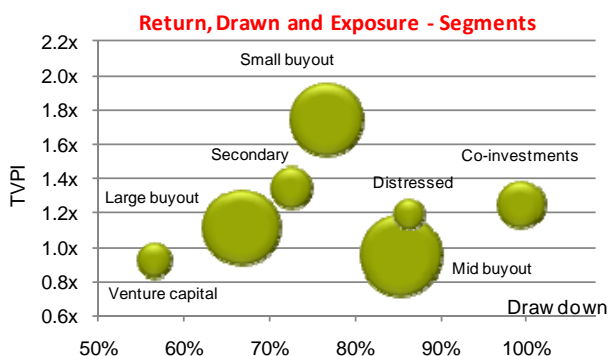
Returns from the Portfolio Funds

In 2010, the returns from the portfolio funds totaled DKK 2,490m versus DKK -80m in 2009.

The return for 2010 totaled 35% and is spread across the different categories as represented in the graph below.



The x axis of the chart below shows the draw downs made by the funds against commitments made by ATP PEP II. The y axis shows the historical performance via TVPI, see definition on the bottom of page 5. The circles show the individual segments' share of ATP PEP II's investment portfolio (measured relative to commitments made).



Venture funds comprise 5 % of commitments split on 5 funds. At this stage the funds have drawn 56 % of their commitments. The TVPI of venture funds are affected negatively by the relatively costly payments of management fees to these types of funds during the investment period. The table in the right hand column shows that the TVPI for the 5 venture funds range in the interval of 0.83x to 1.12x. As of December 31st 2010, the market value of the venture funds totaled DKK 234m versus DKK 183m in 2009, and the total returns for 2010 were 0%.

*Segment	Enterprise Value EURm
Small buyout	0-249
Mid buyout	250-999
Large buyout	1000+

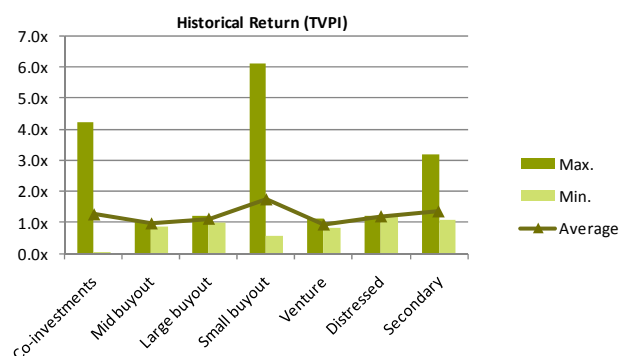
Small buyout funds (11 funds) comprises 23% of the committed capital in ATP PEP II. The funds have drawn 77% of their capital commitments to the segment. In 2010, the market value of the segment totaled DKK 2,088m versus DKK 1,296m in 2009 and the returns totaled 76%. TVPI for the segment is 1.75x

Commitments to mid buyout funds represent 28 % of the total committed capital and is the largest segment in ATP PEP II. In 2010, the returns totaled 15% and the market value totaled DKK 2,273m versus DKK 1,826m in 2009. TVPI for the segment is 0.96x and the chart below shows that the TVPI for the 8 mid market buyout funds are in the interval of 0.87x to 1.05x.

The large buyout segment in ATP PEP II's portfolio has been the segment most affected by the credit crises which can be attributed to the companies in these funds being relatively highly leveraged. 2010 has however shown positive signs of improvement and the returns for this segment totaled 23%. The market value in 2010 is DKK 1,933m versus DKK 1,245m in 2009. TVPI for the 5 funds in the large buyout segment is 1.11x in an interval of 0.98x to 1.22x

The return for the distressed segment totaled 18% in 2010 and represents 4% of the committed capital. As of December 31st 2010 the market value totaled DKK 412m versus DKK 322m in 2009. TVPI for the segment is 1.19x.

The 9 co-investments comprise 9 % of the total commitments and have an average TVPI of 1.25x. There is one co-investment with a TVPI of 0.00x, while the co-investment with the highest returns had a TVPI totaling 4.21x. In 2010, the market value totaled DKK 1,145m versus DKK 780m in 2009 and the return was 42%.



Investment risk

Risk hedging of financial risks in the portfolio funds is facilitated by undertaking a sufficient diversification of investments and making fairly uniform investment commitments depending on the investment type. For high risk funds such as venture funds investment commitments are made in the amount of DKK 50–150m, whereas commitments to buyout funds, which are associated with lower risks, typically range from DKK 150–750m

Currency risks

Investments are made in a number of currencies and earnings, cash flows and equity are subject to currency fluctuations. It is company policy to hedge financial risks in currencies other than EUR.

The currency hedging comprises forward exchange contracts. Current positions are hedged on a monthly basis, while risks on unused capital commitments to portfolio funds are not.

Accordingly, for risk assessment purposes it is essential that ATP PEP II is able to identify the fair value of the underlying assets to be able to properly hedge currency risks.

The effect on the actual investments and remaining commitments is specified in the table below.

USD/GBP sensitivity analysis

Effect in DKK'000 of:	On actual investments	remaining commitment
a 1% increase in USD/DKK	39,465	14,994
a 1% increase in GBP/DKK	2,192	1,487

*Please notice that the sensitivity calculations in the table are merely theoretical, as they do not take the currency hedging into account.

Interest rate risks

Apart from trade balances with suppliers and forward contracts, ATP PEP II has no liabilities. Debt is often raised in the funds' portfolio investments, and consequently an indirect interest rate risk exists, which could affect future investment results.

Credit risks

The company's credit risks partly relate to primary financial assets and partly to derivative financial instruments with a positive market value. The company is not subject to any material risks in respect of customers or business partners.

Liquidity risks

The limited partner ATP is an acknowledged financial institutional investor who is under the supervision of the Danish Financial Supervisory Authority. The general partner's capital base is fully paid-in and the unused capital is placed as cash funds at an acknowledged North American bank. For this reason the liquidity risk is assessed as being extremely low.

Social responsibility guidelines

The investments of ATP PEP II are mainly made through private equity funds in Europe and North America. Social responsibility is often a prerequisite for lasting, sound earnings and maintaining the value of shareholdings. In order to ensure accordance between ATP's social responsibility principles and the portfolio fund's investments, a separate agreement to this effect is always made with the fund in the form of a side letter. This agreement among others requires compliance with laws and rules established by national authorities on the Company's markets or by international organisations following Denmark's accession. In addition, investments are not to be made in countries that are subject to a trade embargo enforced by the UN, the EU and acceded by Denmark.

Investing in the general partnership

The limited partner wishes to align the interests of the employees of the management company with those of the limited partner, especially in the long term. For this reason an investment program has been established for employees via the general partnership.

The partners in the management company are required to invest in the general partnership, whereas the other employees are offered shares. Shares in the general partnership are acquired by cash payment.

As a general partner the company has unlimited liability for the limited partnership's liabilities. The general partnership's acquisition of shares in the limited partnership is made at a premium.

The general partnership will receive proportionately larger distributions than the limited partner when the limited partner has received a minimum return of 8 % p.a.

This carried interest and its scope are disclosed in note 9.

Expectations for 2011

It is expected that the year end results for 2011 will be similar or below compared to those for 2010.

The market conditions affecting the value of the investments in 2011 are extremely difficult to predict though.

Events after the balance sheet date

No significant events have taken place after the year end.

Management Statement

Statement by Private Equity Advisors and the Supervisory Board

Private Equity Advisors ApS and the Supervisory Board today discussed and approved the annual report of ATP Private Equity Partners II K/S for the financial year 1 January to 31 December 2010.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies used and the estimates made to be appropriate. Accordingly, the annual report gives a true and fair view of the Company's financial position at 31 December 2010 and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2010.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 25 January 2011

Private Equity Advisors ApS

Torben Vangstrup

Klaus Rühne

Bestyrelse:

Lars Rohde
Chairman

Lars Damgaard Sørensen

Henrik Gade Jepsen

Auditors' Reports

Internal Auditors' Report

To the investors of ATP Private Equity Partners II K/S

We have audited the financial statements and the management review for ATP Private Equity Partners II K/S for the financial year 2010. The financial statements and the management review have been prepared in accordance with the Danish Financial Statements Act.

Basis of opinion

We have conducted our audit in accordance with the Danish Financial Supervisory Authority's Executive Order on Auditing of the Danish Labour Market Supplementary Pension Scheme (ATP), The Labour Market Occupational Diseases Fund (AES) and the Employee's Capital Pension Fund (LD) and in accordance with the Danish Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements and the management review are free from material misstatement.

The audit has been performed in accordance with the division of duties agreed with the external auditors and has included an assessment of procedures and internal controls established, including the risk management organised by Management relevant to the reporting processes and significant business risks. Based on materiality and risk we have examined, on a test basis, the basis of amounts and other disclosures in the financial statements and management review, including evidence supporting amounts and disclosures. Furthermore, the audit has included evaluating the appropriateness of the accounting policies applied by Management and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements and the management review.

We have participated in the audit of risk and other material areas and believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the procedures and internal controls established, including the risk management organised by Management relevant to the reporting processes and material business risks, are working satisfactorily.

Furthermore, in our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2010 and of its financial performance and cash flows for the financial year 2010 in accordance with the Danish Financial Statements Act.

Finally, in our opinion, the management review gives a fair review in accordance with the Danish Financial Statements Act.

Hillerød, 25 January 2011

Peter Jochimsen
Internal auditor

Independent Auditor's Report

To the investors of ATP Private Equity Partners II K/S

We have audited the financial statements of ATP Private Equity Partners II K/S for the financial year 1 January to 31 December 2010, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes as well as the management report. The financial statements and the management report have been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements and the management report

Management is responsible for the preparation and fair presentation of financial statements and for the preparation of a management report that contains a fair review in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements and a management report that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on these financial statements and this management report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the management report are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the management report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements and the management report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements and to the fair review of a management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements and the management report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2010 and of its financial performance and its cash flows for the financial year 1 January to 31 December 2010 in accordance with the Danish Financial Statements Act and the management report contains a fair review in accordance with the Danish Financial Statements Act.

Copenhagen, 25 January 2011

Deloitte

Statsautoriseret Revisionsaktieselskab

Anders O. Gjelstrup	Bill Haudal Pedersen
State Authorised	State Authorised
Public Accountant	Public Accountant

A photograph of a glass wall with the text "ATP PRIVATE EQUITY PARTNERS" etched in a gold color. The wall is part of a modern building facade, with other glass panels and architectural details visible in the background. The lighting is warm, suggesting an indoor or well-lit outdoor environment.

ATP PRIVATE EQUITY PARTNERS

Accounting Policies

The annual report of ATP Private Equity Partners II K/S for 2010 has been prepared in accordance with the provisions applying to medium-sized reporting class C enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including impairment losses.

Foreign currency translation

Transactions denominated in foreign currencies are translated into DKK at the exchange rates at the transaction date. Investments, receivables and payables denominated in foreign currencies are translated into DKK at the exchange rates at the balance sheet date. Realised and unrealised foreign exchanges gains and losses are recognised in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively, and set-off of positive and negative values is only made when the Company has the right and the intention to settle several financial instruments net.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as capital gains and losses

Income statement

Gains on other securities and investments comprise realised and unrealised value adjustments of investments and foreign exchange gains and losses on transactions in foreign currencies.

Administrative expenses comprise costs incurred during the year on the Company's investment activities. Administrative expenses comprise fee to ATP in respect of the administrative work performed by ATP on behalf of the Company.

Financial income comprises interest income on cash and cash equivalents.

The Company is not independently taxable, as the profit/loss of the Company is taxed through the limited partner and general partner's taxable income. Tax in the income statement is dividend taxes from foreign portfolio companies.

Balance sheet

Investments in associates and other securities and investments comprise investments in portfolio funds and portfolio companies and are measured at fair value at the balance sheet date. Value adjustments are recognised in the income statement on a current basis.

Management fees paid to portfolio companies are capitalised together with the investment in the individual portfolio company. Management fees are amortised over the period to which they relate.

Investments in portfolio companies that do not have a quoted market price are measured based on the latest trading price either in the form of a capital increase or a partial sale based on the value of comparable companies and using traditional valuation methods.

If the fair value cannot be determined reliably, cost is used, which comprises acquisition costs.

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of receivables.

Accrued income comprises costs incurred concerning subsequent financial years.

Liabilities are measured at net realisable value.

Deferred income comprises payment received concerning income in subsequent years.

Cash flow statement

The cash flow statement shows the cash flows from operating and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise administrative expenses adjusted for changes in working capital, including cash flows between the Company and funds that are invested in and direct investments.

As the Company's primary activity is investment activity, investment activities are not disclosed separately.

Cash flows from financing activities comprise paid-in capital and distributions to the limited partners and the general partner of the limited partnership.

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Key figures

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Total Value to Paid-in:

Value of distributions to investors + value of remaining portfolio / paid-in capital from investors.

Distributed to Paid-in:

Value of distributions to investors / paid-in capital from investors.

IRR :

Calculated between ATP PEP II and the investors and is based on realised cash flows plus the value of equity at year end

Income Statement

ATP PEP II

DKK'000	Note	2010	2009
Interest and dividends			
Interest, investments		64,910	35,298
Dividends and distributions		100,754	4,617
Total interest and dividends		165,664	39,915
Capital gains and losses			
Investments in associates			
Other securities and investments	1	2,324,686	(119,861)
Total capital gains and losses		2,324,686	(119,861)
Profit from investment activities			
		2,490,350	(79,946)
Administrative expenses	2	(8,524)	(6,849)
Ordinary operating profit		2,481,826	(86,795)
Financial items			
Financial income		85	273
Profit (loss) before tax		2,481,911	(86,522)
Tax		8,004	(19)
Profit (loss) for the year		2,489,915	(86,541)
Proposed profit (loss) appropriation:			
Profit (loss) for the year		2,489,915	(86,541)
Transferred to equity		2,489,915	(86,541)

Balance sheet as of 31 December

ATP PEP II

DKK'000	Note	2010	2009
Assets			
Non-current assets			
Investments			
Other securities and investments	3	8,494,712	5,969,103
Total investments		8,494,712	5,969,103
Total non-current assets		8,494,712	5,969,103
Current assets			
Receivables			
Receivables from group enterprises		2	-
Other receivables	4	83,295	4,237
		83,297	4,237
Cash and cash equivalents		44,522	109,699
Total current assets		127,819	113,937
Total assets		8,622,531	6,083,040
Equity and liabilities			
Equity			
Contributions by limited partners and general partner		6,512,899	6,412,165
Retained earnings		1,905,369	(584,546)
Total equity	5	8,418,268	5,827,619
Current liabilities			
Trade and other payables		9,030	39
Amounts owed to group enterprises		179,318	99,531
Other payables	6	15,915	155,851
Total current liabilities		204,263	255,422
Total liabilities		204,263	255,422
Total equity and liabilities		8,622,531	6,083,040
Contingent and other liabilities	7		
Related party disclosures	8		
Share purchase programme in the general partner	9		

Cash flow statement

ATP PEP II

DKK'000	2010	2009
Payments to portfolio funds	(1,087,400)	(1,067,152)
Distributions from portfolio funds	1,135,923	392,669
Payments to co-investments	(111,805)	-
Cash flow s, interest and dividends	120,462	39,915
Interest income, cash and cash equivalents	85	273
Realised foreign exchange gains and losses	1,738	(7,042)
Administrative expenses	(8,524)	(6,849)
Changes in working capital	(216,390)	186,277
Cash flow s from operating activities	(165,911)	(461,908)
Cash contributions from investors	1,237,425	679,039
Distributions to investors	(1,136,691)	(161,895)
Cash flow s from financing activities	100,734	517,144
Changes in cash and cash equivalents	(65,177)	55,236
Cash and cash equivalents at 1 January	109,699	54,464
Cash and cash equivalents at 31 December	44,522	109,699

Notes

DKK'000	2010	2009
1 Capital and foreign exchange gains and losses, other securities and investments		
Realised capital gains, investments	736,509	81,994
Realised foreign exchange gains, investments	-	83,712
Unrealised capital gains, investments	2,497,159	890,996
Unrealised foreign exchange gains, investments	874,583	466,402
Foreign exchange gains, forward contracts	64,271	71,570
	1,738	-
Total capital and foreign exchange gains	4,174,260	1,594,675
Realised capital losses, investments	(5,511)	-
Realised foreign exchange losses, investments	-	(83,704)
Unrealised capital losses, investments	(899,447)	(1,124,715)
Unrealised foreign exchange losses, investments	(673,606)	(499,075)
Foreign exchange losses, forward contracts	(271,010)	-
Foreign exchange losses, cash accounts	-	(7,042)
Total capital and foreign exchange losses	(1,849,574)	(1,714,536)
Total capital and foreign exchange gains and losses, other securities and investments	2,324,686	(119,861)
2 Administrative expenses		
There are no employees in the Company.		

DKK'000

2010

2009

3 Other securities and investments

Cost at 1 January	6,839,852	6,083,367
Additions during the year	1,147,266	1,067,152
Disposals during the year	(413,752)	(310,667)
Cost at 31 December	<u>7,573,366</u>	<u>6,839,852</u>
Impairment losses at 1 January	(1,227,418)	(953,333)
Reversal of previous impairment losses	683,677	239,582
Impairment losses during the year	(85,020)	(513,667)
Impairment losses at 31 December	<u>(628,761)</u>	<u>(1,227,418)</u>
Revaluations at 1 January	356,669	317,175
Reversal of previous revaluations	(67,050)	(80,047)
Revaluations during the year	1,260,488	119,541
Revaluations at 31 December	<u>1,550,107</u>	<u>356,669</u>
Carrying amount at 31 December	<u><u>8,494,712</u></u>	<u><u>5,969,103</u></u>

4 Other receivables

Positive fair value of forward exchange contracts	-	4,233
Receivable interests	77,964	-
Receivable dividend tax	5,331	4
	<u>83,295</u>	<u>4,237</u>

DKK'000	2010	2009
5 Equity		
Contributions by limited partners and general partner:		
Subscribed and paid-in at 1 January	6,412,165	5,895,022
Subscribed and paid-in during the year	1,237,425	679,038
Distributed during the year	(1,136,691)	(161,895)
	<u>6,512,899</u>	<u>6,412,165</u>
Retained earnings:		
Retained at 1 January	(584,546)	(498,006)
Retained earnings for the period	2,489,915	(86,541)
	<u>1,905,369</u>	<u>(584,546)</u>
Total equity	<u>8,418,268</u>	<u>5,827,619</u>
In accordance with the limited partnership agreement, on an ongoing basis the investors have agreed to pay up to DKK'000 11,251,000 as the capital requirement arises in the Company.		
At 31 December the investors' remaining commitments totalled	<u>2,676,513</u>	<u>3,913,938</u>
Changes in commitments within the last 6 years:		
Subscribed and paid-in 2005	198,020	
Subscribed and paid-in 2006	1,231,879	
Distributed in 2006	(116,274)	
Subscribed and paid-in 2007	2,561,230	
Distributed in 2007	(170,130)	
Subscribed and paid-in 2008	2,666,594	
Distributed in 2008	(476,297)	
Subscribed and paid-in 2009	679,038	
Distributed in 2009	(161,895)	
Subscribed and paid-in 2010	1,237,425	
Distributed in 2010	(1,136,691)	
	<u>6,512,899</u>	
6 Other payables		
Negative fair value of forward exchange contracts	15,915	63,655
Payable regarding investment commitment	-	92,196
	<u>15,915</u>	<u>155,851</u>

DKK'000

2010

2009

7 Contingent and other liabilities

Investment commitment regarding investments

2,245,907

3,099,770

8 Related party disclosures

Parties exercising control

Arbejdsmarkedets Tillægspension (ATP)

Ow ns 99.995%

Ow ns 99.995%

Kongens Vænge 8

DK-3400 Hillerød

The annual report is included in the consolidated financial

The consolidated financial statements are available at www.atp.dk.

ATP PEP GP II ApS

Ow ns 0.005%

Ow ns 0.005%

Sjæleboderne 2, 1st Floor

DK-1122 Copenhagen K

9 Share purchase programme in the general partner ATP PEP II GP K/S

Owner	Date of establishment of programme	Market value of shares	Number of shares	Acquisition price
Executive Board	4/1/2005	223,111	63,746	3.5
Executive employees	4/1/2005	111,556	49,027	3.5
Other employees	4/1/2005	199,476	35,754	3.5
Unallocated	4/1/2005	165,858	51,473	3.5

Parameters for carried interest

		Entitlement
Hurdle rate	8% p.a.	Entitlement to 85% in 4.5 years
Carried interest cap (as % of commitment to fund)	0.33%	Entitlement to balance until 2015
Carried interest	0.66%	

Scenarios for carried interest

Return in ATP PEP II K/S as % p.a.	DKKm (2005 prices)	% of investment commitment
0	0	0
10	5	0.05
12	11	0.09
15	19	0.17
20	37	0.33
25	37	0.33

Comments

ATP PEP II GP K/S has a share capital comprising 200,000 shares of DKK 1 each.

The general partner ATP PEP II GP K/S will receive a carried interest on returns in the general partnership above 8 % p.a.

A cap has been established on the value of the carried interest programme, corresponding to 0.33 % of the capital commitment to ATP Private Equity Partners II K/S or DKK 36.75m, calculated in 2005 prices.

The carried interest will be paid to ATP PEP II GP K/S by 0.66 % until the cap is reached.

Share offers are conditional on employment in Private Equity Advisors ApS.

The calculation assumes a commitment from ATP of DKK 11.25bn.



Portfolio

Fund	Domicile	Segment
Abingworth Bioventures V	Great Britain	Venture
Apollo VI	USA	Distressed
Arbor Investments II	USA	Small buyout
Arsenal Capital Partners II	USA	Small buyout
Avio Investments S.p.A	Italy	Co-investment
Axcel III	Denmark	Small buyout
BC European Capital VIII	Great Britain	Large buyout
Bradshaw	USA	Co-investment
Brazos Private Equity Fund II	USA	Small buyout
Bridgepoint III	Great Britain	Mid buyout
Brock Group	USA	Co-investment
Chemicals Holdings Sarl	Italy	Co-investment
CHL Medical III	USA	Venture
Cinven IV	Great Britain	Large buyout
Coller International Partners V	USA	Secondary
Core Capital Partners Fund II	USA	Venture
Deutsche Beteiligungs AG Fund V	Germany	Small buyout
Diaverum (Gambro)	Sweden	Co-investment
EQT V	Sweden	Mid buyout
Fieldbrook	USA	Co-investment
First Reserve XI	USA	Large buyout
Goldman Sachs PEP III, Secondary	USA	Secondary
Gresham IV	Great Britain	Small buyout
Housatonic Equity Investors IV	USA	Small buyout
Invest Industrial III	Italy	Small buyout
Invest Industrial III - Build-Up Fund	Italy	Small buyout
JK&B V	USA	Venture
KMD	Denmark	Co-investment
Lindsay, Goldberg & Bessemer II	USA	Mid buyout
LS Power Equity Partners	USA	Mid buyout
Nordic Capital VI	Sweden	Mid buyout
Novak Biddle V	USA	Venture
Providence VI	USA	Large buyout
Quad-C Advisors VII	USA	Mid buyout
Quad-C Partners VII Co-Investment Fund	USA	Mid buyout
Realogy Corporation	USA	Co-investment
Roark Capital Partners II	USA	Mid buyout
Screenvision	USA	Co-investment
Shamrock Capital Growth Fund II	USA	Small buyout
Silver Lake Partners III	USA	Large buyout
W Capital II	USA	Secondary
Waterland Private Equity II, secondary	Holland	Secondary
Waterland Private Equity III	Holland	Small buyout

For further information please visit our website www.atp-pep.com

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