

ATP PEP II  
Annual report 2007

---

**atp pep=**

ATP PRIVATE EQUITY PARTNERS

# Contents



▪ <b>Company details</b>	<b>3</b>
▪ <b>Financial highlights</b>	<b>4</b>
▪ <b>Management's review for 2007</b>	<b>5</b>
▪ <b>Statement by the General Partner and the Supervisory Board</b>	<b>12</b>
▪ <b>Auditors' reports</b>	<b>13</b>
▪ <b>Accounting policies</b>	<b>15</b>
▪ <b>Income statement</b>	<b>17</b>
▪ <b>Balance sheet at 31 December</b>	<b>18</b>
▪ <b>Cash flow statement</b>	<b>19</b>
▪ <b>Notes</b>	<b>20</b>
▪ <b>Portfolio</b>	<b>25</b>

# Company details

---

ATP Private Equity Partners II K/S  
Sjæleboderne 2, 1st Floor  
DK-1122 København K

Telephone: +45 33 19 30 70  
Fax: +45 33 19 30 71

Website: [www.atp-pep.com](http://www.atp-pep.com)  
E-mail: [info@atp-pep.com](mailto:info@atp-pep.com)

Registration No.: 28 51 75 21  
Date of establishment: 1 April 2005  
Registered office: Copenhagen  
Financial year: 1 January – 31 December  
3rd financial year

## **Supervisory Board**

Bjarne Graven Larsen (chairman)  
Lars Rohde  
Lars Damgaard Sørensen

## **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionsaktieselskab  
Strandvejen 44  
DK-2900 Hellerup

## **Ownership**

ATP owns more than 50% of the share capital.

## **Annual general meeting**

The annual general meeting is to be held on 20 February 2008.

# Financial highlights

## ATP Private Equity Partners II K/S, (ATP PEP II)

DKK'000	2007 1/1–31/12	2006 1/1-31/12	2005 1/4-31/12
<b>Income statement:</b>			
Profit (loss) from investment activities	207.369	193.770	(9.638)
Ordinary operating profit (loss)	177.407	172.006	(26.391)
Profit from financial items	1,353.260	282.000	88.000
Profit (loss) for the year	178.113	171.980	(26.303)
<b>Balance sheet:</b>			
Total assets	4,152,232	1,480,463	180.500
Equity	4,028,515	1,459,302	171.717
<b>Cash flows:</b>			
Operating activities	2,330,660	1,110,892	(191.436)
Financing activities	2,391,099	1,115,605	198.020
<b>Employees:</b>			
Average number of full-time employees for ATP Private Equity Partners III K/S, ATP Private Equity Partners II K/S, ATP Private Equity Partners I K/S and ATP Private Equity K/S	0*	17	15
<b>Financial ratios:</b>			
Total Value to Paid In	1.06x	1.07x	0.80x
Distributed to Paid In	0.07x	0.08x	0.00x
IRR	9.76%	19.16%	0.00%

For terms and definitions, please see the accounting policies.

\* The Company has no employees. The Company's employees were transferred to Private Equity Advisors at 23 November 2006.

# Management's review for 2007

## Key figures for ATP Private Equity Partners II K/S, (ATP PEP II)<sup>1</sup>

IRR (gross since establishment)	9.76%
TVPI	1.06x
DPI	0.07x
RPI	0.99x
Number of portfolio funds	34
Co-investments	5

## Benchmarking<sup>2</sup>

ATP PEP II was established on 1 April 2005 and is considered a vintage 2005 fund. ATP PEP II has been benchmarked against a group of 53 private equity funds of funds, collected by Private Equity Intelligence. As the table shows, at the 2007 year end ATP PEP II had made more capital distributions to the fund investors than the median fund and the remaining value of the fund against paid in capital was higher than for the median fund.

Vintage 2005	Benchmark (median)	ATP PEP II
Called capital/commitments	29.0%	35.5%
DPI	1.0%	7.0%
RPI	92.9%	99.0%

1. The multiples are determined net to ATP PEP II, i.e. net of payment of management fees to the funds, but before deduction of administrative expenses to ATP PEP II. IRR: calculated based on realised cash flow plus the value of equity at year end. Total Value to Paid In (TVPI): the value of distributions to investors plus the value of the remaining portfolio divided by paid-in capital from investors. Distributed to Paid In (DPI): the value of distributions to investors divided by the paid-in capital from investors. Residual value to Paid In (RPI): TVPI minus DPI.
2. Benchmark data is net return to investors in the fund of funds included in the benchmark. Performance data for ATP PEP II is net to ATP PEP II, but before deduction of administrative expenses in ATP PEP II, which during the Company's existence total DKK 61m and affect multiples negatively by 0.015x. Source: The 2008 Fund of Funds Review, Private Equity Intelligence Ltd. 2008.

### Significant events in ATP PEP II

- Private Equity Advisors ApS, PEA opened an office in New York in February 2007. PEA gives advise to ATP PEP II on investments and monitoring of the portfolio of funds.
- ATP PEP II made commitments of a total of DKK 1,274m to 6 funds and made co-investments of a total of DKK 492m. The investment period of ATP PEP II terminated in September 2007, when the commitments and investments made by ATP PEP II accounted for 90% of the commitment by ATP to ATP PEP II of DKK 11.25bn.
- ATP PEP II paid out DKK 2,844m to fund portfolio fund investments during 2007 (2006: DKK 1,383m).
- ATP PEP II received distributions from portfolio funds of DKK 356m in 2007 (2006: DKK 267m), and has currently distributed DKK 286 m to ATP.

### Main activity

The DKK 11.25bn investment portfolio of ATP PEP II is made up of private equity funds in Europe and North America, and of co-investments with portfolio funds in Europe.

The investment period of ATP PEP II's investment commitment to private equity funds has terminated. The co-investment program with portfolio funds will continue until the end of 2009 though.

Investments via a fund of funds such as ATP PEP II entails a very long-term strategy. ATP PEP II committed to funds over a 2.5-year period. From the date when an investment commitment is made the funds will normally have a 3 to 5-year investment period in which investments are made. Investments are then typically disposed of after a 3 to 7-year period. For a fund of funds such as ATP PEP II the period from the first commitment to a portfolio fund and until the last investment in the portfolio is disposed of may therefore be as long as approximately 14 years. ATP PEP II is in its third year of this process.

### Portfolio composition

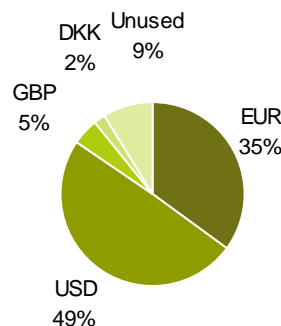
ATP PEP II has a well diversified portfolio of private equity funds, all of which have strong competences in each of their investment strategies.

The portfolio is comprised of funds following different investment strategies with only a limited degree of overlap in focus.

Co-investments are made with funds in the portfolio with the exclusion of management fees or carry payments.

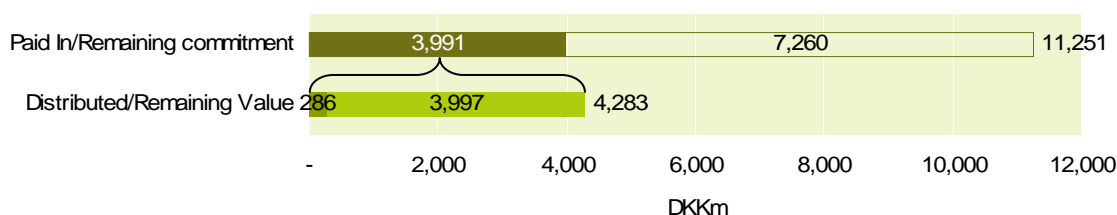
At the 2007 year end, ATP PEP II had made commitments to 31 private equity funds, of which 2 commitments are made to secondary funds, acquired 2 secondary positions in funds and made 5 co-investments.

### Commitments by currency

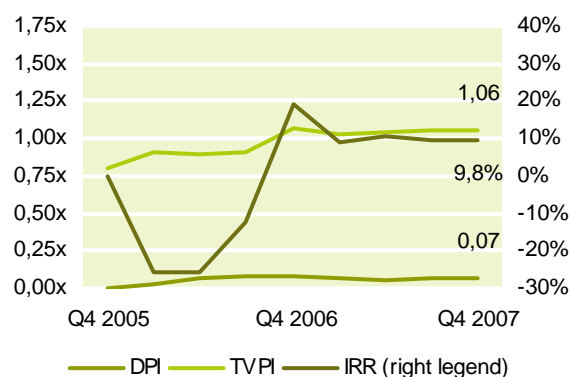


The pie chart shows the currency split measured by the original commitments to funds on the basis of the exchange rate at 31 December 2007. Currently USD denominated funds are predominant in the portfolio. A number of factors, such as the co-investment activity, will influence the currency split over time.

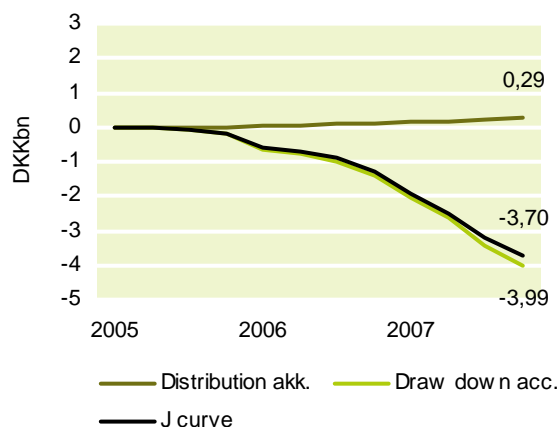
### Chart of capital resources



## Key figure development



## J curve



### Cash flow for the year

ATP PEP II paid in DKK 2,844m during the year in order to finance investments made by the portfolio funds. At the 2007 year end ATP PEP II had called a total of DKK 4bn from ATP corresponding to 35% of the commitment to ATP PEP II of DKK 11.25bn.

ATP PEP II received distributions of DKK 356m from portfolio funds and co-investments and distributed DKK 170m to investors in 2007. At the 2007 year end a total of DKK 286m had been distributed to ATP, corresponding to 7% against paid in capital.

### Cash flows since the establishment of ATP PEP II

The J curve illustrates accumulated payments to and distributions from ATP PEP I, calculated as ATP PEP II's distributions to investors less ATP PEP II's draw-downs from investors. During the early stage of the investment activity, for a number of years the J curve will show negative cash flows until distributions to investors exceed draw-downs. As expected at this stage in ATP PEP II's investment process, the J curve reflected a negative development in 2007.

At the 2007 year end the net draw-down of capital on ATP was 33% against the capital commitment made to ATP PEP II. In comparison, the maximal net draw-down by ATP PEP I was 40% of committed capital when the J curve for ATP PEP I reached the bottom.

development 4 years after the establishment of the fund. Accordingly, it is no surprise that the J curve of ATP PEP II still is moving in a negative development after an investment period of nearly 3 years.

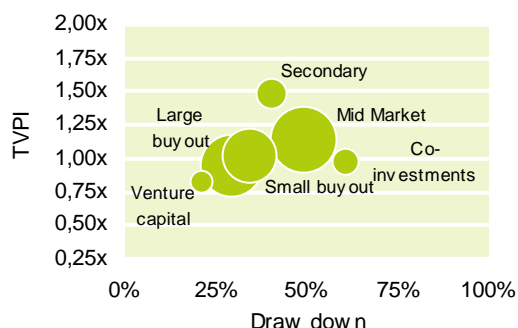
The early distributions to ATP PEP II mostly come from the secondary positions in funds. Moreover, the early distributions were attributable to unusually attractive re-financing opportunities for fund companies during 2006 and 2007.



**Performance**

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 fair value of portfolio investments plus distributions made relative to the paid-in capital for each segment (TVPI). If TVPI is below 1, value has not yet been created for investors as Management fees etc. affect TVPI negatively. A value above 1 shows that the value addition to the investors exceed the management fees paid to the funds. The circles show the individual segments' share of ATP PEP II's investment portfolio (measured relative to commitments made).

**Portfolio fund development**



The venture fund segment comprise commitments made to 5 funds and amount to 5% of total commitments made. TVPI of the segment is 0.82x. At the 2007 year end the venture funds had drawn down 21% of their commitments. The portfolio companies owned by the venture funds will be in the development stages for a number of years ahead, and the full value creation by the venture funds will often not show until companies in the portfolio are exited or listed. TVPI of venture funds is further affected negatively by the relatively costly payment of management fees in the investment period relative to the invested capital. This is in accordance with the table in the next column which shows that the value creation in the portfolio funds in ATP PEP II is not yet visible, as the TVPI range is in the interval of 0.76x – 0.96x.

The small buyout funds (11 funds) comprise 22% of total commitments made, and the funds have drawn down 34% of their commitments. TVPI is 1.01x. However, as the table shows, the TVPI interval for the funds is already considerable, with a high degree of correlation between TVPI and the investment period of the individual funds.

*Segment	Enterprise value EURm
Small buyout	0-249
Mid market buyout	250-999
Large buyout	1,000+

Commitments to mid market buyout funds comprise 32% of the total commitments made to 8 funds. TVPI on average is 1.13X in a wide interval of 0.87x – 1.92x. The mid market funds in the portfolio are the furthest into their investment periods. On average the mid market funds have drawn down 50% of their commitments.

Large buyout funds comprise 28% of the total commitments made to 6 funds. TVPI for the segment is 0.94x in a narrow interval of 0.90x – 0.99x. The funds in the segment have drawn down less than 30% of the commitments to the funds. We believe that the credit crunch in the second half of 2007 has influenced in particular the level of investment activity of the larger funds.

Some of the secondary positions (7% of the commitment to 4 funds) comprise commitments to funds acquired from former limited partners. As these funds were already partly invested at the time of acquisition by ATP PEP II, the distributions from these funds come in at a relatively early point compared to the primary positions in funds. Early distributions have a positive effect on the TVPI and IRR of secondary funds during the first years of ownership. The segment also comprises commitments to funds of funds that are focusing on acquiring commitments to funds from other investors. TVPI for the segment is 1.48x.

The 6 co-investments total 6% of the total commitments and have a TVPI of 0.97x. All these investments are quite recent, and accordingly TVPI is close to 1x. The USD denominated investments have been written down as a result of the falling USD since the time of the investment. The currency hedging by ATP PEP II performed on the full portfolio to some extent hedges the negative development of the value adjustment of the co-investments due to currency movements.

At the 2007 year end 223 underlying investments had been made in companies owned directly or through portfolio funds against 93 companies at the 2006 year end.

**Total value to paid in**

TVPI	Min.	Max.
Venture	0.76x	0.96x
Small buyout	0.75x	1.54x
Mid market buyout	0.87x	1.92x
Large buyout	0.90x	0.99x
Secondary	0.83x	2.93x
Co-investments	0.91x	1.00x

## Profit for the year

The profit for the year was DKK 178m - on level with the profit for 2006 of DKK 172m and in accordance with the expectations for 2007 expressed in the annual report for 2006.

## Profit for 2007

DKKm

Management fee to portfolio funds and administrative expenses	(128.0)
Foreign exchange adjustment of assets (including currency hedges)	(71.9)
Realised value adjustments of funds and companies	(29.0)
Unrealised value adjustments of funds and companies	377.2
Interest/dividends/realized gains	<u>30.4</u>
<b>Profit before tax</b>	<b><u>178.7</u></b>
Tax	<u>(0.6)</u>
<b>Profit for the year</b>	<b><u>178.1</u></b>

The profit is satisfactory as ATP PEP II only has been operating since 1 April 2005 and is thus still in the process of building up a portfolio.

A positive value adjustment of DKK 29m was realised in 2007 (2006: DKK 79m in 2006). Please note that the value of the portfolio is decreasing along with the payments of management fee to portfolio funds. Unrealised value adjustments totalled DKK 377m in 2007 (2006: DKK 300m).

Management fee and the internal administrative fees were DKK 128 m against DKK 89m in 2006. Administrative fees have increased from DKK 22m in 2006 to DKK 30m in 2007.

In a comparison to similar fund of funds, the internal administrative fees in ATP PEP II are low. This can be attributed to benefits of scale and the fact that the investment period for ATP PEP II's investments in private equity funds has terminated. The internal administrative fees in 2007 at 27 basis points<sup>3</sup> against the commitments to funds is comparable to 50–100 basis points a year in other funds of funds.

## Balance sheet

As the investment portfolio has been developed, the ATP PEP II balance sheet has increased by DKK 2.6bn to DKK 4.2bn at the 2007 year end. Since the portfolio funds build up during 4-6 years, the balance sheet expectedly will keep increasing over the next couple of years.

## Portfolio value

At the 2007 year end the value of the portfolio investments was DKK 4.0bn.

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. In a few cases, fair value valuations are made using a valuation model based on the market value in the most recent comparable market transactions based on data from Standard & Poor's.

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 valuations of the 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 in advisory boards. ATP PEP II is represented on advisory boards of 26 of the 34 portfolio funds.

3. 100 basis points = 1%. Basis points are calculated against the commitments to funds of funds

### Investment risks

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 therefore 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. Only risks on current positions are hedged. Consequently, risks on unused capital commitments to portfolio funds are not hedged. Current positions are hedged in accordance with the following ratios:

USD: 80%, SEK, NOK and GBP: 50%.

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.

Currency fluctuations will affect the Company the most when relating to changes in the USD and GBP exchange rates. 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	On remaining commitment
a 1% increase in USD/DKK	19.540	36.488
a 1% increase in GBP/DKK	1.362	3.633

Please note that the sensitivity calculation is made exclusive of the effect of currency hedging.

#### 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, 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.

## Organisation and company management

Private Equity Advisors ApS (PEA) is a management company which offers advice to the ATP PEP funds on private equity investments and monitoring.

The day-to-day management of PEA is the responsibility of the partner group. Members of the partner group are Klaus Rühne, Susanne Forsingdal and Torben Vangstrup.



Susanne Forsingdal and Torben Vangstrup make up the investment committee.

At the end of 2007, PEA had 17 employees placed in Copenhagen and New York.

The New York office is run by Klaus Rühne and in addition to Klaus Rühne the office had 2 employees by the end of 2007.

The Copenhagen office is run by Torben Vangstrup and Susanne Forsingdal. At the end of 2007 the office had an additional 12 employees - 3 employees in the finance sections and 9 investment managers.

### *General meetings*

The general meetings have supreme authority in all the affairs of the Company. Any business transacted at a general meeting is decided by a simple majority of votes. The limited partners and the general partner are entitled to vote at the general meeting in proportion to the capital commitment. The members of the Supervisory Board, counting three to five members, are elected at the general meeting for a one-year period. Members are eligible for re-election.

### *Supervisory Board*

The Supervisory Board constitutes the supreme management body of the Company and makes decisions of a strategic nature or on grounds of principle, including the investment strategy for the coming year.

The duties of the Supervisory Board and the segregation of duties between the management company and the Supervisory

Board are governed by an order of business and the management agreement.

Supervisory Board meetings are convened four to six times a year, including a meeting each quarter to approve the quarterly reporting.

The chairman of the Supervisory Board and the general partner or two Supervisory Board members make investment decisions etc. based on advice from Private Equity Advisors.

No Supervisory Board remuneration was paid during the year.

## ATP PEP II's investors

ATP is a limited partner. The general partner, GP II APEP ApS is owned by existing and former employees of ATP PEP and PEA.

## Investment 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.

## Outlook 2008

The profit for 2008 is expected to exceed the profit for 2007, the reason being the development of the portfolio value as the companies in the portfolio are built up. The market conditions affecting the value of the investments in 2008 are extremely difficult to predict though. The duration of the current credit crunch is likely to have a significant effect on the private equity activity. The private equity funds are not expected to be able to exit companies or increase the valuation of the companies to the same extent as in 2007.

## Events after the balance sheet date

No relevant significant events have taken place after the 2007 year end.

# Statement by the General Partner and the Supervisory Board

---

## Statement by the General Partner and the Supervisory Board

The General Partner and the Supervisory Board have today discussed and approved the annual report of ATP Private Equity Partners II K/S for the financial year 1 January - 31 December 2007.

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 2007 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2007.

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

Copenhagen, 1 February 2008

General Partner:

Torben Vangstrup  
*ATP PEP GP II ApS*

Supervisory Board:

Bjarne Graven Larsen  
*chairman*

Lars Rohde

Lars Damgaard Sørensen

# Auditors' reports

## Internal auditor's report

We have audited the annual report of ATP Private Equity Partners II K/S for the financial year 2007. The annual report has been prepared in accordance with the Danish Financial Statements Act.

### Basis of opinion

We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.

We conducted our audit in accordance with the distribution of work agreed upon with the external auditors and our work comprised assessment of established business procedures and internal control, including Management's risk management procedures for reporting processes and significant business risks. Based on materiality and risk, we have examined, on a test basis, the basis of the amounts and disclosures in the annual report, including evidence supporting the amounts and disclosures in the annual report. Our audit also included assessing the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management as well as evaluating the overall presentation of the annual report.

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

Our audit did not result in any qualification.

### Opinion

In our opinion, the established business procedures and internal control, including Management's risk management procedures for reporting processes and significant business risks, are satisfactory.

Further, it is our opinion that the annual report gives a true and fair view of the Company's financial position at 31 December 2007 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2007 in accordance with the Danish Financial Statements Act.

Hillerød, 1 February 2008

Peter Jochimsen  
*internal auditor*

## Independent auditor's report

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

We have audited the annual report of ATP Private Equity Partners II K/S for the financial year 1 January - 31 December 2007, which comprises the Statement by the General Partner and the Supervisory Board, Management's review, accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The annual report has been prepared in accordance with the Danish Financial Statements Act.

### Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of this annual report in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is 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.

### Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the annual 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 annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the annual 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 Company'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 annual report.

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

Our audit did not result in any qualification.

### Opinion

In our opinion, the annual report gives a true and fair view of the Company's financial position at 31 December 2007 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2007 in accordance with the Danish Financial Statements Act.

Copenhagen, 1 February 2008

PricewaterhouseCoopers  
Statsautoriseret Revisionsaktieselskab

Mikael Sørensen  
State Authorised Public Accountant

# Accounting policies

The annual report of ATP Private Equity Partners II K/S for 2007 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.

In accordance with section 11(3) of the Danish Financial Statements Act, the presentation of the income statement, balance sheet and accounting items has been changed. Accordingly, it is Management's opinion that the annual report gives a true and fair view of the Company's special activities.

## 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.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the value of the hedged asset or liability as far as the hedged portion is concerned.

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge that is an effective hedge of changes in the value of the hedged item are recognised in receivables or payables and in equity. If the hedged transaction results in gains or losses, amounts recognised in equity are transferred to the same item as the hedged item.

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.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## 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.

*Fixtures and IT equipment* are capitalised and depreciated on a straight-line basis over the expected useful lives ranging from two to five years. Assets with a cost of less than DKK 100,000 per unit are recognised as cost in the year of acquisition.

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

*Accrued income* comprise costs incurred concerning subsequent financial years.

*Liabilities* are measured at net realisable value.

*Deferred income* comprises payment received concerning income in subsequent years.

*Deferred tax* is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement. For the financial year a tax rate of 25% has been used.

### 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.

### Financial ratios

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 based on realised cash flows plus the value of equity at year end.

# Income statement

## ATP PEP II

DKK'000	Note	2007	2006
<b>Interest and dividends</b>			
Interest, investments		(2,718)	1,119
Dividends and distributions		57,962	203
<b>Total interest and dividends</b>		<b>55,244</b>	<b>1,322</b>
<b>Capital gains and losses</b>			
Other securities and investments	1	152,124	192,448
<b>Total capital gains and losses</b>		<b>152,124</b>	<b>192,448</b>
<b>Profit from investment activities</b>			
		<b>207,369</b>	<b>193,770</b>
Administrative expenses	2	(29,962)	(21,764)
<b>Ordinary operating profit</b>		<b>177,407</b>	<b>172,006</b>
<b>Financial items</b>			
Financial income		1,353	282
<b>Profit before tax</b>		<b>178,760</b>	<b>172,289</b>
Tax		(647)	(309)
<b>Profit for the year</b>		<b>178,113</b>	<b>171,980</b>
<b>Proposed profit appropriation:</b>			
Profit for the year		178,113	171,980
<b>Transferred to equity</b>		<b>178,113</b>	<b>171,980</b>

# Balance sheet at 31 December

## ATP PEP II

DKK'000	Note	2007	2006
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Investments</b>			
Other securities and investments	3	3,996,887	1,452,797
<b>Total investments</b>		<b>3,996,887</b>	<b>1,452,797</b>
<b>Total non-current assets</b>		<b>3,996,887</b>	<b>1,452,797</b>
<b>Current assets</b>			
<b>Receivables</b>			
Other receivables	4	83,609	16,369
Cash at bank and in hand		71,736	11,297
<b>Total current assets</b>		<b>155,345</b>	<b>27,666</b>
<b>Total assets</b>		<b>4,152,232</b>	<b>1,480,463</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Contributions by limited partners and general partner		3,704,725	1,313,625
Retained earnings		323,790	145,677
<b>Total equity</b>	5	<b>4,028,515</b>	<b>1,459,302</b>
<b>Current liabilities</b>			
Trade and other payables		60	296
Amounts owed to group enterprises		7,400	163
Other payables	6	116,257	20,702
<b>Total current liabilities</b>		<b>123,717</b>	<b>21,161</b>
<b>Total liabilities</b>		<b>123,717</b>	<b>21,161</b>
<b>Total equity and liabilities</b>		<b>4,152,232</b>	<b>1,480,463</b>
Contingent and other liabilities	7		
Related party disclosures	8		
Incentive programme	9		

# Cash flow statement

## ATP PEP II

DKK'000	2007	2006
Payments to investors	(2,843,976)	(1,383,192)
Distributions from investors	356,477	267,324
Cash flows, interest and dividends	55,244	1,322
Interest income, cash and cash equivalents	1,353	282
Realised foreign exchange gains and losses	4,505	1,367
Administrative expenses	(29,962)	(21,764)
Changes in working capital	125,698	23,769
	<hr/>	<hr/>
Cash flows from operating activities	(2,330,660)	(1,110,892)
	<hr/>	<hr/>
Cash contributions from investors	2,561,230	1,231,879
Distributions to investors	(170,130)	(116,274)
	<hr/>	<hr/>
Cash flows from financing activities	2,391,099	1,115,605
	<hr/>	<hr/>
<b>Changes in cash and cash equivalents</b>	<b>60,439</b>	<b>4,713</b>
	<hr/>	<hr/>
Cash and cash equivalents at 1 January	11,297	6,584
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December</b>	<b>71,736</b>	<b>11,297</b>
	<hr/> <hr/>	<hr/> <hr/>

# Notes

DKK'000	2007	2006
<b>1 Capital and foreign exchange gains and losses, other securities and investments</b>		
Realised capital gains, investments	58,814	77,870
Realised foreign exchange gains, investments	29	512
Unrealised capital gains, investments	397,047	238,992
Unrealised foreign exchange gains, investments	1,488	430
Foreign exchange gains, forward contracts	98,200	28,046
Foreign exchange gains, cash accounts	4,505	1,367
Total capital and foreign exchange gains	<u>560,083</u>	<u>347,217</u>
Realised capital losses, investments	(84,980)	
Realised foreign exchange losses, investments	(9,568)	(13,567)
Unrealised capital losses, investments	(146,945)	(85,056)
Unrealised foreign exchange losses, investments	(159,295)	(56,146)
Foreign exchange losses, forward contracts	(7,171)	-
Total capital and foreign exchange losses	<u>(407,959)</u>	<u>(154,769)</u>
<b>Total capital and foreign exchange gains and losses, other securities and investments</b>	<b><u>152,124</u></b>	<b><u>192,448</u></b>
<b>2 Administrative expenses</b>		
Staff costs are recognised as follows:		
Wages and salaries	-	6,149
Pensions	-	940
Other social security costs	-	45
	<u>-</u>	<u>7,134</u>
Executive Board, total for ATP Private Equity Partners II K/S, ATP Private Equity Partners I K/S and ATP Private Equity K/S	<u>-</u>	<u>2,057</u>
Of which employer paid pension contribution	<u>-</u>	<u>209</u>
Average number of employees in total for ATP Private Equity Partners II K/S, ATP Private Equity Partners I K/S and ATP Private Equity K/S	<u>-</u>	<u>17</u>

There are no employees in the Company. The Company's employees were transferred to Private Equity Advisors ApS at 23 November 2006.

DKK'000

	2007	2006
<b>3 Other securities and investments</b>		
Cost at 1 January	1,362,604	185,072
Additions for the year	2,843,976	1,383,192
Disposals on sale	(392,183)	(205,660)
Cost at 31 December	<u>3,814,397</u>	<u>1,362,604</u>
Impairment losses at 1 January	(143,633)	(12,515)
Reversal of previous impairment losses	37,376	11,341
Prior year adjustments	-	162
Impairment losses for the year	(238,658)	(145,762)
Disposals for the year	-	3,141
Impairment losses at 31 December	<u>(344,915)</u>	<u>(143,633)</u>
Revaluations at 1 January	233,826	1,338
Reversal of previous revaluations	(67,583)	(162)
Revaluations for the year	361,162	(4)
Disposals on sale	-	232,654
Revaluations at 31 December	<u>527,405</u>	<u>233,826</u>
Carrying amount at 31 December	<u><u>3,996,887</u></u>	<u><u>1,452,797</u></u>
<b>4 Other receivables</b>		
Positive fair value of forward exchange contracts	<u>83,609</u>	<u>16,369</u>
	<u><u>83,609</u></u>	<u><u>16,369</u></u>

DKK'000	2007	2006
<b>5 Equity</b>		
Contributions by limited partners and general partner:		
Subscribed and paid-in at 1 January	1,313,625	198,020
Subscribed and paid-in during the year	2,561,230	1,231,879
Distributed during the year	(170,130)	(116,274)
	<u>3,704,725</u>	<u>1,313,625</u>
Retained earnings:		
Retained at 1 January	145,677	(26,303)
Retained earnings for the period	178,113	171,980
	<u>323,790</u>	<u>145,677</u>
Total equity	<u>4,028,515</u>	<u>1,459,302</u>
In accordance with the limited partnership agreement, on an ongoing basis the investors have agreed to pay up to DKK 11,251,000 thousand as the capital requirement arises in the Company.		
At 31 December 2007 the investors' remaining commitments totalled DKK'000:	<u>7,259,571</u>	<u>9,820,974</u>
Changes in commitments within the last 5 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)	
	<u>3,704,725</u>	
<b>6 Other payables</b>		
Negative fair value of forward exchange contracts	2,288	7,549
Payable regarding investment commitment	113,938	13,121
Payable costs	31	32
	<u>116,257</u>	<u>20,702</u>

DKK'000	2007	2006
<b>7 Contingent and other liabilities</b>		
Rental obligation to ATP Ejendomme – 1 year*	-	590
Rental obligation to ATP Ejendomme – 2-5 yrs.*	-	983
Investment commitment regarding investments	6,391,460	7,622,667

\*Rental obligations have been transferred to Private Equity Advisors ApS at 23 November 2006.

## 8 Related party disclosures

Parties exercising control

Arbejdsmarkedets Tillægspension (ATP)

Owns 99.995%

Owns 99.995%

Kongens Vænge 8

DK-3400 Hillerød

The annual report is included in the consolidated financial statements of ATP.

The consolidated financial statements are available at [www.atp.dk](http://www.atp.dk).

ATP PEP GP II ApS

Owns 0.005%

Owns 0.005%

Sjæleboderne 2, 1. sal

DK-1122 København K

Private Equity Advisors ApS

Acquired  
29,981

Related party transactions are carried out on an arm's length or cost basis.

The transactions are carried out according to the Service Level Agreement with ATP.

## 9 Share purchase programme in the general partner ATP PEP GP II ApS

Recipient	Date of establishment of programme	Market value of shares	Number of shares	Acquisition price
Executive Board	01-04-2005	111,556	31,873	3.5
Executive employees	01-04-2005	223,111	63,746	3.5
Other employees	01-04-2005	199,476	56,993	3.5
Unallocated	01-04-2005	165,858	47,388	3.5

Parameters for carried interest		Entitlement
Hurdle rate	8% p.a.	Entitlement to 85% in 4.5 years
Carried interest cap	0.33%	Entitlement to balance until 2015
Carried interest	0.66%	

Return in ATP PEP II K/S as % p.a.	DKKm	% 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 GP II ApS has a share capital comprising 200,000 shares of DKK 1 each.

The general partner ATP PEP GP II ApS 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 GP II ApS 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.






	<b>JK&amp;B V</b>	
Investment date	September 2006	
Commitment	USD 25m	
Share of ATP PEP II	1.13%	
Fund size	USD 200m	
Ownership share	12.50%	
Advisory board member	Susanne Forsingdal	
Investment strategy	In the last ten years JK&B has made early-stage investments in US IT companies and to a limited extent outside the USA. The fund is divided into two investment teams focusing on communications (semiconductors) and software, respectively.	
Website	<a href="http://www.jkbcapital.com">www.jkbcapital.com</a>	

	<b>Novak Biddle V</b>	
Investment date	November 2006	
Commitment	USD 11m	
Share of ATP PEP II	0.50%	
Fund size	USD 227m	
Ownership share	4.85%	
Advisory board member	No	
Investment strategy	The strategy of the fund is primarily to invest in early-stage IT companies ranging from USD 100,000 to USD 7m. However, the fund invests in development-stage companies when it is estimated that the fund may create considerable value, equivalent to 3-4 times the investment costs. The investments are concentrated on wireless communication, security and software.	
Website	<a href="http://www.novakbiddle.com">www.novakbiddle.com</a>	





	<b>Brazos II</b>	
Investment date	May 2006	
Commitment	USD 25m	
Share of ATP PEP II	1.13%	
Fund size	USD 400m	
Ownership share	6.25%	
Advisory board member	Søren Brøndum Andersen	
Investment strategy	Brazos is a Dallas-based buyout fund focusing on acquisition of small and medium-sized companies within the manufacturing, service and distribution industries. The geographical focus is primarily on South-Western USA.	
Website	<a href="http://www.brazosinv.com">www.brazosinv.com</a>	
	<b>Deutsche Beteiligungs AG V (DBAG V)</b>	
Investment date	May 2006	
Commitment	EUR 30m	
Share of ATP PEP II	1.99%	
Fund size	EUR 434m	
Ownership share	6.91%	
Advisory board member	Søren Brøndum Andersen	
Investment strategy	DBAG is a Frankfurt-based buyout fund focusing on acquisition of small and medium-sized companies in Germany/Austria within traditional manufacturing.	
Website	<a href="http://www.deutsche-beteiligung.de">www.deutsche-beteiligung.de</a>	
	<b>Gresham IV</b>	
Investment date	June 2006	
Commitment	GBP 35m	
Share of ATP PEP II	3.16%	
Fund size	GBP 346.6m.	
Ownership share	10,10%	
Advisory board member	Klaus Rühne	
Investment strategy	The firm invests in companies engaged in service-related assignments involving significant access barriers. In addition, the firm focuses on companies with excellent growth prospects, e.g. through a broadening of the business concept. The firm also supports existing managements.	
Website	<a href="http://www.greshampe.com">www.greshampe.com</a>	

	<b>Housatonic Equity Investors IV</b>	
Investment date	July 2007	
Commitment	USD 25m	
Share of ATP PEP II	1.13%	
Fund size	USD 250m	
Ownership share	10%	
Advisory board member	Torben Vangstrup	
Investment strategy	The investment strategy for fund IV has been adhered to since the establishment in 1994. The fund focuses on investment opportunities within buyouts and growth capital requiring maximum USD 5-15m in equity investments. Focus is on cash flow positive companies within service, media and communications industries.	
Website	<a href="http://www.housatonicpartners.com">www.housatonicpartners.com</a>	
	<b>InvestIndustrial III</b>	
Investment date	September 2005	
Commitment	EUR 45m	
Share of ATP PEP II	2.98%	
Fund size	EUR 500m	
Ownership share	9.00%	
Advisory board member	Torben Vangstrup and Christian Brønden Petersen	
Investment strategy	The fund invests in Southern European mid-market companies with an EV of EUR 75-350m. The strategy is focused on acquiring controlling interests in companies with a strong market position, competitive products and a strong management team. The fund's activities usually relate to business successions where family-owned businesses are transferred into professionally managed companies.	
Website	<a href="http://www.investindustrial.com">www.investindustrial.com</a>	
	<b>Shamrock II</b>	
Investment date	May 2006	
Commitment	USD 30m	
Share of ATP PEP II	1.36%	
Fund size	USD 311,5m	
Ownership share	9.63%	
Advisory board member	Klaus Rühne	
Investment strategy	The fund invests in enterprises in the media, entertainment and communications industries with considerable experience, network and insight. The fund invests relatively early in an enterprise's development or later on when the fund's connections through the Disney family network can create additional value. The fund's investment strategy is split between growth and management buyouts.	
Website	<a href="http://www.shamrock.com">www.shamrock.com</a>	

	<b>Waterland III</b>	
Investment date	February 2006	
Commitment	EUR 50m	
Share of ATP PEP II	3.31%	
Fund size	EUR 403.8m	
Ownership share	12.38%	
Advisory board member	Torben Vangstrup	
Investment strategy	Waterland is a Dutch mid-market buyout fund focused on companies with revenue of EUR 10-150m in which the fund can invest EUR 5-15m. The companies are situated in the Rhineland area and relate to the following trends: outsourcing & efficiency, ageing population and leisure & luxury. The fund is a majority investor.	
Website	<a href="http://www.waterland.nu">www.waterland.nu</a>	



	<b>LS Power I</b>	
Investment date	May 2005	
Commitment	USD 60m	
Share of ATP PEP II	2.72%	
Fund size	USD 1,200m	
Ownership share	5.00%	
Advisory board member	Søren Brøndum Andersen	
Investment strategy	LS Power Equity Partners is a New York based buyout fund focusing on investments in gas and coal-fired power plants and related activities in North America. LS Power is also engaged in advisory and development services and manages an independent hedge fund.	
Website	<a href="http://www.lspower.com">www.lspower.com</a>	

	<b>LS Power II</b>	
Investment date	October 2006	
Commitment	USD 100m	
Share of ATP PEP III	4.53%	
Fund size	USD 3.085bn	
Ownership share	3.24%	
Advisory board member	Søren Brøndum Andersen	
Investment strategy	LS Power Equity Partners is a New York-based buyout fund focusing on investments in gas and coal-fired power plants and related activities in North America. LS Power is also engaged in advisory and development services and manages an independent hedge fund.	
Website	<a href="http://www.lspower.com">www.lspower.com</a>	

	<b>Nordic Capital VI</b>	<b>NORDIC CAPITAL</b>
Investment date	December 2005	
Commitment	EUR 70m	
Share of ATP PEP II	4.64%	
Fund size	EUR 1.9bn	
Ownership share	3.68%	
Advisory board member	Torben Vangstrup	
Investment strategy	The fund invests in medium-sized mature enterprises, primarily based in the Nordic countries and secondarily in the rest of Europe. The fund focuses on enterprises in which operating improvements, restructurings, consolidations or other strategic actions may take place. The fund also focuses on enterprises which may grow based on a buy-and-build strategy.	
Website	<a href="http://www.nordiccapital.se">www.nordiccapital.se</a>	

<b>Quad-C Partners VII</b>	
Investment date	December 2005
Commitment	USD 25m
Share of ATP PEP II	1.13%
Fund size	USD 850m
Ownership share	2.94%
Advisory board member	No
Investment strategy	The fund invests in small to medium-sized companies in the USA with a significant growth potential, a strong management team and a market niche.
Website	<a href="http://www.quadcmanagement.com">www.quadcmanagement.com</a>



<b>Quad-C Partners VII Co-investment Fund</b>	
Investment date	March 2007
Commitment	USD 4.6m
Share of ATP PEP II	0.21%
Fund size	USD 158m
Ownership share	2.91%
Advisory board member	No
Investment strategy	The fund invests in small to medium-sized companies in the USA with a significant growth potential, a strong management team and a market niche.
Website	<a href="http://www.quadcmanagement.com">www.quadcmanagement.com</a>



<b>Roark Capital Partners II</b>	
Investment date	July 2007
Commitment	USD 50m
Share of ATP PEP II	2.27%
Fund size	USD 600m (the fund is not finally closed; maximum fund size will be USD 1,100m)
Ownership share	8.33%
Advisory board member	Søren Brøndum Andersen
Investment strategy	Roark Capital Partners is an Atlanta-based buyout fund focusing on acquisitions of small and medium-sized companies. Roark has a niche strategy combining a geographical focus on South-Eastern USA with a sector focus on in particular franchise, but also within packaging, consumer products, financial services and niche production.
Website	<a href="http://www.roarkcapital.com">www.roarkcapital.com</a>






## Large buyout


		<b>APOLLO</b> ALTERNATIVE ASSETS
<b>Apollo VI</b>		
Investment date	October 2005	
Commitment	USD 75m	
Share of ATP PEP II	3.40%	
Fund size	USD 10bn	
Ownership share	0.74%	
Advisory board member	Torben Vangstrup	
Investment strategy	Apollo is an American sector-focused buyout fund with offices in New York, Los Angeles and London focusing on investments in companies in the USA and EU with an equity capital investment need of USD 150-600m. Since the beginning of the 90s Apollo has made buyouts via three different models; classic buyouts, corporate partner buyouts and distressed buyouts depending on the macroeconomic conditions.	
Website	<a href="http://www.apolloalternativeassets.com">www.apolloalternativeassets.com</a>	
<b>BC European Capital VIII</b>		
Investment date	June 2005	
Commitment	EUR 75m	
Share of ATP PEP II	4.97%	
Fund size	EUR 5.8bn	
Ownership share	1.28%	
Advisory board member	No	
Investment strategy	BC Partners is a buyout fund focusing on investments in the European large cap segment. The fund is usually the only or the largest private equity fund investing in its target companies. The fund has five offices in large private equity markets in Europe, and the fund also undertakes investments in Scandinavia and Spain where the fund does not have any offices.	
Website	<a href="http://www.bcpartners.com">www.bcpartners.com</a>	
<b>Cinven IV</b>		
Investment date	February 2006	
Commitment	EUR 60m	
Share of ATP PEP II	3.98%	
Fund size	EUR 6.5bn	
Ownership share	0.92%	
Advisory board member	Susanne Forsingdal	
Investment strategy	Cinven is a pan-European buyout fund operating out of four offices in Europe which invests in companies with an enterprise value around EUR 1bn. Typical transactions comprise non-core activities, delisting, consolidation or split-up of conglomerates.	
Website	<a href="http://www.cinven.com">www.cinven.com</a>	


	<b>First Reserve XI</b>	
Investment date	July 2006	
Commitment	USD 95m	
Share of ATP PEP II	4.31%	
Fund size	USD 7.8bn	
Ownership share	1.22%	
Advisory board member	Klaus Rühne	
Investment strategy	The fund invests globally in enterprises supplying services or capital goods to the energy industry or enterprises directly involved in this industry e.g. oil field services such as drilling services and lease of equipment for exploration and production of oil and gas, and operation and manufacturing of energy infrastructure equipment. In addition, the fund invests directly in the production of oil, gas and coal. Investments typically have an enterprise value of USD 100m to USD 4bn.	
Website	<a href="http://www.frcorp.com">www.frcorp.com</a>	
	<b>Providence VI</b>	
Investment date	November 2006	
Commitment	USD 100m	
Share of ATP PEP II	4.53%	
Fund size	USD 12bn	
Ownership share	0.83%	
Advisory board member	No	
Investment strategy	The fund focuses on major transactions in the telecommunications and media business, i.e. usually companies with an equity value of USD 100-400m. Value creation primarily consists of assistance with the management of a strategic refocusing or a growth strategy, financing of acquisitions and development of management teams.	
Website	<a href="http://www.provequity.com">www.provequity.com</a>	
	<b>Silver Lake Partners III</b>	
Investment date	January 2007	
Commitment	USD 100m	
Share of ATP PEP II	4.53%	
Fund size	The fund is not closed yet; maximum fund size will be USD 10bn	
Ownership share	N/A	
Advisory board member	Torben Vangstrup	
Investment strategy	Silver Lake is an American buyout fund focused on investments in the technology sector. The fund typically invests between USD 200-1,000m in companies with an enterprise value of USD 500m - USD 20bn. The investments are directed towards companies that are market leaders in their respective niches. Value creation is attributable to the fund's involvement in the development of the companies and their products.	
Website	<a href="http://www.silverlake.com">www.silverlake.com</a>	



## Co-investments

	<b>Avio (Co-investment with Cinven IV)</b>		
Investment date	December 2006		
Investment	EUR 15m		
Share of ATP PEP II	1.00%		
Investment size	EUR 852m		
Ownership share	1.76%		
Business area	Avio is an internationally leading aerospace company manufacturing components for aircraft engines. The company is headquartered in Turin, Italy.		
Website	<a href="http://www.aviogroup.com">www.aviogroup.com</a>		
	<b>Bell Canada (Co-investment with Providence VI)</b>		
Investment date	September 2007		
Investment	USD 20m		
Share of ATP PEP II	1.15%		
Investment size	USD 1bn		
Ownership share	2.00%		
Business area	Bell Canada is Canada's leading telecommunications company with 28m private and business subscriptions. The company sells private and business solutions within home phones, wireless phones, broadband and wireless Internet, IP broadband, IT technology, Direct-to-Home satellite TV ("DTH") and cable TV.		
Website	<a href="http://www.bell.ca">www.bell.ca</a>		
	<b>Brock (Co-investment with Lindsay Goldberg &amp; Bessemer II)</b>		
Investment date	October 2007		
Investment	USD 11m		
Share of ATP PEP II	0.5%		
Investment size	USD 483m		
Ownership share	2.28%		
Business area	Brock is a "specialty contractor" specialising in insulation, scaffolding, lacquering, painting etc. to industrial customers. The company is the market leader in the US, and through its acquisition of Steeplejack has also obtained a strong market position within the Canadian "oil sand" market.		
Website	<a href="http://www.brockgroup.com">www.brockgroup.com</a>		

	<b>Gambro, GHC (Co-investment with Bridgepoint III)</b>	
Investment date	September 2007	
Investment	EUR 20m	
Share of ATP PEP II	1.33%	
Investment size	Bridgepoint acquired GHC from EQT and Investor AB for EUR 288m in equity. EUR 80m or 28% was offered to co-investors.	
Ownership share	6.99%	
Business area	GHC is a leading provider of kidney dialysis with 12,000 patients on 163 clinics in 14 countries. GHC has generated strong sales and earnings growth in the period 2004-2006.	
Website	<a href="http://www.gambro.com">www.gambro.com</a>	

	<b>Realogy (Co-investment with Apollo VI)</b>	
Investment date	April 2007	
Commitment	USD 9m	
Share of ATP PEP II	0.41%	
Investment size	USD 919m	
Ownership share	0.98%	
Business area	The company is a leading provider of real estate and relocation services.	
Website	<a href="http://www.realogy.com">www.realogy.com</a>	

ATP PEP

Sjæleboderne 2, 1.sal

1122 København K

Denmark

Telephone +45 33 19 30 70

Fax +45 33 19 30 71

[info@atp-pep.com](mailto:info@atp-pep.com)

[www.atp-pep.com](http://www.atp-pep.com)