ANNUAL REPORT 2009

APEN
Private Equity

FACTS AND FIGURES

Company profile

APEN Ltd. is a Swiss investment company with the objective of achieving long-term capital growth for shareholders. APEN Ltd. holds a mature portfolio of private equity funds and privately held operating companies. APEN Ltd. is currently not making new fund commitments or direct investments but will continue to fund outstanding commitments in existing portfolio funds. APEN Ltd. has over ten years of operating history and is managed by an experienced team that has been with APEN Ltd. since inception. APEN Ltd. is listed on the SIX Swiss Exchange under the ticker symbol “APEN”.

Valuation as of December 31, 2009

Closing price per share	CHF	15.00
Net asset value per share (applying fair values)	CHF	61.04
Exchange rate	USD/CHF	1.0298
Exchange rate	EUR/CHF	1.4836
Number of shares outstanding		3 929 185
Market capitalization	CHF	58 937 775

Swiss Security Number

915.331

ISIN: CH0009153310

Ticker: APEN

Trading Information

Reuters: APEZn.S

Bloomberg: APEN

Telekurs: APEN

www.apen.com

Contents

EDUARDO LEEMANN, *Chairman of the Board*

Dear Shareholders

2009 proved to be the second consecutive very challenging year for APEN Ltd. ("APEN"). The primary order of business in 2009 was to address APEN's liquidity, with existing lenders requesting repayment and relatively high levels of unfunded commitments. The board of directors and management worked extensively on an exhaustive refinancing that would provide APEN with a sound base for the coming year. This was achieved in a very challenging market environment and after almost three quarter of intense work. The banking consortium was repaid and replaced with two financial institutions providing USD 225 million credit facilities of which USD 125 million were utilized at the outset. With the refinancing, the larger capital provider secured a minority interest of 10% in APEN. Coupled with the reduction of unfunded commitments, APEN has addressed its liquidity issues and should be more than sufficiently financed to cover any capital draw downs from portfolio funds. The board of directors views the outcome of the restructuring as the best possible outcome. It is the expectation that APEN will be able to repay all of its obligations and return significant funds to shareholders.

In 2009 APEN adopted its new name, reflecting the fact that the long-term association with AIG has been ended. Concurrent with the refinancing, APEN and PineBridge Investments (formerly AIG Investments) terminated the investment management agreement. In addition, Bob Thompson resigned from

DR. CHRISTIAN WENGER, *Vice Chairman*

DR. ERNST MÄDER, *Member*

APEN's board of directors in the beginning of 2010. Various AIG entities remain significant shareholders in APEN, and another AIG entity which had purchased preferred shares from APEN's Bermuda subsidiary has rolled over this investment as part of the refinancing described above.

In 2008 and 2009, the private equity industry experienced one of the most severe downturns in its history. The global credit crisis led to lower activity in respect of number, size and types of deals concluded. The mega deals that peaked in 2007 were non-existent in 2009. Fund-raising slowed dramatically as limited partners sorted out their own issues and tried to define their private equity allocation post the crisis. Capital calls continued to exceed distributions, resulting in cash flow imbalances for the industry as a whole.

Investment activity continued to be slow. Both capital draw downs and capital distributions remained at low levels. Market uncertainty and discrepancies on pricing between buyers and sellers resulted in very low levels of deal activity. Valuations of portfolio investments bottomed-out in June 2009 and started to recover in the second half of 2009. The recovery was driven by improved operating performance of the portfolio companies but also higher valuation multiples, which are a reflection of the rally of the equity markets. Impairments remained high during the year, despite the valuation recovery in the second half. The booking of unrealized losses in income, however, has resulted in a significant revaluation reserve as of the end of 2009, which could lead to realized gains as underlying portfolio companies are exited.

In January 2010, Bob Thompson resigned from the board of directors. We thank Bob for his valuable contributions over the past years and wish him all the best. Further, Dr. Christian Wenger and Dr. Ernst Mäder decided not to stand for reelection at the 2010 shareholders meeting. Dr. Mäder sat on the board of APEN for nearly ten years, representing an institutional investor and making extensive contributions from the optics of a large institutional investor. Dr. Wenger sat on the board for three years and was very engaged during the restructuring process in 2009.

The global economy stabilized and started to show signs of recovery in 2009 and into 2010. Investment activity is still fairly slow but is expected to recover somewhat as the credit markets, including the high yield market, have showed strength recently. So far 2010 has seen satisfactory performance. The portfolio contains investments of nearly CHF 500 million. We believe that APEN has a strong portfolio of companies and remain focused on maximizing value for our shareholders.

Eduardo Leemann
Chairman of the Board

APEN Ltd. (the "Company") faced an extremely challenging year in 2009 due to events arising from the credit crisis and to the deterioration in the private equity markets but was able to respond and closed the year on a positive note. The year started with poor investment results from portfolio investments and significant liquidity issues. For more than three quarters the Company worked on a refinancing that was concluded in late October and which management believes provides the Company with more than sufficient liquidity to meet the outstanding investment commitments from the funds in the Company's portfolio. The net asset value ("NAV") per share decreased 33.6% from CHF 91.86 to CHF 61.04 which reflects the difficult environment especially of the first semester and various secondary sales of portfolio funds at a discount to NAV. The Company's share price decreased 60.5% and ended the year at CHF 15.00.

Review 2009 and Outlook

Refinancing

Following a covenant breach on its existing debt facility at the end of 2008, the Company was under increasing pressure from its lenders in 2009 to repay the USD 100 million facility. At the same time, capital calls exceeded distributions from the Company's portfolio as there was very little exit activity throughout 2009. At the beginning of 2009, the Company hired an advisor to help it secure new financing to repay existing creditors and to meet net capital calls from the Company's investment portfolio. A refinancing was concluded at the end of October 2009.

In the refinancing the Company received a USD 200 million credit facility from Fortress Credit Corp. ("FCC") and a USD 25 million revolving credit facility from Falcon Private Bank Ltd. ("FPB"). Upon the closing of the transaction, the Company's existing debt was repaid in full and the mandatory repayment date of the preference shares issued by the Company's Bermuda subsidiary was extended until 2021.

The transaction provides the Company with additional funds to finance future capital calls and repay the existing credit facility, restructure preference shares previously issued by APEN Bermuda Ltd. ("APEN Bermuda") and reshape the portfolio to reduce undrawn fund commitments.

FCC has provided a USD 200 million credit facility with a five-year commitment period and a final maturity in 2016 to the Company's Bermuda subsidiary, APEN Bermuda. USD 100 million of the facility was drawn at closing, with the remaining USD 100 million available to be drawn if required during the commitment period. FPB provided a USD 25 million revolving credit facility with a one-year term, which was fully drawn at closing.

In connection with the transaction, the Company created a direct subsidiary, APEN Holdings LLC ("APEN LLC"), to which it has contributed substantially all of the shares of APEN Bermuda held by the Company. Following the repayment of the credit facility from FCC, APEN LLC will make distributions from available cash flow as follows: (i) from 10% to 25% of cash flows (depending whether (a) additional amounts are drawn under the credit facility from FCC and (b) whether any amounts are outstanding 30 months from the completion of the transaction) to affiliates of Fortress, (ii) 85% of the remaining cash flows to the holder of the preference shares issued by APEN Bermuda until such amount and simple interest of 5.25% on $150 million has been repaid, and (iii) the remainder to the Company and a wholly-owned subsidiary of the Company.

The Company and its subsidiaries have over the last nine months reduced the outstanding unfunded commitments to private equity limited partnerships from approximately CHF 744 million to CHF 345 million per year-end 2009. During the first quarter 2010 unfunded commitments were further reduced to approximately CHF 200 million via further secondary transactions and via fund specific events. The Company currently does not intend to make any new investment commitments other than funding capital calls from existing funds and, potentially, follow-on investments in current direct investments. The Company expects invested assets to peak in 2011/2012. By that time the portfolio is expected to become cash

ANDREW FLETCHER CONRADIN SCHNEIDER

flow positive, which will enable to repay the FCC loan, the preference shares and return funds to shareholders.

Simultaneously with the transaction, APEN Bermuda terminated the investment management agreement as per December 31, 2009. The termination includes a settlement of all of its liabilities under the investment management agreement. Starting in January 2010, the Company will be provided administrative services by APEN Services GmbH, a fully owned subsidiary of the Company, which was set up in January 2010. APEN Services will provide administrative services to the Company. The same team as in the past continues to be actively involved in the management of the Company as before.

Investment Performance

The audited NAV showed a significant increase versus the unaudited year-end 2009 NAV due to the capitalization of transaction costs regarding the preferred shares and the Fortress loan. The impact amounted to approximately CHF 72 million. Subsequently, they will be measured at amortized cost using the effective interest method.

Investment income was low (CHF 4.7 million) reflecting the very difficult market conditions in 2009. Credit markets remained virtually shut and prevented from many deals closing. Global buyout deal activity fell from USD 500 billion in 2006 to USD 81 billion in 2009 according to Thompson Reuters. Buyout deals valued at more than USD 10 billion, which made up more than 25% in 2008, were non-existent in 2009. Deals with a value between USD 1 – 10 billion declined by 64%.

First and second quarter results reported by the portfolio funds showed continued weakness within the portfolios. In the third quarter valuations showed first signs of a recovery and year-end valuations confirmed the trend. These improved valuations were, however, not sufficient to make up for the losses incurred in the first half of the year. The secondary transactions impacted the NAV significantly, especially in the first semester when some more-funded funds were sold to generate liquidity, and when market pricing was at a low.

Currencies (USD (2009: –3.5%) and the Euro (2009: –0.1%)) did not have a significant impact on the NAV in 2009. The portfolio investments are made two thirds in USD and one third in EUR. Considering the USD liabilities (credit facilities and preference shares) and the fact that some USD investments were made to fund for example a EUR investment the APEN group has a neutral exposure in USD. FX risk exists versus the Euro. The Company does not hedge this exposure as long as the policy of the Swiss National Bank does not change fundamentally.

Following an impressive rally of the equity markets the listed portfolio investments contributed positively to NAV.

2009 showed substantial activity in the distressed debt market. Specialized funds bought debt from distressed sellers at steep discounts. Generally, the debt of existing portfolio companies was bought or companies the funds were familiar with. With the recovery of the debt markets in 2009 and into

2010, the value of these investments rose significantly. Additionally, some funds built up positions in debt instruments with the intention to gain control of the companies via a debt for equity swap at an expected restructuring.

The write-down on non-current assets amounted to CHF 158.4 million (2009 CHF 223 million) and reflect weak valuations in a depressed market environment. An impairment does not necessarily reflect management's opinion that the affected fund or direct investment will ultimately return a loss. We expect the significant level of write-offs of the past two years to recede in 2010 as the cost basis for the portfolio investments has been lowered via write-offs and the markets continue to recover. Whenever a portfolio fund was sold entirely and the proceeds were lower than the cost a loss was realized.

Top 20 investments

The Company's top 20 investments portfolio was less impacted by the downturn but more so by the secondary transactions. Eight new investments made it to the top 20 in the course of the year, two which have been in the top 20 before. Not surprisingly, no top 20 investment was sold in 2009. Overall we are pleased with the performance of the top 20 investments. In April 2010 Astorg III announced the sale of Géoservices, the fifth largest investment at year-end 2009. The transaction was a great success for the Company and demonstrates the quality of the portfolio. See page 8 ff for detailed information on the portfolio of top 20 investments.

Direct Investments

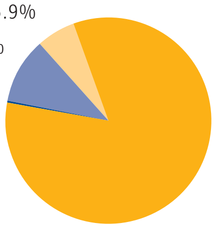
In 2009 the Company made no new direct investments but made follow-on investments in Bell Riddell and Falcon Farms for a total of CHF 0.4 million.

At year end, direct investments accounted for 8.0% of invested assets (including the investments in loans). This represents a decrease of nearly one percentage point over the prior year. This was mainly caused by two investments that were exposed to the financial industries sector: CapMark and MVLF. Both investments were written-down to zero. CapMark filed for bankruptcy protection and MVLF underwent a restructuring. Assuming a normal market environment over the next years, the Company anticipates to recover up to half of the MVLF loan value (approximately EUR 4 million) and a nominal amount for the equity.

Liquidity

The Company started the year under significant liquidity issues. In order to fund capital calls and operations and amortization payments with the banking consortium, the Company was forced to sell portfolio funds. Initially, the Company sold funds that were fully invested to generate liquidity. The discount on top brand funds with virtually no unfunded commitments was at about 60% of NAV. Some funds with significant open commitments were sold at 100% discounts. During the second half of 2009 and into the first quarter of 2010, the secondary market showed substantial improvement, and the Company was able to conclude its planned secondary activities in the second quarter of 2010 six months early and with a far lower NAV impact than expected. In addition, the Company achieved a reduction in outstanding commitments to approxi-

1. Diversification by Investment Focus as of December 31, 2009
Expressed as % of invested assets applying fair values



2. Investment Framework as of December 31, 2009
Expressed as % of total assets applying fair values

	AIG Funds Portfolio	3rd-Party Funds Portfolio	Direct Investments Portfolio	Total
Developed Markets				
Europe	3.4%	33.9%	0.6%	37.9%
North America	10.1%	35.9%	7.0%	53.0%
Other Markets	4.1%	3.0%	0.3%	7.4%
Total	**17.6%**	**72.8%**	**7.9%**	**98.3%**

mately USD 200 million, which is substantially below the USD 250 million that had been targeted to be achieved by September 20, 2010.

In 2009, the Company sold 21 funds completely and 10 funds partially, generating proceeds of CHF 82.6 million. The impact on NAV was approximately CHF 30 per share.

In spite of all the transactions, diversification of the main parts of the portfolio remained broadly the same with North America and Europe representing the main elements of the portfolio.

Outlook

In the first quarter 2010, unfunded commitments were further reduced to approximately CHF 200 million fulfilling a condition subsequent to the closing of the refinancing transaction. The Company does not see any requirement for further sales of portfolio funds. With unused credit lines and cash of CHF 124 million per March 31, 2010, the Company has more than sufficient funds to cover the unfunded commitments.

The funds sold in 2010 are KRG IV, Silver Lake Partners III, CVC V, Carlyle Europe III, Carlyle Japan II and part of the commitment to Ventizz IV. The sales proceeds amounted to CHF 27.4 million and unfunded commitments were reduced by about CHF 107 million.

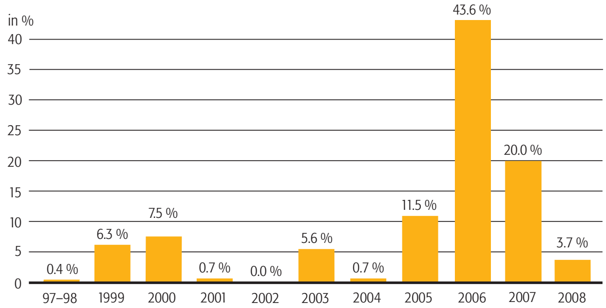
Liquidity was further supported by the announced sale of Géoservices and Sebia by Astorg III (expected proceeds of about EUR 6 million). As a result of these and other exits, the Company's investment portfolio has been net cash flow positive for every month since January 2010 and is cash flow positive year to date. This is before including proceeds from secondary sales and without adjusting for capital calls from funds that have since been sold.

At the end of March 2010, the Company had available credit of CHF 110 million and cash at banks of CHF 14.5 million. If current cash flow trends continue, management is optimistic that the Company will not need to use the second USD 100 million of the Fortress credit facility.

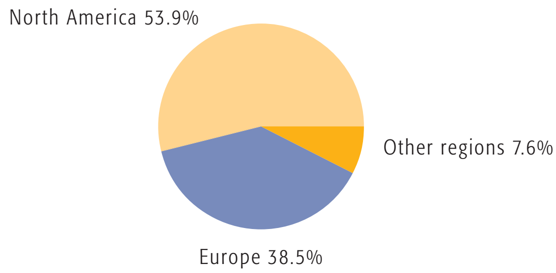
In the first quarter 2010, our former investment advisor PineBridge Investments (formerly AIG Investments) was sold to Pacific Century Group. Some of the funds under the AIG Funds Portfolio will be rebranded to the PineBridge brand, while others have become independent. Starting with the first quarter 2010, the Company will eliminate the category "AIG Funds Portfolio" and show the funds under the funds portfolio.

The Company's portfolio is off to a good start in 2010. Year-end reports from portfolio funds show encouraging results and the companies started 2010 with continued operational improvement. The successful conclusion of the Company's secondary sales has further reinforced the Company's liquidity position and has substantially reduced the amount of unfunded commitments.

3. Diversification by Vintage Year as of December 31, 2009
Expressed as % of invested assets applying fair values



4. Diversification by Region as of December 31, 2009
Expressed as % of invested assets applying fair values



As of December 31, 2009, the total fair market value of the Group's twenty largest holdings was CHF 108.4 million. This represents 22.7% of total assets. Eight new investments joined the top 20. The companies dropping out of the top 20 were mainly the result of the full or partial sale of portfolio funds holding these individual companies. The maturity of the top 20 investments has increased to 36 months (31.12.2008: 22.2 months), the most ever for APEN. The minimum fair value for inclusion in the top 20 investment portfolio was around CHF 3.4 million (2008: 3.8 million) with the average amounting to about CHF 5.4 million (2008: CHF 6.6 million). None of the top 20 portfolio companies were sold in 2009.

Top 20 Investments

All of the top 20 investments represent buyouts. The investments are well diversified across various industries. The top 20 companies generate significant revenues and EBITDA and are market leaders in their market or global market leaders. Two of the top 20 investments (Hertz; Zhuhai Zhongfu) are listed on a stock exchange and have performed well in 2009.

New companies to the top 20 portfolio

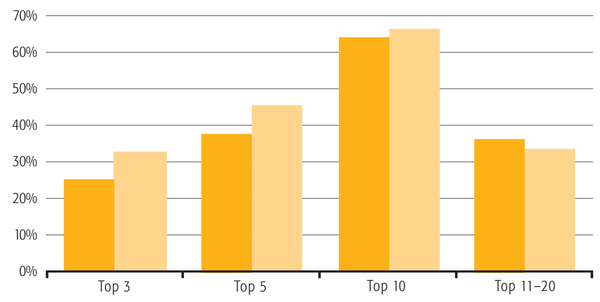
Of the eight companies entering the top 20 investments, two (Hertz, AMF Bowling) have been included in APEN's top 20 investments at an earlier stage.

Zhuhai Zhongfu Enterprise (held via CVC Asia II fund) engages in the production and supply of PET bottles in China. It offers PET bottles for soft drinks, fruit juices, mineral water, distilled water, tea, and beer. The company's products also include bottle labels, film, and cardboard boxes. Zhuhai Zhongfu Enterprise Co., Ltd. is based in Zhuhai city, Guangdong province, China. **Hertz** (direct investment), the world's leading vehicle renting organization, operates from approximately 7 700 locations in 145 countries worldwide. Hertz is the largest general use car rental brand in the world, and the number one airport car rental brand in the U.S. and at 69 major airports in Europe, operating both corporate and licensee locations in cities and airports in North America, Europe, Latin America, Australia and New Zealand. Today, Hertz's Worldwide Reservations Centers handle approximately 40 million phone calls and deliver approximately 30 million reservations annually. **Primesight** (held via GMT Communications Partners III) is one of the UK's leading Outdoor advertising companies with ownership of a diverse portfolio of products in a range of environments. Primesight's high quality products are situated in major roadside locations and popular leisure destinations such as private health clubs, cinema foyers, shopping malls and the UK's 2nd biggest underground network, The Glasgow Subway. With a range of formats from 6 sheets and billboards to premium backlights, Primesight provides high impact and innovative solutions to match any audience brief. In September 2009, Primesight acquired the Roadside billboard assets of Titan Outdoor Advertising Limited, giving Primesight over 33% of the UK Roadside billboard market. Headquartered in Denmark, **Chr. Hansen** (held via PAI IV) is a global bioscience company with leadership positions in cultures, dairy enzymes and natural colours. In addition, Chr. Hansen has become a significant player in the fast growing health and nutrition sector. The company has sales offices, R&D and application centres or production plants in 32 countries and globally covers 140 countries. It employs around 2 200 people worldwide. **AMF Bowling** Centers, Inc. (held via AIG Horizon Partners, AIG Private Equity Portfolio, and held directly) is the world's largest owner and operator of bowling centers. Since the introduction of the automated pinspotter in 1946, AMF has been a leader in the bowling industry. Bowling is the number one participatory sport in the United States. More than 25 million bowling enthusiasts a year make AMF their destination of choice, playing more than 100 million games annually. **Bigpoint**.com (held via GMT Communications Partners III) is a leading online game portal, and provides a wide variety of high quality online games. It develops and operates browser games and offers large media companies access to successful games with a substantial online community. **Star Atlantic Waste** Holdings (held via Highstar Capital III) holds interests in two vertically integrated waste management companies along the East Coast of the US. Its southeastern operation, Advanced Disposal Services, Inc. has vertically integrated waste management operations in Florida, Georgia, Alabama and Mississippi. The company owns and/or operates 10 landfills, one greenfield landfill, 18 transfer stations and numerous collection operations. Interstate Waste Services, Inc. has vertically integrated waste management operations in New York, New Jersey, Pennsylvania, Maryland, Massachusetts, Vermont and West Virginia, and owns and/or operates 5 landfills, 1 greenfield landfill, 17 transfer stations and numerous collection operations. Founded in 1818, **United Coffee** (held via CapVest Partners II) is one of the largest coffee companies in Europe, specializing in total coffee solutions. It is a coffee roaster, delivers coffee supplies and is a leading equipment supplier. It is a leader in product development, supporting some of the major consumer trends in coffee. A major part of its business is in private label single portion coffee and it has a major sourcing program for certified coffees to major retailers across its major markets.

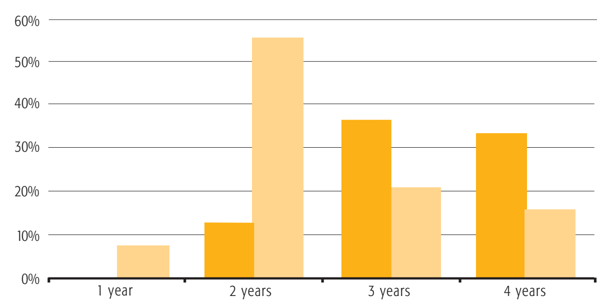
Outlook

Overall we are pleased with the performance of the top 20 investments. Some have performed well in the difficult market environment while others did not meet their budgets. Most of the companies have shown significant improvements over the past months as the global economy started to recover. We anticipate the companies to show a strong performance as they in general used the downturn to optimize their cost structure and strengthen their balance sheets. Géoservices was sold in April to Schlumberger Inc. We are aware of at least one top 20 investment that is preparing for an IPO this year (markets permitting) and another one in the sales process. With an average holding period of more than three years and increasing overall deal activity, there is a distinct possibility that there will be additional exits from the top 20 investments portfolio during the remainder of 2010.

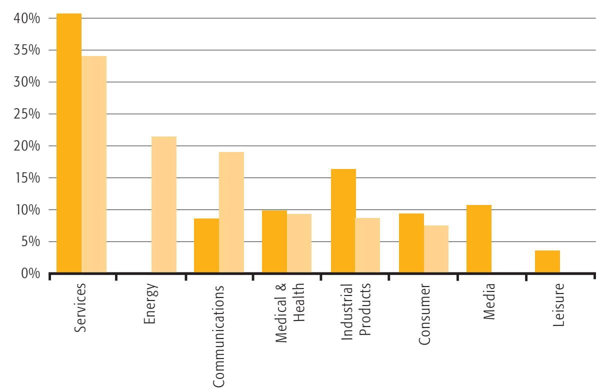
Distribution of value in Top 20 2009 vs. 2008



Comparison Top 20 by Maturity 2009 vs. 2008



Comparison Top 20 2009 vs. 2008 by Industry



2009 | 2008 adjusted for currency differences

TOP 20 INVESTMENTS *

	Investment Date	Portfolio Company	Fair Value (CHF million)	Percentage of invested assets	Sector [1]	Type	Geography
1	May 2007	Kinder Morgan	11.0	2.3%	Services	Buyout	North America
2	June 2006	Thomas Nelson Publishing	9.1	1.9%	Leisure	Buyout	North America
3	Jan. 2007	Knowledge Universe Education	7.6	1.6%	Services	Buyout	Global
4	Sept. 2008	Findus Group	7.0	1.5%	Consumer	Buyout	Europe
5	July 2005	Géoservices	6.9	1.4%	Services	Buyout	Global
6	April 2007	Hygenic	6.4	1.3%	Medical & Health	Buyout	North America
7	Nov. 2007	Ports America	5.8	1.2%	Services	Buyout	North America
8	July 2006	Acosta	5.4	1.1%	Services	Buyout	North America
9	Jan. 2007	Maxam	5.3	1.1%	Industrial	Buyout	Europe
10	July 2006	Spie	5.1	1.1%	Industrial	Buyout	Europe
11	Dez. 2007	Mater Private Healthcare	4.5	0.9%	Medical & Health	Buyout	Europe
12	July 2007	Zhuhai Zhongfu	4.2	0.9%	Industrial	Buyout	Global
13	June 2006	The Nielsen Company (VNU)	4.2	0.9%	Media	Buyout	Global
14	Dez. 2005	Hertz	4.2	0.9%	Services	Buyout	Global
15	Okt. 2007	Primesight	3.9	0.8%	Media	Buyout	Europe
16	July 2005	Chr. Hansen	3.7	0.8%	Industrial	Buyout	Europe
17	Feb. 2004	AMF Bowling Worldwide	3.7	0.8%	Leisure	Buyout	North America
18	Aug. 2008	Bigpoint	3.6	0.8%	Media	Buyout	Europe
19	May 2007	Advanced Disposal Services	3.4	0.7%	Services	Buyout	North America
20	Jan. 2008	United Coffee	3.4	0.7%	Consumer	Buyout	Europe
Total Fair Value Top 20 Holdings			**108.4**	**22.7%**			

[1] EVCA Definition

* Presented on a look-through basis

1

KINDER MORGAN

www.kne.com

Kinder Morgan is a leading pipeline transportation and energy storage company in North America. Kinder Morgan owns an interest in or operates more than 28 000 miles of pipelines and 170 terminals. Its pipelines transport natural gas, gasoline, crude oil, CO_2 and other products, and its terminals store petroleum products and chemicals, and handle bulk materials like coal and petroleum coke.

2

ThomasNelson.com

www.thomasnelson.com

Faith Media Holdings, LLC, is a company formed by Inter-Media Advisors to acquire the controlling interests in Thomas Nelson Media, Inc. ("TNM") and The Gospel Music Channel ("GMC"). TNM is the leading publisher of Christian-oriented fiction and non-fiction books, Bible reference books, and translations of the Christian Bible. TNM also sells secular titles to mainstream commercial markets. GMC is the first advertiser supported cable network dedicated to gospel music.

3

www.knowledgeu.com

Knowledge Universe ("KUE") is a leading global education company with a network of more than 3 700 education locations worldwide employing over 40 000 educators and education professionals, operating large on-line schools, colleges and school management systems which touch over four million students daily. KUE serves a wide range of learners from infants and toddlers to primary and secondary students, and adult learners. KUE offers services in key education segments – early childhood, primary/secondary and higher learning – and supports our businesses through the use of proprietary technology in learning management systems.

4

Findus Group

www.findusgroup.com

The Findus Group is a multinational food business headquartered in the UK and with operations around Europe. It is the parent Group of Young's, Findus and The Seafood Company. In the UK, Young's is the leading branded producer and distributor of seafood, with a 200 year old heritage of selling a wide range of high quality seafood products – both chilled and frozen – in retail and foodservice channels. Findus is the leading branded frozen food manufacturer in Scandinavia, with market leadership in Sweden, Norway and Finland within each of the frozen ready meals, fish and vegetables segments in which it operates. The Seafood Company is a leader in the production of chilled, private-label seafood products in the UK, selling to all of the major UK multiples. It is Europe's biggest processor of farmed Atlantic salmon.

5

www.geoservices.com

Geoservices is an upstream oil field services company, world leader on the Mud Logging market with a clear focus on complex and offshore projects and the second largest player on the Well Intervention (Slickline) market. Geoservices also operates on the Field surveillance market. Company headquarters are located near Paris, France. Almost 100% of its business activity takes place outside France on a worldwide basis in at least 50 different locations spread over all continents. Geoservices employs over 4 000 people of some 60 different nationalities.

6

www.hygenic.com

Hygenic is a leading designer, manufacturer, and marketer of branded, consumable products sold to therapy, rehabilitation, and wellness professionals under the well known Thera-Band® and Bio-Freeze® brand names and to retailers under the Perform® brand. The company's core products include resistance bands and tubing, topical analgesics, and a broad range of therapy and exercise products used by physical therapists, chiropractors, podiatrists, physical trainers and massage therapists to promote strength and flexibility, and to provide pain relief for their patients.

7

www.portsamerica.com

Ports America provides independent marine terminal operations to container shipping companies, roll-on/ roll-off shippers, cruise lines and general cargo and stevedoring services at 23 locations along the Atlantic and Gulf Coasts including New York, New Jersey, Philadelphia, Baltimore, Miami, New Orleans, Tampa and Houston.

8

www.acosta.com

Acosta, Inc. is the leading sales and marketing agency ("SMA") servicing consumer packaged goods ("CPG") companies in the U.S. and Canada. Its customer base comprises over 1300 clients and includes top tier global food and beverage manufacturers. Acosta now employs over 12 000 sales associates deployed at 120000+ retail locations to serve the Grocery Channel and Strategic Channels, which include mass/club, natural/specialty, convenience stores and drug stores. Acosta generates revenues through sales commission fees paid by CPGs for in-store merchandising and retail execution services as well as category management and headquarter selling services.

9

www.maxam-corp.com

Founded in 1872 by Alfred Nobel, Maxam is a Spanish industrial group with production centers in over 20 countries and commercial presence in more than 90 countries. Maxam is the leader in the development, manufacture and sale of civil explosives and initiation systems for the mining, quarry and infrastructure industries in addition to a leading producer of hunting cartridges and powders for sporting use, and demilitarization services. Furthermore, Maxam is a key supplier of raw materials to the Nitrochemical sector, both for Maxam's internal needs and for sale to third parties.

10

www.spie.eu

Spie is the second largest provider of multi-technical contracting services in France. Its main activity is the provision of electrical, heating ventilation and air conditioning and mechanical engineering to a wide range of industrial, commercial and public sector customers. In addition, Spie has developed specialized business units covering Oil and Gas services, Communications and Nuclear activities. It is also active outside France through subsidiaries in Benelux, Morocco, Germany, Spain and Portugal. Spie has revenues of around EUR 3.6 billion and over 29 000 employees.

11

www.materprivate.ie

Mater Private Healthcare ("Mater") is Ireland's leading specialist private hospital, located in Dublin. It has 202 beds, 7 operating theatres, 178 specialist consultants and over 700 staff. It was established by the Sisters of Mercy in 1986 on a site adjacent to the Mater Misericordiae University Hospital, one of Ireland's leading academic teaching hospitals, providing Mater with access to high-quality consultants and medical staff. Mater provides a range of medical specialty services and is considered a centre of excellence for cardiac and cancer related procedures.

12

www.zhongfu.com.cn

Zhuhai Zhongfu Enterprise Co., Ltd. engages in the production and supply of PET bottles in China. It offers PET bottles for soft drinks, fruit juices, mineral water, distill water, tea, and beer. The company's products also include bottle labels, film, and packing paper boxes. Zhuhai Zhongfu Enterprise Co., Ltd. is based in Zhuhai city, Guangdong province, China. Zhuhai Zhongfu Enterprises Co. has been listed on the Shenzhen market since 1996.

13

www.nielsen.com

Nielsen is the world's leading marketing and media information company. Nielsen measures and analyzes how people interact with digital platforms, traditional media and in-store environments – locally as well as globally. Nielsen provides the most complete understanding of how consumers get information, consume media and buy goods and services. The privately held company is active in more than 100 countries, with headquarters in New York, USA.

14

www.hertz.com

Hertz, the world's leading vehicle renting organization, operates from approximately 7700 locations in 145 countries worldwide. Hertz is the largest general use car rental brand in the world, and the number one airport car rental brand in the U.S. and at 69 major airports in Europe, operating both corporate and licensee locations in cities and airports in North America, Europe, Latin America, Australia and New Zealand. Today, Hertz's Worldwide Reservations Centers handle approximately 40 million phone calls and deliver approximately 30 million reservations annually.

15

www.primesight.co.uk

Primesight is one of the UK's leading Outdoor advertising companies with ownership of a diverse portfolio of products in a range of environments. Primesight's high quality products are situated in major roadside locations and popular leisure destinations such as private health clubs, cinema foyers, shopping malls and the UK's 2nd biggest underground network, The Glasgow Subway. With a range of formats from 6 sheets and billboards to premium backlights, Primesight provides high impact and innovative solutions to match any audience brief. In September 2009, Primesight acquired the Roadside billboard assets of Titan Outdoor Advertising Limited, giving Primesight over 33% of the UK Roadside billboard market.

16

www.chr-hansen.com

Headquartered in Denmark, Chr. Hansen is a global bioscience company with leadership positions in cultures, dairy enzymes and natural colours. In addition, Chr. Hansen has become a significant player in the fast growing health and nutrition sector. The company has sales offices, R&D and application centres or production plants in 32 countries and globally covers 140 countries. It employs around 2200 people worldwide.

17

www.amf.com

AMF Bowling Centers, Inc. is the world's largest owner and operator of bowling centers. Since the introduction of the automated pinspotter in 1946, AMF has been a leader in the bowling industry. Bowling is the number 1 participatory sport in the United States. More than 25 million bowling enthusiasts a year make AMF their destination of choice, playing more than 100 million games annually.

18

www.bigpoint.com

Bigpoint.com is a leading online game portal, and provides a wide variety of high quality online games. It develops and operates browser games – and as a publisher, content provider and developer, it sets new standards with each game in terms of technology, gameplay and entertainment fun. Bigpoint offers quality games – and as a content provider, it enables large media companies access to successful games with a substantial online community.

19

www.interstatewaste.com
www.advanceddisposal.com

Star Atlantic Waste Holdings, L.P. holds interests in two vertically integrated waste management companies along the East Coast of the US. Its southeastern operation, Advanced Disposal Services, Inc. has vertically integrated waste management operations in Florida, Georgia, Alabama and Mississippi. The company owns and/or operates 10 landfills, one greenfield landfill, 18 transfer stations and numerous collection operations. Interstate Waste Services, Inc. has vertically integrated waste management operations in New York, New Jersey, Pennsylvania, Maryland, Massachusetts, Vermont and West Virginia, and owns and/or operates 5 landfills, 1 greenfield landfill, 17 transfer stations and numerous collection operations.

20

www.unitedcoffee.com

Founded in 1818, United Coffee is one of the largest coffee companies in Europe, specializing in total coffee solutions. It is a coffeeroaster, delivers coffee supplies and is a leading equipment supplier. It is a leader in product development, supporting some of the major consumer trends in coffee. A major part of its business is in private label single portion coffee and it has a major sourcing programme for certified coffees to major retailers across its major markets.

FINANCIAL REPORT 2009

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2009 AND DECEMBER 31, 2008

in TCHF

	Note	2009	2008
Assets			
Current assets			
– Cash and cash equivalents	4	7 207	14 930
– Receivables and prepayments	6	718	345
Total current assets		**7 925**	**15 275**
Non-current assets			
– Loans	3	1 852	14 049
– Investments held as available-for-sale			
Direct Investments	3	36 535	43 864
Funds	3, 19	438 161	562 891
Total non-current assets		**476 548**	**620 804**
Total Assets		**484 473**	**636 079**
Liabilities and Shareholders' Equity			
Current Liabilities			
– Payables and accrued charges	7	4 886	9 479
– Borrowings	8	15 447	101 947
Total current liabilities		**20 333**	**111 426**
Non-Current Liabilities			
– Borrowings	8	77 627	–
– Preferred shares	8	–	163 714
– Class B units	8	120 178	–
– Derivative liabilities	9	3 347	–
Total non-current liabilities		**201 152**	**163 714**
Total liabilities		**221 485**	**275 140**
Shareholders' Equity			
– Share capital	10	412 500	412 500
– Share capital premium		149 090	149 090
– Treasury stock (at cost)		(30 691)	(30 691)
– Total revaluation deficit/surplus	13	37 645	(56 574)
– Accumulated deficit/Retained earnings		(116 057)	158 532
– Net loss for the period		(212 640)	(271 918)
Total Equity Attributable to the Owners of the Parent		**239 847**	**360 939**
Equity attributable to minority interest	11	23 141	–
Total Shareholders' Equity		**262 988**	**360 939**
Total Liabilities and Shareholders' Equity		**484 473**	**636 079**
Net asset value per share			
Number of shares outstanding at year-end	10	3 929 185	3 929 185
Net asset value per share (in CHF) after minority interest		61.04	91.86

The accompanying notes on pages 24 to 53 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2009 AND JANUARY 1 TO DECEMBER 31, 2008

in TCHF

	Note	2009	2008
Income			
Interest income from non-current assets	15	1 628	3 268
Dividend income from non-current assets		394	352
Net realized gains on investments		–	16 124
Interest income from current assets		12	80
Net gain on foreign currency exchange		2 252	–
Net gain on settlement of preferred shares	8	49 332	–
Total Income		**53 618**	**19 824**
Expenses			
Management fees		–	(11 595)
Service fees	17	(162)	(404)
Write-down of non-current assets	14	(158 336)	(223 015)
Other operating expenses		(10 384)	(4 534)
Interest expense from loans		(15 389)	(7 963)
Net realized loss on investments		(74 892)	–
Dividend expense on preferred shares		(6 927)	(3 811)
Net loss on foreign currency exchange		–	(39 616)
Net loss on derivatives		(3 355)	(266)
Total Expenses		**(269 445)**	**(291 204)**
Tax expenses	16	(568)	(538)
Net Loss for the Period		**(216 395)**	**(271 918)**
Loss Attributable to:			
Owners of the parent		(212 640)	(271 918)
Minority interest	11	(3 755)	–
Other Comprehensive Income			
Changes in revaluation reserves (valuation effects)		80 786	(96 254)
Changes in translation reserves (currency translation effects)		18 457	12 909
Other Comprehensive Income (Loss) for the Period		**99 243**	**(83 345)**
Total Comprehensive Loss for the Period		**(117 152)**	**(355 263)**
Loss Attributable to:			
Owners of the parent		(118 420)	(355 263)
Minority interest	11	1 268	–
Earnings per Share			
Weighted average number of shares outstanding during the period	12	3 929 185	3 945 028
Net (loss) per share (in CHF) – basic	12	(55.07)	(68.93)
Net (loss) per share (in CHF) – diluted	12	(55.07)	(68.93)

The accompanying notes on pages 24 to 53 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2009 AND JANUARY 1 TO DECEMBER 31, 2008

in TCHF

	Note	2009	2008
Cash Flows from Operating Activities			
Purchase of long-term assets	3	(107 833)	(281 658)
Proceeds from return of invested capital in non-current assets*	3	109 752	166 125
Interest income received from current assets		12	80
Net interest income from non-current assets	15	1 654	3 432
Dividends received from non-current assets	15	381	352
Net realized gains on investments	15	4 657	9 390
Proceeds from derivative instruments		–	1 378
Operating costs		(14 169)	(4 910)
Management & Performance fees		–	(24 261)
Total Net Cash used in Operating Activities		**(5 546)**	**(130 073)**
Cash Flows from Financing Activities			
Proceeds from borrowings		135 160	67 177
Repayment of borrowings		(128 684)	(68 641)
Interest paid on borrowings		(8 836)	(8 057)
Proceeds from preferred shares		–	157 618
Treasury share purchase		–	(5 350)
Treasury share sale		–	2 104
Total Cash generated from Financing Activities		**(2 360)**	**144 851**
Foreign Exchange Effect		**183**	**126**
Increase (decrease) in Cash and Cash Equivalents		**(7 723)**	**14 904**
Cash and Cash Equivalents as of January 1		**14 930**	**26**
Cash and Cash Equivalents as of December 31		**7 207**	**14 930**

* The differences to the totals shown in note 3 are explained by currency effects and distributions in kind in respect to the unwinding of the contractual agreements.

The accompanying notes on pages 24 to 53 form an integral part of these consolidated financial statements.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2009 AND DECEMBER 31, 2008

in TCHF

	Attributable to Owners of the Parent								
	Share Capital	Share Capital Premium	Less treasury stock (at cost)	Reserve for stock option plan	Revaluation Reserves	Retained Earnings/ Accumulated (Deficit)	Total	Minority Interests	Total Equity
Shareholders' Equity									
Balance January 1, 2008	**412 500**	**149 116**	**(27 847)**	**182**	**26 772**	**158 532**	**719 255**	**–**	**719 255**
Transaction in reserve for stock option plan				(182)			(182)		(182)
Value decrease on investments					(96 254)		(96 254)		(96 254)
Value increase on investments									
due to currency differences					12 909		12 909		12 909
Change in treasury shares		(26)	(2 844)				(2 870)		(2 870)
Total of Results included in shareholders' equity	**–**	**(26)**	**(2 844)**	**–**	**(83 345)**	**–**	**(86 216)**	**–**	**(86 216)**
Net loss						(271 918)	(271 918)		(271 918)
Total Equity as at December 31, 2008	**412 500**	**149 090**	**(30 691)**	**–**	**(56 574)**	**(113 386)**	**360 939**	**–**	**360 939**
Balance January 1, 2009	**412 500**	**149 090**	**(30 691)**	**–**	**(56 574)**	**(113 386)**	**360 939**	**–**	**360 939**
Transaction in reserve for stock option plan									
Value increase on investments					76 485		76 485	4 301	80 786
Value increase on investments									
due to currency differences					17 735		17 735	722	18 457
Change in treasury shares									
Total of Results included in shareholders' equity	**–**	**–**	**–**	**–**	**94 220**	**–**	**94 220**	**5 023**	**99 243**
Net loss						(212 640)	(212 640)	(3 755)	(216 395)
Transfer of minority interest in									
APEN Holdings LLC to Fortress						(2 671)	(2 671)	21 874	19 203
Total Equity as at December 31, 2009	**412 500**	**149 090**	**(30 691)**	**–**	**37 645**	**(328 697)**	**239 847**	**23 141**	**262 988**

The accompanying notes on pages 24 to 53 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

APEN Ltd., Zug ("the Company") is a Swiss stock corporation established under the relevant provisions of the Swiss Code of Obligations and domiciled in Zug. The Company's name change to APEN Ltd. from AIG Private Equity Ltd. was approved at the 2009 annual general meeting. Its subsidiary AIG Private Equity (Bermuda) Ltd. changed its name to APEN Bermuda Ltd. in October 2009.

In June 2009 APEN Holdings (Bermuda) Ltd. was established as a 100% subsidiary of APEN Bermuda Ltd. In October 2009 APEN Holdings LLC, Delaware, was established. APEN Holdings LLC has four members: APEN Ltd., Fortress Credit Corp., AIG Global Asset Management Holdings Corp. and APEN Faith Media Holdings LLC, a 100% subsidiary of APEN Ltd. APEN Holdings LLC owns 99% of APEN Bermuda Ltd. while APEN Faith Media Holdings LLC holds 1%. The Company, together with APEN Holdings LLC, APEN Bermuda Ltd., APEN Holdings (Bermuda) Ltd. and APEN Faith Media Holdings LLC ("the Subsidiaries"), comprises the APEN Group ("the Group"). The group structure is displayed on page 25 for illustrative purposes. The Company's shares are listed on the SIX Swiss Exchange.

The Company's investment objective is to achieve long term capital growth for shareholders by managing its current portfolio of private equity funds and direct investments. Although the Company may invest directly in fund investments or companies, it is anticipated that investments will generally be made through the Subsidiaries.

The Company's Board of Directors is responsible for the policies and management of the Company as well as valuations. As of December 31, 2009 the Company employed one employee (2008: one). For information on the Group's management please refer to Note 17, Management and Advisory Agreement.

The consolidated financial statements were authorized for issue on April 30, 2010 by the Board of Directors. The annual general meeting called for June 7, 2010 will vote on the final acceptance of the consolidated financial statements.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The accompanying consolidated financial statements of the Group for the year ended December 31, 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and comply with Swiss Law and the accounting provisions of the additional rules for the listing of investment companies of the SIX Swiss Exchange.

The consolidated financial statements are prepared under the historical cost convention, with the exception of available-for-sale investments and derivative financial instruments that are stated at their fair values as disclosed in the accounting policies hereafter. The consolidated financial statements are presented in CHF and all values are rounded to the nearest thousand except when otherwise indicated.

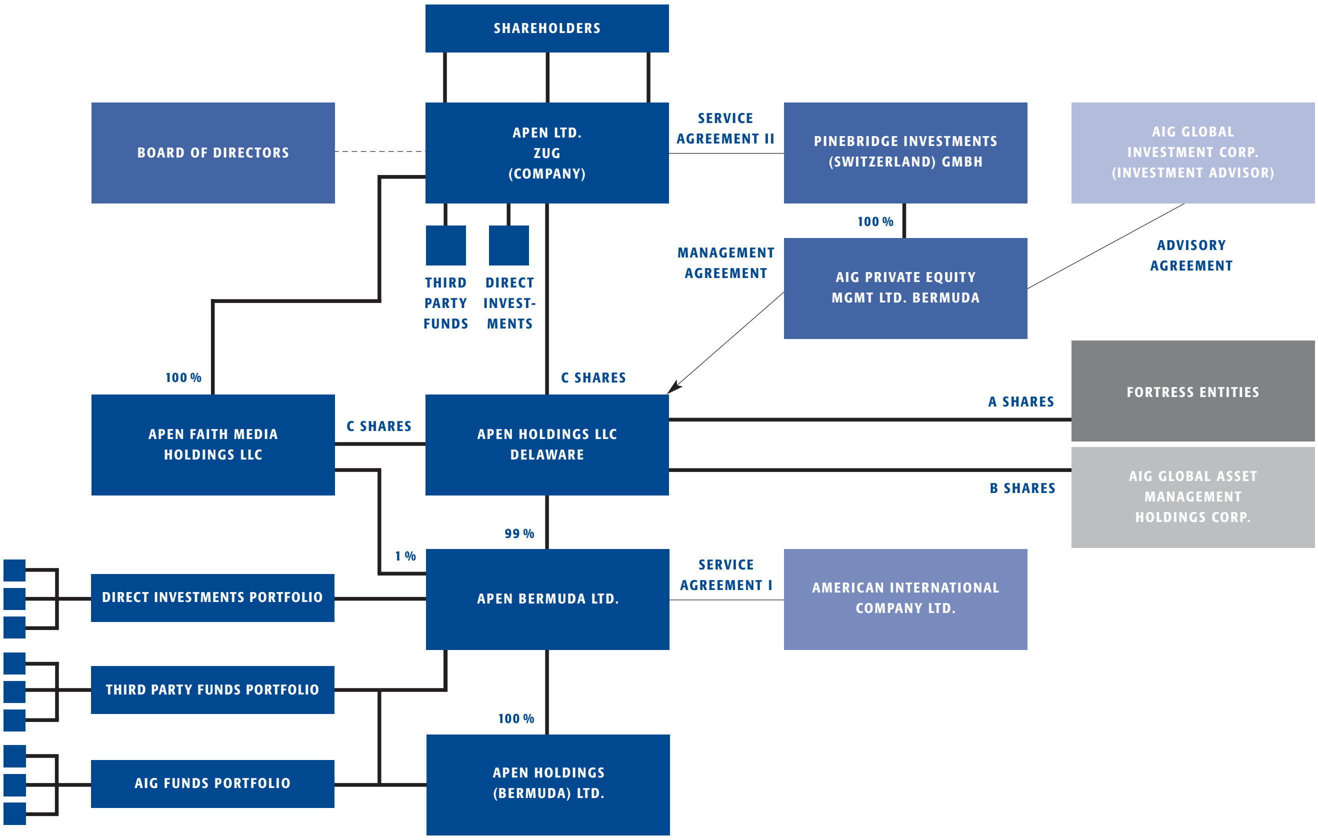
Basis of consolidation

The consolidated financial statements of the Group consist of APEN Ltd. and the companies that it controls. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital or it is able to govern the financial and operating policies of an entity so as to benefit from its activities. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Subsidiaries are consolidated from the date on which control is effectively transferred to the Group and are no longer consolidated from the date that control ceases. The consolidation is performed using the purchase method. All intercompany transactions and balances are eliminated. All Group companies have a December 31 year end.

The scope of consolidation currently includes APEN Holdings LLC, APEN Bermuda Ltd., APEN Holdings (Bermuda) Ltd. and APEN Faith Media Holdings LLC. APEN Holdings LLC is fully consolidated since APEN Ltd. controls day to day operating decisions.

Organisational Structure

Until December 31, 2009



The investments of the Group are held as part of the Group's portfolio solely for the purpose of capital gains upon sale in the near future.

As of December 31, 2009 the Group holds ownership interests of 20% or more in AIG Horizon Partners Fund (36.57%; 20.50% including side-by-side vehicle; 2008: 36.57%; 20.50% including side-by-side vehicle). According to the limited partnership agreement of this fund, the Group does not have the power to participate in the financial and operating policy of the fund and as such does not have significant influence. Therefore, this investment is excluded from equity accounting.

2.2. Significant accounting judgments and estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are the following:

- Fair value of financial instruments
  The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are not always supported by observable market prices or rates. The use of valuation techniques requires management to make estimates. Changes in assumptions could affect the reported fair value of these investments. The carrying amounts of investments for which fair values were determined using valuation techniques amounted to CHF 415.2 million (2008: CHF 539.0 million).

- Impairment of financial assets
  Management performs a quarterly impairment assessment to assess significant and prolonged declines in fair value of financial assets available for sale. Management uses its judgement to determine which investments are considered to be impaired. Changes in assumptions used could affect the amount of impairments reported.

2.3. Change in accounting policies

The IASB has published interpretations, new standards and amendments to existing standards that are effective for the 2009 financial statements. Apart from the changes described below, the accounting policies remain the same as in the previous year. As at 1 January 2009, the Group adopted the following new and revised IFRS standards and IFRS interpretations:

IFRS 1	– First-time adoption of international financial reporting standards
IFRS 2	– Share-based payment
IFRS 7	– Financial instruments: disclosures
IFRS 8	– Operating segments
IAS 1	– Presentation of financial statements
IAS 23	– Borrowing costs
IAS 27	– Consolidated and separate financial statements
IAS 32	– Financial instruments: presentation
IAS 40	– Investment property (revised as part of the annual improvement project)
IFRIC 13	– Customer loyalty programmes
IFRIC 15	– Agreements for construction of real estate
IFRIC 16	– Hedges of a net investment in a foreign operation

The new standards and amendments as at 1 January 2009 viewed as significant by the Group are briefly described below:

- IAS 1 – Presentation of financial statements: The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expenses, either in one single statement, or in two linked statements. The Group has elected to present one statement.
- IAS 28 amended, "investments in associates" and IAS 31 amended, "investments in joint ventures": When an associate or a joint venture is accounted for in accordance with IAS 39, only certain disclosure requirements in IAS 28/IAS 31 are required in addition to those required by IAS 32 and IFRS 7.
- IFRS 7 – Financial instruments: disclosures: The amended standard requires additional disclosures about fair value measurement. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between level in the fair value hierarchy. The fair value measurement disclosures are presented in Note 18. Disclosure of the comparative figures is not required in 2009.
- IFRS 8 – Operating segments: IFRS 8 replaces IAS 14 Segment Reporting upon its effective date. The Group operates in the sole operating segment of private equity investments and therefore there were no changes to the segments previously identified under IAS 14. IFRS 8 disclosures are shown in Note 22, including the related revised comparative information.

No other interpretations, new standards or amendments are of relevance with respect to the Group's operations.

2.4. Summary of significant accounting policies

2.4.1. Foreign Currency Transactions

– Functional and presentation currency

The group's investments are mainly held in foreign currencies different from the presentation currency. Therefore, proceeds from these investments are also received in foreign currencies. Investments are generally held in the Subsidiaries which are accounted for in USD. Further, performance management and cash flow projections are based on investment currency (primarily USD and EUR). Accordingly, the Board of Directors considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Group, and the USD is considered to be the functional currency of the Company and its subsidiaries. The presentation currency of the financial statements is CHF.

– Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income. Translation difference on monetary items, such as derivatives held at fair value through profit or loss, are reported part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are recognized in equity (within total revaluation deficit/surplus).

– Translation to presentation currency
The results and financial positions of Group companies are translated from the functional currency into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at effective exchange rates; and
- all resulting exchange differences are recognized in other comprehensive income.

2.4.2. Cash and Cash Equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less, and that are subject to an insignificant risk of change of value. Cash and cash equivalents are recorded at nominal value.

2.4.3. Financial Instruments – Initial recognition and subsequent measurement

a) Financial assets – Initial recognition
Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available for sale assets. The Group determines the classification of its financial assets at initial recognition.

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the settlement date, i.e., the date that the Group commits to purchase or sell the asset. The Group's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

b) Financial assets – Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

b1) Loans and receivables
All loans and receivables are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

b2) Available-for-sale financial assets
Available-for-sale financial assets are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss recorded in other comprehensive income is recognized in the statement of comprehensive income.

– Direct Investments and Fund Investments
The Group has designated all its investments and securities as available-for-sale. This category was chosen as the most appropriate for an investment company as the Group manages net asset value. An investment, including contractual agreements, is recognized where the Group deems it probable that future economic benefits associated with an investment will flow to the entity, and it has a cost or value that can be measured reliably. The future economic benefit of an investment is its potential to contribute, directly or indirectly, to the flow of cash and cash equivalents to the entity. All purchases and sales of investments are recognized when the capital is called or a distribution is received. Cost of purchase includes transaction costs. Dividend income is recognized in the statement of comprehensive income upon the receipt of such dividends.

b3) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group. Financial assets at fair value through profit and loss are carried in the balance sheet at fair value. Changes in the fair value of derivative financial instruments are recorded in the statement of comprehensive income.

b4) Derivative Financial Instruments
The Company may enter into foreign exchange forwards or option contracts to partially macro-hedge its net exposure in private equity investments denominated in foreign currencies. These derivative financial instruments are held by the Company and its Subsidiaries.

c) Financial liabilities – Initial recognition
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or as loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognized initially at fair value and in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft, loans and borrowings and derivative financial instruments.

d) Financial liabilities – Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

– Financial liabilities as at fair value through profit or loss
Financial liabilities as at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the Group. Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

– Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process. Preference shares and class B units, which are mandatorily redeemable on a specific date, are classified as liabilities.

2.4.4. Financial Instruments – Derecognition

A financial asset is derecognized if, and only if, the Group either transfers the contractual rights to receive the cash flows of the financial asset, or it retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients, and in doing so transfers substantially all of the risks and rewards of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, is cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

2.4.5. Financial Instruments – Determination of fair value

The Group's investments are primarily non-current financial assets and market quotations are not readily available, therefore these investments are measured at their fair value using the most appropriate valuation techniques as described in detail below. The responsibility for determining the fair values lies with the Board of Directors. Although general partners of funds in which the Group invests and sponsors of the Group's direct investments provide valuations of these investments, no independent external valuation of these investments was conducted. All fair valuations may differ significantly from values that would have been used had ready markets existed. Such differences could be material.

– Direct Investments
Direct investment valuations are reviewed at each reporting date by the investment advisor. The investment advisor uses information provided by the lead sponsor of the direct investment. Financial and market performance is compared with budget information, data obtained from competitors and subsequent rounds of financing. The Company reviews and discusses the valuations with the investment advisor and may independently apply adjustments to determine the valuation. In determining the fair value of an unquoted direct investment, all appropriate and applicable factors relevant to their value, including but not limited to the following are considered:

- Venture capital investments:
  A new financing round that is material in size for the company and having new, sophisticated institutional investors making up a significant piece of the financing round. An inside round of financing does not qualify.

- Buy-out/later stage investments for which subsequent rounds of finance are not anticipated:
  Once an investment has been held for one year, an analysis of the fair market value of the investments will be performed. This analysis will typically be based on one of the following methods (depending on what is appropriate for that particular company/industry):
  – Result of multiple analysis;
  – Result of discounted cash flow analysis;
  – Reference to transaction prices (including subsequent financing rounds);
  – Reference to the valuation of other investors;
  – Reference to comparable companies.

  Based on a composite assessment of all appropriate and applicable indicators of fair value, the Group determines the fair values as of the valuation date.

– Fund Investments
Investment valuations are generally based on December 31, 2009 audited capital accounts provided by portfolio funds where available (refer to note 18.5). For the remaining portfolio funds, the Group performs a roll-forward valuation from the most recent capital account issued by the fund. The Group reviews the valuations of these funds and following year-end discusses portfolio company performance with the fund manager. The fund managers determine fair values of the underlying investments by using the same valuation techniques as for direct investments. Investments in securities and in other financial instruments traded on recognized exchanges (including bonds, equities, futures contracts, options, and funds), are valued at the last reported bid price on the valuation date. Investments in securities and in other financial instruments traded in the over-the counter market and listed securities for which no trade is reported on the valuation date are valued at the last reported bid and ask price for long and short positions, respectively.

– Derivative Financial Instruments
Fair values for derivative financial instruments are obtained from quoted market prices, discounted cash flow models, or option pricing models as appropriate.

2.4.6. Financial Instruments – Impairment of financial assets

Financial instruments are reviewed for impairment at each reporting date. For available-for-sale investments, the cumulative gain or loss previously recognized in other comprehensive income is included in net profit or loss for the period when there is objective evidence that the asset is impaired.

An impairment is recorded when there is a significant (> 30%) or prolonged (> 1 year) decrease in the instruments fair value below cost. Impairments are reflected in revaluation reserves (equity) and in the write-down of long-term assets (statement of comprehensive income).

The available-for-sale investments are categorized into two distinct categories. The application of the impairment policy to the individual category of investments is applied as follows:

– Direct Investments
Direct investment valuations are reviewed at each reporting date by the investment advisor. Financial and market performance is compared with budget information, data obtained from competitors and subsequent rounds of financing. In case of significant deviations, valuations are adjusted to reflect current market values. If a direct investment has had a fair market value below cost for at least a year or in excess of 30%, it will be deemed to be impaired and the cumulative loss previously recognized in other comprehensive income will be transferred to the statement of comprehensive income for the period.

– Fund Investments
Funds where the Company is a direct limited partner will be reviewed at each reporting date. If a fund investment has had a fair market value below cost for at least a year or in excess of 30%, it will be deemed to be impaired and the cumulative loss previously recognized in other comprehensive income will be transferred the statement of comprehensive income for the period.

2.4.7. Net Asset Value per Share and Earnings per Share

The net asset value per share is calculated by dividing the net assets included in the balance sheet by the number of participating shares outstanding at the reporting date. Basic earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares.

2.4.8. Taxes

Tax provisions are based on reported income. Taxes are calculated in accordance with the tax regulations enacted in each country where the Group has investments.

– Switzerland

The Company is taxed as a holding company in the Canton of Zug. Income, including dividend income and capital gains from its participations, is exempt from taxation at the cantonal and communal level. For Swiss federal tax purposes, income tax at an effective tax rate of approximately 7.8% is levied. However, dividend income qualifies for the participation exemption if the related investment represents at least 20% of the other company's share capital or has a value more than CHF 2 million. The participation exemption is extended to capital gains on the sale of a substantial participation (i.e. at least 20%), that has been acquired after January 1, 1997, and was held for a minimum holding period of one year. The result of the participation exemption pursuant to the aforementioned requirements is that dividend income and capital gains are almost entirely exempt from taxation. In cases where the participation exemption is not applicable, a deferred tax liability will be calculated for Swiss federal tax purposes.

Provisions for taxes payable on profits earned in the Group companies are calculated and recorded based on the applicable tax rate in Switzerland.

– US

APEN Holding LLC and APEN Faith Media Holdings LLC are subject to income and capital gains taxes in the US.

Tax expenses shown in the statement of comprehensive income represent withholding taxes paid in various jurisdictions that the Group can not reclaim and may include direct taxes paid in Switzerland or the US. Capital taxes charged to the Company by the Canton of Zug are included in the operating expenses.

2.4.9. Shareholders Equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares and class B units are classified as liabilities. The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity. Transaction costs for equity are comprised of only those incremental external costs directly attributable to the equity transaction, which would otherwise have been avoided. Equity is comprised of the following:

- Share capital and Share capital premium
  Refer to Note 10 for a description and further details on the share capital and share capital premium.

- Treasury stock
  Treasury shares are presented in the balance sheet as a deduction from equity. The acquisition of treasury shares is presented as a change in equity. No gain or loss is recognized in statement of comprehensive income on the sale, issuance, or cancellation of treasury shares. The consideration received is presented in the financial statements as a change in equity.

- Revaluation deficit/surplus
  The revaluation deficit/surplus includes the cumulative net change in fair value of available-for-sale investments until the investment is disposed of or is determined to be impaired. The translation reserve from currency revaluation includes differences due to foreign currency translation between presentation and functional currencies. Refer to Note 13 for further details to this position.

2.4.10. Capital management

The investment objective of the Group is to achieve long-term capital growth for shareholders by investing in a diversified portfolio of private equity funds and privately held companies. Refer to Note 10 for further details.

2.4.11. Segment reporting

IFRS 8 requires companies to define operating segments and segment performance in the financial statements. The sole business segment of the Group is investing in private equity. Therefore, the results published in this report reflect the required operating segment information provided to the Chief Operating Decision Makers which are equivalent with the members of management. Additional disclosures required by IFRS 8 are presented in Note 22.

2.4.12. Contingencies

Contingent liabilities are not recognized in the balance sheet. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2.4.13. Share-based compensation plans

– Share appreciation rights (SARs)

The Group operates a cash settled, share-based compensation plan. The corresponding liability is re-measured at each balance sheet date to fair value, with changes recognized immediately in profit or loss.

2.5. Future changes in accounting policies

The following standards, amendments and interpretations to existing standards have been published but are not yet effective. The group has yet to adopt those standards and plans to do so for the reporting period beginning after the effective date stated in the respective standard:

- IFRS 1 Amendment, 'First time adoption – Structural amendment and additional exemptions for first-time adopters' (1 July 2009 and 1 January 2010)
- IFRS 2 Amendment, 'Share-based payment – Group cash-settled share-based payment transactions' (1 January 2010)
- IFRS 3 Revised, 'Business combinations' (1 July 2009)
- IAS 27 Amendment, 'Consolidated and separate financial statements' (1 July 2009)
- IAS 39 and IFRIC 9 Amendment, 'Financial instruments: Recognition and measurement – eligible hedged items' (1 July 2009)
- IFRIC 17, 'Distributions of non-cash assets to owners' (1 July 2009)
- IFRIC 18, 'Transfers of assets from customers' (Transfers as of 1 July 2009)
- Annual improvements to IFRS, Various improvements (1 July 2009 and 1 January 2010)
- IAS 32 Amendment, 'Classification of rights issues' (1 February 2010)
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments' (1 July 2010)
- IAS 24, 'Related party disclosures' (1 January 2011)
- IFRIC 14 Amendment, 'Prepayments of a minimum funding requirement' (1 January 2011)
- IFRS 9, 'Financial Instruments' (1 January 2013)

The Group has not yet evaluated the impact of these changes in detail. IFRS 9 "Financial Instruments: Classification and Measurement" is only required to be adopted by January 1, 2013. This standard will substantially change the classification and measurement of financial instruments and hedging requirements. The other changes in IFRS are not expected to have a significant impact on the financial position or performance of the Group. However, the changes will give rise to additional disclosures, including revisions to accounting policies and will affect future transactions.

Note 3. Financial assets available for sale

	Opening Balance at Cost in TCHF	Opening Balance at Fair Market Value in TCHF	Cumulative Gain/Loss 31.12.08 in TCHF	Paid in Capital in TCHF	Returned Capital in TCHF	Total Write-downs in TCHF
AIG Fund Portfolio						
AIG Altaris Health Partners II, L.P.	2 642	2 694	52	1 537	–	–
AIG Blue Voyage Fund, L.P.	–	420	420	–	–	–
AIG Brazil Special Situations Fund, L.P.	2 472	1 939	(532)	235	(170)	(1 094)
AIG Brazil Special Situations Fund II, L.P.	3 801	2 492	(1 309)	139	–	(1 980)
AIG Global Emerging Markets Fund II, L.P.	13 714	9 971	(3 743)	376	(1 527)	(5 387)
AIG Global Sports & Entertainment Fund, L.P.	1 872	1 145	(727)	21	–	(1 439)
AIG Highstar Capital, L.P.	430	471	41	–	–	–
AIG Highstar Capital III Prism Fund, L.P.	23 335	23 543	209	3 521	(2 775)	–
AIG Horizon Partners Fund, L.P.	12 058	10 234	(1 823)	962	(949)	(1 032)
AIG New Europe Fund II, L.P.	5 030	4 939	(91)	3 328	–	(615)
AIG Orion Fund, L.P.	–	95	95	–	–	–
CapVest Equity Partners, L.P.	3 269	1 634	(1 635)	–	(668)	(80)
CapVest Equity Partners II, L.P.	10 271	11 046	775	550	(51)	–
AIG Private Equity Portfolio L.P. I	20 038	21 964	1 926	249	(1 177)	(4 039)
Subtotal AIG Funds	**98 931**	**92 588**	**(6 343)**	**10 918**	**(7 317)**	**(15 665)**
Third Party Fund Portfolio						
International Funds						
Astorg III	11 446	23 711	12 265	–	(6 372)	–
Astorg IV	13 471	14 004	533	2 085	(4 120)	–
Carlyle Europe Partners II, L.P.	16 781	15 175	(1 606)	1 390	(29)	(3 818)
Carlyle Europe Partners III, L.P.	8 121	9 797	1 676	751	–	(4 159)
Carlye Japan Partners II, L.P.	2 153	1 800	(353)	922	–	(628)
Cognetas, L.P.	3 888	2 977	(910)	45	–	(147)
CVC Capital Partners Asia Pacific II, L.P.	10 448	9 378	(1 070)	568	(41)	–
CVC European Equity Partners V, L.P.	4 007	3 705	(302)	2 312	(273)	(2 433)
EQT V, L.P.	9 339	6 325	(3 015)	1 673	(1 591)	(5 672)
GMT Communications Partners III, L.P.	5 151	6 058	907	3 901	–	(688)
Ibersuizas II, L.P.	8 506	10 989	2 483	2 230	–	–
Lexington Captial Partners IV, L.P.	–	6 036	6 036	–	–	–
Lexington Captial Partners VI, L.P.	20 381	19 018	(1 363)	2 811	(562)	(4 251)
Lion Capital Fund II, L.P.	22 178	16 261	(5 917)	4 925	(5 651)	(12 671)
Odewald Private Equity Partners III, L.P.	14 266	9 970	(4 296)	2 033	(3)	(9 850)
PAI Europe IV, L.P.	14 219	13 506	(713)	1 864	–	–
PAI Europe V, L.P.	2 908	2 768	(140)	435	–	(6)
Palamon European Equity Fund, L.P.	6 859	5 622	(1 237)	23	–	(1 333)
The Fourth Cinven Fund	14 964	14 370	(594)	2 802	(6 363)	–
Unison Capital Partners II	2 213	1 685	(528)	408	(246)	(678)
Unison Standby Facility	277	285	8	395	(289)	(34)
Venitzz VI	7 382	8 201	818	528	–	–
Subtotal International Funds	**198 959**	**201 641**	**2 682**	**32 101**	**(25 540)**	**(47 680)**

[1] One-time adjustment to cost basis made as of December 31, 2009

Realized Loss on Sale of Funds 31.12.09 in TCHF	Cost 31.12.09 in TCHF	Fair Value 31.12.09 in TCHF	Unrealized Gain 31.12.09 in TCHF	Unrealized Loss 31.12.09 in TCHF	Realized Gain 1.1.09–31.12.09 in TCHF	Realized Loss 1.1.09–31.12.09 in TCHF	Outstanding Commitments in TCHF	Original Currency	Vintage Year
–	4 179	3 592	–	(587)	–	–	16 832	USD	2007
–	–	–	–	–	440	–	–	USD	2000
–	1 443	2 096	653	–	155	–	915	USD	2000
–	1 961	3 052	1 091	–	–	–	7 612	USD	2007
–	7 177	6 251	–	(925)	528	–	848	USD	2005
–	454	398	–	(56)	–	–	69	USD	2000
–	430	371	–	(59)	–	–	314	USD	2000
–	24 081	20 309	–	(3 772)	24	–	3 621	USD	2007
–	11 039	11 789	750	–	331	–	556	USD	1999
–	7 742	7 159	–	(584)	–	–	16 634	EUR	2007
–	–	–	–	–	99	–	700	USD	2000
–	2 521	1 745	–	(776)	–	–	173	EUR	1999
–	10 770	11 163	393	–	–	–	16 089	EUR	2007
–	19 451 [1]	17 405	–	(2 046)	267	–	1 108	USD	2000
–	**91 248**	**85 329**	**2 887**	**(8 806)**	**1 844**	**–**	**65 471**		
(5 074)	–	13 030	13 030	–	–	–	964	EUR	2003
(8 417)	3 020	6 018	2 998	–	–	–	2 374	EUR	2007
–	14 324	13 693	–	(631)	–	–	1 391	EUR	2003
–	4 713	6 971	2 258	–	–	–	34 855	EUR	2007
–	1 235	1 389	154	–	–	–	2 981	JPY	2006
–	3 786	3 087	–	(699)	218	–	1 319	EUR	2001
–	10 975	11 058	83	–	–	–	601	EUR	2005
–	3 614	3 523	–	(91)	–	–	23 935	EUR	2008
–	3 750	5 646	1 897	–	–	–	3 649	EUR	2006
–	8 364	10 041	1 677	–	–	–	10 979	EUR	2006
–	10 736	13 549	2 813	–	–	–	5 095	EUR	2006
–	–	4 215	4 215	–	–	–	389	USD	2000
–	18 379	17 308	–	(1 071)	581	–	6 114	USD	2006
–	8 781	11 245	2 464	–	–	–	3 687	EUR	2007
–	6 446	6 219	–	(227)	–	–	6 867	EUR	2007
–	16 083	13 701	–	(2 382)	–	–	2 613	EUR	2005
–	3 336	3 428	92	–	–	–	24 804	EUR	2007
–	5 549	6 161	612	–	–	–	–	EUR	1999
(9 999)	1 404	3 622	2 218	–	–	–	2 857	EUR	2007
–	1 697	1 972	275	–	274	–	1 212	JPY	2005
–	247	212	–	(35)	–	–	2 439	JPY	2007
–	7 911	6 714	–	(1 197)	–	–	17 854	EUR	2007
(23 490)	**134 350**	**162 802**	**34 784**	**(6 332)**	**1 073**	**–**	**156 978**		

3. Financial assets available for sale (continued)

	Opening Balance at Cost in TCHF	Opening Balance at Fair Market Value in TCHF	Cumulative Gain/Loss 31.12.08 in TCHF	Paid in Capital in TCHF	Returned Capital in TCHF	Total Write-downs in TCHF
Third Party Fund Portfolio						
US Funds						
Apollo IV, L.P.	803	825	22	2	–	(142)
Apollo VI, L.P.	13 623	13 469	(155)	2 881	(2 933)	(3 743)
Ares Corporate Fund II, L.P.	24 282	20 732	(3 550)	861	(7 413)	(2 337)
Blackstone Capital Partners III, L.P.	1 370	1 107	(263)	7	(30)	(298)
Blackstone Capital Partners V, L.P.	44 673	29 432	(15 242)	1 549	(5 739)	(12 982)
CHS Private Equity V, L.P.	8 679	6 513	(2 166)	163	–	(2 111)
Cortec Group Fund IV, L.P.	8 346	7 758	(588)	4 045	(443)	(93)
Diamond Castle IV, LP	14 390	10 186	(4 204)	1 564	(2 495)	(7 027)
HealthCare Ventures VIII, L.P.	2 925	2 470	(455)	1 009	(116)	(292)
J.C. Flowers Fund II, L.P.	9 796	9 880	84	599	(545)	(1 300)
KRG Capital Fund IV, L.P.	1 068	1 096	28	2 838	(145)	(1 211)
Madison Dearborn V, L.P.	18 826	12 328	(6 498)	525	(107)	(4 256)
Mill Road Capital Partners, L.P.	2 937	2 826	(111)	5 928	(321)	–
New Mountain Investments III, L.L.C	4 228	3 566	(662)	1 727	(2 591)	(673)
Platinum Equity Capital Partners II	5 060	5 188	128	2 841	(3 319)	(2 005)
Polaris Venture V, LP	4 668	4 432	(237)	1 504	–	(213)
SFW Capital Partners Fund, L.P.	–	–	–	4 390	–	(461)
Silver Lake Partners III	3 516	3 402	(113)	4 695	(129)	(1 183)
Technology Crossover Ventures IV, L.P.	2 347	1 781	(566)	54	(470)	–
Thompson Street Capital Partners II, L.P.	5 361	5 051	(310)	1 445	(21)	(688)
TowerBrook Capital Partners II, L.P.	16 961	13 010	(3 951)	2 147	(526)	–
VSS Communications Partners IV, L.P.	10 388	9 582	(806)	952	(420)	(1 313)
Wellspring Capital Partners IV, L.P.	4 334	4 138	(196)	950	–	(281)
WestView Capital Partners, L.P.	3 796	6 427	2 631	2 091	(896)	–
Subtotal US Funds	**212 377**	**175 198**	**(37 179)**	**44 766**	**(28 660)**	**(42 608)**
Direct Investments Portfolio						
Acosta	4 371	3 736	(635)	–	–	–
Advanstar Communications	940	827	(113)	–	–	(807)
AMF Bowling Worldwide	–	1 289	1 289	–	–	–
Bell-Riddell Holdings	1 621	1 349	(272)	64	–	(539)
Body Central	1 568	1 715	147	–	–	–
CapMark	2 565	2 107	(457)	–	–	(2 565)
Falcon Farms LLC	421	411	(10)	296	–	–
Flash Global Logistics	1 160	1 025	(135)	–	–	(513)
Hertz	2 170	1 242	(928)	–	–	(888)
Knowledge Universe Education	9 656	9 501	(155)	–	–	–
Kwik-Fit	131	523	392	2	–	(132)
MVLF	1 958	1 883	(75)	–	–	(1 958)
National Bedding Company	474	392	(82)	–	–	–
NXP Semiconductors	187	160	(26)	–	–	–
SunGard Data Systems	1 236	1 384	148	–	–	–
Thomas Nelson Publishing	9 582	12 106	2 524	–	–	–
United Surgical Partners International	1 600	1 502	(98)	–	(178)	–
Xanodyne	754	626	(128)	–	–	(279)
Subtotal Direct Investments	**40 392**	**41 779**	**1 387**	**362**	**(178)**	**(7 681)**

Realized Loss on Sale of Funds 31.12.09 in TCHF	Cost 31.12.09 in TCHF	Fair Value 31.12.09 in TCHF	Unrealized Gain 31.12.09 in TCHF	Unrealized Loss 31.12.09 in TCHF	Realized Gain 1.1.09–31.12.09 in TCHF	Realized Loss 1.1.09–31.12.09 in TCHF	Outstanding Commitments in TCHF	Original Currency	Vintage Year
–	663	656	–	(7)	–	–	10	USD	1998
–	9 829	22 992	13 163	–	197	–	3 505	USD	2006
(7 560)	7 834	9 572	1 738	–	357	–	1 167	USD	2006
–	1 049	1 045	(4)	–	–	–	203	USD	1997
(2 947)	24 554	22 456	–	(2 098)	–	–	9 030	USD	2006
–	6 731	6 059	–	(672)	–	–	1 457	USD	2005
–	11 854	13 699	1 845	–	–	–	7 491	USD	2006
–	6 432	7 408	976	–	–	–	4 837	USD	2006
–	3 526	3 359	–	(167)	–	–	3 975	USD	2005
–	8 549	8 260	–	(289)	–	–	386	USD	2006
–	2 550	2 450	–	(100)	–	–	15 594	USD	2007
–	14 988	13 042	–	(1 946)	–	–	3 563	USD	2006
–	8 543	10 179	1 636	–	–	–	6 061	USD	2007
(1 525)	1 167	1 112	–	(55)	–	–	3 882	USD	2007
–	2 578	3 873	1 295	–	–	–	5 819	USD	2008
–	5 960	6 147	187	–	–	–	4 274	USD	2006
–	3 930	3 900	–	(30)	–	–	15 318	USD	2007
–	6 898	6 754	–	(144)	–	–	19 919	USD	2007
–	1 931	1 853	–	(78)	–	–	133	USD	2000
–	6 097	7 108	1 011	–	–	–	6 682	USD	2006
–	18 581	16 476	–	(2 105)	–	–	4 077	USD	2006
–	9 607	8 850	–	(757)	–	–	1 587	USD	2006
–	5 003	5 364	361	–	–	–	1 953	USD	2006
–	4 990	7 416	2 426	–	372	–	1 728	USD	2005
(12 032)	**173 843**	**190 030**	**24 638**	**(8 452)**	**926**	**–**	**122 653**		
–	4 371	5 406	1 035	–	–	–	–	USD	2006
–	133	114	–	(19)	–	–	–	USD	2007
–	–	1 545	1 545	–	–	–	–	USD	2004
–	1 146	969	–	(177)	–	–	–	USD	2006
–	1 568	1 947	379	–	–	–	–	USD	2006
–	–	–	–	–	–	–	–	USD	2006
–	717	1 439	722	–	–	–	–	USD	2007
–	647	551	–	(96)	–	–	–	USD	2007
–	1 282	2 852	1 570	–	–	–	–	USD	2005
–	9 656	7 606	–	(2 050)	–	–	–	USD	2007
–	–	–	–	–	–	–	–	USD	2005
–	–	–	–	–	–	–	–	EUR	2006
–	474	625	151	–	–	–	–	USD	2005
–	187	940	753	–	–	–	–	EUR	2006
–	1 236	1 106	–	(130)	–	–	–	USD	2005
–	9 582	9 129	–	(453)	–	–	–	USD	2005
–	1 422	1 760	338	–	–	–	–	USD	2007
–	475	545	70	–	–	–	–	USD	2005
–	**32 895**	**36 534**	**6 565**	**(2 925)**	**–**	**–**	**–**		

3. Financial assets available for sale (continued)

	Opening Balance at Cost in TCHF	Opening Balance at Fair Market Value in TCHF	Cumulative Gain/Loss 31.12.08 in TCHF	Paid in Capital in TCHF	Returned Capital in TCHF	Total Write-downs in TCHF
Loans						
Flint Group (fka. Xsys/Aster)	1 544	1 677	133	–	–	–
MVLF Loan	13 248	12 372	(876)	–	–	(13 248)
Subtotal Loans	**14 792**	**14 049**	**(743)**	**–**	**–**	**(13 248)**
Funds Sold						
Advent International GPE VI-C L.P.	3 970	3 279	(691)	1 946	(1 432)	(1 061)
Affinity Asia Pacific Fund III, L.P.	2 471	2 424	(48)	327	–	(341)
Apollo VII, L.P.	3 800	3 622	(179)	1 633	(2 470)	(649)
Ares Corporate Fund III, L.P.	5 370	5 229	(140)	2 117	(2 828)	–
Berkshire Fund VII, L.P.	8 036	6 503	(1 533)	–	(6 558)	–
Carlyle Partners IV, L.P.	22 572	18 289	(4 283)	–	(8 564)	(14 008)
Carlyle Partners V, L.P.	9 701	7 209	(2 492)	1 381	(3 143)	(1 382)
Charlesbank Equity Partners VI, L.P.	2 620	2 641	21	1 311	(2 638)	(1 293)
Cognetas II, L.P.	4 248	5 150	903	–	(4 248)	–
CVC Capital Partners Asia Pacific III, L.P.	1 745	1 812	67	434	(304)	(296)
Doughty Hanson & Co. III, L.P.	5 938	5 640	(298)	1	(2 381)	(3 557)
Emerging Europe Convergence Fund II, L.P.	12 447	8 005	(4 442)	131	(8 638)	–
EQT III, L.P.	3 047	2 483	(565)	223	(1 011)	(1 953)
EQT IV, L.P.	6 725	6 002	(723)	214	(2 459)	(4 461)
FountainVest China Growth Capital Fund, L.P.	539	502	(37)	128	(2)	–
Mid Europa III, L.P.	2 205	2 030	(175)	911	(847)	–
Olympus Growth Fund V, L.P.	3 136	3 140	4	2 760	(1 217)	–
Sovereign Capital II, L.P.	3 259	2 342	(917)	1 236	(2 907)	(891)
Terra Firma Investments III	4 459	4 295	(164)	2 568	(1 236)	(1 409)
The Third Cinven Fund	3 457	2 892	(565)	–	(941)	(152)
TowerBrook Capital Partners III, L.P.	2 180	2 061	(119)	2 444	(2 385)	–
Subtotal Funds Sold	**111 927**	**95 551**	**(16 375)**	**19 766**	**(56 210)**	**(31 453)**
Total of all Investments	**677 377**	**620 804**	**(56 572)**	**107 913**	**(117 905)**	**(158 335)**

Realized Loss on Sale of Funds 31.12.09 in TCHF	Cost 31.12.09 in TCHF	Fair Value 31.12.09 in TCHF	Unrealized Gain 31.12.09 in TCHF	Unrealized Loss 31.12.09 in TCHF	Realized Gain 1.1.09–31.12.09 in TCHF	Realized Loss 1.1.09–31.12.09 in TCHF	Outstanding Commitments in TCHF	Original Currency	Vintage Year
–	1 544	1 852	308	–	–	–	–	EUR	2004
–	–	–	–	–	–	–	–	EUR	2006
–	**1 544**	**1 852**	**308**	**–**	**–**	**–**	**–**		
(3 422)	–	–	–	–	–	–	–	EUR	2008
(2 457)	–	–	–	–	–	–	–	USD	2007
(2 315)	–	–	–	–	438	–	–	USD	2007
(4 659)	–	–	–	–	–	–	–	USD	2008
(1 478)	–	–	–	–	–	–	–	USD	2006
–	–	–	–	–	–	–	–	USD	2005
(6 557)	–	–	–	–	374	–	–	USD	2007
–	–	–	–	–	–	–	–	USD	2005
–	–	–	–	–	–	–	–	EUR	2005
(1 579)	–	–	–	–	–	–	–	USD	2008
(1)	–	–	–	–	–	–	–	USD	1997
(3 940)	–	–	–	–	–	–	–	EUR	2006
(306)	–	–	–	–	–	–	–	EUR	2001
(19)	–	–	–	–	–	–	–	EUR	2004
(665)	–	–	–	–	–	–	–	USD	2008
(2 269)	–	–	–	–	–	–	–	EUR	2007
(4 679)	–	–	–	–	–	–	–	USD	2007
(697)	–	–	–	–	–	–	–	GBP	2005
(4 382)	–	–	–	–	–	–	–	EUR	2007
(2 365)	–	–	–	–	–	–	–	EUR	2001
(2 239)	–	–	–	–	–	–	–	USD	2008
(44 030)	**–**	**–**	**–**	**–**	**812**	**–**	**–**		
(79 551)	**433 879**	**476 548**	**69 183**	**(26 514)**	**4 658**	**–**	**345 102**		

Note 4: Cash and Cash Equivalents

in TCHF

	2009	2008
Cash at banks	7 207	14 930
Total	**7 207**	**14 930**

For the purpose of the cash flow statement cash and cash equivalents comprise all cash, short-term deposits and other money market instruments, net of short-term overdrafts, with an original maturity of three months or less. Cash and cash equivalents is at the full disposal of the Company.

The carrying amounts of cash and cash equivalents approximate fair value.

Note 5: Foreign Exchange Rates

The following exchange rates have been applied to translate the foreign currencies of significance for the group:

		2009	2008
Year-end rates:	Unit	**CHF**	**CHF**
US dollar	1 USD	1.0298	1.0673
Euro	1 EUR	1.4836	1.4856
Yen	100 Yen	89.7589	0.85065
Average annual rates:			
US dollar	1 USD	1.0826	1.0830
Euro	1 EUR	1.5076	1.5850
Yen	100 Yen	86.6271	0.959367

Note 6: Receivables and Prepayments

in TCHF

	2009	2008
From third parties	521	141
From related parties:		
AIG Global Investment Group	197	204
Subtotal	**197**	**204**
Total	**718**	**345**

The carrying amounts of the accounts receivable and prepayments approximate fair value.

Note 7: Payables and Accrued Charges

in TCHF

	2009	2008
Accrued service-, performance and management fees	–	8 283
Accrued carried interest contractual agreements and accrual share-based compensation plan payable to related parties	–	31
Accounts payable and other accrued expenses	4 886	1 165
Total	**4 886**	**9 479**

The carrying amounts of the accounts payable and accrued charges approximate fair value.

Note 8:

8.1. Borrowings

in TCHF

	2009	2008
Bank Consortium	–	96 057
Fortress Credit Corp.	77 627	–
Falcon Private Bank Ltd. (formerly AIG Private Bank)	15 447	5 890
Total Borrowings	**93 074**	**101 947**

October 26, 2009 the Company entered into an unsecured long term credit facility of USD 200 million with Fortress Credit Corp. ("FCC") and a revolving credit facility of USD 25 million with Falcon Private Bank ("FPB"). At year-end the Fortress facility was drawn with USD 100 million and the Falcon facility was drawn with USD 15 million.

The FCC facility has a five year commitment period and matures seven years after closing. The loan carries a 8% cash pay interest rate (quarterly payable) and a 12% payment in kind interest rate. A commitment fee of 1.0% per annum based on the unused credit facility is due on a quarterly basis. APEN Group has additionally the obligation to deliver up to 15% additional equity interest (from current 10%) in APEN Holdings, depending on the extent the loan facility is utilized in two and a half years from closing. APEN Group is additionally required, to ensure FCC a return of 175% (200% if the loan is repaid prior to March 31, 2012). The FCC facility was recognized at its fair value at the date of refinancing and subsequently measured at amortized cost using the effective interest method.

The Falcon facility matures October 26, 2010. A commitment fee of 1.0% per annum based on the unused credit facility is due on a quarterly basis. The Group pledged its shares in APEN Holdings (Bermuda) Ltd. to Falcon Private Bank. APEN Holdings (Bermuda) Ltd. holds twelve fund interests with a fair value of USD 123.8 million per 31.12.2009.

(TUSD)	Cash interest	Accrued interest	Amount outstanding
Fortress	8.00%	12.00%	100 000 000
Falcon	6.94%		5 000 000
	6.94%		10 000 000

8.2. Preferred Shares

in TCHF

	2009	2008
AIG Global Asset Management Holdings Corp. (AIG GAMH)	–	163 714

Prior to the refinancing of the Group in October 2009 AIG Global Asset Management Holdings Corp. (AIG GAMH) held USD 150 million preference shares issued by APEN Bermuda Ltd.

8.3. Class B Units

in TCHF

	2009	2008
AIG Global Asset Management Holdings Corp. (AIG GAMH)	120 178	–

The preferred shares issued by APEN Bermuda Ltd. referenced in Note 8.2, along with a management fee receivable of USD 4 million, were converted into new preferred shares and then contributed, assigned and transferred to APEN Holdings LLC by AIG GAMH in exchange for Class B Units of APEN Holdings LLC. The Class B Units were recognized at their fair value at the date of the refinancing (USD 114.75 million) and subsequently measured at amortized cost using the effective interest method, resulting in a net gain for the Group on extinguishment of the preferred shares. The Class B Units are entitled to receive an amount equal to (i) the principal value USD 150 million, plus (ii) an additional amount of USD 14.2 million, plus (iii) simple interest of 5.25%

on the principal amount from the date of the refinancing (October 24, 2009) through the date of payment. Payments made to the holder of the Class B Units are allocated first to repayment of the additional amount under (ii) above, second to accrued interest under (iii) above, and third to reduction of the principal amount. Once the principal amount has been repaid in its entirety, the Class B Units will be extinguished. The Class B Units are required to be redeemed on October 26, 2021 if not repaid and extinguished earlier. The Class B Units are being treated as debt.

Note 9. Derivative Liability

If the Fortress credit is not repaid in its entirety before April 2012, the Fortress entities that hold Class A Units in APEN Holdings LLC will have their interest in APEN Holdings LLC increased from 10% to 12.5%. This potential increase in equity ownership at APEN Holdings LLC is being treated as an embedded derivative and is valued based on discounted cash flow projections. Changes in the value of the derivative are booked in the income statement as net loss on derivatives.

Note 10: Share capital

Shareholders' equity/net assets of TCHF 262 988 (2008: TCHF 360 939) represent the capital available to the Group to implement and achieve its investment goals. Shareholders' equity includes revaluation reserves, which represent unrealized value increases/decreases on investments held as available-for-sale and value increases/decreases due to currency translation differences on investments held as available-for-sale.

The share capital of the Company as of December 31, 2009 amounts to CHF 412 500 000 (December 31, 2008: CHF 412 500 000) consisting of 4 125 000 registered shares (December 31, 2008: 4 125 000) with a par value of CHF 100 each. All issued shares are fully paid. Each share entitles the holder to participate in any distribution of income and capital.

As of December 31, 2009 the Company has CHF 206.25 million (2008: CHF 206.25 million) authorized share capital outstanding. This authorized share capital will expire at the end of June 2nd 2011. As of December 31, 2009 the Company has CHF 206.25 million (2008: CHF 206.25 million) conditional share capital outstanding. The Company did not raise any new capital in 2009.

Share capital is broken down as follows:

	Number of Shares
At 1 January 2008	3 949 027
– Treasury shares sold	15 833
– Treasury shares purchased	(35 675)
At 31 December 2008	3 929 185
At 1 January 2009	3 929 185
– Treasury shares sold	–
– Treasury shares purchased	–
At 31 December 2009	3 929 185

The Company can trade in treasury shares in accordance with the relevant guidelines (Company's articles of association, Swiss company law, listing rules of the SIX Swiss Exchange). Treasury shares are treated as a deduction from the consolidated shareholder's equity (2009: TCHF 30 691: 2008: TCHF 30 691). During 2009 the Company sold nil (2008: 15 833) shares, and purchased nil shares (2008: nil).

Private equity is an asset class consisting of equity investments in companies that are not traded on a public stock exchange. Investments typically involve a transformational, value-added, active management strategy. Private equity investments can be divided into various categories: venture capital, mezzanine finance, buyouts etc.

Currently, the Group does not intend to pay any dividends to shareholders.

The following major shareholders held shares and voting rights of 3% and more as of December 31, 2009:

	Number of Shares 2009	Participation in % 2009	Number of Shares 2008	Participation in % 2008
American International Underwriters Overseas Ltd.	*	*	413 500	10.02%
AIG Life (Ireland) Ltd.	*	*	1 018 881	24.70%
Ernst Göhner Stiftung	267 000	6.47%	267 000	6.47%
AIG, Inc.	*	*	373 581	9.06%
APEN Ltd.	195 815	4.75%	195 815	4.75%
SUVA, Schweiz. Unfallversicherungsanstalt	127 500	3.10%	127 500	3.09%
Mobiliar	152 500	3.7%	142 500	3.45%
AXA Winterthur	167 000	4.05%	167 000	4.05%

In February 2009 AIG Group, Inc. reported holding 1 950 353 shares or a 47.3% participation. AIG Group, Inc. includes: AIG Holdings LLC, American Life Insurance Company, AIG Capital Corporation and AIG Investments (Switzerland) LLC.

Note 11. Minority Interest

APEN Holdings LLC has issued three classes of units: Class A Units, which were issued to entities managed by affiliates of Fortress Investment Group LLC (the „Fortress Entities"), the Class B Units issued to AIG GAMH, and the Class C Units issued to APEN Ltd. and APEN Faith Media Holdings LLC. Following the repayment of the Fortress credit facility, APEN Bermuda Ltd. will distribute available cash to APEN Holdings LLC, which will then make payments to its members pursuant to the following waterfall: first (i) 10% to the Class A Units, (ii) 76.5% to the Class B Units, and (iii) 13.5% to the Class C Units until the Class B Units have been redeemed and extinguished (as described in Note 8.3); and second, following extinguishment of the Class B Units (i) 10% to the Class A Units and (ii) 90% to the Class C Units.

TCHF 2 671 of the accumulated deficit as of December 31, 2009 was allocated to the minority interest.

Note 12. Earnings per Share attributable to equity holders

Earnings per Share	**2009**	**2008**
Net (loss) per share outstanding (in CHF) – basic	(55.07)	(68.93)
Net (loss) per share outstanding (in CHF) – fully diluted	(55.07)	(68.93)
Net (loss) for the period (in TCHF)	(216 395)	(271 918)
Weighted average of total number of shares outstanding (in 1 000) – basic	3 929 185	3 945 028
Weighted average of total number of shares outstanding (in 1 000) – diluted	3 929 185	3 945 028

Note 13: Revaluation Reserve

in TCHF

	2009	2008
Reserve from foreign currency translation	(21 259)	(38 994)
Reserve from fair value movements of investments	58 904	(17 581)
Total revaluation reserve at December 31	**37 645**	**(56 574)**
Reserve from foreign currency translation		
– at January 1	(38 994)	(51 902)
– currency translation differences during the year	17 735	12 908
– at December 31	**(21 259)**	**(38 994)**
Reserve from fair value movements of investments		
– at January 1	(17 581)	78 674
– Impairments transferred to statement of comprehensive income	158 336	223 015
– net realized (gains)/losses transferred to statement of comprehensive income	74 892	(16 125)
– net realized gains/(losses) from changes in Fair Value	(156 743)	(303 145)
– at December 31	**58 904**	**(17 581)**

Note 14: Write-downs of Non-Current Assets

For the year ended December 31, 2009 impairments of non-current assets were recognized as follows:

in TCHF	2009	2008
Loans	6 793	–
Direct investments	14 136	33 735
Funds	137 407	189 280
Total	**158 336**	**223 015**

For details please see the investment table in note 3.

Note 15: Interest Income and Dividends from Non-Current Assets and Net Realized Gains on Investments

Interest income, net interest income and dividends from non-current assets, and net realized gains were generated by the three portfolios as follows:

in TCHF	2009	2008
Interest income from long-term assets:		
AIG Funds	378	758
Third Party Funds	859	1 122
Direct Investments	391	1 387
Total interest income from non-current assets	**1 628**	**3 267**
Dividend income from long-term assets:		
AIG Funds	349	51
Third Party Funds	45	301
Direct Investments	–	–
Total dividend income from non-current assets	**394**	**352**
Net realized gains on investments:		
AIG Funds	1 844	3 351
Third Party Funds	2 814	13 040
Direct Investments	–	(267)
Total net realized gains from non-current assets	**4 658**	**16 124**

Note 16: Taxes

in TCHF

	2009	2008
Current income tax	568	538
Reconciliation of income tax calculated with the applicable tax rate:		
Profit before income tax	(215 827)	(271 379)
Applicable tax rate	7.8%	7.8%
Income tax	(16 835)	(21 168)
Effect from:		
– income tax payable from current and prior periods	–	–
– non-taxable profits	7 415	4 462
– increase of valuation allowance on net operating loss	9 420	16 705
– deferred taxes	–	(145)
– non-refundable withholding tax paid	568	678
Total income tax expenses	**568**	**538**

In 2009, the Group paid TCHF 568 (2008: TCHF 678) non-refundable withholding taxes.

Note 17: Related Party Transactions

Related Parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Related parties are:

- American International Group, Inc., New York
- AIG Private Equity Management Ltd., Bermuda
- AI Company, Bermuda
- Pinebridge Investments (Switzerland) GmbH
- AIG Global Investment Corp., New York
- Board of Directors, APEN Ltd.

Related Party Agreements

The Group has entered into several agreements with various companies of the American International Group, Inc., New York ("AIG") which have significant influence on the financial and operating decisions of the Group.

a.) Service Agreement I
Chartis Insurance Company Ltd., Pembroke, Bermuda, an indirect wholly owned subsidiary of AIG, provides several administrative services for the subsidiary in Bermuda for an annual fee of TUSD 95 (TCHF 103; 2008: TCHF 103). This agreement is entered into for an indefinite period of time and may be terminated with advance notice of 30 days. This agreement was terminated per December 31, 2009.

b.) Service Agreement II
Pinebridge Investments (Switzerland) GmbH, Zurich, a wholly owned subsidiary of AIG, assumed the contract from AIG Private Bank Ltd., Zurich, per February 1, 2009. Pinebridge Investments (Switzerland) GmbH provides administrative and accounting services for the Group. Compensation for these services in 2009 amounts to TCHF 301 (2008: TCHF 301). This agreement was terminated per December 31, 2009.

c.) Management and Advisory Agreement
The Group has entered into a management agreement with AIG Private Equity Management Ltd., Bermuda (the "Manager"), a wholly owned subsidiary of Pinebridge Investments (Switzerland) GmbH, Zurich, a wholly owned subsidiary of AIG, Inc. For services rendered, the Manager is entitled to receive a management fee at an annual rate equal to 2% of the consolidated Net Asset Value of the Group on the last business day of each quarter before deductions or accrual of the management fee and/or performance fees. As part of the refinancing of APEN Group the agreement was terminated per December 31, 2009.

In addition to the management fee, the Manager will receive quarterly performance fees from the Group. The performance fee with respect to the Third Party Funds Portfolio is fifteen per cent (15%) of the increase in the net asset value of the Third Party Funds Portfolio for each quarter in excess of any baseline return for such quarter of five per cent (5%) (on an annual basis). The performance fee with respect to the Direct Investment Portfolio is twenty per cent (20%) of the increase in the net asset value of the Direct Investment Portfolio for each calendar quarter.

Furthermore both performance fees are subject to a "highwater mark", so that no performance fee will be paid with respect to a particular portfolio unless the net asset value for that portfolio is greater than the previous high net asset value for the portfolio (increased, in the case of the Third Party Funds Portfolio at the rate of 5% annually).

The Manager has entered into an advisory agreement with AIG Global Investment Corp., New York, a wholly owned subsidiary of AIG, to act as investment advisor with respect to the Third Party Funds Portfolio and Direct Investments Portfolio.

For its services provided under the management agreement, the advisor is entitled to receive an advisory fee from the Manager. As part of the refinancing it was agreed between the parties that the management agreement is to be terminated per December 31, 2009. Of the accrued management fee it was agreed that the Company pays USD 2.0 million at closing of the refinancing, USD 4.0 million remain outstanding and due and are assigned to AIG Global Asset Management Holdings Corp. and the remainder of the accrued management fee was cancelled and extinguished.

Refer to notes 3, and 18 for more information on related parties.

Material transactions

a) Capital Calls from AIG Fund Investments

	2009		2008	
Investments (in million)	**CHF**	**USD**	**CHF**	**USD**
AIG Horizon Partners Fund L.P.	1.0	1.0	0.9	0.9
AIG Brazil Special Situations Fund I L.P.	0.2	0.2	0.1	0.1
AIG Brazil Special Situations Fund II L.P.	0.1	0.1	1.6	1.5
AIG Orion Fund L.P.	0.0	0.0	0.0	0.0
AIG Blue Voyage Fund L.P.	0.0	0.0	0.0	0.0
AIG Global Sports & Entertainment L.P.	0.0	0.0	0.1	0.1
AIG Highstar Capital L.P.	0.0	0.0	0.0	0.0
AIG Highstar Capital III Prism L.P.	3.4	3.2	10.4	9.6
AIG Private Equity Portfolio L.P.	0.2	0.2	0.2	0.2
AIG Global Emerging Markets L.P., II	0.4	0.3	1.3	1.2

	2009		2008	
Investments (in million)	**CHF**	**EUR**	**CHF**	**EUR**
AIG New Europe II L.P.	3.3	2.2	4.5	2.8

b) Personnel
One member of the Board of Directors of the Company is an employee of other companies within the AIG Inc., Group. AIG executives serving on the Board of Directors and the Investment Committee of the Group do not receive remuneration from the Group for their services. Remuneration of directors for the year 2009: TCHF 176 (2008: TCHF 184). Refer to note 20 for share compensation schemes granted to the management board. One of the members of management is employed by the Company.

One of the members of management is a member of the board of directors of MV Leveraged Finance Ltd. (see also Note 1 MVLF). The Subsidiary in Bermuda made an equity investment (EUR 10 million) and a loan investment (EUR 20 million) in this entity in the fourth quarter 2006. In the course of 2009, the Subsidiary received principal repayments on the loan of nil (2008: TCHF: 2 608) and loan interest amounting to TCHF 317 (2008: TCHF 716).

2009 All figures in CHF	Base Compensation	Variable Compensation*[1]	Other Compensation**[1]	Total 2009[1]	Share-holdings[2]	SARs[3]
Board of Directors						
Eduardo Leeman	60 000	2 000	7 791	69 791	200	–
Dr. Ernst Mäder	30 000	1 500	3 410	34 910	–	–
Dr. Roger Schmid	30 000	2 000	3 464	35 464	750	–
Robert Thompson	–	–	–	–	–	–
Dr. Christian Wenger	30 000	2 000	3 464	35 464	–	–
Total Board of Directors	**150 000**	**7 500**	**18 129**	**175 629**	**950**	**–**
Management Board						
Andrew Fletcher	250 120	550 000	61 150	861 270	6 668	–
Conradin Schneider	–	130 000	6 914	136 914	3 000	–
Total Management Board	**250 120**	**680 000**	**68 064**	**998 184**	**9 668**	**–**

* Attendance fee
** Social security payments

[1] in CHF
[2] number held at year end
[3] number granted during year

2008 All figures in CHF	Base Compensation	Variable Compensation*[1]	Other Compensation**[1]	Total 2008[1]	Share-holdings[2]	SARs[3]
Board of Directors						
Eduardo Leemann	60 000	2 000	8 193	70 193	200	–
Erich Hort (until May 2007)	12 500	500	1 469	14 469	–	–
Dr. Ernst Mäder	30 000	1 500	3 560	35 060	–	–
Dr. Roger Schmid	30 000	2 000	–	32 000	750	–
Robert Thompson	–	–	–	–	–	–
Dr. Christian Wenger	30 000	2 000	–	32 000	–	–
Total Board of Directors	**162 500**	**8 000**	**13 222**	**183 722**	**950**	**–**
Management Board						
Andrew Fletcher	250 120	–	31 898	282 018	6 668	–
Conradin Schneider	–	–	–	–	3 000	8 500
Total Management Board	**250 120**	**–**	**31 898**	**282 018**	**9 668**	**8 500**

* Attendance fee
** Social security payments

[1] in CHF
[2] number held at year end
[3] number granted during year

Note 18: Financial Risk Management

18.1 Strategy in using Financial Instruments

The objective of the Group is to achieve long-term capital growth for shareholders by investing in a diversified portfolio of private equity funds and privately held operating companies.

The Group's activities expose it to a variety of financial risks, namely market risk (including interest rate risk, currency risk and other price risks), liquidity risk and credit risk. Management observes and manages these risks. These risks could result in a reduction of the Group's net assets.

The Group seeks to minimize these risks and adverse effects by considering potential impacts from the financial markets. The Group manages these risks, where necessary, via collaboration with service partners that are market leaders in their respective area of expertise. Additionally, the Group has internal guidelines and policies in place to ensure that transactions are effected in a consistent and diligent manner.

18.2. Market Risk

a.) Interest rate risk

The Group is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates. This risk arises primarily from loan assets (higher/lower LIBOR rate at refinancing date; see schedule below). These loans have a variable interest rate corresponding to the LIBOR rate plus a margin. The majority of the Group's assets are non interest bearing. The Group has not applied an interest rate hedge due to the short term maturity profile of the loans and because the Group has no long term visibility of its cash flows due to its business activity.

The table below summarizes the Group's exposure to interest rate risks. It includes the Group's assets and liabilities categorized by the earlier of contractual re-pricing or maturity dates.

At 31 December 2009, should interest rates change by 0.3% (30 basis points) (2008: 0.3%) with all other variables ceteris paribus, the increase in profit and loss for the year would be approximately TCHF 39 (2008: TCHF 261).

The Group's management monitors interest rates on a regular basis and informs the Board of Directors accordingly at its quarterly meetings.

At 31.12.09 in TCHF	< 1 month	1–3 months	3 months–1 year	>1 year	Non-interest bearing	Total
Assets						
Financial assets available for sale	–	–	–	–	474 696	474 696
Loans	1 852	–	–	–	–	1 852
Other receivables	718	–	–	–	–	718
Cash at bank	7 207	–	–	–	–	7 207
Liabilities						
Borrowings	15 447	–	–	77 627	–	93 074
Class B units	–	–	–	120 178	–	120 178
Payables and accrued charges	4 886	–	–	–	–	4 886
Derivative liability	–	–	–	–	3 347	3 347

At 31.12.08 in TCHF	< 1 month	1–3 months	3 months–1 year	Non-interest bearing	Total
Assets					
Financial assets available for sale	–	–	–	606 755	606 755
Loans	14 049	–	–	–	14 049
Other receivables	345	–	–	–	345
Cash at bank	14 930	–	–	–	14 930
Liabilities					
Borrowings	27 236	–	74 711	–	101 947
Preferred Shares	–	–	163 714	–	163 714
Payables and accrued charges	9 479	–	–	–	9 479

b.) Currency risk

The USD is the functional currency of the Company and its subsidiaries (see note 2.4.1.). The net asset value per share is calculated in CHF, the presentation currency of the Company. However, as the Group's investments are largely denominated in USD and Euro, the Company will be exposed to a certain degree of currency risk, which can adversely affect performance. Fluctuations in foreign currency exchange rates affect the net asset value of the investments and therefore the Group. The Group can enter into currency contracts to mitigate these currency risks. Such transactions are based upon decisions made by the FX Committee that meets on a regular basis. Additionally, the Group regards loans in the same currencies as its assets as a measure to mitigate the impact of currencies on the net asset value.

If the CHF were to change 0.35% (average monthly fluctuation), with all other variables held constant, it would result in a change in shareholders equity of CHF 0.4 million (2008: CHF 1.2 million).

If the EUR were to change 0.22% (average monthly fluctuation), with all other variables held constant, it would result in a change in shareholders equity of CHF 0.3 million (2008: CHF 2.4 million).

The Group's currency position is monitored on a regular basis and the FX exposure is reviewed by the Board of Directors at the quarterly meetings.

At 31.12.09 (in 1 000)	USD	EUR	GBP	JPY	CHF	Total
Assets						
Cash and cash equivalents	7 036	53	–	–	118	7 207
Other current assets	196	–	–	–	522	718
Loans receivable	–	1 852	–	–	–	1 852
Investments (available for sale)	323 294	147 827	–	3 575	–	474 696
Total Assets	**330 526**	**149 732**	**–**	**3 575**	**640**	**484 473**
Payables and accrued charges	4 403	–	–	–	483	4 886
Loans payable	93 074	–	–	–	–	93 074
Classs B units	120 178	–	–	–	–	120 178
Derivative Liability	3 347	–	–	–	–	3 347
Total Liabilities	**221 002**	**–**	**–**	**–**	**483**	**221 485**
Total Equity	–	–	–	–	262 988	262 988
Total Liabilities and Equity	**221 002**	**–**	**–**	**–**	**263 471**	**484 473**

At 31.12.08 (in 1 000)	USD	EUR	GBP	JPY	CHF	Total
Assets						
Cash and cash equivalents	5 871	9 050	–	–	9	14 930
Other current assets	204	–	–	–	141	345
Loans receivable	–	14 049	–	–	–	14 049
Investments (available for sale)	383 406	217 238	2 342	3 769	–	606 755
Total Assets	**389 481**	**240 337**	**2 342**	**3 769**	**150**	**636 079**
Payables and accrued charges	8 546	–	–	–	932	9 479
Loans payable	101 947	–	–	–	–	101 947
Preferred Shares	163 714	–	–	–	–	163 714
Total Liabilities	**274 207**	**–**	**–**	**–**	**932**	**275 140**
Total Equity	–	–	–	–	360 940	360 939
Total Liabilities and Equity	**274 207**	**–**	**–**	**–**	**361 872**	**636 079**

c) Other price risks

Other price risks (i.e. changes in market prices other than from interest rate risks or currency risk) may affect the value of the investments held as available-for-sale by the Group. Other price risks arise mainly from the uncertainty about future valuations of the investments held as available-for-sale by the Group. Investments held available-for sale amounted to TCHF 474 696 (2008: TCHF 606 755). For these investments the Group calculates the corresponding fair value on a monthly basis. Please see the "Accounting Policies" for more information on the fair value process as well as Note 1. The Group's investment advisor performs extensive due diligence prior to recommending any fund or direct investment, including an analysis of the potential risks of the investment. The Group and the investment advisor monitor investments by analyzing regular reports and through direct contact with general partners and company management. Investment recommendations are approved by the Board of Directors prior to commitment. Investment performance is reviewed regularly by the Board of Directors. Valuations are updated on a monthly basis by taking new currency rates, stock price at the end of the month for listed portfolio companies and new reports from portfolio funds available to the Group into account. Furthermore the Company discusses fund performance with the investment advisor and takes part in portfolio funds annual meetings. Detailed valuations are established at year-end by speaking either in person or via telephone with fund managers and the investment advisor and are ultimately signed off by the Board of Directors.

If the value of the investments (based on year-end values) had increased or decreased by 26.38% with all other variables held constant, the impact on the shareholders' equity would have been CHF 125.2 million (2008: 35.99%, CHF 218.4 million). An increase/decrease of 26.38% would impact the profit or loss statement by CHF 14.9 million/CHF –47.8 million. The Company is exposed to a variety of market risk factors which may change significantly over time. As a result, measurement of such exposure at any given point in time may be difficult given the complexity and limited transparency of the underlying investments. Therefore, a sensitivity analysis is deemed of limited explanatory value.

18.3. Liquidity risk

Due to the specific nature of private equity funds of the type in which the Company invests, immediate and full investment of assets is not always possible. Commitments made by a private equity investor in a private equity fund typically results in actual investments being made over a period of up to six years. Based on the Group's experience it is expected (on a portfolio basis) that the maximum net amount invested in a fund will be approximately 60% of a commitment. In order to reach full investment, the Group applies an over-commitment strategy. Outstanding commitments amounted to CHF 345 million at year-end 2009 (2008: CHF 744 million). Even though these commitments could be drawn down at any point in time, the Group expects outstanding commitments to be drawn over a six year period (standard investment period of a private equity fund).

In 2009 the Group has reduced unfunded commitments significantly and reduced unfunded commitments further in the first quarter 2010 to approximately CHF 200 million. Additionally, the Group had unused credit facilities of USD 110 million at year-end 2009. Furthermore, the Group will not make any new commitments in private equity funds or direct investments in operating companies. Management and the board of directors consider the credit facilities and the fairly mature portfolio more than sufficient to fund all unfunded commitments. Management does not anticipate to further drawdown on the facility provided by Fortress Credit Corp. Management monitors cash flows on a weekly basis by updating its cash flow report and reports at least on a quarterly basis to the board of directors.

At 31.12.09 (in TCHF)	< 1 month	1–3 months	> 3 months/no stated maturity
Payables and accrued charges	4 886	–	–
Borrowings	–	–	93 074
Class B units	–	–	120 178
Derivative liability	–	–	3 347
Total Liabilities	**4 886**	**–**	**216 599**
Unfunded commitments	345 102	–	–

At 31.12.08 (in TCHF)	< 1 month	1–3 months	> 3 months/no stated maturity
Payables and accrued charges	1 165	–	8 314
Borrowings	21 346	5 890	74 711
Preferred shares	–	–	163 714
Total Liabilities	**22 511**	**5 890**	**246 739**
Unfunded commitments	744 074	–	–

18.4. Credit risk

The Group has credit exposure only to established, credit-worthy third parties, so that no collateralization is required. Receivables are monitored continuously.

Management monitors credit risk on a regular basis.

The Group holds cash with Falcon Private Bank and HSBC Bank of Bermuda. The Group monitors the standing of these institutions on a regular basis. The Group holds loans in two investments (see Note 3), namely Flint Group and MVLF. Management of the Group monitors these loans on a regular basis by ensuring interest is paid and by reviewing monthly and quarterly reporting. The Flint Group loan is current on interest payments. The MVLF loan started accruing interest from April 2009 onwards and is undergoing a substantive restructuring, which is expected to close in the second quarter 2010. The fair value of the MVLF loan has been reduced to zero in the fourth quarter 2009.

The Group attempts to minimize investment risk through effective due diligence in advance of investments, conservative underwriting, reviews of investment partners, and contractual provisions that limit the Group's downside risk (see also other price risk). On a quarterly basis, the Group reviews all investments for potential impairment losses.

At 31.12.09 in TCHF	Neither past due nor impaired	Past due but not impaired	Individually impaired	Less allowance for impairment	2009 Total carrying amount
Cash and cash equivalents	7 207	–	–	–	7 207
Derivative instruments	–	–	–	–	–
Other current assets	718	–	–	–	718
Loans	–	–	–	–	–
Total financial assets (excl. investments)	**7 925**	**–**	**–**	**–**	**7 925**

At 31.12.08 in TCHF					2008 Total carrying amount
Cash and cash equivalents	14 930	–	–	–	14 930
Derivative instruments	–	–	–	–	–
Other current assets	345	–	–	–	345
Loans	–	–	–	–	–
Total financial assets (excl. investments)	**15 275**	**–**	**–**	**–**	**15 275**

18.5 Fair value estimation

Effective January 1, 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level I – inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date. The type of investments included in Level I include unrestricted securities listed in active markets.

Level II – inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Investments which are included in this category include restricted securities listed in active markets, securities traded in other than active markets, derivatives, corporate bonds and loans.

Level III – inputs to the valuation methodology are unobservable and significant to overall fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category include investments in privately held entities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The following table summarizes the Group's investments measured at fair value on a recurring basis by the above fair value hierarchy levels:

At 31.12.09 in TCHF	Level 1	Level 2	Level 3	Total
Investments held as available for sale	–	–	476 548	476 548
Total assets and liabilities measured at fair value	**–**	**–**	**476 548**	**476 548**
Derivative liabilities	–	–	3 347	3 347
Total liabilities measured at fair value	**–**	**–**	**3 347**	**3 347**

At 31.12.08 in TCHF				
Investments held as available for sale	–	–	620 804	620 804
Total assets measured at fair value	**–**	**–**	**620 804**	**620 804**
Derivative liabilities	–	–	–	–
Total liabilities measured at fair value	**–**	**–**	**–**	**–**

The derivative liability is valued based on cash flow projections for the Group's investment portfolio with net cash inflows applied to the Group's various financial instruments (both debt and equity) in the appropriate order. Future cash flows applied to the potential equity interest underlying the derivative were discounted at a rate of 10.58%, which was the rate used to value contributions at the time of the refinancing transaction in October 2009. The derivative liability will be revalued as of each reporting date.

The following table discloses the changes to the fair value of Level III assets during 2009:

1.1.2009–31.12.2009 in TCHF	
Level III assets fair value at January 1	620 804
Purchases of level III assets	107 913
Sales proceeds (distributions, sales) from level III assets	(117 905)
Realized gains/losses of level III assets	(233 505)
Unrealized gains/losses of level III assets	99 241
Level III assets fair value at December 31	476 548

For 2009 the Company used reports received from the funds to calculate fair value. Expressed in % of net asset value 64% represent audited annual reports, 17% unaudited quarterly reports as per December 31, 2009 and the balance unaudited quarterly reports per June 30/September 30, 2009.

The derivative liability was incurred by the Company during 2009 and was originally recognized at TCHF 2 721. An additional loss of TCHF 626 was incurred on the liability in 2009, resulting in an ending fair value of TCHF 3 347.

Note 19: AIG Private Equity Portfolio Investment Details

Fair Value (in TCHF)	2009	2008
AIG Fund Portfolio		
AIG Highstar Capital, L.P.	174	146
AIG Horizon Partners Fund, L.P.	555	723
AIG PEP I Other Assets and Liabilities	442	213
Subtotal	**1 171**	**1 082**

Fair Value (in TCHF)	2009	2008
Third Party Fund Portfolio		
International Funds		
Carlyle Europe Venture Partners, L.P.	28	143
GMT Communications Partners II, L.P.	1 657	1 955
TH Lee.Putnam Internet Partners, L.P.	693	938
Subtotal	**2 378**	**3 036**

Fair Value (in TCHF)	2009	2008
Third Party Fund Portfolio		
US Funds		
Advanced Technology Ventures VI, L.P.	377	527
Arrow Path Venture Capital, L.P.	294	323
Baker Communications Fund II, L.P.	1 888	2 048
Berkshire Fund V, L.P.	1 143	1 469
Blackstone Mezzanine Partners, L.P.	382	498
Boston Millennia Partners II, L.P.	1 285	1 618
Carlyle Partners III, L.P.	590	1 042
Focus Ventures II, L.P.	249	300
Heartland Industrial Partners LP	534	711
JK&B Capital III, L.P.	720	954
KRG Capital Fund I, L.P.	2	2
Meritage Private Equity Fund, L.P.	182	649
Mesirow Capital Fund	91	122
North Castle Capital Partners II, L.P.	67	141
Questor Partners Fund II, L.P.	1 596	2 040
RCBA Strategic Partners, L.P.	424	45
Silver Lake Partners, L.P.	316	394
Technology Crossover Ventures IV, L.P.	1 394	1 388
Thayer Equity Investors Fund IV, L.P.	609	910
Thomas Weisal Capital Partners, L.P.	306	566
TWP CEO Founders' Circle (QP), L.P.	7	14
Subtotal	**12 456**	**15 760**

Fair Value (in TCHF)	2009	2008
Direct Investments Portfolio		
Altiris Inc.	–	62
AMF Bowling	626	577
Avalon Pharmaceuticals, Inc.	–	6
AZ Automotive Corp.	230	620
Fresh Direct	260	259
Springs Industries, Inc.	284	260
Theravance	–	302
Subtotal	**1 400**	**2 086**
Total	**17 405**	**21 964**

Note 20: Share-Based Compensation Plan

Share Appreciation Rights (SARs)

Outstanding SARs as at 31 December 2009 are as follows:

Number of SARs	Year of grant	Vesting date	Expiry	Subscription ratio	Strike price
8 000	2007	1.3.2008	14.3.2010	1:1	CHF 160
8 000	2007	1.3.2009	14.3.2010	1:1	CHF 160
8 000	2007	1.3.2010	14.3.2010	1:1	CHF 160
3 984	2008	1.3.2009	14.3.2011	1:1	CHF 160
3 983	2008	1.3.2010	14.3.2011	1:1	CHF 160
3 983	2008	1.3.2011	14.3.2011	1:1	CHF 160

The SARs were granted free of charge. Each SAR entitles the holder to receive in cash the difference between the strike price and the market price of one share of the Company at the exercise price. A third of the SARs are each exercisable after a vesting period of one, two and three years. In case of a termination of the working contract during the vesting period, the SARs are cancelled.

Movements in the number of stock appreciation rights and their related exercise prices are as follows:

	2009 Average exercise price per share	2009 SARs	2008 Average exercise price per share	2008 SARs
At January 1	160.00	56 950	160.00	45 000
Granted	–	–	160.00	11 950
Exercised	–	–	–	–
Matured	–	21 000	–	–
At December 31	160.00	35 950	160.00	56 950

Of the 35 950 SARs (2008: 56 950), 19 984 SARs (2008: 45 000) were exercisable. In 2009, 21 000 SARs matured without being exercised. No SARs were exercised in 2009 (2008: 0).

In the current year, CHF –31 384 (2008: –529 734) was charged as an expense relating to SARs. The carrying amount at the end of the period amounted to CHF nil (2008: 31 384) and the intrinsic value at the end of the period of liabilities for which the counterpart's right to cash or other assets had vested by the end of the period (for example vested share appreciation rights) equals CHF nil (2008: CHF nil). In 2009, no SARs were issued. The carrying amount was valued at nil since the strike price (CHF 160.00) was substantially above the market value (CHF 15.00) at year-end 2009.

The following table lists the inputs in the models used for the plan for the year ended 31 December 2008:

	2008 SARs
Dividend yield (%)	0%
Expected volatility (%) – depending on term	32.47–42.68
Risk-free interest rate (%)	0.7247%
Expected life of option/SARs (years)	3 years
Weighted average share price	–
Model used	Black Sholes (Excel)

Note 21: Commitments, Contingencies and Other Off-balance-sheet Transactions

In addition to those commitments disclosed in the Investment Schedule the Company has nil off-balance-sheet transactions open as of December 31, 2009 (2008: nil off-balance-sheet transactions). The operations of the Company may be affected by legislative, fiscal and regulatory developments for which provisions are made where deemed necessary. Please refer to Note 18 (liquidity risk) for additional information on commitments.

Note 22: Segment Reporting

The Group operates in the sole business segment of private equity investments. The geographical analysis of total assets is determined by specifying in which region the investment was made:

in TCHF	2009	2008
North America	257 070	336 497
Europe	197 849	252 281
Rest of the World	29 554	47 301
Total	**484 473**	**636 079**

The geographical analysis of total income is determined by specifying from which region the investment profits are generated:

in TCHF	2009	2008
North America	50 648	2 830
Europe	2 958	17 001
Rest of the World	12	(7)
Total	**53 618**	**19 824**

Note 23: Subsequent Events

Between January 1, 2010 and March 31, 2010, the following aggregate investment related cash flows have been recorded (by the partnerships under the commitments existing as of December 31, 2009 and direct investments):

Capital Calls (in 1 000)	Amount
USD	5 406
EUR	3 549
JPY	7 385

Distributions (in 1 000)	Amount
USD	7 974
EUR	472

As a result of the refinancing of the Group, various agreements were terminated per December 31, 2009 and replaced by new agreements reflecting changes implemented:

- The service agreement with PineBridge Investments (Switzerland) LLC was terminated per year-end 2009. The service agreement with AI Company was also terminated per year-end 2009.

- Service Agreement I: following year-end 2009, APEN Bermuda Ltd. entered into a services contract with Codan Management Ltd. and a service contract, with Codan Services Ltd. for an indefinite period of time and may be terminated with advance notice of 30 days.
- Service Agreement II: following year-end 2009, APEN Ltd. entered into a services agreement with APEN Services LLC (established in January 2010), a fully owned subsidiary of APEN Ltd. for an indefinite period of time. The agreement may be terminated with advance notice of six months.

In 2010 the Company entered into definitive agreements to sell a number of portfolio funds in the secondary market:

Full sale:
- KRG IV
- CVC European Equity Fund V
- Carlyle Europe Partners III
- Silver Lake Partners III
- Carlyle Japan International Partners II

Partial sale:
- Ventizz Capital Fund IV (56% of commitment sold)

The 2009 year-end fair values for these positions correspond with the sales price.

In March 2010 the remaining investments held directly by the Company (Unison II, Unison Standby and Hertz) were transferred to APEN Bermuda Ltd., thus fulfilling a condition of the credit agreement with Fortress Credit Corp.

Since the balance sheet date of December 31, 2009, there have been no further material events that could impair the integrity of the information presented in the financial statements.

The consolidated financial statements are authorized for issue on April 30, 2010 by the Board of Directors. The annual general meeting called for June 7, 2010 will vote on the final acceptance of the consolidated financial statements.

REPORT OF THE GROUP AUDITORS

As statutory auditor, we have audited the accompanying consolidated financial statements of APEN AG, which comprise the balance sheet, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes (pages 20 to 53), for the year ended December 31, 2009.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the accounting provisions of the Additional Rules for the Listing of Investment Companies of the SIX Swiss Exchange as well as the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with the accounting provisions of the Additional Rules for the Listing of Investment Companies of the SIX Swiss Exchange as well as with Swiss law.

Without qualifying our opinion, and in accordance with article 20 of the Additional Rules for the Listing of Investment Companies of the SIX Swiss Exchange, we draw attention to Note 3 of the consolidated financial statements. As indicated in Note 3, the consolidated financial statements include unquoted investments stated at their fair value of CHF 476.5 million. Because of the inherent uncertainty associated with the valuation of such investments and the absence of a liquid market, these fair values may differ from their realisable values, and the difference could be material. The fair values of these investments have been determined by the Board of Directors and have been disclosed in Note 3. We have reviewed the procedures applied by the Board of Directors in valuing such investments and have viewed the underlying documentation. While in the circumstances the procedures appear to be reasonable and the documentation appropriate, the determination of fair values involves subjective judgment which cannot be independently verified.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Romer Anuschka Buob
Audit expert
Auditor in charge

Zürich, April 30, 2010

CORPORATE GOVERNANCE AT APEN LTD.

1. GROUP STRUCTURE AND SHAREHOLDERS

APEN Ltd. (the Company) is a holding company according to Swiss law and has its registered office at Grafenauweg 8, 6300 Zug, Switzerland. The Company's name change was approved at the annual general meeting in June 2009. Its subsidiary AIG Private Equity (Bermuda) Ltd. changed its name to APEN Bermuda Ltd. in October 2009. In June 2009 APEN Holdings (Bermuda) Ltd. was established, as a 100% subsidiary of APEN Bermuda Ltd. In October 2009 APEN Holdings LLC, Delaware, was established. APEN Holdings LLC has four members: APEN Ltd., Fortress Credit Corp., AIG Global Asset Management Holdings Corp. and APEN Faith Media Holdings LLC, a 100% subsidiary of APEN Ltd. APEN Holdings LLC owns 99% of APEN Bermuda Ltd. while APEN Faith Media Holdings LLC holds 1%.

APEN Bermuda Ltd. and APEN Holdings (Bermuda) Ltd. hold the vast majority of the investments.

Both Fund Investments and Direct Investments are investments in private equity which forms the only investment category of the Company. For presentation purposes, the investments are divided in the following portfolios:

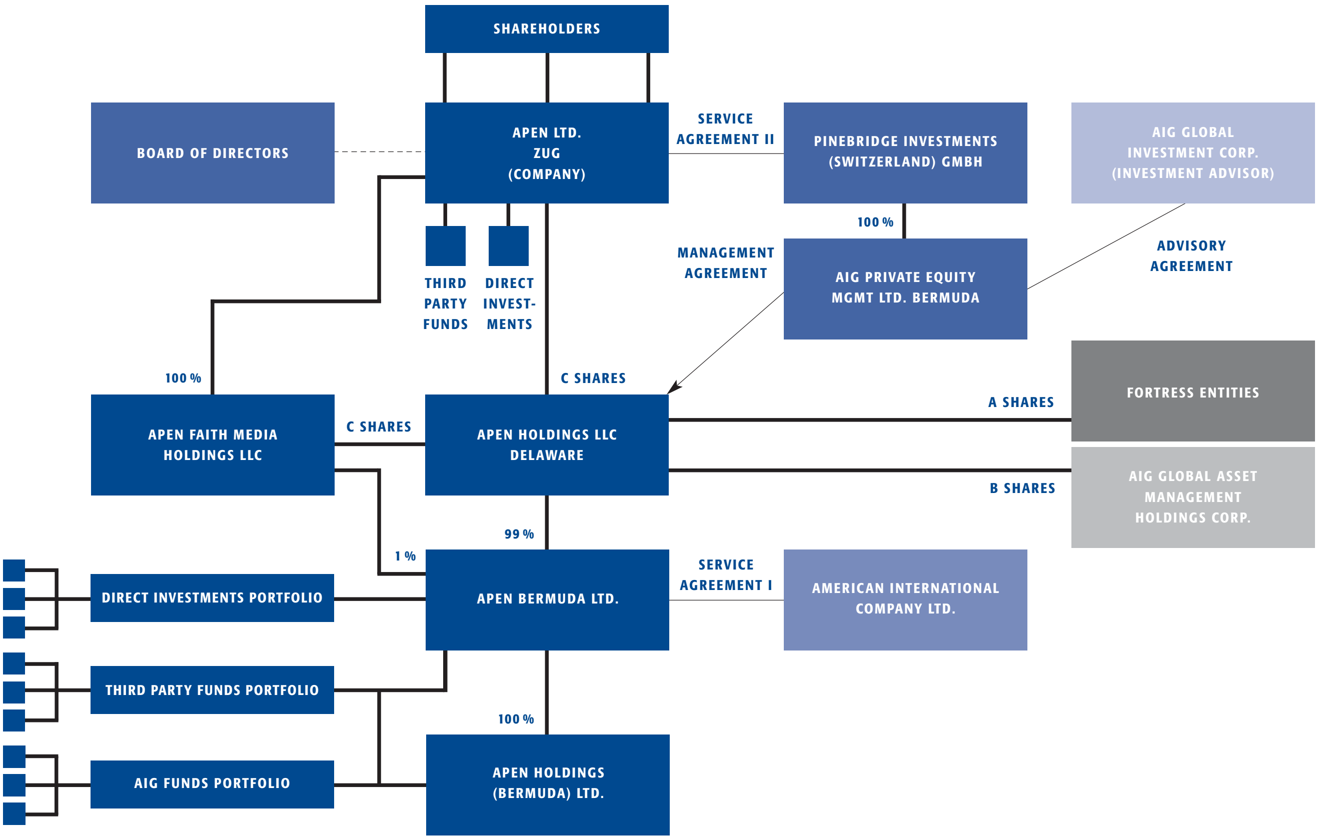
– AIG Funds
– Third Party Funds
– Direct Investments
– Funds sold

For further information please also refer to the principles of consolidation section within the consolidated financial statements.

See also note 1 of statutory accounts (participations).

Organisational Structure

Until December 31, 2009



Significant Shareholders

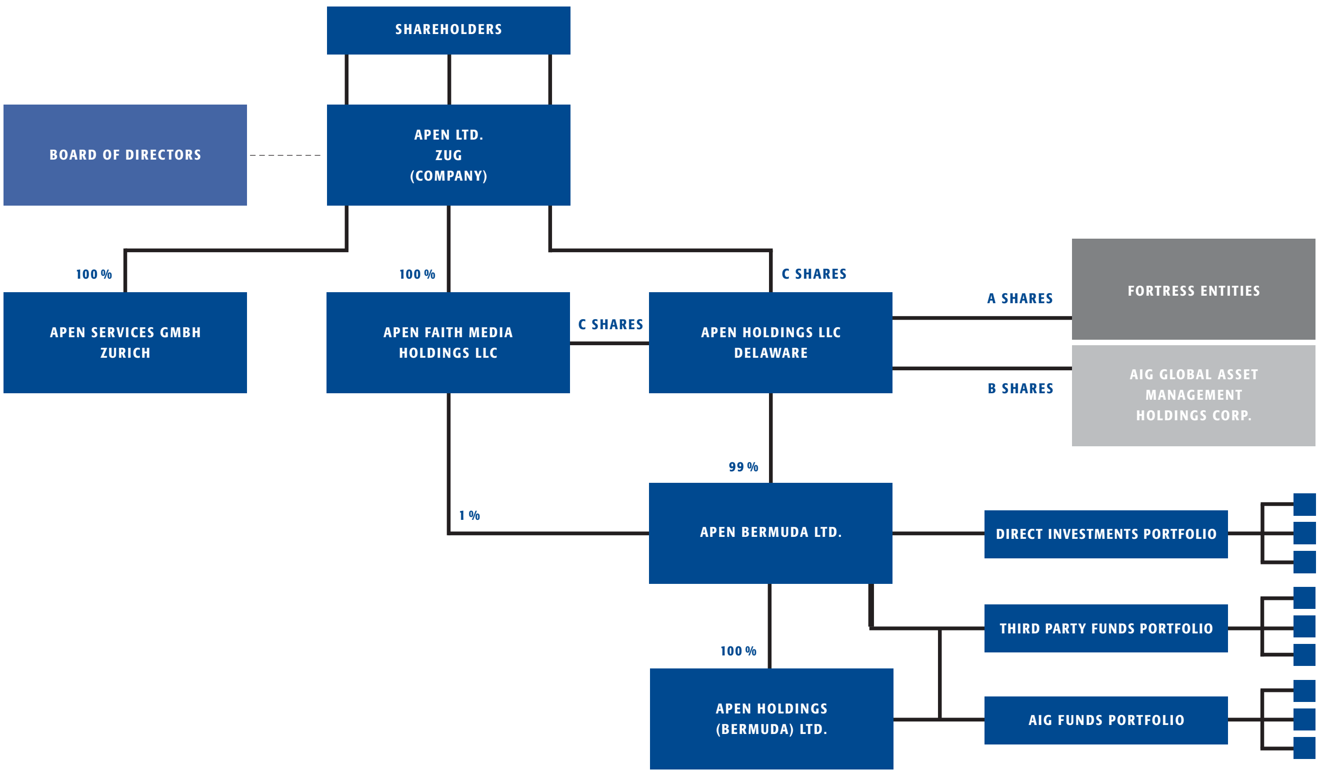
There are several shareholders with a reported participation exceeding the 3% threshold of the Company's share capital. The number of shares and voting rights of the major shareholders are disclosed in note 10 of the consolidated financial statements.

Organisational Structure

The management agreement with AIG Private Equity MGMT Ltd. and the service agreement I with American International Company Ltd. were terminated per December 31, 2009. The service agreement II with Pinebridge Investments (Switzerland) GmbH was terminated per February 28, 2010. APEN Bermuda Ltd. entered into a services agreement and a management agreement with Codan Services Ltd. in respect to administrative services to be provided in Bermuda.

Subsequent to year-end, APEN Services GmbH with registered offices at Talstrasse 62, 8001 Zurich, Switzerland and a capital of CHF 20 000, fully owned by APEN Ltd, was set up. APEN Services GmbH provides administrative services to APEN Ltd.

From January 2010



BOARD OF DIRECTORS

Eduardo Leemann, Chairman
Dr. Ernst Mäder
Robert Thompson (until January 28, 2010)
Dr. Christian Wenger

MANAGEMENT BOARD

Andrew Fletcher
Conradin Schneider

AUDITORS

PricewaterhouseCoopers Ltd.
Birchstrasse 160
CH-8050 Zürich

2. CAPITAL STRUCTURE

Capital

As of December 31, 2009 the issued share capital of the Company was CHF 412 500 000, divided into 4 125 000 fully paid registered shares with a nominal amount of CHF 100 each. As per the same date 3 929 185 shares were outstanding and the Company held 195 815 shares as treasury shares. The market capitalization of the Company per year-end amounts to CHF 59 million.

The shares are listed on the SIX Swiss Exchange.

Changes of capital

On June 28, 2006 the Company increased its share capital from CHF 317 500 000 to CHF 412 500 000 by issuing 950 000 shares of which 736 013 were paid-in shares with a nominal value of CHF 100.00 at a price of CHF 158.50. The balance of 213 987 shares were subscribed by the Company.

Shares and participation certificates

There are no preferential rights or similar rights. Each share is entitled to one vote and has full dividend rights. Voting rights may be exercised only after a shareholder has been registered in the Company's share register. No shares and/or share certificates will be issued to shareholders. Two Global Share Certificates ("Globalurkunde auf Dauer") are deposited with SIX SIS Ltd. under Swiss Security number 915.331, ISIN CHF0009153310. Transfers of shares are effected through a book-entry system maintained by SIX SIS Ltd.

There are neither participation certificates nor profit sharing certificates.

Authorized and conditional capital

The board of directors is entitled to an increase in authorized capital up to a maximum amount of CHF 206 250 000 by issuing no more than 2 062 500 shares with a nominal of CHF 100.–. The duration of the authorization period expires June 2, 2011. Shares for which subscription rights were granted but not executed are at the board of director's disposal. The pre-emptive rights of the shareholders can be excluded in case of acquisitions of other companies or additional listings to foreign stock exchanges. If doing so, the board of directors is not allowed to fix the issuing price under the Net Asset Value of the shares of the Company.

The share capital may be increased from conditional capital in connection with the exercise of conversion or option rights, which are granted in connection with bonds or similar debt instruments up to a maximum amount of CHF 206 250 000 by issuing no more than 2 062 500 shares with a nominal of CHF 100.–. In connection therewith, the shareholders' pre-emptive rights are excluded. Whenever options or conversion rights are issued, the board of directors shall be entitled to withdraw the preferential subscription rights of shareholders for valid reasons.

For further details see also Article 4b and 4c of the articles of association (available at www.apen.com).

Limitations of transferability and nominee registrations

The Company's shares are freely transferable, without any limitations, provided that the buyers declare they are the beneficial owners of the shares.

Nominees who act as fiduciaries of shareholders are entered without further inquiry in the Company's share register as shareholders with voting rights up to a maximum of 3% of the outstanding capital available at the time.

See also Article 4 of the articles of association.

Convertible Bonds and Warrants

There are no convertible bonds and warrants issued by the Company or by its subsidiaries on shares of the Company outstanding.

3. BOARD OF DIRECTORS

Responsibilities

The board of directors consists of one or more members. The board of directors is ultimately responsible for the policies and management of the corporation. The board establishes the strategic, accounting, organizational and financing policies to be followed by the corporation. The board further appoints the executive officers and the authorized signatories of the corporation, supervises the management of the corporation and monitors the investment decisions. Moreover, the board is entrusted with preparing shareholders' meetings and carrying out shareholders resolutions. The board may, pursuant to its regulations, delegate the conduct of day-to-day business operations to management under its control. The board approves all compensation upon proposal of the chairman.

Meeting schedule

The board usually meets four times per year in person (minimum twice). The regular meetings are typically held in February, May, August and November. Additional meetings are called on short notice if and when required. In the year under review, eight board meetings took place. Each of the board meetings has a special focus which is basically connected to the Company's reporting rhythm. Such focuses are the financial statements, interim results, the medium-term plan, investments, foreign exchange exposure, the annual general meeting and corporate governance. The members of the management committee are invited to attend the board meetings and have attended all eight board meetings. The board resolves by majority vote with the presence of a majority of members. The average duration of a board meeting is ninety minutes.

Principles of the election procedure

The members of the Board will be elected by the annual general meeting according to Article 11 of the articles of association (available at www.apen.com). The term of office for all members is three years with the possibility of repeated re-election.

Members of the board of directors

Eduardo Leemann, born 1956, Swiss citizen, Chairman, non-executive member, term of office expires in 2010.

Mr. Leemann is Chief Executive Officer of Falcon Private Bank Ltd. He joined AIG Investments in 1997 as Chief Executive Officer of Falcon Private Bank (formerly: AIG Private Bank) in Zurich serving later as Chairman of the Board for Falcon Private Bank. He previously worked at Goldman, Sachs & Co Bank as Member of the Management Committee and Head of Private Banking. Prior to that, Mr. Leemann was Deputy to the Head of Private Banking worldwide at Bank Julius Baer with direct responsibilities for the Western Hemisphere, Switzerland as well as the overall marketing effort in Private Banking. Previously, he was responsible for building the private banking business of Bank Julius Baer in their New York branch. Eduardo Leemann is a graduate of the Swiss School of Economics and Business Administration (SEBA) and from the Advanced Executive Program of the J.L. Kellogg Graduate School of Management at the Northwestern University in Chicago, USA.

Mr. Leemann became Chairman of the Company's board of directors in September 1999.

Mr. Leemann also serves on the Board of Directors of AIRE GmbH & Co. KGaA, a listed real estate company in Frankfurt, Germany. Mr. Leemann also serves as a member of the board of directors of SIX Group.

Dr. Ernst Mäder, born 1954, Swiss citizen, non-executive member, term of office expires in 2010.

Currently CFO and CIO of the Swiss National Accident Insurance Fund, Dr. Mäder has had an extensive career with leading Swiss banks. He served Credit Suisse Private Banking as Head of Investment Research and Credit Suisse First Boston as Head of the Fixed Income & Derivatives Research Department Switzerland/Europe. Earlier in his career, he spent ten years at UBS Zurich working with the Economic Department, Investment Research and the Asset Management. Dr. Mäder holds an Economics degree from the University of Zurich with post-graduate studies in "the use of VAR-models in forecasting interest rates and analysing data."

Mr. Mäder joined the Company's board of directors in December 2000.

Robert Thompson, born 1954, US citizen, non-executive member. Mr Thompson resigned from the board of directors effective January 28, 2010.

Mr. Thompson is the Head of PineBridge Investments (fka. AIG Investments) worldwide alternative investments business, having joined AIG Investments in 2005. Previously, Mr. Thompson was a co-founder and managing member of Ferrer Freeman Thompson & Co., LLC, ("FFT"), a private equity firm dedicated to investing in the health care industry. Prior to FFT, he was Managing Director and Equity Group Leader at GE Capital. Mr. Thompson founded, organized, and developed GE Capital's Private Equity activities throughout the United States, Europe, Asia and Latin America. Mr. Thompson has over 18 years of experience in all segments of the private equity business including fund investments, mezzanine investments, direct investments, joint ventures and leveraged buyouts. He currently serves on Invest- ment Committees for PineBridge Investments' alternative investments activities. Mr. Thompson received an AB in Economics from Harvard College and an MBA from Stanford University.

Mr. Thompson joined the Company's board of directors in May 2007.

Dr. Christian C. Wenger, born 1964, Swiss citizen, non-executive member, term of office expires in 2010.

Mr. Wenger is a lawyer and a partner at the well-known law firm of Wenger & Vieli in Zurich. He joined the firm in 1996 and became partner in 1999. Mr. Wenger is specialized in commercial and business law, with a focus on Private Equity, Venture Capital and M&A. Mr. Wenger is member of the management board of SECA (Swiss Association for Private Equity and Corporate Finance) as well as president of CTI Invest, an investors' organization associated with KTI, the Swiss federal government's agency to promote innovation. In the scope of his professional activities, Mr. Wenger is member of the board of several Swiss as well as international companies. He received a degree in law from Zurich University (Dr. iur) and completed his studies with an LL.M at Duke University Law School, North Carolina.

Mr. Wenger joined the Company's board of directors in May 2006.

Mr. Wenger also serves as a non-executive member of the board of directors of Looser Holding Ltd. and Falcon Private Bank Ltd.

Internal Organisation and definition of areas of responsibility

The principal responsibilities of the board of directors encompass:

- Establishment of strategic, organizational, reporting and financial policies
- Appointment of executive officers
- Definition of investment policy and supervision of its implementation
- Preparation and execution of annual shareholders meeting

They are summarized in Article 13 of the articles of association (available at www.apen.com).

In view of the relatively small board of directors and the complexity of the tasks, the board did not constitute any committees. During the restructuring negotiations, the board established a deal committee consisting of Mr. Leemann and Mr. Wenger. The deal committee was dissolved after successfully closing the restructuring of the Company in October 2009.

The board of directors has delegated to the Management Committee the coordination of the day-to-day business operations of the Company. See also Article 3 of the Internal Regulations of the Board of Directors (available at www.apen.com). The board of directors has not concluded any contracts with third parties to manage the business.

For the tasks and responsibilities of the board see internal regulations of the board of directors (available at www.apen.com).

Information and control instruments vis-à-vis the management board

In order to allow fulfilment of its supervising duties, the board of directors is provided with the following information:

- Discussions with the management during the board of directors meetings, telephone conferences, etc.
- Quarterly, Semi-annual and Annual reports
- Auditors report on the annual audit of the financial statements

Members of the management committee participate at every meeting of the board if directors. Additionally, the members of the management committee engage on a frequent basis with the chairman of the board and other members of the board of directors.

4. INVESTMENT COMMITTEE

The investment committee of APEN Bermuda Ltd. was dissolved as no new investments (fund commitments or direct investments) will be made.

5. MANAGEMENT BOARD

Members of the Management Board

Andrew Fletcher, born 1964, US citizen.
Mr. Fletcher joined the Company in 2001. Mr. Fletcher is also a member of the management board of PineBridge Investments (Switzerland) GmbH, responsible for managing AIRE GmbH & Co. KGaA, a listed real estate company in Frankfurt, and its subsidiaries. Prior to 2001, Mr. Fletcher worked for four years as Assistant General Counsel in AIG's corporate law department in New York and for six years in private practice. He is a graduate of Harvard College and Harvard Law School.

Mr. Fletcher is also a member of the management board of AIRE GmbH & Co. KGaA, a listed real estate company in Frankfurt, Germany.

Conradin Schneider, born 1962, Swiss citizen.
Mr. Schneider joined the Company in 1999. He was involved in establishing and listing the Company, a Swiss listed private equity investment company, on the SIX Swiss Exchange. With the Company Mr. Schneider is responsible for operations. Prior to joining AIG, Mr. Schneider was with Aventic Ltd., the private equity vehicle of UBS for small and medium sized companies in Switzerland. Prior to his assignment with UBS-Aventic, he worked 8 years as a corporate banker with UBS with a focus on Swiss multinationals. Mr. Schneider received his graduate degree from the University of St. Gall, Switzerland, specializing in banking and economics.

Mr. Schneider is also a member of the board of directors of MV Leverage Finance Limited and MezzVest II, and a member of the management board of AIRE GmbH & Co. KGaA, a listed real estate company in Frankfurt, Germany.

6. COMPENSATIONS, SHAREHOLDINGS AND LOANS

Content and method of determining the compensations

The compensation of the Board of Directors lies in the responsibility of the general meeting. The Board of Directors approves compensation (including the share option plan) for the management board upon proposal of the Chairman. The share based compensation plan is designed to ensure that the Company maintains a competitive bonus program in order to recruit, retain and motivate management in the overall interest of shareholders.

All figures in CHF	Base Compensation	Variable Compensation*[1]	Other Compensation**[1]	Total 2009[1]	Share-holdings[2]	SARs[3]
Board of Directors						
Eduardo Leeman	60 000	2 000	7 791	69 791	200	–
Dr. Ernst Mäder	30 000	1 500	3 410	34 910	–	–
Dr. Roger Schmid	30 000	2 000	3 464	35 464	750	–
Robert Thompson	–	–	–	–	–	–
Dr. Christian Wenger	30 000	2 000	3 464	35 464	–	–
Total Board of Directors	**150 000**	**7 500**	**18 129**	**175 629**	**950**	**–**
Management Board						
Andrew Fletcher	250 120	550 000	61 150	861 270	6 668	–
Conradin Schneider	–	130 000	6 914	136 914	3 000	–
Total Management Board	**250 120**	**680 000**	**68 064**	**998 184**	**9 668**	**–**

* Attendance fee
** Social security payments

[1] in CHF
[2] number held at year end
[3] number granted during year

Share-based compensation plans

The members of Management of the Company have the option to exercise an aggregate of 35 950 stock appreciation rights (SARs) of the Company over a period of three years. As of 31 December 2009, they held the following stock appreciation rights:

Number of options	Year of grant	Vesting date	Expiry Date	Subscription ratio	Strike Price
8 000	2007	1.3.2008	14.3.2010	1:1	CHF 160
8 000	2007	1.3.2009	14.3.2010	1:1	CHF 160
8 000	2007	1.3.2010	14.3.2010	1:1	CHF 160
3 984	2008	15.3.2009	28.3.2011	1:1	CHF 160
3 983	2008	15.3.2010	28.3.2011	1:1	CHF 160
3 983	2008	15.3.2011	28.3.2011	1:1	CHF 160

No stock appreciation rights were issued and no stock appreciation rights were exercised in 2009.

Highest total compensation of board of directors member

See above, total of compensations for both boards.

7. SHAREHOLDER'S PARTICIPATION RIGHTS

Voting-rights restrictions and representations

Each registered share in the Company is entitled to one vote. See also Article 7 section 1 in the articles of association (available at www.apen.com). Voting rights may be exercised only after a shareholder has been registered as shareholder with voting rights in the Company's share register.

Rules on participating in the general meeting if different from law

No restrictions. See Article 7 section 2 in the articles of association (available at www.apen.com).

Statutory quora

The statutory quora comply with the applicable legal regulations. See Article 8 in the articles of association (available at www.apen.com).

Convocation of the general meeting of shareholders and proposal for agenda items

The convocation of the Shareholders' Meeting complies with the applicable legal regulations. The convocation may also be requested by one or several shareholders representing together at least ten percent of the share capital. In accordance with the applicable legal regulations, one or several shareholders holding at least ten percent of the share capital or shares with an aggregate nominal value of CHF 1 000 000 are entitled to propose items for the agenda of the Shareholders' Meeting. See also Articles 5 and 6 in the articles of association (available at www.apen.com).

Registration in the share register

There is no statutory rule on the deadline for registering shareholders in connection with the attendance of the Annual General Meeting. In 2010, the qualifying date is May 8, while the Annual General Meeting will be held on June 7.

8. CHANGES OF CONTROL AND DEFENCE MEASURES

Duty to make an offer

The shareholders are not subject to the duty to make an offer (opting-out; see also Article 23 in the articles of association (available at www.apen.com)) pursuant to Article 32 of the Federal Stock Exchange Act (SESTA).

9. AUDITORS

Date of assumption of the existing auditing mandate

PricewaterhouseCoopers (PwC) was re-elected for another 3 years at the general meeting on 28 May 2008.

Responsible Partner: Thomas Romer (since 2004).

Responsible Manager: Anuschka Buob (since 2009).

Total of auditing honorariums 2009

CHF 188 300.

Additional honorariums

Tax-consulting CHF 96 486.

Supervisory and control instruments vis-à-vis the auditors, control instruments

Since there is no Audit Committee, the Auditors' report will be presented to the whole Board of Directors as a part of the annual report.

In addition to that, the responsible Auditor participates in the annual general meeting and is standing by for questions and detailed audit information.

10. INFORMATION POLICY

The Company aims to offer the shareholders a high degree of transparency. In this respect the Company publishes an annual report, a semi-annual report and two quarterly reports. In addition, the Company publishes the net asset value of the Company on a monthly basis.

In between the quarterly report publications relevant information (including information subject to Ad-hoc publicity according to section 72 of the SIX Listing Rules) is published in the form of press releases and available at www.apen.com.

BALANCE SHEET AS OF DECEMBER 31, 2009 AND DECEMBER 31, 2008

in TCHF

	Note	2009	2008
Assets			
Current Assets			
– Cash and cash equivalents		1 244	237
– Receivables		400	–
– Loans to subsidiary		–	2 185
– Prepayments		122	141
– Own shares	3	2 937	7 431
		4 703	**9 994**
Long-term Assets			
– Participation	1	233 008	379 011
– Direct Investments	7	1 282	1 243
– Funds	7	3 144	3 762
		237 434	**384 016**
Total Assets		**242 137**	**394 010**
Liabilities and Shareholders' Equity			
Current Liabilities			
– Payables and accrued charges		780	873
– Bank loan		–	27 236
		780	**28 109**
Shareholders' Equity			
– Share capital	2, 5	412 500	412 500
– Reserve (non-disposable)		82 500	82 500
– Share capital premium		61 607	61 607
Total Share Capital Premium		**144 107**	**144 107**
– Less: reserve set aside for own shares		(24 573)	(24 573)
		119 534	**119 534**
– Reserve for own shares		30 691	30 691
– Retained earnings		(321 368)	(196 824)
Total Shareholders' Equity		**241 357**	**365 901**
Total Liabilities and Shareholders' Equity		**242 137**	**394 010**

INCOME STATEMENT FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2009 AND JANUARY 1 TO DECEMBER 31, 2008

in TCHF

	Note	2009	2008
Income			
Dividend income from non-current assets		12	2
Net realized gains on investments		274	–
Interest income from current assets		44	1 314
Gain on foreign currency exchange		1 585	3 009
Total Income		**1 915**	**4 325**
Expenses			
Service fees		–	301
Other operating expenses		5 563	2 192
Interest expense		2 739	2 292
Loss on participation		111 838	186 173
Loss on foreign currency exchange		–	2 333
Loss on sale of own shares	3	–	26
Value adjustment on own shares		4 494	23 260
Value adjustment on investments		1 786	2 035
Tax expense		39	28
Total Expenses		**126 459**	**218 640**
Net loss for the year		**(124 544)**	**(214 315)**

NOTES TO THE FINANCIAL STATEMENTS

in TCHF

1. Participation

	Location	Capital held in %	Nominal Value in TUSD	Book value in TCHF 31.12.09	Book value in TCHF 31.12.08
APEN Holdings LLC	USA	90	–	223 426	–
APEN Bermuda Ltd.	Bermuda	100	702 663	–	369 429
APEN Faith Media Holdings LLC.	USA	100	–	9 582	9 582
Total			**–**	**233 008**	**379 011**

APEN Ltd., Zug ("the Company") is a Swiss stock corporation established under the relevant provisions of the Swiss Code of Obligations and domiciled in Zug. At the 2009 annual general meeting, shareholders approved the name change from AIG Private Equity Ltd. to APEN Ltd. The Company was established by AIG Private Bank Ltd. on September 17, 1999 for an indefinite period of time and was registered in the commercial register of the Canton of Zug on September 20, 1999. The Company, together with APEN Holdings LLC, APEN Bermuda Ltd., APEN Holdings (Bermuda) Ltd. and APEN Faith Media Holdings LLC ("the Subsidiaries"), comprises the APEN Group ("the Group"). The Company's shares are listed on the SWX Swiss Exchange since October 12, 1999.

APEN Holdings LLC has four members: APEN Ltd., APEN Faith Media Holdings LLC, Fortress Credit Corp. and AIG Global Asset Management Holdings Corp.

The Company's objective is to achieve long-term capital growth for shareholders by managing an existing portfolio of private equity funds and direct investments. The majority of the portfolio investments are held by the Subsidiaries.

2. Authorized and Conditional Share Capital

As per December 31, 2009 the Company has CHF 206.25 million (2008: CHF 206.25 million) authorized share capital outstanding. This authorized share capital will expire at end of June 2, 2011.

As per December 31, 2009 the Company has CHF 206.25 million (2008: CHF 206.25 million) conditional share capital outstanding.

3. Balances and transactions with own shares

There were no transaction in own shares in 2009.

4. Reserve for Own Shares

At the end of 2009 the Reserve for Own Shares amounts to CHF 30 691 162.

5. Shareholders' Equity

The following major shareholders held shares and voting rights of 3% and more as of December 31, 2008:

	Number of Shares 2009	Participation in % 2009	Number of Shares 2008	Participation in % 2008
American International Underwriters Overseas Ltd.	*	*	413 500	10.02%
AIG Life (Ireland) Ltd.	*	*	1 018 881	24.70%
Ernst Göhner Stiftung	267 000	6.47%	267 000	6.47%
AIG, Inc.	*	*	373 581	9.06%
APEN Ltd.	195 815	4.75%	195 815	4.75%
SUVA, Schweiz. Unfallversicherungsanstalt	127 500	3.10%	127 500	3.09%
Mobiliar	152 500	3.7%	142 500	3.45%
AXA Winterthur	167 000	4.05%	167 000	4.05%

In February 2009 AIG Group, Inc. reported holding 1 950 353 shares or 47.3% participation. AIG Group, Inc. includes: AIG Holdings LLC, American Life Insurance Company, AIG Capital Corporation and AIG Investments (Switzerland) LLC.

6. Compensation, shareholdings and loans

The compensation of the Board of Directors lies in the responsibility of the general meeting. The Board of Directors approves compensation for the management board upon proposal of the Chairman.

All figures in CHF	Base Compensation	Variable Compensation*[1]	Other Compensation**[1]	Total 2009[1]	Share-holdings[2]	SARs[3]
Board of Directors						
Eduardo Leeman	60 000	2 000	7 791	69 791	200	–
Dr. Ernst Mäder	30 000	1 500	3 410	34 910	–	–
Dr. Roger Schmid	30 000	2 000	3 464	35 464	750	–
Robert Thompson	–	–	–	–	–	–
Dr. Christian Wenger	30 000	2 000	3 464	35 464	–	–
Total Board of Directors	**150 000**	**7 500**	**18 129**	**175 629**	**950**	**–**
Management Board						
Andrew Fletcher	250 120	550 000	61 150	861 270	6 668	–
Conradin Schneider	–	130 000	6 914	136 914	3 000	–
Total Management Board	**250 120**	**680 000**	**68 064**	**998 184**	**9 668**	**–**

* Attendance fee
** Social security payments

[1] in CHF
[2] number held at year end
[3] number granted during year

2008 All figures in CHF	Base Compensation	Variable Compensation*[1]	Other Compensation**[1]	Total 2008[1]	Share-holdings[2]	SARs[3]
Board of Directors						
Eduardo Leemann	60 000	2 000	8 193	70 193	200	–
Erich Hort (until May 2007)	12 500	500	1 469	14 469	–	–
Dr. Ernst Mäder	30 000	1 500	3 560	35 060	–	–
Dr. Roger Schmid	30 000	2 000	–	32 000	750	–
Robert Thompson	–	–	–	–	–	–
Dr. Christian Wenger	30 000	2 000	–	32 000	–	–
Total Board of Directors	**162 500**	**8 000**	**13 222**	**183 722**	**950**	**–**
Management Board						
Andrew Fletcher	250 120	–	31 898	282 018	6 668	–
Conradin Schneider	–	–	–	–	3 000	8 500
Total Management Board	**250 120**	**–**	**31 898**	**282 018**	**9 668**	**8 500**

* Attendance fee
** Social security payments

[1] in CHF
[2] number held at year end
[3] number granted during year

Share-based compensation plans

The members of management of the Company have the option to exercise an aggregate of 35 950 stock appreciation rights of the Company over a period of 15 months following year-end 2009.

As of 31 December 2009, they held the following stock appreciation rights:

Number of options	Year of grant	Vesting date	Expiry Date	Subscription ratio	Strike Price
8 000	2007	1.3.2008	14.3.2010	1:1	CHF 160
8 000	2007	1.3.2009	14.3.2010	1:1	CHF 160
8 000	2007	1.3.2010	14.3.2010	1:1	CHF 160
3 984	2008	15.3.2009	28.3.2011	1:1	CHF 160
3 983	2008	15.3.2010	28.3.2011	1:1	CHF 160
3 983	2008	15.3.2011	28.3.2011	1:1	CHF 160

7. Investments

The Company holds one direct investment (Hertz) and three private equity partnerships (Carlyle Japan Partners II, L.P.; Unison Capital Partners II and Unison Standby Facility). The book values of these investments are as follows (in TCHF):

	2009	2008
Hertz	1 282	2 170
Carlyle Japan Partners II	1 235	2 153
Unison Capital Partners II	1 697	2 213
Unison Standby Facility	212	277

8. Risk Assessment

The risk management system of APEN Group comprises financial and operative risks. By definition a risk is a possible impact of a negative event that could harm the company's goals. Basically the risk management system is a part of the internal control system. On different level there are proactive preventative and minimizing procedures in place to treat risks as an integrate part of management's responsibility. Here by operative risks are handled by defined competencies where they occur.

9. Subsequent Events

In 2010, the Company transferred two fund interests (Unison Capital Partners II and Unison Stanby Facility) and the Hertz direct investment to APEN Bermuda Ltd. Additionally, the Company sold its partnership interest in Carlyle Japan Partners II. With these transactions, the Company holds no more investments.

Since the balance sheet date of December 31, 2009, there have been no material events that could impair the integrity of the information presented in the financial statements.

REPORT OF THE STATUTORY AUDITORS

As statutory auditor, we have audited the accompanying financial statements of APEN AG, which comprise the balance sheet, income statement and notes (pages 68 to 72), for the year ended December 31, 2009.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2009 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We would like to bring to your attention the fact that in accordance with art. 725 para 1 CO half of the company's share capital and legal reserves are no longer covered. The Board of Directors should address this situation at the Annual General Meeting in accordance with the requirements of the Swiss Code of Obligations.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Romer	Anuschka Buob
Audit expert	
Auditor in charge	

Zürich, April 30, 2010

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