

PANTHEON INTERNATIONAL PARTICIPATIONS PLC - Annual Financial Report

PR Newswire

London, October 4

PANTHEON INTERNATIONAL PARTICIPATIONS PLC (the "Company" or "PIP")

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

The full Annual Report and Accounts can be accessed via the Company's website at www.pipplc.com or by contacting the Company Secretary by telephone on 01392 412122.

PIP will be holding a webcast today at 2.30 pm BST to discuss the release of the 2011 Annual Report and Accounts.

The presentation can be viewed on www.meetingzone.com/presenter/?partCEC=1556367 with Access Pin 1556367#. Please use the details below and

ensure that you give your name, company name and the password PIP when dialling in for the webcast.

0808 109 0700 UK Toll Free +44 (0) 20 3003 2666 Standard International Access FINANCIAL SUMMARY HIGHLIGHTS 30TH JUNE 2011

Discount to adjusted NAV per share 35.3% 49.3%

share Redeemable shares Share price

* Excludes £18.8m acquisition cost of a new secondary transaction completed in the year.

The adjusted NAV excludes a derivative asset relating to the Company's standby subscription agreements with certain institutions under which those institutions can be called by the Company.

CHAIRMAN'S STATEMENT

I am pleased to report that the adjusted net asset value ("NAV") per share increased by 15.2% to 1,104.1p in the year to 30th June 2011. This performance was driven by substantial valuation gains.

Strengthened balance sheet

The Company experienced a substantial increase in cash flow during the year, with the portfolio generating £81m of net cash inflows before any new investment commitments, an increase of £15m on the previous year.

Focus on opportunities in the secondary markets

As a consequence of the strengthened balance sheet, the Company resumed its secondary investment programme in June 2011, with a £24m commitment to a high quality, global portfolio of 25 funds.

Discount does not reflect fundamental value

PIP's share price increased by 46.9% in the year to 30th June 2011, driven by the strong NAV performance mentioned above, alongside a reduction of the discount from 49% to 35%. Whilst this is a significant improvement, the discount remains at a level which does not reflect the fundamental value of the Company.

Performance

NAV per share performance driven by strong uplift in valuations

The Company has continued to see a significant recovery in valuations. The adjusted net asset value of the Company increased by £96m to £733m during the year. This was mainly due to the strong performance of the portfolio.

Strong portfolio returns across all stages

Investment gains of £121m (excluding the effect of foreign exchange) represent a return of +16% on the Company's opening portfolio value. In a year when stock market performance was positive, this is a strong result.

Impressive growth at the underlying company level

A review of our largest 50 buyout funds and direct investments (representing approximately 50% of the Company's buyout and direct investments by value) revealed weighted average revenue a 10% increase over the year.

Investment Activity

The Company generated £81m of net cash inflows from the portfolio during the year, up from £5m in the previous year.

Significant increases in distribution activity

Distributions received in the year were £165m, representing 22% of opening portfolio value - double the distribution rate¹ of 11% in the previous year. This increase in realisation activity, which was supported by strong performance of the portfolio, is a positive sign.

¹Distribution rate defined as distributions received in the year as a percentage of opening portfolio value.

Acceleration in call rates and resumption of secondary investments

The Company invested £84m through calls from underlying private equity funds. These calls represent approximately 25% of opening undrawn commitments, up from 16% in the previous year. This is a significant increase in call activity.

Portfolio

Relatively low underlying leverage and diversification should reduce volatility

PIP's portfolio has a 40% exposure to venture and growth, special situations and generalist funds, all of which tend to utilise low levels or no leverage. 60% of the portfolio is invested in buyout funds, which are typically more leveraged.

Financing and Capital Structure

A new loan facility and simplified capital structure

In June 2011 PIP signed a new multi-currency, revolving credit facility agreement for \$82m and €57m. This new facility will expire in June 2015, and replaced the old facility of \$117m and €86m.

Together these actions have secured financing over the medium term, simplified the capital structure and ultimately strengthened the Company's financial position.

Undrawn commitments are well covered

Undrawn commitments at 30th June 2011 were £243m, down from £331m at the start of the year. This movement was mainly due to calls of £84m offset by the acquisition of £5m undrawn commitments via a secondary transaction. The remaining movements were due to fluctuations in exchange rates and cancellations of outstanding commitments by general partners.

At 30th June 2011, the Company's available financing was £130.1m, comprising settled cash balances of £27.6m and an unutilised bank loan facility of £102.5m. This available financing (which

Outlook

Since the year end, the Company has continued to see strong levels of distributions, with the cash position of the Company increasing from £27.6m at 30th June 2011 to £43.7m at 30th September

With a difficult outlook in mind the Company will continue to take a cautious approach to investing in new opportunities.

Board Change

I would like to take this opportunity to thank Sandy Thomson for his valuable contribution to the Company as a Director and member of our Audit Committee. Sandy, who has been a Director for 1

Taking into account Sandy's retirement as a Director, we have appointed an independent recruitment agency to assist in the identification of suitable candidates to join the Board.

Tom Bartlam Chairman 4th October 2011 THE MANAGER'S REVIEW MARKET REVIEW Summary

Investment activity increased globally, driven by improvements in earnings visibility and an increase in the availability of debt. A rise in realisation activity resulted from an increase in the number of

Secondary buyouts can present a number of opportunities to private equity managers because a different type of private equity owner can stimulate the creation of new opportunities to help companies achieve greater scale. Furthermore, timing and cash flow management are frequently more straightforward in companies where the banks and management are already familiar with the buyout's case.

¹ Source: Q2 2011 Prequin Quarterly.

US Venture Capital²

Over the year the US venture capital market has continued to recover. As growth has remained subdued, venture capital managers and growth equity managers are continuing to target sectors v

² As the majority of PIP's venture and growth portfolio is based in the USA, the section focuses entirely upon this region.

³ Source: National Venture Capital Association.

Asia

The Asian private equity market, which has been less impacted by the financial crisis, has seen continued strong and consistent levels of investment, driven by robust business confidence and

During the first half of 2011, Asian private equity posted some of its best half-year realisations, with China and India dominating, although Australia also experienced some large exits during this period. These trends were evident in the Company's portfolio where Asian call and distribution activity represented a relatively high proportion of the totals.

While overall listing activity is expected to moderate and in some cases decline, key IPO markets like China and Australia may yet remain more resilient for the remainder of 2011 and 2012. As v

Secondary Interests in Funds

After the low activity levels in the market for secondary fund interests in 2009, which were associated with very weak pricing at the height of the financial crisis, deal volume recovered strongly

Meanwhile, the average discount for secondary transactions has narrowed to around 15% in the first half of 2011. ⁴ This has further reduced the gap between buyer and seller pricing expectations, thereby stimulating the market. With the impetus for higher deal volumes likely to continue, there could be plenty of attractive secondary opportunities in the market over the coming year. Pantheon will continue to focus on assets that can maintain their resilience in the face of a weakening economic outlook.

Pantheon is one of the largest secondary fund-of-fund managers in the world, with a dedicated team of 23 investment professionals focusing on secondary transactions. This enables the Com

⁴ Source: Cogent Partners

INVESTMENTS CALLED IN THE YEAR TO 30TH JUNE 2011

New investments financed during the year ranged across many sectors and regions, from telecommunications firms to leading restaurant chains, energy companies to highly specialised manu

Calls

PIP paid £84m of calls in the year to 30th June 2011, equivalent to approximately 25% of opening undrawn commitments. This was substantially higher than the rate last year which was 16%.

USA	38%	Europe	44%	Asia and other	18%	Total	100%
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DISTRIBUTIONS IN THE YEAR TO 30TH JUNE 2011

PIP received distributions from more than 400¹ funds, with many at significant uplifts to carrying value. The Company's mature and diversified portfolios should continue to generate significant distributions in the coming quarters.

¹ This figure looks through feeders and fund-of-funds.

Distributions

PIP received £165m in proceeds from the portfolio in the 12 months to 30th June 2011, equivalent to approximately 22% of opening private equity assets.

USA	63%	Europe	24%	Asia and other	13%	Total	100%
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Cost Multiples on a Sample of the Largest Distributions in the Year to 30th June 2011¹

On a sample of the largest 50 distributions, the weighted average cost multiple was 7.2 times. 100% of the distributions in the sample generated multiples in excess of 1.0 times cost for the un

Uplifts to Previous Valuations on a Sample of the Largest Distributions in the Year to 30th June 2011²

On a sample of the largest 50 distributions, the weighted average uplift was 79%. 98% of the sample distributed an amount greater than the previous valuation, over 70% of the sample generated

Approximately 54% of the largest 50 distributions were derived from tradesales, 26% from IPOs, 17% from sales to other private equity firms and 3% from capital reorganisations.

¹The available data in the sample represented approximately 35% of PIP's total distributions for the year to 30th June 2011. This data is based upon cost multiples (gross or net) available at the time of the distribution.

²The available data in the sample represented approximately 28% of PIP's total distributions for the year to 30th June 2011. This data set excluded distributions from the sale of listed holdings.

FINANCE

Cash and Available Bank Facility

At 30th June 2011 the Company had settled cash balances equivalent to £27.6m.

In June 2011 the Company entered into a new multi-currency revolving credit facility agreement ("New Loan Facility"), replacing its previous multi-currency revolving credit facility agreement that

Standby Financing and Loan Notes

Between 2005 and 2008 PIP entered into a number of standby agreements (the "Standby Commitments") with certain institutions under which the Company could require the institutions to subscribe

Post Year End: Exchange of Loan Notes for Shares

On 24th August 2011, PIP drew down £100.5m under the Standby Commitments resulting in the issue of 9,102,279 new redeemable shares (based on the prevailing adjusted NAV per share at 30th June 2011 of 1,104.12p). Simultaneously, the Company repaid £100.5m of Loan Notes, effectively exchanging the full balance of the Loan Notes for new redeemable shares. At the end of September 2011 the Board terminated the remaining £49.5m of Standby Commitments.

These actions have enabled the Company to simplify its capital structure by removing loan notes from the balance sheet.

Post Year End: Share Buyback

At the end of August 2011, PIP bought in the market 940,000 redeemable shares which are currently being held in treasury. At an average purchase price of 683p (38% discount to the 30th June

Commitment Cover

At 30th June 2011, PIP's available financing, excluding the remaining Standby Commitments terminated in September 2011, stood at £130.1m, comprising £27.6m in settled cash balances and

PORTFOLIO OVERVIEW

The diversification of PIP's portfolio, with assets spread across different investment styles and stages including buyout, venture and growth, and special situations, helps to reduce volatility of

Portfolio Analysis by Value as at 30th June 2011

Geography

The majority of PIP's geographical exposure is focused on the USA and Europe, reflecting the fact that these regions have the most developed private equity markets. PIP's assets based in Asia

PIP's portfolio is well diversified by fund vintage (referring to the year the fund made its first drawdown). Only 16% of the portfolio relates to large/mega buyouts from fund vintages 2005 to 2007

Because PIP acquires many of its investments in the secondary market, it achieves further "backward diversification" and is able to acquire assets with good visibility of underlying company quality and prospects.

Fund Vintage	Percentage
2000 and earlier	19%
2001	6%
2002	2%
2003	3%
2004	6%
2005	14%

Venture and growth, small/mid-size buyouts and large/mega buyouts account for 88% of the portfolio value, and have differing leverage characteristics:

- > The venture and growth portfolio accounts for 30% of portfolio value and has very little or no reliance on debt.
- > The small/mid-size buyout portfolio sampled contains a moderate level of debt, with net debt / EBITDA of 3.2 times.
- > The large/mega buyout portfolio sampled contains higher levels of debt with net debt / EBITDA of 4.2 times, although relatively low compared to the debt multiples of deals executed at the peak

Revenue and EBITDA Growth¹

> Weighted average revenue and EBITDA growth for the sampled buyout companies was +11.2% and +21.6% respectively in the year to 31st December 2010. This compares favourably with the

> These revenue and EBITDA growth figures suggest strong performance at the underlying company level. In particular, they suggest that, on the whole, our managers have been successful in managing costs, driving efficiencies and positioning their companies for top line growth throughout 2010.

Valuation Multiple¹

> Accounting standards require private equity managers to value their portfolio at fair value. This leads to volatility in valuations reflecting movements in the broader markets. However, valuation

The sample buyout figures were calculated from over 75% of the value of the companies within the largest 50 buyout funds and direct investments as at 31st December 2010. This accounts for

Impact of Distributions Upon Returns

> Distributing funds, defined as funds that paid a distribution during the quarter, have outperformed non-distributing funds in every quarter of the financial year. This data suggests that distributions, on the whole, have been accretive to performance.

> The outperformance of distributing funds is more marked for venture and growth funds, where valuations are often based upon cost or the latest round of financing, relative to buyout funds which

> Venture and growth funds typically invest in disruptive technologies for which trade buyers can often be willing to pay a substantial premium. These results are consistent with our sample of the largest 50 distributions. In this sample, the weighted average uplift for venture and growth realisations was 151% versus 79% for the sample overall.

Venture and Growth Distribution Rates

> Over 40% of PIP's venture and growth assets are in funds dated 2001 andearlier. These companies are now mature and many are cash-generative, havingsurvived the bursting of the technolc

UNDERLYING PORTFOLIO COMPANIES

PIP has built a portfolio of interests in over 600 funds and over 3,500underlying companies. The analysis below looks at diversification at theunderlying company level.

Company Sector

PIP's portfolio is well diversified by the sectors in which the underlyingcompanies operate. This sectoral diversification helps to minimise the effectsof cyclical trends within particular industry

The geographical exposure of PIP's underlying company investments isdiversified across North America , Europe and Asia . Notably, PIP's Europeanexposure is focused upon Northern European economies.

North America 50% UK 14% Asia and other 11% Germany 6% Scandinavia

This data is based upon underlying company valuations at 31st December 2010 ,and accounts for approximately 90% of PIP's overall portfolio value.

OUTSTANDING COMMITMENTS

PIP's outstanding commitments to fund investments, 74% of which relate toprimary funds and 26% of which relate to secondary funds, are well diversifiedby stage and geography and will enable the Company to participate in futureinvestments with many of the highest quality fund managers in the privateequity industry.

Portfolio Analysis by Outstanding Commitments as at 30th June 2011

PIP's outstanding commitments to investments decreased to £243m at 30th June2011 compared with £331m at 30th June 2010. The Company paid calls of £84m andacquired £5m of outstar

Geography

The USA and Europe have the largest outstanding commitments, reflecting thefact that they have the most developed private equity markets. Commitments to Asia and other regions provide access to faster-growing economies.

USA 45% Europe 43% Asia and other 12% Total 100% StagePIP's undrawn commitments are wel

TOP 20 MANAGERS BY VALUE AS AT 30TH JUNE 2011

% OF PIP'S TOTAL			PRIVATE	NUMBER MANAGER	REGION	STAGE BIAS	EQUITY ASSET VALUE		
3	CVC Capital Partners	EUROPE	BUYOUT	2.4%					
4	Nova Capital	EUROPE	BUYOUT	2.0%	Management			5	Vision Capital
6	Brentwood Associates	USA	BUYOUT	1.7%					EUROPE
9	Hutton Collins	EUROPE	SPECIAL SITUATIONS	1.6%					Partners
16	Avista Capital	USA	BUYOUT	1.3%	Partners				
								17	Bain Capital
									USA
									BUYOUT

TOP 20 MANAGERS BY OUTSTANDING COMMITMENTS AS AT 30TH JUNE 2011

% OF OUTSTANDING	NUMBER MANAGER	REGION	STAGE BIAS	COMMITMENTS	1	CVC Capital	EUROPE	BUYOUT
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TOP 20 COMPANIES BY VALUE AS AT 30TH JUNE 2011

% OF PIP'S TOTAL PRIVATE	NUMBER	COMPANY	SECTOR	EQUITY ASSET VALUE	1	Carbolite	INDUSTRIALS	1.1%
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* Quoted holding as at 30th June 2011 .

THE MANAGER (PANTHEON)

Pantheon, one of the world's foremost private equity specialists, has acted asManager to PIP since its inception in 1987, evaluating and managing investmentson PIP's behalf in line with the s

Strong Private Equity Track Record

Pantheon is one of the leading private equity fund-of-funds managers in theworld, with global assets under management of \$24.3 billion¹, and over 350institutional investors.

Pantheon has a strong and consistent private equity investment track record.For nearly 30 years Pantheon has made investments in over 1,000 private equityfunds, gaining exceptional insight :

Risk Management

Pantheon has substantial experience of investing in private equity throughvarious economic cycles and in different regional markets. The firm's assetallocation, diversification strategies and di

Reputation as a Preferred Investor

Pantheon has been investing in private equity for nearly 30 years and has anenviable reputation in the industry. Pantheon is often considered a preferredinvestor due to its reputation, active app

Team-Based Culture

Pantheon draws upon a deep pool of resources that contributes to a uniqueteam-based culture. With teams operating in London, San Francisco, Hong Kongand New York, Pantheon adopts a c

Pantheon is one of the largest and longest established secondary investors inthe world, with more than 20 years' experience of successful secondaryinvesting and a team of 23 investment pr

Pantheon has committed more than \$6 billion in the secondary market globallyacross more than 280 transactions, including more than 90 portfoliotransactions and more than 190 single fund secondaries.

Pantheon always aims to leverage the knowledge and due diligence information ofits primary fund teams and global offices. Long-standing partnerships withgeneral partners on a global basis help to enhance the firm's deal flow.

While the increase in scale of the secondary market has been paralleled bygrowth in the number of would-be acquirers of secondary assets, Pantheonbelieves that there is a relative shortage of experienced teams with theability to transact the full range of global secondary purchase types. As

As a result, the differentiation between experienced and well-resourced global specialists and the rest is becoming increasingly apparent as the market evolves.

¹ As at 31st March 2011

² All staff figures as at 1st September 2011

COMPANY STRATEGY

The Company's primary investment objective is to maximise capital growth by investing in a diversified portfolio of private equity funds and, occasionally, directly in private companies.

Company Strategy

The spread of performance in private equity is much wider than in other asset classes and the selection of managers has a significant influence on investment performance. As a specialist fund,

The current portfolio reflects PIP's prolonged access to Pantheon's highly successful primary and secondary investments over the past 23 years. Only funds that have passed rigorous due diligence and research are selected for investment.

Secondary Programme Emphasis

It is the Board's current intention to emphasise secondary investment as the Company's new commitments.

Secondary purchases of existing interests in private equity funds are typically acquired between three and six years after a fund's inception, when such funds are substantially invested. As a result,

As the Company continues to build its financial resources through net portfolio realisations, the shorter duration of secondary investments and lower associated undrawn commitments will help to further increase the Company's financial strength.

In accordance with the terms of its management agreement with Pantheon, PIP is entitled under Pantheon's allocation policy to the opportunity to co-invest in a predetermined ratio alongside Pantheon.

Share Buybacks

In certain circumstances, usually where the Company's shares are quoted at a significant discount to NAV, the Board may view the shares as presenting an attractive investment opportunity relative to the underlying assets.

CURRENT OUTLOOK FOR SECONDARY INVESTMENTS

What is a Secondary?

A secondary transaction generally consists of purchasing an interest in a private equity fund, or portfolio of multiple funds (consisting of invested capital and remaining capital commitments) from the fund manager.

Why Invest in Secondaries?

A secondary investment exhibits several features that differentiate it from other private equity assets, including the potential for timely deployment and earlier return of capital, portfolio transparency and reduced investor risk.

Timely Deployment of Capital

Investing in secondaries can be a particularly helpful strategy for investors seeking to boost the proportion of their allocation to private equity actually at work "in the ground". Whereas a primary investment typically takes 12-18 months to deploy, a secondary investment can typically be deployed within 3-6 months.

Earlier Return on Investment

Investing later in a fund's life reduces the impact of the "J-curve" normally associated with private equity fund investments. The visibility of assets makes it easier to identify outperforming funds and exit opportunities.

Reduced Investor Risk

Unlike investing in a fund at inception, when it represents a blind pool of capital, secondary investing allows detailed analysis of a fund's assets. Using a rigorous due diligence process, Pantheon works with the fund manager to establish value. Discounts to assessed fair market value may be available.

Time and Vintage Diversification

Secondary investment is a tool which enables investors in private equity to add an element of retrospective vintage diversification to their portfolios by buying into a range of mature funds, typically 3-10 years old.

Current Outlook

The Manager believes that an oversupply of capital to the private equity market from 2006 to 2008 and regulatory changes will continue to provide a stimulus for an attractive market opportunity.

OBJECTIVE AND INVESTMENT POLICY

The Company's primary investment objective is to maximise capital growth by investing in a diversified portfolio of private equity funds and, occasionally, directly in private companies.

The Company's policy is to make unquoted investments, in general, by subscribing for investments in new private equity funds and buying secondary interests in existing private equity funds and, occasionally, directly in private companies.

In addition, the Company adopts the following limitations for the purpose of diversifying investment risk:

- the requirement for approval as an investment trust that no holding in a company will represent more than 15% by value of the Company's investments at the time of investment;
- the aggregate value of investments in any one company will not exceed 10% of the Company's net assets;
- the Company will invest no more than 15% of its total assets in other UK-listed closed-ended investment funds (including UK-listed investment trusts).

The Company may invest in funds and other vehicles established and managed or advised by Pantheon or any Pantheon affiliate. In determining the diversification of its portfolio and applying the policy, the Company will take into account the following factors:

The Company may enter into derivatives transactions for the purposes of efficient portfolio management and hedging (for example, hedging interest rate, currency or market exposures).

Surplus cash of the Company may be invested in fixed interest securities, bank deposits or other similar securities.

The Company may borrow to make investments and typically uses its borrowing facilities to manage its cash flows flexibly, enabling the Company to make investments as and when suitable opportunities arise.

The Directors in office during the year and at the date of this report are:

Tom Bartlam (Chairman)

Ian Barby (Audit Committee Chairman)

EXTRACTS FROM THE DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the year ended 30th June 2011.

BUSINESS REVIEW

The Business Review which follows is designed to provide shareholders with information about the Company's business and results in the year to 30th June 2011. It should be read in conjunction with the Chairman's Statement and Manager's Review.

Business and Strategy

Pantheon International Participations PLC (the "Company" or "PIP"), a closed-ended investment trust, is the longest established private equity fund-of-funds quoted on the London Stock Exchange.

The Company was incorporated and registered in England and Wales on 16 July 1987. It is registered as a public limited company and is an investment company as defined by Section 833 of the Companies Act 2006. It is a member of The Association of Investment Companies ("AIC").

The Company has received written approval from HM Revenue & Customs ("HMRC") as an authorised investment trust under Section 1158/59 of the Corporation Tax Act 2010 for the year ended 30th June 2011.

Principal Risks and Uncertainties Facing the Company

The Company invests principally in private equity funds. However, the Company's strategy is to adopt a global fund-of-funds investment programme, maximising returns through selection of the

Funding of investment commitments

In the normal course of its business, the Company typically has outstanding commitments to private equity funds which are substantial relative to the Company's assets. The Company's ability to

Risks relating to investment opportunities

There is no guarantee that the Company will find sufficient suitable investment opportunities, or that the private equity funds in which it invests will find suitable investment opportunities, to achieve

Financial risk of private equity

The Company invests in private equity funds and unquoted companies which are less readily marketable than quoted securities and may take a long time to realise. In addition, such investment

Long-term nature of private equity investments

Private equity investments are long-term in nature and may take some years before reaching a level of maturity at which they can be realised. Accordingly, it is possible that the Company may not

Due to the Company's investment policy, a large proportion of the Company's portfolio comprises indirect participations in unquoted investments and direct holdings in unquoted investments. Such

Valuation uncertainty

In valuing its investments in private equity funds and unquoted companies and in publishing its net asset value, the Company relies to a significant extent on the accuracy of financial and other information

Gearing

The Company has four-year committed revolving dollar and euro credit facilities with The Royal Bank of Scotland plc and Lloyds TSB Bank plc. As at 30th June 2011 these facilities were undrawn

Foreign currency risk

The Company makes investments in US dollars, euros and other currencies as well as sterling. Accordingly, the Company is exposed to currency exchange rate fluctuations.

Competition

The Company competes for investments with other investors. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which such investments can be made.

Unregulated nature of underlying investments

The private equity funds and underlying unquoted investments that form the basis of the majority of the Company's portfolio are not subject to regulation by the Financial Services Authority or any other regulatory body in the United Kingdom. Defaults on commitments

If, in consequence of any failure to meet a demand for payment of any outstanding unpaid capital commitment of the Company to any private equity fund in which the Company has invested, the Company is treated as a defaulting investor by that fund, the Company may suffer a resultant dilution in its interest in that fund and, possibly, the compulsory sale of that interest.

Taxation

Any change in the Company's tax status or in taxation legislation or practice could affect the value of the investments held by and the performance of the Company. In addition, the income and gains

The Manager and other third party advisers

Like most investment trust companies, the Company has no employees and the Directors are all non-executive. The Company is dependent upon the services of Pantheon Ventures (UK) LLP ("Pantheon") as Manager and may be adversely affected if the services of Pantheon cease to be available to the Company.

Other third party service providers on whom the Company relies include Capita Sinclair Henderson Limited, which provides administrative, accounting and company secretarial services, and HSBC Bank plc, which acts as Custodian in respect of the Company's quoted equities and bonds.

Further information on risks

Further information on the principal risks the Company faces in its portfolio management activities and the policies for managing these risks and the policy and practice with regard to financial information is set out in the financial statements. Review of 2010/2011 Net asset value The Company's adjusted total net assets attributable to shareholders increased during the year to £733.1m (2010: £636.5m). The

Results and dividends

The results for the year are as set out in the Income Statement below. This shows that the Company's net revenue deficit on ordinary activities before taxation for the year was £3.4m (2010: deficit of £9.1m) and adjusted capital returns were £101.9m (2010: return of £133.1m) (excluding the loss on the derivative at fair value through profit or loss).

The Directors do not recommend the payment of a dividend in respect of the year ended 30th June 2011 (2010: nil).

Key performance indicators

The Board and the Manager monitor the following Key Performance Indicators:

1. The net asset value performance

PIPs adjusted net asset value per share increased by 15.2% to 1,104.12p in the year to 30th June 2011. The net asset value returns over 1 year, 3 years, 5 years and 10 years and since inception

2. The level of discount

PIPs ordinary share price during the year increased by 46.9% to 714p (2010: 486p) and the discount narrowed to 35.3% at the year end (2010: discount of 49.3%) based on the adjusted net asset value.

3. The total expense ratio

The total expense ratio (calculated using average monthly net assets) of the Company for the year ended 30th June 2011 was 1.45% (2010: 1.63%).

Future Developments

A review of the year to 30th June 2011 and the outlook for the coming year can be found in the Chairman's Statement and the Manager's Review.

Share Capital

As at 30th June 2011, the Company had 37,521,013 ordinary shares of £0.67 each and 28,871,255 redeemable shares of £0.01 each in issue.

Subsequent to the year end, on 24th August 2011 the Company drew down £100,500,082.88 under commitments to subscribe for new redeemable shares of £0.01 each in the capital of the Co

No shares were purchased by the Company and no shares were held in treasury during the year. Since the year end, 940,000 redeemable shares (with an aggregate nominal value of £9,400 and representing 3.3% of the redeemable share capital in issue on 30th June 2011) have been purchased in the market for a total consideration of £6.5m. These shares have been placed into treasury.

As at the date of this report, the Company had shares in issue as shown in the table below, all of which are admitted to trading on the London Stock Exchange: SHARE CAPITAL

4TH OCTOBER 2011	IN ISSUE	EACH SHARE	TREASURY	BY EACH CLASS	ORDINARY SHARES OF 37,521,013	1	-	100
£0.67 EACH								
REDEEMABLE SHARES	37,973,534	-	940,000	-				
OF £0.01 EACH					TOTAL VOTING	37,521,013		RIGHTS

Further details of the rights attaching to each of the Company's classes of share are included in Note 14 to the financial statements.

Amendment of the Company's Articles of Association and the giving of authorities to issue or buy back the Company's shares require an appropriate resolution to be passed by shareholders. Pro

Social, Environmental, Community and Employee Issues

The Company has no employees and the Board consists entirely of non-executive Directors. As an investment trust, the Company has no direct impact on the community or the environment. The

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, including its financial position, are set out in the Chairman's Statement and Manager's Review.

At each Board meeting, the Directors review the Company's latest management accounts and other financial information. Its commitments to private equity investments are reviewed, together with

The full Annual Report contains the following statements regarding responsibility for the Annual Report and financial statements (references in the following statements are to pages in the Annual Report).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with United Kingdom

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors, to the best of their knowledge, state that:

- the financial statements, prepared in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- this Annual Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Tom Bartlam Chairman 4th October 2011

NON-STATUTORY ACCOUNTS

The financial information set out below does not constitute the Company's statutory accounts for the years ended 30th June 2011 and 2010 but is derived from those accounts. Statutory accounts

Currency gains on 19 - 911 911 - 2,758 2,758 cash and borrowings

Investment income 2 9,986 - 9,986 4,128 - 4,128 Investment 3 (8,836) - (8,836) (8,715) - (8,715) management fee

** Includes currency movements on investments.

The amounts for 2010 have been restated to reflect the inclusion of a derivative asset relating to the Company's standby commitments (see Notes 13 and 20).

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

There were no recognised gains or losses other than those passing through the Income Statement.

The Notes form part of these financial statements.

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

CAPITAL	CAPITAL	OTHER RESERVE ON	SHARE	SHARE REDEMPTION	CAPITAL INVESTMENTS	SPECIAL REVENUE	CAPITAL	PREV
RESERVE	RESERVE	TOTAL						
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
								Movement for the year ended 30th .

The Notes form part of these financial statements.

The amounts for 2010 have been restated to reflect the inclusion of a derivative asset relating to the Company's standby commitments (see Notes 13 and 20). BALANCE SHEET as at 30th JUNE 2

Investments designated at 9a/b 815,868 763,304 fair value through profit or

loss Current assets Debtors 11 2,440 917

Derivatives contained in 13 53,543 63,947 standby agreements at fair

value through profit and loss Cash at bank 18 27,645 6,431

Capital redemption reserve 15 26 26

Other capital reserve 15 288,790 249,366 Capital reserve on 15 244,850 192,828 investments held

NET ASSET VALUE PER SHARE - 16 1,184.77p 1,055.03p ORDINARY AND REDEEMABLE

ADJUSTED NET ASSET VALUE PER 16 1,104.12p 958.71p SHARE - ORDINARY AND

REDEEMABLE

DILUTED NET ASSET VALUE PER 16 1,104.12p 958.71p SHARE - ORDINARY AND

REDEEMABLE

The Notes form part of these financial statements.

The amounts for 2010 have been restated to reflect the inclusion of a derivative asset relating to the Company's standby commitments (see Notes 13 and 20).

The financial statements were approved by the Board on 4th October 2011 and were signed on its behalf by

TOM Bartlam Chairman Company No: 2147984 CASH FLOW STATEMENT YEAR ENDED 30TH JUNE 2010 2011 2010 NOTE £'000 £'000

Loan commitment and arrangement fees (1,752) (341) paid

Redeemable share commitment fees paid (312) (640) Interest on loan notes paid (1,831) (1,105) N

The Notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

(A) Basis of Preparation

The financial statements have been prepared on the historical cost basis of accounting, except for the measurement at fair value of investments and financial instruments, and in accordance with

(B) Statement of Recommended Practice

The financial statements have been prepared in accordance with the Statement of Recommended Practice (as amended in January 2009) for the financial statements of investment trust companies

(C) Segmental Reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business.

(D) Valuation of Investments

All investments held by the Company are classified as "fair value through profit or loss". As the Company's business is investing in financial assets with a view to profiting from their total return in

(i) Unquoted fixed asset investments are stated at the estimated fair value.

(ii) Quoted investments are valued at the bid price on the relevant stock exchange.

(iii) The Company may acquire secondary interests at either a premium or at a discount to the fund manager's valuation. Within the Company's portfolio, those fund holdings purchased at a premium

As at 30th June 2011 there was no aggregate difference to be recognised in the profit or loss at the start or end of the period.

(E) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.

Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective interest rate on the security. Other interest receivable is included on an accruals basis.

(F) Taxation

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the marginal method.

(G) Expenses

All expenses are accounted for on an accruals basis. Expenses, including investment management fees, are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital costs and separately identified and disclosed in Note 9;
- expenses of a capital nature are accounted for through the capital account; and
- investment performance fees.

(H) Foreign Currency

The currency of the Primary Economic Environment in which the Company operates("the functional currency") is pounds sterling ("sterling"), which is also the presentation currency. Transaction costs are recorded at fair value adjustments.(f) Other Capital Reserve

The following are accounted for in this reserve:

- investment performance fees;
- gains and losses on the realisation of investments;
- realised exchange differences of a capital nature; and
- expenses of a capital nature.

Capital distributions from investments are accounted for on a reducing cost basis; cash received is first applied to reducing the historical cost of an investment; any gain will be recognised as realised only when the cost has been reduced to nil.

(J) Capital Reserve on Investments Held

The following are accounted for in this reserve:

- increases and decreases in the value of investments held at the year end.

(K) Investment Performance Fee

The Manager is entitled to a performance fee from the Company in respect of each 12 calendar month period ending on 30th June in each year. The fee payable in respect of each such period is:

(L) Derivatives

The derivative is comprised of standby commitments allowing the Company to call upon certain institutions to subscribe for new redeemable shares (see Note 13). It is accounted for as a financial

3. Investment Management Fees

30TH JUNE	30TH JUNE	2011	2010	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL	£'000	£'000	£'00
-----------	-----------	------	------	---------	---------	-------	---------	---------	-------	-------	-------	------

The investment management fee is payable monthly in arrears at the rate set out in the Directors' Report in the full Annual Report and Accounts 2011. At 30th June 2011 £1,506,000 (2010: £1,54

The Directors do not consider that the provision of non-audit work to the Company affects the independence of the Auditors.

5. Directors' Remuneration

Directors' emoluments comprise wholly Directors' fees. A breakdown is provided in the Directors' Remuneration Report.

6. Interest Payable and Similar Charges

30TH JUNE	30TH JUNE	2011	2010	£'000	£'000	Bank loan and overdraft
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7. Tax on Ordinary Activities

30TH JUNE 2011	30TH JUNE 2010 AS	RESTATED	REVENUE CAPITAL TOTAL	REVENUE CAPITAL TOTAL	£'000
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The current tax for the year differs from the standard rate of corporation tax in the UK (26%). The differences are explained below:

* The corporation tax rate applied is based on the average tax rate for the financial year ended 30th June 2011.

Factors That May Affect Future Tax Charges

The Company is an investment trust and therefore is not subject to tax on capital gains. Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments following issue of new redeemable shares** Return per ordinary (8.00)p 137

* The adjusted return excludes the unrealised loss on the derivative (see Note 13) and is directly comparable to previously published return per share figures.

** The diluted return has been calculated on the basis of the total drawdown of Standby Commitments of £150m. Using the 30th June 2011 adjusted net asset value per share, the Company was

Capital distributions - realised gains 48,925 7,530 on sales

BOOK COST AT 30TH JUNE 572,112 571,599 Unrealised appreciation of investments

VALUATION OF INVESTMENTS AT 30TH JUNE 815,868 763,304

9b. Analysis of Investments

30TH JUNE 30TH JUNE 2011 2010 £'000 £'000

Amounts previously recognised as unrealised (306) 1,630 appreciation on those sales

Increase in unrealised appreciation 52,357 121,655 GAINS ON INVESTMENTS 100,976 130,815

* The listed investments denominated in euros are wholly comprised of treasury bills.

Further analysis of the investment portfolio is provided in the Manager's Review.

Transaction costs incidental to the acquisition of investments totalled £nil (2010: £nil) and to the disposals of investments totalled £23,000 (2010: £16,000) for the year.

9c. Acquisition of Investments

In June 2011 the Company announced that it had resumed its investment programme with the acquisition of a global secondary portfolio.

10. Fair Value Hierarchy

Financial Assets at Fair Value Through Profit or Loss at 30th June 2011

TOTAL LEVEL 1 LEVEL 2 LEVEL 3 £'000 £'000 £'000 £'000 Unlisted holdings 809,905 - - 809,905

* The opening balance has been restated following the recognition of a derivative asset (see Note 13).

11. Debtors 30TH JUNE 2011 30TH JUNE 2010 £'000 £'000 Amounts owed by investment funds 1,086 541

12. Creditors: Amounts Falling Due Within One Year

30TH JUNE 2011 30TH JUNE 2010 £'000 £'000 Investment management fees 1,506 1,543

Terms and Debt Repayment Schedule

Terms and conditions of outstanding loan notes were as follows:

2011 2010 NOTIONAL CARRYING CARRYING NOTIONAL AMOUNT AMOUNT INTEREST YEAR OF FACE VALUE

* LIBOR is the published British Bankers' Association rate of interest for one month sterling deposits in the London interbank market on the date the interest period commences or the next business day.

Unrealised loss on derivatives (10,404) (18,190)

END OF YEAR 53,543 63,947

Between the years 2005 and 2008 PIP entered into standby commitments under which certain institutions agreed to subscribe up to an aggregate amount of

£150m for new redeemable shares in the Company when called upon by the Company at a subscription price per share equal to the prevailing net asset value per share at the time of subscription.

The Company terminated the remaining standby commitments of £49.5m with effect from 30th September 2011.

14. Called-up Share Capital 30TH JUNE 2011 30TH JUNE 2010 £'000 £'000 Allotted, called-up and fully

Subsequently 940,000 redeemable shares were bought back in the market for a total consideration, including commission and stamp duty, of £6,467,000. These shares are being held in treasury.

Redeemable shares rank equally with ordinary shares regarding dividend rights and rights on winding up or return of capital (other than a redemption or purchase of shares). The holders of redeemable shares

16. Net Asset Value per Share

The net asset values per share and the net assets attributable at the year end calculated in accordance with the Articles of Association were as follows:

30TH JUNE 2010 30TH JUNE 2011 AS RESTATED Net assets attributable in £'000 786,593

Ordinary and redeemable shares 66,392,268 66,392,268

Net asset value per share - ordinary 1,184.77p 1,055.03p and redeemable

Adjusted net asset value per share - 1,104.12p 958.71p ordinary and redeemable Diluted net assets attributable in £883,

Ordinary and redeemable shares 79,977,748 82,038,573 following issue of new redeemable

shares** Diluted net asset value per share - 1,104.12p 958.71p ordinary and redeemable **

The Company terminated the remaining standby commitments of £49.5m with effect from 30th September 2011.

** The diluted net asset value per share has been calculated on the basis of the total drawdown of standby commitments of £150m. Using the 30th June 2011 adjusted net asset value per share

17. Reconciliation of Net Cash Flow to the Movement in Net Debt

30TH JUNE 2011	30TH JUNE 2010	£'000	£'000	Increase / (decrease)	20,875	(15,450)	in cash in year
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NET DEBT AT END OF (72,855) (120,793) YEAR

18. Analysis of Net Debt

AT 30TH JUNE	AT 30TH JUNE	2011	2010	£'000	£'000	Cash at bank	27,645	6,431
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19. Reconciliation of Return on Ordinary Activities Before Financing Costs and Tax to Net Cash Flow from Operating Activities

30TH JUNE 2011	30TH JUNE 2010	AS RESTATED	£'000	£'000	Return on ordinary	91,481	109,669	activities before
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21. Contingencies, Guarantees and Financial Commitments

At 30th June 2011 there were financial commitments outstanding of £242.8m (2010: £331m) in respect of investments in partly paid shares and interests in private equity funds.

22. Analysis of Financial Assets and Liabilities

The primary investment objective of the Company is to seek to maximise long-term capital growth for its shareholders by investing in funds specialising in unquoted investments, acquiring unquoted portfolios and participating directly in private placements. Investments are not restricted to a single market but are made when the opportunity arises and on an international basis.

The Company's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise from its operations, for example sales and purchases awaiting settlement and debtors for accrued income.

The principal risks the Company faces in its portfolio management activities are:

- liquidity/marketability risk;
- interest rate risk; • market price risk; and • foreign currency risk.

The Company has little exposure to credit risk. The Manager monitors the financial risks affecting the Company on a daily basis and the Directors receive financial information monthly, which is used to identify and monitor risk.

In accordance with FRS 29 an analysis of financial assets and liabilities, which identifies the risk to the Company of holding such items, is given below.

Liquidity Risk

Due to the nature of the Company's investment policy, the largest proportion of the portfolio is invested in unquoted securities, many of which are less readily marketable than, for example, "blue

The principal covenant that applies to the loan facility is that gross borrowings do not exceed 30% of adjusted gross asset value. All amounts payable under the unsecured subordinated loan notes will be excluded from the calculation of the Company's total gross borrowings for the purposes of determining whether the financial covenant has been met.

Total available financing as at 30th June 2011 excluding Standby Commitments terminated in September 2011, stood at £130.1m, comprising £27.6m in cash balances, £102.5m (sterling equivalent) in undrawn bank facilities. The available financing along with the private equity portfolio exceeded the outstanding commitments by 3.9 times (2010: 2.8 times).

Interest Rate Risk

The Company may use gearing to achieve its investment objectives and manage cash flows and uses a multi-currency revolving credit facility and unsecured subordinated loan notes for this purpose.

Interest on the revolving credit facility is payable at variable rates determined subject to drawdown. Variable rates are defined as LIBOR or EURIBOR + 2.75%, dependent on the currency drawn. 1

The Company's bank accounts do not earn interest. Should any balance go overdrawn then interest will become payable at variable rates.

Interest on the £150m standby subscription agreements is payable semi-annually in arrears at a fixed rate of 0.5% on the proportion not drawn through unsecured subordinated loan notes. As at

The Company terminated the remaining Standby Commitments of £49.5m with effect from 30th September 2011.

Non-interest rate exposure

The remainder of the Company's portfolio and current assets are not subject to interest rate risks.

Financial assets for 2011 and 2010 consisted of investments, cash and debtors (excluding prepayments). As at 30th June 2011, the interest rate risk and maturity profile of the Company's financial assets was as follows:

FIXED	INTEREST	NO	MATURES	MATURES	AVERAGE	MATURITY WITHIN	AFTER	INTEREST	TO
-------	----------	----	---------	---------	---------	-----------------	-------	----------	----

The interest rate risk and maturity profile of the Company's financial assets as at 30th June 2010 was as follows:

FIXED	INTEREST	NO	MATURES	MATURES	AVERAGE	MATURITY WITHIN	AFTER	INTEREST
-------	----------	----	---------	---------	---------	-----------------	-------	----------

At 30th June 2011, the Company had drawn the sterling equivalent of £nil (2010: £77,724,000) of its new four-year committed revolving dollar and euro credit facilities, expiring June 2015, of \$8

Market Price Risk

The method of valuation of the fixed asset investments is described in Note 1(D). The nature of the Company's fixed asset investments, with a high proportion of the portfolio invested in unquoted securities, means that the investments are valued by the Directors after due consideration of the most recent available information from the underlying investments.

PIP's portfolio is well diversified by the sectors in which the underlying companies operate. This sectoral diversification helps to minimise the effect of cyclical trends within particular industry segments.

The method of valuation of the derivative included in the Standby Commitments is described in Note 13.

If the investment portfolio fell by 20% from the 30th June 2011 valuation, withall other variables held constant, there would have been a reduction of £189,473,000 (2010 as restated based on a £169,308,000).

In relation to the derivative, if the share price of the Company's redeemable shares fell by 20% from the 30th June 2011 closing price, with all other variables held constant, there would have been a reduction of £189,473,000 (2010 as restated based on a £169,308,000).

Foreign Currency Risk

Since it is the Company's policy to invest in a diverse portfolio of investments based in a number of countries, the Company is exposed to the risk of movement in a number of foreign exchange rates.

An analysis of the Company's exposure to foreign currency excluding private equity investments is given below:

30TH JUNE 2011	30TH JUNE 2010	30TH JUNE 2009	30TH JUNE 2008	ASSETS	LIABILITIES	ASSETS	LIABILITIES	£'000	£'000	£'000	£'000
----------------	----------------	----------------	----------------	--------	-------------	--------	-------------	-------	-------	-------	-------

Fair Value of Financial Assets and Financial Liabilities

The financial assets of the Company are held at fair value. Financial liabilities are held at amortised cost, which is not materially different from fair value.

Managing Capital

The Company's equity comprises ordinary shares and redeemable shares as described in Note 14. Capital is managed so as to maximise the return to shareholders while maintaining a capital base that allows the Company to operate effectively in the marketplace and sustain future development of the business.

As at 30th June 2011 the Company had bank debt facilities and commitments by institutional investors ("Standby Commitments") to subscribe for redeemable shares against part of which subscriptions have been made.

The Company's assets and borrowing levels are reviewed regularly by the Board of Directors with reference to the loan covenants.

The Company's capital requirement is reviewed regularly by the Board of Directors.

23. Related Party Transactions

The Manager, Pantheon Ventures (UK) LLP, is regarded as a related party of the Company. Mr R.M. Swire, a Director of the Company, is a director of Pantheon Ventures Limited, a parent undertaking of the Company.

The amounts paid to the Manager are disclosed in Note 3.

The Company is entitled to invest in funds managed by Pantheon. The Manager is not entitled to management and commitment fees in respect of PIP's holdings in, and outstanding commitments to, the funds.

ANNUAL GENERAL MEETING

The Company's Annual General Meeting will be held on 22nd November 2011 at 12 noon at the offices of Pantheon, Norfolk House, 31 St James's Square, London SW1Y 4JR.

CLASS MEETING OF REDEEMABLE SHAREHOLDERS

A separate meeting of the holders of redeemable shares relating to a proposed amendment to the articles of association will be held on 22nd November 2011 at 12.30 pm (or as soon thereafter as practicable).

NATIONAL STORAGE MECHANISM

A copy of the Annual Report and Financial Statements and the Notice of Class Meeting of Redeemable Shareholders will be submitted shortly to the National Storage Mechanism ("NSM") and will be available on the NSM website.

ENDS

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.