

# **Semi-Annual Report**

June 2007



## Dear Shareholder

During the first six months of this year shaPE's private equity portfolio has further matured and achieved considerable progress as the Net Asset Value (NAV) which gained 17.5% documents. In particular, shaPE set two major milestones during this period: In January 2007 shaPE had successfully closed its first capital increase after the IPO in 2001. In June 2007 a significant secondary transaction has been closed through which shaPE acquired a diversified fund of funds portfolio of unlisted limited partnerships with attractive vintage years of 2003 to 2005 at an aggregated NAV of more than CHF 45 million. As a result, the investment ratio which was down at 56% following the capital increase has been raised to 88%. shaPE has also continued to strengthen its primary portfolio by making new primary commitments of more than CHF 71 million during the first two quarters. A majority of these commitments were again made to successor funds of current General Partner relationships of shaPE. New relationships were added selectively to increase the exposure to distressed/turnaround fund managers and to Emerging Markets private equity fund managers.

The commitment ratio has advanced to 113% within the first six months of 2007. shaPE will continue its strategy in the second half of the year by focusing on re-up situations and on commitments to distressed/turnaround and to Emerging Markets growth capital/buyout funds. As a consequence of the concentration on less General Partner relationships, with the exception of new strategic topics, and as a consequence of the larger vehicle size, shaPE has substantially increased the average commitment size.

The first half of 2007 was again very favorable for private equity as reflected in the increase in NAV. The recent jitters in the US debt markets with its consequences for leveraged structures as well as valuations for buyouts confirm shaPE's earlier view that private equity is facing a more challenging environment. In spite of the overall sound fundamentals – economic growth is widely expected to remain robust – the corrections in the credit markets suggest that investors will have to accustom themselves to more moderate future returns of the asset class.

Once again, we would like to thank you for your continued support.

Yours sincerely,



Dr. Beat Buehlmann  
President of the Board of Directors



Florian Siegfried  
Chief Executive Officer

## A Brief Portrait

shaPE Capital AG is an investment company, listed at the SWX Swiss Exchange, that provides access to a diversified portfolio of private equity investments. The shares of the company are traded under the symbol SHPN and offer liquidity in an asset class with an attractive risk/return profile. shaPE uses a clearly structured investment strategy to focus on selecting and investing in the most suitable private equity managers around the world. In order to minimize investment risks, the investments are well diversified across regions, development stages, sectors and vintage years. This is combined with a strong focus on managers with superior track records. shaPE does not hedge its foreign currency commitments and investments may lead to a significant exposure to the fluctuations of such currencies. The fee structure, which includes management and performance fees, a hurdle rate and a high watermark ensures that the interests of the parties involved are aligned with the investor's interests.

## Key Facts and Figures (first half year ending 30 June 2007)

### shaPE

Closing stock price (CHF)	264.00
Stock price change (since initial public offering)	32.0%
Stock price change (year-to-date)	8.6%
NAV per share (CHF)	286.28
NAV per share change (since initial public offering)	43.2%
NAV per share change (year-to-date)	17.5%
Premium/(discount)	(7.8%)
Capital invested in % of NAV	88%
Capital committed in % of NAV	113%
Average invested capital (CHF million)	176.2
Gross investment income (excl. FX impacts) (CHF million)	47.5
Net income (CHF million)	43.1

### Exchange rates (period-end balance sheet date)

USD/CHF	1.2217
EUR/CHF	1.6544
GBP/CHF	2.4534

## Management Summary

shaPE enjoyed solid growth in the first half year as illustrated by the 17.5% increase in the NAV per share to an all-time high of CHF 286.28. The European and US growth capital and buyout markets to which shaPE is primarily exposed to offered an unprecedented favorable fundraising, investment and realization climate in the first six months. The portfolio continued to harvest sound returns from an increasing number of limited partnerships which have gradually moved through the J-curve during the last few years and today take advantage from healthy exit markets to realize their investments at preferred conditions. In addition, in the first six months shaPE has built a sound base of Emerging Markets growth capital funds to further develop the company's exposure to faster growing markets, which in spite of rapid economic growth remain underserved by private equity and offer attractive long-term potential.

The improvement in the NAV during the first half of 2007 is equivalent to a gross investment income of CHF 49.4 million (including a net foreign exchange rate gain of CHF 1.9 million) or a net income of CHF 43.1 million. This results in a gross return on average invested capital of 27.0% (excluding foreign exchange rate gains) or a 24.4% net return on average invested capital for the period whereas - with some exceptions - basically all underlying limited partnerships of shaPE have contributed to this development. The mentioned currency gain relates mainly to a 2.8% appreciation of the EUR versus the CHF while the gradual decline of the USD versus the CHF has temporarily been interrupted in the first two quarters before the USD was again loos-

ing territory in August. The aggregated commitments to the 56 underlying partnerships are managed by 39 General Partners and totaled per 30 June 2007 to CHF 296.9 million which compares to total equity of CHF 261.9 million, resulting in a 113% commitment ratio.

The improvement of the investment ratio to 88% is mainly due to the secondary acquisition of the CHF 66.1 million commitment to H21 Private Equity Partnership II, L.P. (H21 PEP II), a diversified private equity fund of funds in June of this year. With the transaction priced at NAV, a quotation which shaPE regards as attractive, this acquisition provided the company with the possibility to invest in a high quality portfolio in an advanced life cycle stage. Besides the appealing pricing the second rationale for shaPE to close this deal is the broad strategic fit of the H21 PEP II portfolio with shaPE's asset allocation. With roughly 70% of commitments allocated to US and European middle-market and large buyout funds with vintages ranging from 2003 to 2005, H21 PEP II nicely complements shaPE's investment strategy. As the largest investment made by shaPE since inception, the H21 PEP II deal is without question a milestone in the development of the portfolio.

CHF 36.1 million of the aggregated CHF 71.6 million in new primary commitments were made to successor funds of existing General Partners of shaPE, including USD 10 million to Green Equity Investors V, EUR 10 million to Apax Europe VII and USD 6 million to Capital International Private Equity Fund V. New relationships to fund managers were assumed by

committing USD 6.5 million to Sun Capital Partners V, a US distressed/turnaround private equity fund, USD 4 million to India Value Fund III focusing on growth capital in India, USD 5 million to Baring Vostok Private Equity Fund IV targeting Russian development capital and EUR 10 million to Omega III Fund, a vehicle which specializes in late-stage secondary direct investments in the biotech and healthcare sector. Furthermore, shaPE invested in March via a private placement USD 12 million in Evolve India Holdings, a listed fund of funds which allocates roughly 70% of the portfolio to unlisted Indian growth capital partnerships.

## Market Overview

As proclaimed in May this year by Henry Kravis, KKR's co-founder, the first two quarters of 2007 have without doubt been a «golden era» for leveraged buyouts. After an already strong 2005 and 2006 private equity markets showed an unprecedented dynamic and topped almost every historical record. Attracted by the continued solid performance - two thirds of buy-out funds have surpassed the 8% hurdle rate - global fundraising in the first two quarters 2007 increased to USD 240 billion from USD 205 billion during the same period in 2006. An even more dramatic increase however has been seen in global M&A volume which soared to USD 2.7 trillion in the first six months of 2007, a 62% surge over the same period a year earlier whereas financial services and energy remained the most targeted sectors. Cheap debt and ample resources of liquidity have helped to underpin private equity to secure USD 644 billion or roughly a fourth of global M&A deal volume in the first half of 2007, comparing favorably with one fifth of global M&A volume transacted by private equity firms in 2006.

A geographic breakdown shows that the US has defended its role as the world's most fertile buyout market in spite of a slight loss in global M&A volume from 43% in 2006 to 41% in the first two quarters in 2007. European transactions gained significantly by four percentage points to 40% of transaction volume world-wide. The concern that private equity firms are about to create an overhang of committed but not deployed capital by raising ever larger vehicles has so far turned out to be ill-founded. Exit volume (including secondary buyouts) rose much more dramatically than volume of new funds raised and nearly doubled to USD 160 billion in the first six months of this year compared to the same period in 2006, preventing the formation of a 'cash drag' in the industry.

Looking ahead, it seems questionable if there is still room to pedal in the current M&A cycle. On the one hand, one striking characteristic of the current market is the degree to which deals have been financed by cash and equity. Last year, nearly half of the deal flow has been financed entirely by cash; at the height of the 1999/2000 cycle only a quarter was in cash. Secondly, at the peak of the last wave in 2000 there were many things to suggest that equities were overbought. The market was trading at a price-earnings multiple of 30 times, compared to 15 times currently, suggesting that valuations of new share issues are currently not subject to widespread exuberance. On the other hand, the refinancing and LBO jitters have notwithstanding caused fundamental changes in the credit markets. Today, LBOs are unmistakably more vulnerable to any withdrawal of excess liquidity which has supported past market growth. Risk premiums for leveraged loans have risen sharply after the problems in the collateralized debt obligation market swept over to the broader credit markets and any fair proportion of CDOs which is further wiped out will shrink liquidity and reduce thereof the capacity of investment banks to underwrite leveraged buyouts.

## Portfolio Development and Outlook

Based on the successfully completed capital increase in January, the solidly performing investments and numerous investment opportunities arising shaPE made major steps forward to further develop its private equity portfolio. shaPE's strategy to primarily strengthen the core of the portfolio through follow-on commitments to existing General Partners, to increase the Emerging Markets and distressed /turnaround exposure and, lastly, to acquire high quality and attractively priced secondary partnership interests has been consequently pursued in the first six months of this year. Collective new commitments during the period totaled to CHF 137.7 million including CHF 36.1 million in follow-on commitments, CHF 18.3 million in commitments to Emerging Market-focused vehicles and CHF 24.5 million in combined commitments to distressed equity and special situation funds. Nearly half of the overall figure relates to the acquisition of H21 PEP II which accounted for CHF 66.1 million or roughly a fifth of shaPE's total commitments of CHF 296.9 million per end of June.

In terms of vintage years, the CHF 71.6 million in new primary commitments made in the first half year have allocated 22% of shaPE's overall commitments to 2007. Roughly 60% of the CHF 71.6 million represent commitments to BRIC, distressed and special situation vehicles which highlights that shaPE's strategy to improve the portfolio diversification to these areas has been actively converted during the first six months of 2007. Furthermore, the H21 PEP II acquisition in June has helped

shaPE to significantly strengthen the exposure to 2003, 2004 and 2005 vintages and has as a result favorably contributed to an improved vintage year diversification.

Compared to earlier commitments made in previous years shaPE's average commitment size has been substantially increased over the first half year in order to further concentrate the portfolio in the future. To enhance the diversification and visibility of the portfolio further shaPE could eventually also consider disposing some non-strategic partnership interests.

In a nutshell, shaPE is well positioned with a solid and healthy portfolio which provides a sound base for further growth, provided that market conditions do not deteriorate dramatically. Nevertheless, it must be recognized that the recent credit market conditions - as we have been expecting and predicting for a while - will most likely lead to lower return expectations for the private equity asset class going forward.

## **New Commitments**

### **Green Equity Investors V, L.P.**

Managed by Leonard Green & Partners

Fund size: USD 5'250'000'000

Commitment: USD 10'000'000

Commitment type: Primary (follow-on)

Geographic region: North America

Stage of investment: Development Capital and Buyouts

The fund was closed in January 2007 and will focus on control investments in established US companies in the retail, consumer, distribution, media, business services and health care sector. The managing partners of the firm worked together over the last 20 years and have built-up a broad network of companies and executives on which Green can leverage to source new investments primarily on a proprietary basis. In line with the investment strategy of the previous four funds raised, Green Equity Investors V will continue to avoid investing in cyclical industries and will moreover focus to secure deals with lower debt to equity ratios in comparison with past transactions. Leonard Green & Partners' investment results have in the past mainly be driven by sales and EBITDA growth of the underlying portfolio companies; this strategy together with a very solid track record have led to the conclusion for shaPE to re-up.

### **India Value Fund III, L.P.**

Managed by IVF Advisors Private Ltd.

Fund size: USD 400'000'000

Commitment: USD 4'000'000

Commitment type: Primary

Geographic region: Rest of World

Stage of investment: Development Capital

IVF has emerged as a leading private equity firm in the Indian growth capital sphere and has since its formation eight years ago built-up a dense network of companies and executives through which more than 70% of deals are sourced proprietarily. The fund targets control investments in middle-market companies in India with revenues ranging from USD 10 to 45 million. Deal flow will be sourced by successions of family-owned businesses, divesting of business units of conglomerates and financing of early stage companies. The fund applies a 'Buy & Build' and 'Invest & Build' approach and will primarily seek companies in the media & entertainment, life science, retailing, logistics, infrastructure and financial services sector.

### **Baring Vostok Private Equity Fund IV, L.P.**

Managed by Baring Vostok Capital Partners Limited

Fund size: USD 1'050'000'000

Commitment: USD 5'000'000

Commitment type: Primary

Geographic region: Rest of World

Stage of investment: Development Capital

The partnership targets middle-market control investments in Russia, Kazakhstan and in the Ukraine. The focus is on operations in the oil and gas, financial services and retail industry while selective early-stage investments may be allocated of up to 10% of the total fund size. Portfolio companies of Baring typically exhibit a market leader or niche position within their industry and support constructive relationships with local governments and authorities. Baring Vostok aims to source most deals through its network among the favored industries where the firm's partners have previously gained substantial professional experience. Baring anticipates exiting companies primarily through financial and strategic sales but will also rely on IPOs. Having invested through various market cycles including the Russia crisis in 1998, Baring Vostok is among the most reputed private equity firms in Russia with a longstanding track record which is combined with a disciplined investment philosophy.

### **Apax Europe VII, L.P.**

Managed by Apax Partners Europe Managers

Fund size: EUR 11'000'000'000

Commitment: EUR 10'000'000

Commitment type: Primary (follow-on)

Geographic region: Western Europe

Stage of investment: Large Buyouts

Apax is probably the most reputed and best established private equity firm across Europe which has particularly been successful in translating its business model to a global scale. The investment strategy of fund VII is consistent with what Apax has done in the past. The fund will invest in sectors which Apax believes will outperform global GDP growth. These sectors include telecom, media, healthcare, financial & business services and retail & consumer and are served by specialized sector teams with significant industry insight. The partnership seeks primarily proprietary sourced investments in 20 to 30 companies with entry enterprise valuations in the EUR 1 to 5 billion range.

**Sun Capital Partners V, L.P.**

Managed by Sun Capital Partners Ltd.

Fund size: USD 6'500'000'000  
Commitment: USD 6'500'000  
Commitment type: Primary  
Geographic region: North America  
Stage of investment: Development Capital

Founded in 1995, Sun Capital is a highly respected player concentrating on distressed and turnaround situations. The firm brings along an impressive track record and a deal team with significant operational experience which traditionally executes transactions on a hands on, intense approach. The firm's value creation strategy is focused on operating improvements, cost reduction and outsourcing measures. The fund will typically target turnaround companies in traditional industries such as paper and packaging, food and beverages, as well as metals and mining with negative EBITDA and revenues in the USD 50 million up to USD 5 billion range. Sun Capital enjoys strong deal flow with 100-150 companies being screened and analyzed per month. The firm typically exits its portfolio companies within two to five years after acquisition primarily by public or private offerings and strategic sales.

**Omega III Fund, L.P.**

Managed by Omega Fund Management Limited

Fund size: EUR 79'300'000  
Commitment: EUR 10'000'000  
Commitment type: Secondary  
Geographic region: Western Europe  
Stage of investment: Venture Capital

Founded in 2004 in Geneva, Omega is a venture capital firm focusing exclusively on direct secondary acquisitions of mature, late-stage life sciences portfolios of US or European venture capital funds. The fund's investment rationale aims to provide liquidity in an underserved market to illiquid life science companies which have reached an advanced life-cycle stage and to benefit from the disconnect between a liquidity event and mature life science businesses. The late-stage investment approach enables Omega to invest in companies by assuming a limited risk as high-risk, early-stage companies will not fall under Omega's radar screen. This should enable Omega to realize exits within a relatively short investment period.

**Capital International Private Equity Fund V, L.P.**

Managed by Capital International, Inc.

Fund size: USD 1'500'000'000  
Commitment: USD 6'000'000  
Commitment type: Primary (follow-on)  
Geographic region: Rest of World  
Stage of investment: Development Capital

Capital International Private Equity (CIPEF) is a leading private equity firm targeting Emerging Markets through a generalist strategy focused on Latin America, Asia, Eastern Europe, Russia and Africa. Since 1992 the

firm has been investing over USD 1 billion in private equity in 60 deals during bust and boom economic cycles including the Asia and Russia crisis in 1997 and 1998.

The fund seeks to make acquisitions in domestic companies with a leading and competitive position, strong management teams and sound growth potential. Historically CIPEF has avoided targeting specific industries and the fund is anticipated to execute the majority of deals in sectors where CIPEF has previously performed transactions as transportation, food, media and retail.

### **H21 Private Equity Partnership II, L.P.**

Managed by Horizon21 Private Equity

Fund size: CHF 626'300'000

Commitment: CHF 66'100'000

Commitment type: Secondary

Geographic region: Western Europe and North America

Stage of investment: Buyouts and

Development Capital, Venture Capital

The commitment to H21 Private Equity Partnership II (H21 PEP II) has been acquired in June through a secondary transaction. In December 2006 Horizon21 Private Equity became the new General Partner of H21 PEP II through the absorption of Swiss Re's private equity fund of fund business. H21 PEP II is a diversified fund of funds portfolio with 58 mainly brand name underlying partnerships. The vehicle is to 70% focused on development

and buyout capital in North America and Western Europe with 30% allocated to US and Western European Venture Capital. With currently more than 80% of commitments being allocated to 2003 to 2005 H21 PEP II is attractively diversified among very good vintage years and provides the vehicle with further potential as the underlying funds continue to mature. As the manager of the vehicle Horizon21 Private Equity, which also acts as shaPE's investment advisor, is entitled to a management and performance fee.<sup>1</sup>

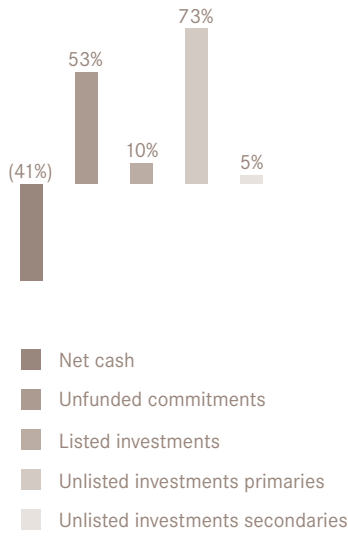
### **Subsequent portfolio events after 30 June 2007**

In addition to the commitment to Baring Vostok Private Equity Fund IV shaPE committed USD 5 million to the Baring Vostock Private Equity Supplemental Fund IV which closed in early July and follows the same investment strategy whereas the supplemental vehicle will co-invest alongside the regular fund in larger transactions.

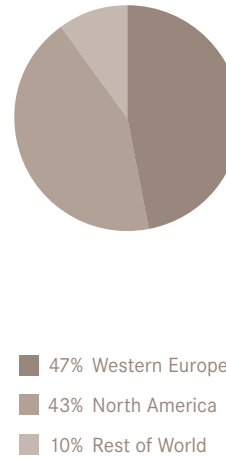
<sup>1</sup> The H21 PEP II management and performance fee is owed to Horizon21 Private Equity in addition to the regular 2% management and advisory fee and 10% performance fee. H21 PEP II has a management fee of 0.9% p.a. decreasing by 0.08% p.a. after the 3 year commitment acquisition period and a performance fee of 8% above a preferred return of 9%.

# Asset Allocation

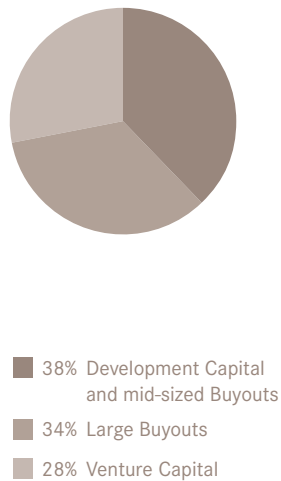
**Asset allocation as at 30 June 2007**



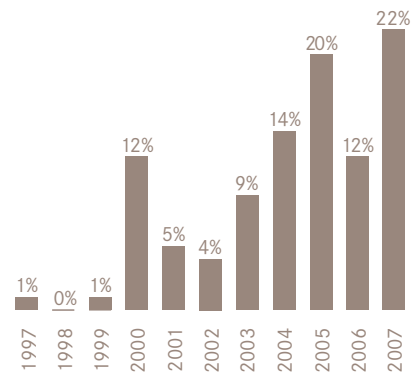
**Commitments to unlisted private equity vehicles by geography as at 30 June 2007**



**Commitments to unlisted private equity vehicles by stage as at 30 June 2007**



**Commitments to unlisted private equity vehicles by vintage year as at 30 June 2007**





# Consolidated Semi-Annual Financial Statements

## Consolidated Balance Sheet

(Amounts in CHF)	Notes	30.06.07 Unaudited	31.12.06 Audited
<b>Assets</b>			
Cash and cash equivalents		13 886 958	35 928 563
Money market investments		24 000 000	15 000 000
Receivables and accrued income		273 832	76 730
<i>Current assets</i>		<i>38 160 790</i>	<i>51 005 293</i>
Investments	3	231 016 601	121 278 071
<i>Non-current assets</i>		<i>231 016 601</i>	<i>121 278 071</i>
<b>Total assets</b>		<b>269 177 391</b>	<b>172 283 364</b>
<b>Liabilities and shareholders' equity</b>			
Payables for investment purchases		710 198	0
Payables and other short-term liabilities		6 612 194	5 133 976
<i>Current liabilities</i>		<i>7 322 392</i>	<i>5 133 976</i>
Share capital paid-in		91 466 700	68 600 000
Additional paid-in capital		91 316 420	62 528 584
Less treasury shares at cost		0	0
Reserves for stock option plan		0	0
Accumulated profit carried forward		36 020 804	29 586 237
Net income for the period		43 051 075	6 434 567
<i>Shareholders' equity</i>		<i>261 854 999</i>	<i>167 149 388</i>
<b>Total liabilities and shareholders' equity</b>		<b>269 177 391</b>	<b>172 283 364</b>
Number of shares outstanding at balance sheet date		914 667	686 000
Net Asset Value per share		286.28	243.66

The selected explanatory notes on pages 16 to 24 are an integral part of these consolidated semi-annual financial statements.

## Consolidated Statement of Income

(Amounts in CHF)	Notes	01.01.07 - 30.06.07 Unaudited	01.01.06 - 30.06.06 Unaudited
<b>Operating income</b>			
Realized gains on investments, net	3	23 410 688	4 373 848
Change in unrealized gains / (losses) on investments, net	3	25 115 341	(6 670 772)
Dividend income from investments	3	195 785	43 015
Interest income from investments	3	657 109	236 513
<i>Income from investments</i>		<i>49 378 923</i>	<i>(2 017 396)</i>
Interest income from current assets		632 255	289 686
Gains / (losses) on foreign exchange		165 908	(133 169)
<i>Income from current assets</i>		<i>798 163</i>	<i>156 517</i>
<b>Operating expenses</b>			
Management and advisory fees		(2 316 330)	(1 526 476)
Performance fees		(3 656 585)	0
Other expenses		(1 153 096)	(773 108)
<i>Operating expenses</i>		<i>(7 126 011)</i>	<i>(2 299 584)</i>
<b>Net income / (loss) for the period</b>		<b>43 051 075</b>	<b>(4 160 463)</b>
Weighted average number of shares outstanding during period		875 503	682 451
Basic earnings per share		49.17	(6.10)
Diluted earnings / (loss) per share		49.17	(6.06)

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## Consolidated Statement of Cash Flow

(Amounts in CHF)	01.01.07 - 30.06.07 Unaudited	01.01.06 - 30.06.06 Unaudited
<b>Cash flow from operating activities</b>		
(Purchase) / sale of money market investments, net	(9 003 178)	(3 396)
Purchase of investments	(94 331 955)	(15 489 749)
Sale proceeds and capital distributions received from investments	33 119 451	20 230 596
Dividends received from investments	195 785	43 015
Interest received from investments	462 982	193 491
Interest received from current assets	632 580	289 605
Operating expenses paid	(5 540 421)	(3 574 281)
Interest paid	0	(3 957)
<i>Cash flow from operating activities</i>	<i>(74 464 756)</i>	<i>1 685 324</i>
<b>Cash flow from financing activities</b>		
Sale / (purchase) of treasury shares	0	839 988
Proceeds from share capital increase, net of costs	52 257 243	0
<i>Cash flow from financing activities</i>	<i>52 257 243</i>	<i>839 988</i>
<i>Foreign exchange differences on cash and cash equivalents</i>	<i>165 908</i>	<i>(133 169)</i>
<b>Net increase in cash and cash equivalents</b>	<b>(22 041 605)</b>	<b>2 392 143</b>
Balance of cash and cash equivalents at beginning of period	35 928 563	27 638 088
<b>Balance of cash and cash equivalents at end of period</b>	<b>13 886 958</b>	<b>30 030 231</b>

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## Consolidated Statement of Changes in Shareholder's Equity

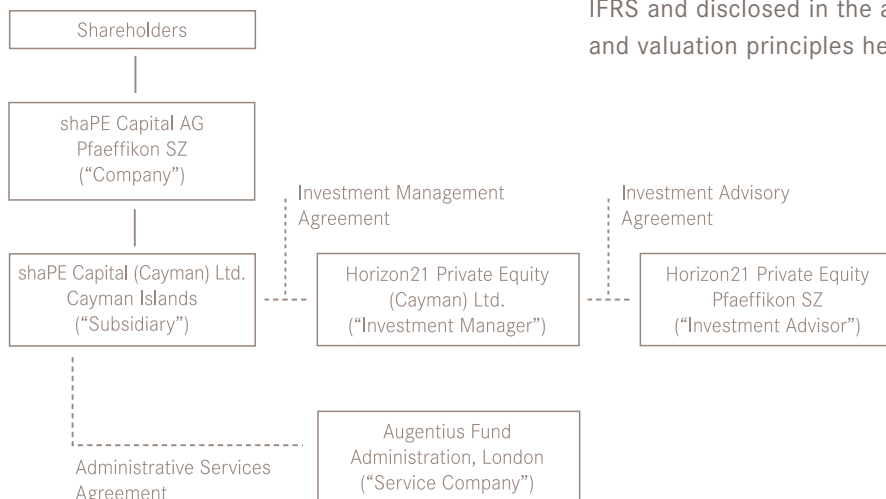
(Amounts in CHF)	Share Capital paid-in	Additional paid-in Capital	Less Treasury Shares	Reserves for Stock Option Plan	Retained Earnings	Total Unaudited
<b>Opening balance 01.01.06</b>	<b>68 600 000</b>	<b>62 397 792</b>	<b>(886 353)</b>	<b>177 148</b>	<b>29 586 237</b>	<b>159 874 824</b>
Sale of treasury shares		(46 356)	886 353			839 997
Stock options executed		177 148		(177 148)		0
Net loss for the period					(4 160 463)	(4 160 463)
<b>Closing balance 30.06.06</b>	<b>68 600 000</b>	<b>62 528 584</b>	<b>0</b>	<b>0</b>	<b>25 425 774</b>	<b>156 554 358</b>
<b>Opening balance 01.01.07</b>	<b>68 600 000</b>	<b>62 528 584</b>	<b>0</b>	<b>0</b>	<b>36 020 804</b>	<b>167 149 388</b>
Share capital increase	22 866 700	29 726 710				52 593 410
Offset costs for capital increase		(938 874)				(938 874)
Net profit for the period					43 051 075	43 051 075
<b>Closing balance 30.06.07</b>	<b>91 466 700</b>	<b>91 316 420</b>	<b>0</b>	<b>0</b>	<b>79 071 879</b>	<b>261 854 999</b>

The selected explanatory notes on pages 16 to 24 are an integral part of these consolidated semi-annual financial statements.

# Selected Explanatory Notes to the Consolidated Semi-Annual Financial Statements

## 1. Organization and business activity

shaPE Capital AG is an investment company which provides access to a diversified portfolio of private equity investments. The company was incorporated under the laws of Switzerland on 17 September 2001 and is based in Pfaeffikon SZ (community of Freienbach) with the status of a holding company. Its investment activities are conducted by the wholly-owned subsidiary shaPE Capital (Cayman) Ltd. in the Cayman Islands and supported by Horizon21 Private Equity (Cayman) Ltd., the investment manager, and Horizon21 Private Equity, the investment advisor. The company has one direct employee.



Since November 2001 the shares of the company have been listed on the SWX Swiss Exchange.

The company's investment strategy aims to create value for shareholders through long-term capital gains. Accordingly, it is currently not intended to pay any dividends to the shareholders.

## 2. Accounting policies and valuation principles

### (a) Basis of presentation

These consolidated semi-annual financial statements comprise the financial statements of shaPE Capital AG and its wholly-owned subsidiary, shaPE Capital (Cayman) Ltd. and have been prepared in accordance with International Accounting Standard 34 (IAS 34), «Interim Financial Reporting», and comply with the provisions of the Additional Rules of the SWX Swiss Exchange for the Listing of Investment Companies as well as with Swiss Law.

The financial statements have been prepared under the historical cost convention, modified by the revaluation at fair value as required by IFRS and disclosed in the accounting policies and valuation principles hereafter.

Purchases and sales of investments or money market investments are recognized on the trade date, which is the date that the company commits to purchase or sell the asset. Capital calls are recognized as assets and liabilities on the date the capital call is received.

The consolidated semi-annual financial statements are presented in Swiss Francs (CHF), which is the company's functional and presentation currency.

The accounting policies applied for the consolidated semi-annual financial statements correspond to those of the audited consolidated financial statements 2006 as presented in the Annual Report 2006, except for the changes discussed below.

**(b) Standards, interpretations and amendments to published standards**

Certain new standards, amendments and interpretations to existing IFRS accounting standards have been published that are mandatory for the group's accounting periods beginning on or after 1 January 2007, as follows:

- IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007). IFRS 7 introduces new disclosures to improve the information

about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The group will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007.

**(c) Use of estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, 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.

#### Valuation principles used for investments

Investments in funds, limited partnerships as well as direct investments are classified as «at fair value through profit and loss». All investments are accounted for at trade date. Initially investments are recognized at cost, excluding transaction costs, and subsequently re-measured at fair value. Changes in the fair value of investments are recognized as «*Change in unrealized gains/(losses) on investments*» in the income statement as they arise.

Investments are derecognized when the rights to receive cash flows from the investments have expired or where the company has transferred substantially all risks and rewards of ownership.

#### Unlisted investments

Private equity investments for which market quotations are not readily available are valued at fair value. Investments in other investment companies which are not publicly traded are normally valued at the underlying net asset value as advised by the managers or administrators of these investment companies, unless the company is aware of reasons why such a valuation would not be the best approximation of fair value. All fair valuations may differ significantly from values that would have been used had ready markets existed, and the differences could be material.

Based on an assessment of all applicable indicators of fair value, the company estimates the fair values as at the valuation date. Such indicators may include, but are not limited to the following:

- Reference to the fund's/partnership's most recent reporting information
- Reference to recent transaction prices
- Results of an assessment of the underlying fund's/partnership's assets and expected returns
- Results of operational and environmental assessment

#### Listed investments

When a financial instrument is traded in an active and liquid market, its quoted market price provides the best evidence of fair value. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price and, for an asset to be acquired or liability held, the current offer or asking price. When the current bid and offer prices are unavailable, the price of the most recent transaction may provide evidence of the current fair value provided that there has not been a significant change in economic circumstances between the transaction date and the reporting date.

When there is infrequent activity in a market and the market is not well established or small volumes are traded relative to the number of trading units of a financial instrument to be valued, quoted market prices may not be indicative of the fair value of the instrument. In these circumstances, as well as when a quoted market price is not available, estimation techniques may be used to determine the fair value with sufficient reliability.

### 3. Investments

#### Unlisted Investments

	Strategic Focus	Geographic Focus	Vintage	CCY	Original Commitment Currency	Commitment Reporting Currency	Fair Value as at 01.01.2007 CHF	Invested Capital 2007 CHF	Returned Capital 2007 CHF	Realized Gain/(Loss) 2007 CHF	Change in Unrealized Gain/(Loss) 2007 CHF	Fair Value as at 30.06.2007 CHF	Cost Value as at 30.06.2007 CHF	Divid./Interest Received 2007 CHF
3i Europartners I/II, L.P.	Development Capital	Europe	2003	EUR	1 000 000	708 956	1 155 174	(563 003)	271 614	188 271	1 052 056	549 513		
Accent Equity 2003 Fund, L.P.	Development Capital	Western Europe	2003	EUR	2 500 000	1 891 148	1 233 005	(261 465)	16 305	(484 592)	1 877 828	1 691 532		
Advent Global Private Equity IV-D, L.P.	Development Capital	Western Europe	2001	EUR	5 500 000	1 475 852	5 887 663	(7 124 630)	4 536 965	3 720 408	7 202 390	978 012		
Advent Global Private Equity V-C, L.P.	Development Capital	Western Europe	2005	EUR	4 000 000	6 194 433	1 366 824	(1 799 596)	1 799 596	267 900	2 611 508	2 124 281		
APAX Europe V-A, L.P.	Development Capital and Buyouts	Western Europe	2001	EUR	7 500 000	2 644 127	5 118 997	(4 773 105)	4 445 835	4 997 584	9 850 119	5 372 412	7 994	
APAX Europe VI-A, L.P.	Development Capital and Buyouts	Western Europe	2005	EUR	3 000 000	3 740 395	3 403 696	(243 910)	(393 704)	366 144	1 601 012	3 095 127		
APAX Europe VII-B, L.P.	Buyouts	Western Europe	2007	EUR	10 000 000	16 544 881	0	1 405 900		(14 780)	1 391 120	1 405 900		
Atlas Venture Fund VI, L.P.	Venture Capital	North America and Western Europe	2000	USD	4 650 000	5 700 213	3 613 684	(168 545)	97 797	286 283	4 306 898	5 269 409		
Bain Capital VIII-E, L.P.	Development Capital and Buyouts	Western Europe	2004	EUR	2 500 000	3 940 581	2 076 856	(297 027)	297 027	58 671	2 506 755	2 472 183	1 193	
Bain Capital Fund IX, L.P.	Buyouts	North America	2006	USD	5 000 000	5 990 535	2 547 585	(409 762)	196 464	11 664	3 195 751	3 242 385		
Barclays Private Equity European Fund D	Development Capital	Western Europe	2002	EUR	2 353 750	1 318 589	2 096 874	(721 751)	420 872	370 022	2 166 017	1 132 267	55 535	
Barclays Private Equity European Fund II	Development Capital	Western Europe	2005	EUR	4 000 000	6 144 837	3 956 020	(262 286)		703 023	5 880 424	4 606 192		
Baring Vostok Private Equity Fund IV, L.P.	Development Capital	Rest of World	2007	USD	5 000 000	6 106 482	0	45 326		530	45 856	45 326		
BC European Capital VIII, L.P.	Buyouts	Western Europe	2005	EUR	4 000 000	6 566 570	971 814	72 534		27 240	1 071 588	1 119 846		
Bencis Buyout Fund II, L.P.	Development Capital	Western Europe	2004	EUR	2 500 000	3 974 561	2 527 051	(224 970)		72 874	2 824 895	2 676 240		
Capital International Private Equity Fund IV, L.P.	Development Capital	Rest of World	2004	USD	4 000 000	3 391 081	3 654 182	70 400		542 298	4 266 880	2 780 519	100 841	
Capital International Private Equity Fund V, L.P.	Development Capital	Rest of World	2007	USD	6 000 000	7 331 161	0	435 152		18 000	453 152	435 152		
Cinven The 3rd Fund (No.1), L.P.	Buyouts	Western Europe	2002	EUR	5 000 000	3 339 697	4 644 162	(1 758 578)	1 190 844	1 490 653	5 567 081	2 975 052	58 960	
Cinven The 4th Fund, L.P.	Buyouts	Western Europe	2006	EUR	4 000 000	6 584 645	0	1 584 687		71 128	1 655 815	1 584 687		
Crimson@Velocity, L.P.	Venture Capital	North America and Pacific Rim	2000	USD	3 000 000	3 644 199	3 311 699	91 145		(188 057)	3 214 787	4 632 641		
Exponent Private Equity Partners L.P.	Development Capital	Western Europe	2004	GBP	1 000 000	1 986 719	1 151 248	(329 255)	748 903	14 070	1 129 251	1 155 250		
Freeman Spogli Equity Partners V, L.P.	Development Capital and Buyouts	United States	2004	USD	3 000 000	3 361 266	1 991 357	45 495		395 466	2 432 318	2 019 165		
Friedmann, Fleischer & Lowe II, L.P.	Development Capital and Buyouts	United States	2004	USD	1 000 000	1 240 053	328 129	72 605		236 025	636 759	593 805		
Forward Ventures V, L.P.	Venture Capital	United States	2004	USD	3 000 000	3 201 541	1 291 615	(221 846)	584 751	510 532	1 540 203	1 269 855		
Green Equity Investors IV, L.P.	Development Capital and Buyouts	United States	2003	USD	4 500 000	4 743 588	4 202 559	(1 168 693)	(419 710)	228 515	(213 011)	4 972 643	2 202	
Green Equity Investors V, L.P.	Development Capital and Buyouts	United States	2007	USD	10 000 000	12 214 000	0				0	0		

Continues onto next page

## Investments (continued)

### Unlisted investments

	Strategic Focus	Geographic Focus	Vintage	CCY	Original Commitment Currency CCY	Commitment Reporting Currency CHF	Fair Value as at 01.01.2007 CHF	Invested Capital 2007 CHF	Returned Capital 2007 CHF	Realized Gain/(Loss) 2007 CHF	Change in Unrealized Gain/ (Loss) 2007 CHF	Fair Value as at 30.06.2007 CHF	Cost Value as at 30.06.2007 CHF	Divid./Interest Received 2007 CHF					
H21 PEP II - U.S. Balanced Portfolio	Development Capital and Buyouts	United States	2003-05	USD	12 709 721	15 641 195	0	11 413 074			(88 064)	11 325 010	11 413 074						
H21 PEP II - U.S. Venture Capital Portfolio	Venture Capital	United States	2003-05	USD	8 656 737	10 314 378	0	7 078 369			(54 617)	7 023 752	7 078 369						
H21 PEP II - Western Europe Balanced Portfolio	Development Capital and Buyouts	Western Europe	2003-05	EUR	18 118 252	27 588 505	0	19 555 469			(20 074)	19 535 395	19 555 469						
H21 PEP II - Western Europe Venture Capital Portfolio	Venture Capital	Western Europe	2003-05	EUR	7 800 391	12 521 888	0	7 652 692			(7 855)	7 644 837	7 652 692						
Infotech Pacific Ventures, L.P.	Venture Capital	Rest of World	2006	USD	4 000 000	4 902 000	488 281	489 560		(78 599)		899 242	993 520						
Institutional Venture Partners XI, L.P.	Venture Capital	North America	2004	USD	4 000 000	4 893 856	3 329 551		(15 464)	(154 705)		3 159 382	3 183 896						
IVF III (Mauritius) Holdings Limited	Development Capital	Rest of World	2007	USD	4 000 000	4 887 499	0	124 039		(1 869)		122 170	124 039						
Kelso Investment Associates VII, L.P.	Development Capital and Buyouts	United States	2004	USD	2 000 000	2 098 236	1 365 974	609 099	(78 958)	535 874		2 431 989	1 645 622	255 750					
The Lightyear Fund, L.P.	Development Capital and Buyouts	United States	2001	USD	6 500 000	3 469 214	4 116 751	123 766	(833 871)	3 256	691 380	4 101 282	3 528 878	318 394					
The Lightyear Fund II, L.P.	Development Capital	North America and Western Europe	2006	USD	5 000 000	5 456 378	1 082 145	766 219		(422)		1 847 942	1 221 038	4 353					
Lindsay Goldberg & Bessemer, L.P.	Development Capital and Buyouts	United States	2002	USD	5 000 000	4 041 101	5 786 740	214 124	(1 873 670)	1 448 797	(103 383)	5 472 608	3 552 495						
Lindsay Goldberg & Bessemer II, L.P.	Development Capital and Buyouts	United States	2006	USD	5 000 000	6 116 734	340 535	1 248 486		(47 586)		1 541 435	1 615 716						
Nordic Capital Fund V, L.P.	Development Capital	Europe	2003	EUR	1 000 000	892 186	1 630 663	7 553	(136 713)	40 762	336 994	1 879 259	945 915						
Nordic Capital Fund VI, L.P.	Development Capital	Europe	2006	EUR	2 000 000	3 194 105	1 191 143	29 516		25 239		1 245 898	1 252 318						
Omega Fund III, L.P.	Venture Capital	North America and Western Europe	2007	EUR	10 000 000	16 365 075	0	16 384 849		178 923		16 563 772	16 384 849						
PAI Europe IV, L.P.	Development Capital and Buyouts	Western Europe	2005	EUR	3 000 000	3 594 491	2 117 527	891 376	(580 855)	141 716	500 538	3 070 302	2 563 601						
Sovereign Capital L.P. II	Development Capital	Western Europe	2005	GBP	2 750 000	6 712 169	329 287	122 775		199 540		651 602	683 725						
SPC Partners III, L.P.	Buyouts	North America	2003	USD	3 000 000	3 492 181	1 755 112	320 572		(92 122)		1 983 562	2 276 413						
Sun Capital Partners V, L.P.	Development Capital	North America	2007	USD	6 500 000	7 940 244	0	159 926		(1 105)		158 821	159 926						
TA Atlantic and Pacific V, L.P.	Venture Capital and Development Capital	North America and Western Europe	2005	USD	2 500 000	3 021 388	1 896 788	563 539	(120 760)	26 446	(98 125)	2 267 888	2 395 420						
Wellspring Capital Partners III, L.P.	Development Capital	United States	2003	USD	4 000 000	2 927 567	3 454 485	97 454	(1 262 071)	1 294 933		3 584 801	2 647 405						
Wellspring Capital Partners IV, L.P.	Development Capital	United States	2005	USD	1 500 000	1 828 419	350 895	27 621		(15 397)		363 119	394 729						
Willis Stein & Partners III, L.P.	Development Capital	North America	2000	USD	7 500 000	8 732 414	6 661 544	97 894	(117 519)	206 797		6 848 716	8 267 961	8 036					
Warburg Pincus International Partners L.P.	Development Capital and Buyouts	Western Europe and Rest of the World	2000	USD	3 500 000	2 800 715	4 293 911		(1 208 163)	792 600	2 009 829	5 888 174	1 665 842	400					
RGS Capital, L.P. [1]	Various [1]	Various [1]	[1]	USD	23 007 955	9 448 202	15 786 111		(5 755 479)	5 755 479	2 783 007	18 569 118	3 926 765						
<i>Total unlisted investments</i>											296 860 250	112 507 637	79 278 595	(33 119 451)	23 410 688	22 682 345	204 759 811	163 329 071	813 658

<b>Investments (continued)</b>	<b>Strategic Focus</b>	<b>Geographic Focus</b>	<b>Vintage</b>	<b>CCY</b>	<b>Original Commitment Currency CCY</b>	<b>Commitment Reporting Currency CHF</b>	<b>Fair Value as at 01.01.2007 CHF</b>	<b>Invested Capital 2007 CHF</b>	<b>Returned Capital 2007 CHF</b>	<b>Realized Gain/(Loss) 2007 CHF</b>	<b>Change in Unrealized Gain/ (Loss) 2007 CHF</b>	<b>Fair Value as at 30.06.2007 CHF</b>	<b>Cost Value as at 30.06.2007 CHF</b>	<b>Divid./Interest Received 2007 CHF</b>
<b>Unlisted investments</b>														
<b>[1] Fund investments held and gross commitments made by RGS Capital L.P. (Amounts reflecting 40% stake of shaPE Capital)</b>														
Bain Capital VI Co-Investment Fund, L.P.	Development Capital	United States	1998	USD	3 000 000		1 919 134	(1 713 163)		1 172 761		1 378 732		1
Deutsche Europ. Partners IV (No. 2), L.P.	Buyouts	Europe	1999	EUR	6 000 000		557 328	(1 070 329)		538 373		25 372		1
Green Equity Investors III, L.P.	Development Capital and Buyouts	United States	1999	USD	1 800 000		1 061 113	(778 702)		274 063		556 474		1
Heartland Industrial Partners, L.P.	Development Capital	United States	2000	USD	5 200 000		3 421 235			(675 970)		2 745 265	2 887 095	
Industri Kapital 2000	Development Capital	Europe	2000	EUR	10 249 110		5 958 088	(3 266 131)		4 979 659		7 671 616		1
Stonebridge Partners Equity Fund II, L.P.	Development Capital	United States	1997	USD	2 200 000		861 565	(9 781)		(43 925)		807 859	802 685	
Net cash held within RGS Capital L.P.														
2 007 648														
1 082 627														
5 755 479														
(3 461 954)														
5 383 800														
236 981														
<i>Total RGS Capital, L.P.</i>														
15 786 111														
0														
(5 755 479)														
5 755 479														
2 783 007														
18 569 118														
3 926 765														
0														
CHF 136.2 million														
<b>Listed investments</b>														
Arch Capital Group				USD	4 795		424 160 1)			433		424 593	stock distribution	
Electra Investment Trust Plc.	Development Capital	Global		GBP	59 526		2 079 162			291 071		2 370 233	802 978	24 146
Evolvens India Holdings	Development Capital	India		USD	12 000 000		14 629 200			910 824		15 540 024	14 629 200	
Pantheon Intl. Participation Plc.	Generalist with a focus on Development Capital	North America and Western Europe		GBP	149 678		2 923 345			462 404		3 385 749	1 589 560	
3i Group Plc.	Generalist with a focus on Development Capital	Western Europe		GBP	115 163		2 350 196			434 971		2 785 167	1 688 572	13 512
Capital Southwest Corp.	Generalist with a focus on Buyouts	North America		USD	9 200		1 417 731			333 293		1 751 024	952 495	1 578
<i>Total listed investments</i>														
8 770 434														
15 053 360														
0														
0														
2 432 996														
26 256 790														
19 662 805														
39 236														
1) represents transaction value of stock distribution from an investment														
<b>Summary</b>														
<b>Investment category</b>														
<i>Total unlisted investments</i>														
296 860 250														
112 507 637														
79 278 595														
(33 119 451)														
23 410 658														
22 682 345														
204 759 811														
163 329 071														
813 658														
<i>Total listed investments</i>														
0														
8 770 434														
15 053 360														
0														
0														
2 432 996														
26 256 790														
19 662 805														
39 236														
<b>Total investments</b>														
296 860 250														
121 278 071														
94 331 955														
(33 119 451)														
23 410 688														
25 115 341														
231 016 601														
182 991 876														
852 894														
0														
CHF 136.2 million														
Total unfunded commitment as at 30 June 2007														

#### 4. Major shareholders

The following shareholders have disclosed a participation exceeding 5% of the share capital of the company:

(Holding in % of share capital at date of disclosure)	Date of last disclosure	30.06.2007	30.6.2006
Rainer-Marc Frey, Baech, and Adrian Gut, Wollerau, indirectly via Horizon21 Group	27.6.2007	< 5.0%	10.43%
Swiss Reinsurance Company, Zurich	27.6.2007	6.56%	< 5.0%

#### 5. Performance fees

For each fiscal year in respect of which the subsidiary's Net Asset Value (NAV) per share as at the calculation date (the end of the last day of the subsidiary's fiscal year) is greater than both the hurdle rate for that fiscal year and the high watermark for that fiscal year, the subsidiary will pay a performance fee of an amount equal to 10% of the subsidiary's net profits for that fiscal year.

The high watermark in respect of a fiscal year is defined as the greater of (a) any NAV per share of the subsidiary as of the calculation date of the previous fiscal years in respect of which a performance fee was paid, after deduction of the paid performance fees and (b) the NAV per share of the subsidiary as of the beginning of the current fiscal year (but only if no performance fee was paid in the prior year) and (c) the Initial NAV per share of the subsidiary.

The Initial NAV per share of the subsidiary is defined as a value of CHF 182.94.

The hurdle rate is defined as the compound annual yield of 5% of the initial NAV per share of the subsidiary.

Net profits in respect of a fiscal year are defined as the positive difference between the NAV per share of the subsidiary calculated disregarding any accrued performance fees as of the calculation date over the high watermark for that fiscal year.

The key figures per share for the purpose of the performance fee calculation are as follows:

(Amounts in CHF)		30.06.2006	30.06.2007
NAV of subsidiary per starting date 27.11.2001	High watermark	182.94	182.94
High watermark increased by an annual yield of 5% as at 30 June	NAV at which performance fee would have been payable	228.95	237.50
Actual NAV of subsidiary as at 30 June per calculation date	Relevant NAV	228.70	285.95

For the first half of 2007 a performance fee was accrued since the relevant NAV per share as per the calculation date (CHF 285.95) exceeds the high watermark plus a compounded annual yield of 5% per 30 June 2007 (CHF 237.50).

## **6. Related party transactions**

Until 7 November 2005, Bank Julius Baer & Co. Ltd., Zurich, was a significant shareholder of the company, and consequently Julius Baer group's companies as well as executives and officers were considered related parties. Per 30 June 2007, one of three members of the Board of Directors of shaPE Capital AG was an executive of the Julius Baer group. The company therefore considered the following persons or entities as related parties:

- all entities of the Julius Baer Group
- shaPE's key management personnel
- entities, shareholders, executives and officers of Horizon21 Group

### **Compensation of related parties as service providers**

For the period under review the consolidated financial statements include the below-mentioned transactions with the following entities which are considered as related parties:

- Horizon21 Private Equity
- Horizon21 Private Equity (Cayman) Ltd.
- Horizon21 Management Services AG
- Baer Select Management Ltd.
- Bank Julius Baer & Co. Ltd.

Since 17 January 2006 Horizon21 Private Equity (Cayman) Ltd. (previously: Baer Select Management Ltd.) has been acting as investment manager of shaPE Capital (Cayman) Ltd. The consolidated financial statements contain accruals of CHF 2.32 million for management and advisory fees owed to Horizon21 Private Equity (Cayman) Ltd. for the period under review (first half year 2006: CHF 1.14 million).

Since 1 April 2006 Horizon21 Private Equity, Pfaeffikon SZ, has been acting as investment advisor to the investment manager whereby Horizon21 Private Equity (Cayman) Ltd. has delegated certain investment advisory functions to Horizon21 Private Equity.

For the first six months of 2007 a 10% performance fee of CHF 3.49 million has been accrued. Thereof CHF 2.68 million relate to the performance fee entitlement of Horizon21 Private Equity (Cayman) Ltd. and CHF 336,000 to the post termination performance fee entitlement of Baer Select Management Ltd, based on the termination agreement to the former investment management agreement.

A fee of CHF 54,000 was paid to Horizon21 Private Equity (first six months of 2006: CHF 75,000 to Julius Baer Family Office AG) for administrative services rendered in Switzerland until 30 June 2007. Additionally, a fee of CHF 9,700 (first six months of 2006: CHF 11,300) was paid to Horizon21 Management Services AG, Pfaeffikon SZ, for administrative and legal services provided.

Based on an office rent contract with Horizon21 Management Services AG, Pfaeffikon SZ, a rent of CHF 18,000 was paid for the period from January until June 2007 (first half year 2006: CHF 12,000 for the period from April to June. In addition, CHF 6,450 have been paid for the period from January until March 2006 for office rent to Julius Baer Family Office AG, Zug).

Bank Julius Baer & Co. Ltd., Zurich, acts as custodian for the money market investments and the listed investments held by the company. For the period under review the custodian fee amounts to approx. CHF 21,200 (first half year 2006: CHF 19,000).

Bank Julius Baer & Co. Ltd., Zurich, received CHF 315,500 in placement fees in connection with the capital increase of January 2007.

The company received interest payments of CHF 150,000 (first half year 2006: CHF 340) for cash and cash equivalents deposited with Bank Julius Baer & Co. Ltd.

#### **7. Commitments, contingencies and off-balance sheet transactions**

Capital commitments to Limited Partnerships are disclosed in Note 3. No other commitments, contingencies or off-balance sheet transactions exist.

#### **8. Events subsequent to the balance sheet date**

After the balance sheet date of 30 June 2007, shaPE made the following capital commitments:

(Amounts in foreign currency)	Capital Commitment
Baring Vostok Private Equity Supplemental Fund IV, L.P.	USD 5 000 000



## Information for Investors

Swiss Security Number	1.288.584
ISIN	CH0012885841
Ticker	SHPN

### Accounting Standards

IFRS

### Organization

Board of Directors	Dr. Beat Buehlmann (President) Juerg W. Sturzenegger Prof. Dr. Christoph Lengwiler
Chief Executive Officer	Florian Siegfried
Investment Advisor	Horizon21 Private Equity, Pfaeffikon SZ
Management	Horizon21 Private Equity (Cayman) Ltd., Cayman Islands
Auditors	PricewaterhouseCoopers

### Contact

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