

# Interim Management Statement

30 November 2010



HarbourVest Global Private Equity Limited ("HVPE" or the "Company") is pleased to publish its fourth Interim Management Statement. This statement is made in accordance with article 5:25e of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht, the "FMSA"), which requirement stems from the EU Transparency Directive (2004/109/EC), and relates to the period from 1 August 2010 through to 29 November 2010 and the financial period from 1 August 2010 through to 31 October 2010 (the "interim period").

This Interim Management Statement has been prepared solely to provide information to meet the requirements of the EU Transparency Directive. This statement has not been audited.

	31 October 2010 (Estimated)	31 July 2010 (Actual)	Change
<b>SUMMARY OF ECONOMIC NET ASSET VALUE ("ECONOMIC NAV")<sup>1</sup></b> (in millions except per share and last traded price data)			
NAV of Investments	\$863.3	\$844.9	\$18.4
Cash and Cash Equivalents	15.4	4.0	11.4
Outstanding Debt	(101.0)	(95.7)	(5.3)
Net Other Assets (Liabilities)	(1.6)	(3.6)	2.0
<b>Economic NAV</b>	<b>\$776.1</b>	<b>\$749.6</b>	<b>\$26.5</b>
Economic NAV per Share (83.0 million shares outstanding)	\$9.35	\$9.03	\$0.32
Last Traded Price (Euronext) <sup>2</sup>	\$5.20	\$5.35	(\$0.15)
Last Price (LSE) <sup>3</sup>	\$5.20	\$5.48	(\$0.28)
<b>SUMMARY OF COMMITMENTS</b>			
Unfunded Commitments (Allocated to Underlying Partnerships)	\$409.3	\$413.5	(\$4.2)
Unfunded Commitments (Not Allocated to Underlying Partnerships)	181.5	140.9	40.6
<b>Total Unfunded Commitments</b>	<b>\$590.8</b>	<b>\$554.4</b>	<b>\$36.4</b>
<b>NAV of Investments + Total Unfunded Commitments</b>	<b>\$1,454.1</b>	<b>\$1,399.3</b>	<b>\$54.8</b>
% Invested	111%	113%	(2%)
Commitment Level (Total Unfunded Commitments) <sup>4</sup>	187%	187%	—
Commitment Level (Allocated to Underlying Partnerships) <sup>5</sup>	164%	168%	(4%)
Cash + Unused Committed Credit Facility	\$414.4	\$408.3	\$6.1
Cash + Remaining Available Credit Facility <sup>6</sup>	\$414.4	\$393.6	\$20.8

1 The Company's investment manager believes that Economic NAV per share is the most appropriate measure of economic value for investors. Economic NAV excludes the "fair value" of liabilities, booked under U.S. GAAP, related to Put Rights the Company has issued in connection with its Liquidity Plan. Upon maturity of the Put Rights on 15 November 2011, the Company has the contingent obligation, at the option of the holder, to purchase up to 6,745,061 shares of its stock at the lower of \$5.75 per share or the estimated Economic NAV per share as at 31 October 2011. Economic NAV per share reflects the most conservative outcome upon maturity of the Put Rights. If the Put Rights expire without being exercised, U.S. GAAP NAV per share would equal the reported Economic NAV per share. If the Put Rights are exercised at maturity, pro forma U.S. GAAP NAV per share would equal \$9.67, an increase of 3.4% over current Economic NAV per share. As at 31 October 2010, HVPE's estimated NAV per share reported under U.S. GAAP ("U.S. GAAP NAV") is \$9.28. Valuation of the "fair value" of Put Rights is based on the most recent trade prior to month end on either the LSE or Euronext.

2 Last trade prior to 31 July 2010 took place on 22 July 2010; last trade prior to 31 October 2010 took place on 5 October 2010.

3 Last trade prior to 31 July 2010 took place on 13 July 2010; last trade prior to 31 October 2010 took place on 5 October 2010.

4 Reflects the NAV of investments plus total unfunded commitments divided by Economic NAV.

5 Reflects the NAV of investments plus unfunded commitments (allocated to underlying partnerships) divided by Economic NAV.

6 Available credit facility reflects amount available subject to most restrictive covenant limit applicable.

HVPE is a Guernsey-incorporated company listed on the Specialist Fund Market of the London Stock Exchange and Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam, and authorised as a closed-ended investment scheme in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and rule 6.02 of the Authorised Closed-ended Investment Scheme Rules 2008. HVPE is registered as an investment institution with the Netherlands Authority for the Financial Markets (AFM).

HVPE is managed by HarbourVest Advisers L.P. (the "Investment Manager"), an affiliate of HarbourVest Partners, LLC ("HarbourVest" or the "Firm"), a private equity firm whose history dates back to 1982. HarbourVest is headquartered in Boston and has committed more than \$30 billion to investments.

The Company issued 83,000,000 shares at \$10.00 per share in December 2007.

HVPE's primary investment objective is to offer shareholders long-term capital growth by investing in a private equity portfolio that is well diversified by vintage year, strategy, geography, and industry. The Company strives to achieve this objective through investment in a broad range of HarbourVest-managed private equity funds, which in turn make primary partnership, secondary, and direct investments primarily in unquoted companies. HVPE seeks to provide a comprehensive and balanced private equity solution for its shareholders.

On 15 November 2010, the Company published its estimated Economic Net Asset Value ("Economic NAV") as at 31 October 2010, which provides additional information about HVPE's recent performance and is available at the Company's website ([http://hvgpe.com/download/pdf/31\\_Oct\\_2010\\_Monthly\\_Update.pdf](http://hvgpe.com/download/pdf/31_Oct_2010_Monthly_Update.pdf)). The 31 October 2010 Monthly Update may be read in conjunction with this statement.

## Economic Net Asset Value

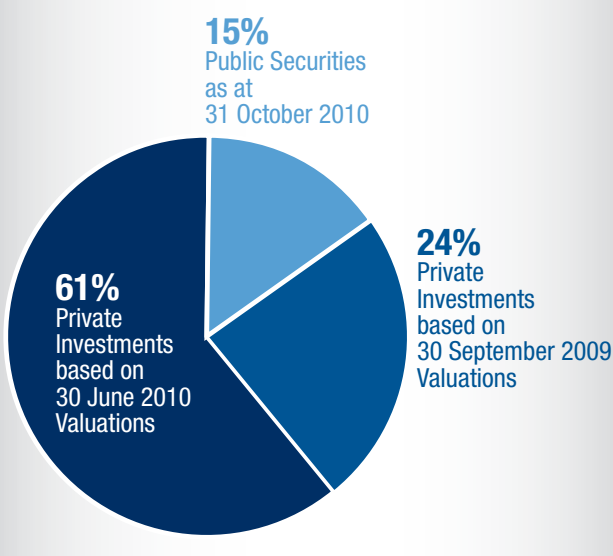
### 3.5% UPLIFT DURING THE INTERIM PERIOD BASED ON INCREASING VALUATIONS AND POSITIVE FOREIGN CURRENCY MOVEMENT

As at 31 October 2010, HVPE's estimated Economic NAV is \$776.1 million, or \$9.35 per share, a \$0.32 per share (3.5%) increase from the 31 July 2010 Economic NAV of \$749.6 million, or \$9.03 per share. This change during the interim period primarily resulted from increases in the value of publicly-held securities, increases in the value of privately-held companies in HarbourVest fund-of-funds as the portfolio was partially re-valued to reflect 30 September 2010 valuations, and positive foreign currency movement, offset by ongoing operating expenses. Increasing values of privately-held companies partly reflect rising world stock indices from 1 July 2010 through to 30 September 2010 (the valuation date for underlying private investments), as well as improving operating performance for some companies.

During the period from 1 August 2010 through to 31 October 2010, the MSCI World Index (USD) increased by 9.0%. Also during the interim period, the euro appreciated 6.9% against the U.S. dollar, increasing the value of the approximately 19% of the portfolio that is denominated in euros.

The 31 October 2010 estimated Economic NAV is based on 30 June and 30 September 2010 valuations for HVPE's direct fund and fund-of-fund investments, and 31 October 2010 values for publicly-listed securities. The pie chart illustrates the estimated components of NAV at 31 October 2010.

#### ESTIMATED COMPONENTS OF NAV AT 31 OCTOBER 2010



HVPE carries its investments at fair value in accordance with U.S. generally-accepted accounting principles (U.S. GAAP). The Company's Investment Manager uses the best information it has available to estimate fair value. Fair value for private equity assets is based on the most recent financial information provided to the Investment Manager by underlying managers, adjusted for known investment operating expenses and subsequent transactions, including capital calls, distributions, changes in foreign currency exchange rates, and changes in value of public securities. Valuation adjustments are made for known significant events, if any, that affect the fair value of the investments.

## Balance Sheet and Commitments

### NEW COMMITMENTS

During the interim period to 31 October 2010 and thereafter, HVPE committed a total of \$50.0 million to the HarbourVest Partners IX ("HarbourVest IX") programme, a U.S.-focused fund-of-funds vehicle that is currently raising capital. HVPE allocated \$25 million (50% of the commitment) to HarbourVest IX Buyout, \$20 million (40%) to HarbourVest IX Venture, and \$5 million (10%) to HarbourVest IX Credit Opportunities. The allocation mix reflects the attractive opportunities that the Investment Manager and HVPE's Board of Directors believe are available in these investment segments, particularly venture. HVPE's Investment Manager expects to begin funding HarbourVest IX capital calls later in 2010 or in 2011.

The Company also continued to benefit from ongoing commitments made by the actively-investing HarbourVest funds in its portfolio, which made new primary venture and buyout partnership commitments in the U.S. and China, buyout and venture-focused secondary investments, and direct growth equity investments during the interim period. HVPE's HarbourVest funds continue to evaluate new opportunities, selecting those with the most attractive return potential.

## CASH FLOWS

HVPE's unfunded commitments of \$590.8 million increased by \$36.4 million during the interim period, primarily as a result of the new HarbourVest IX commitments and foreign currency movement, offset by capital calls. Of the total unfunded commitments at 31 October 2010, approximately \$409.3 million has been committed by HarbourVest funds to underlying partnerships, while the remaining \$181.5 million has not yet been committed.

As at 31 October 2010, HVPE's Commitment Level Ratio based on total commitments was 187%, which is unchanged from 31 July 2010, and its Commitment Level Ratio based on allocated commitments was 164%, compared to 168% at 31 July 2010.

During the interim period, the Company funded \$24.5 million of capital calls to U.S. and international fund-of-funds, secondary funds, and direct funds and received distributions of \$34.5 million from U.S. and international fund-of-funds, resulting in a net positive cash flow of \$10.0 million. In comparison, during the six months to 31 July 2010, HVPE's cash flows were net negative \$9.7 million.

The largest sources of distributions during the interim period were HarbourVest VI Partnership and HIPEP III Partnership, which distributed a combined total of \$21.5 million, or more than 60% of the distributions. HarbourVest VI Partnership and HIPEP III Partnership are mature fund-of-funds that are currently harvesting their investments.

HarbourVest VI Partnership distributed proceeds from a number of 2010 merger and acquisition (M&A) events, including *INC Research, Inc.* (acquired by Triangle Acquisition Holdings Inc.), *Harrington Holdings, Inc.* (acquired by Clayton, Dublier & Rice and Goldman Sachs Capital Partners), and *Ames True Temper, Inc.* (acquired by Griffon Corporation). These investments were sold at 16.8 times cost, 2.7 times cost, and 2.0 times cost, respectively.

HIPEP III Partnership distributed proceeds from the sale of shares of *Ping An Insurance Company of China, Ltd.* (acquired *Shenzhen Development Bank* in 2010 for approximately 13 times the manager's cost) and the sale of shares of *Tiger Airways Pte. Ltd.* (TGRSP), which completed an IPO in January 2010.

## LIQUIDITY EVENTS

With respect to liquidity, M&A events and IPOs have remained active since 1 August 2010, with the pace of liquidity events increasing from the first half of the year. During the interim period, a total of 14 of HVPE's underlying portfolio companies completed IPOs (eight venture and six buyout/other), including *NXP B.V.* (NXPI), which HVPE's HarbourVest funds hold directly and indirectly. The proceeds from the *NXP* IPO are expected to be used to pay down debt. Additionally, the Company is positioned to benefit from the sales of approximately 87 companies during August, September, and October 2010, as well as additional announced acquisitions that have not yet closed.

Five of HVPE's largest underlying publicly-listed securities at 31 July 2010 experienced realisations during the period to 29 November 2010.

- In October 2010, Advent International completed the sale of HVPE's remaining holdings in *Dufry AG* (DUFN), which has returned more than seven times cost to the manager. *Dufry* is held in HarbourVest VI Buyout, HarbourVest VI Partnership, HIPEP III Partnership, and HIPEP IV Partnership and is expected to provide proceeds for HVPE in the fourth calendar quarter of 2010.
- Providence Equity Partners sold a portion of its holdings in *Kabel Deutschland GmbH* (KD8, which completed an IPO in March 2010), which HVPE holds in HarbourVest VI Buyout and HarbourVest VII Buyout. The position has returned approximately four times cost to the manager to date and is expected to provide proceeds to HVPE in the near term.
- KKR Europe sold a portion of HVPE's publicly-traded position in *Legrand Holdings S.A.* (LR), and TPG Asia sold the Company's remaining position in *Ping An Insurance Company of China, Ltd.* (PNGAY) (acquired *Shenzhen Development Bank* in May 2010).
- In November 2010, Atlas Venture announced the acquisition of *Isilon Systems, Inc.* (ISLN) by EMC Corporation (EMC) for approximately \$2.25 billion. Upon completion of the pending transaction (expected in the fourth calendar quarter of 2010), Atlas Venture expects to receive 20 times cost on its 2001 investment. *Isilon* was HVPE's 16th largest underlying company as at 31 July and is held through multiple managers via primary positions in HarbourVest VI Partnership and HIPEP III Partnership, and secondary positions in HarbourVest VII Venture, HarbourVest VIII Venture, HIPEP IV Partnership, and Dover VII. The transaction is expected to provide over \$7 million in distributions to HVPE.

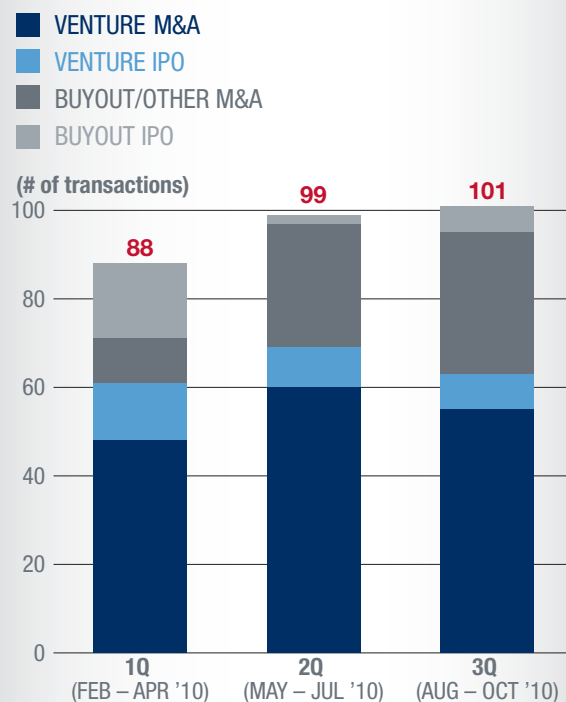
## CREDIT FACILITY

During the interim period, in August 2010, the Company drew down an additional \$5.0 million of borrowings against its \$500.0 million credit facility in order to fund capital calls and working capital needs. HVPE's credit facility is committed until December 2014 and subject to certain covenants. As at 31 October 2010, a total of \$101.0 million is outstanding, a \$5.3 million increase over 31 July 2010 based on the August 2010 drawdown and foreign currency movement related to the £10.0 million sterling-denominated drawdown to fund the Company's May 2010 investment in HarbourVest Senior Loans Europe Limited (HSLE).

As at 31 October 2010, HVPE's cash (\$15.4 million) and remaining available credit facility (\$399.0 million) totals \$414.4 million (liquid resources), an increase of \$20.8 million from the 31 July 2010 level of \$393.6 million. This increase primarily reflects the increasing NAV of investments and the Company's enhanced cash position. As at 31 October 2010, HVPE's liquid resources represent 101% of commitments allocated to underlying partnerships and 70% of total commitments. The allocated commitment ratio at 31 July 2010 was 95% of allocated commitments and 71% of total commitments.

### HVPE LIQUIDITY EVENTS

February to October 2010



## Material Events and Transactions

### NEW COMMITMENT AND CLOSE OF MARKET PUT RIGHT OFFER

During the period from 1 August 2010 to 29 November 2010, the following events occurred:

- \$50 million commitment to HarbourVest IX (described above)
- Close of Market Put Right Offer

On 6 October 2010, HVPE announced that there were no more Put Rights available to be issued pursuant to the Market Put Right Offer, which is now closed. More information on the Market Put Right Offer, including the terms and conditions of the Put Rights, and HVPE's Liquidity Plan is available on the Company's website.

## Portfolio Diversification NAV

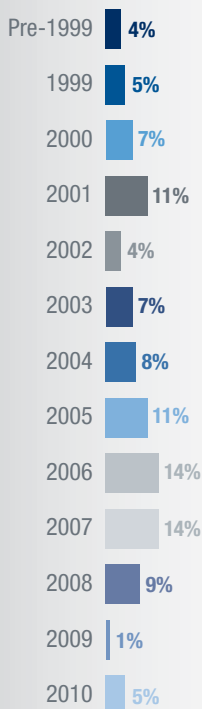
### RELATIVELY UNCHANGED DURING THE INTERIM PERIOD

Consistent with HVPE's investment objective, the Investment Manager strives to manage risk through diversification within the portfolio. The charts below illustrate the breakdown of HVPE's investment portfolio based on NAV as at 31 October 2010. Relative to 31 July 2010, HVPE's buyout investments remained at 59% of the portfolio, venture investments remained at 36%, and the Other (including mezzanine and other debt) category remained at 5%. U.S. investments remained at 64% of the portfolio at 31 October 2010, and European investments increased to 29% of the portfolio (from 28% at 31 July). The NAV is split approximately 61% in primary partnerships, 20% in secondary investments, and 19% in direct investments.

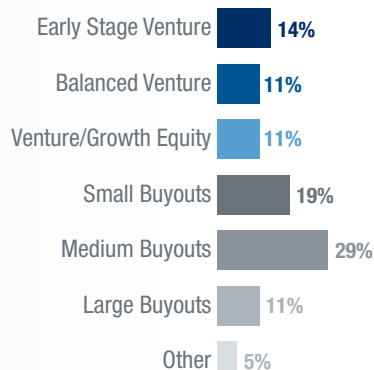
#### PORTFOLIO DIVERSIFICATION

at 31 October 2010

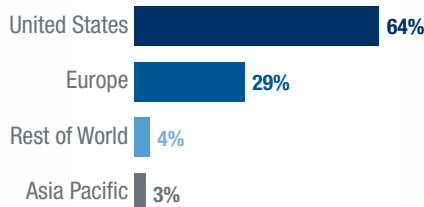
##### VINTAGE YEAR



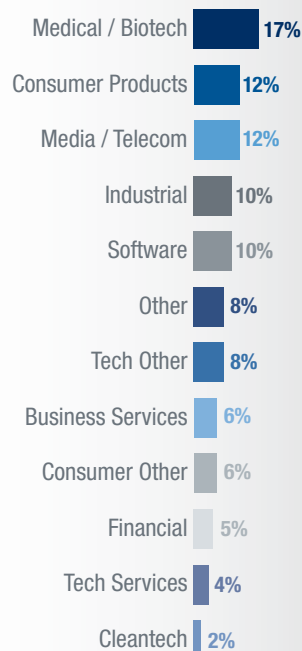
##### STRATEGY



##### GEOGRAPHY



##### INDUSTRY



Diversification charts add to 100%.

**Notes** The diversification by net asset value analysis is based on the fair value of the underlying investments, as estimated by the investment manager. Diversification by vintage, strategy, and geography is based on the estimated net asset value of partnership investments made by HVPE's fund-of-funds and company investments made by HVPE's direct funds. Industry diversification is based on the reported value of the underlying company investments for both fund-of-funds and direct funds. Some of the funds held in HVPE have not been fully invested. The composition of investments by strategy, vintage, industry, and geography may change as additional investments are made and existing investments are realised.

Large buyout includes funds of more than \$7 billion in size, medium buyout includes those between \$1 billion and \$7 billion in size, and small buyout includes those less than \$1 billion in size. Direct investments in operating companies are categorised by deal size.



## Market Commentary

### MARKET ENVIRONMENT SHOWING POSITIVE SIGNS; CASH FLOWS TRENDING UPWARDS

Approaching the end of 2010, the market environment is beginning to show positive signs, particularly for private equity. Underlying markets have rebounded from second quarter 2010 lows, but remain volatile, in part due to lingering concern about European sovereign debt and the stability of the euro and other currencies. After a volatile six months to 31 July 2010, public markets (MSCI World Index (USD)) have increased 9.0% during the three months to 31 October 2010.

During the interim period, HVPE was cash flow positive, receiving net \$10.0 million in distributions. Both capital calls and distributions are trending upwards, as HVPE has funded \$96.8 million in capital calls and received \$82.6 million in distributions during the 2010 financial year to date (1 February through to 31 October). This is already above the \$73.8 million funded and \$51.8 million received in the entire financial year to 31 January 2010 and indicative of increasing private equity investment and liquidity around the globe as the economic environment continues to stabilise, albeit slowly.

## Risk Factors

HVPE's Investment Manager believes that there are five principal risks related to an investment in HVPE:

- The NAV is at risk of decline, particularly in an uncertain market environment.
- Commitments or other obligations could be difficult to fund under certain circumstances.
- The Company is reliant on the Bank of Scotland plc credit facility to fund capital calls and the Put Rights (please refer to the Company's website for details of HVPE's Put Rights and Liquidity Plan).
- HVPE depends on HarbourVest and its investment professionals for core services.
- Following the close of the Market Put Right Offer in October 2010, the level of trading in HVPE's shares has been limited. While the Company's Investment Manager and Board of Directors will continue to attempt to improve liquidity, to the extent that they are not successful, HVPE may continue to experience ongoing price volatility and discounts to NAV.

These risks are further highlighted in the Company's Annual Report & Audited Consolidated Financial Statements, which can be found at HVPE's website at: [http://hvgpe.com/download/pdf/HVPE\\_2010\\_January\\_Annual\\_Report\\_FINAL.pdf](http://hvgpe.com/download/pdf/HVPE_2010_January_Annual_Report_FINAL.pdf).

## Contacts

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### KEY INFORMATION

**Exchanges** Euronext Amsterdam & London Stock Exchange

**Ticker** HVPE

**Listing Date** 6 December 2007 (Euronext)  
12 May 2010 (LSE)

**Fiscal Year End** 31 January

**Base Currency** U.S. Dollars

**ISIN** GG00B28XHD63

**Bloomberg** HVPE NA, HVPE LN

**Reuters** HVPE.AS, HVPE.L

**Common Code** 032908187

**Amsterdam Security Code** 612956

This Interim Management Statement comprises "regulated information" within the meaning of the FMSA which must be made publicly available and filed with the AFM pursuant to sections 5:25e and 5:25m of the FMSA. Please refer to HVPE's website for Monthly Updates, as well as Annual and Semi-Annual Reports and Financial Statements.

**Valuation Methodology** HVPE carries its investments at fair value in accordance with U.S. generally-accepted accounting principles. HVPE's Investment Manager uses the best information it has available to estimate fair value. Fair value for private equity assets is based on the most recent financial information provided by the investment manager, adjusted for known investment operating expenses and subsequent transactions, including capital calls, distributions, changes in foreign currency exchange rates, and changes in value of public securities. Valuation adjustments are made for known significant events, if any, that affect the fair value of the investments. The 31 October 2010 estimated NAV is predominantly based on investment values at 30 June 2010 and 30 September 2010 for company investments within HVPE's direct funds and for partnerships within HVPE's fund-of-funds, adjusted for changes in value of public securities, foreign exchange movements, cashflows, and known events to 31 October 2010.

HVPE is registered with the Dutch Authority for the Financial Markets as a collective investment scheme which may offer participations in The Netherlands pursuant to article 2:66 of the Financial Markets Supervision Act (Wet op het financieel toezicht). All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax, and other professional advice before making any investment decision. The value of investments may fluctuate. Results achieved in the past are no guarantee of future results.

This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the securities described herein. This report was prepared using financial information contained in HVPE's books and records as of the reporting date. This information is believed to be accurate but has not been audited by a third party. This report describes past performance, which may not be indicative of future results. HVPE does not accept liability for actions taken on the basis of the information provided.