

REGISTERED NO. 2147984

Pantheon International Participations PLC

Annual Report and Accounts 2009



PIP primarily invests in a diversified portfolio of private equity funds across the globe.

The Manager, Pantheon Ventures Limited (“Pantheon”), is one of the world’s foremost private equity specialists. With over 25 years’ experience, and a team of over 60 investment professionals, Pantheon is well positioned to guide PIP towards its objective of maximising capital growth.

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Financial Summary

HIGHLIGHTS	30TH JUNE 2009	30TH JUNE 2008	CHANGE
Summary of results			
NAV per share	773.6p	1,108.7p	(30.2%)
Total assets less current and non-current liabilities	£513.6m	£736.1m	(30.2%)
Ordinary shares			
Share price	295.3p	750.0p	(60.6%)
Discount to NAV	61.8%	32.4%	
Redeemable shares			
Share price	350.0p	819.5p	(57.3%)
Discount to NAV	54.8%	26.1%	
Investment activity			
Invested in private equity assets	£157.2m	£272.5m	
Received from private equity assets	£86.1m	£133.0m	

PERFORMANCE	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	%	% P.A.	% P.A.	% P.A.
NAV per share	(30.2)	(1.0)	6.2	7.0
Ordinary share price	(60.6)	(25.9)	(8.6)	1.1
FTSE All-Share	(20.5)	(6.5)	3.1	0.1
MSCI World (sterling)	(14.2)	(3.9)	2.5	(0.8)

PIP was launched on 18th September 1987. £1,000 invested at inception, assuming reinvestment of dividends and capital repayments, would have been worth £4,250 at 30th June 2009.

CAPITAL STRUCTURE

Ordinary shares	37,521,013
Redeemable shares	28,871,255
Total	66,392,268

HISTORICAL DATA

YEAR	NAV* (£M)	NAV/SHARE (PENCE)	PRIVATE EQUITY OUTSTANDING PORTFOLIO COMMITMENTS		ORDINARY SHARE PRICE (PENCE)
			(£M)	(£M)	
2009	513.6	773.6	648	428	295.3
2008	736.1	1,108.7	806	641	750.0
2007	610.3	919.2	527	528	917.5
2006	441.0	796.8	372	365	726.5
2005	381.5	657.9	315	245	650.5
2004	245.2	572.5	233	137	463.0
2003	220.9	546.8	237	158	447.0
2002	196.4	541.6	175	138	486.5
2001	206.1	669.1	201	138	574.0
2000	161.3	599.9	140	77	457.5
1999	145.8	405.6	78	45	302.5
1998	131.3	368.6	79	50	294.5
1997	116.8	328.4	73	47	270.0
1996	106.2	302.5	48	25	225.0
1995	86.9	255.1	33	8	207.5
1994	47.4	239.6	42	7	176.5
1993	30.8	195.5	28	1	172.5
1992	21.3	139.7	28	0	93.5
1991	21.0	129.1	31	1	86.5
1990	20.2	126.7	32	2	80.5
1989	16.7	120.9	25	2	95.0
1988	12.4	102.5	2	0	75.0

* Includes participating loan notes in issue between 2000 and 2004.

Chairman's Statement

It is disappointing to report a decrease in net asset value ("NAV") per share of 30% to 773.6p in the twelve months to 30th June 2009. The significant deterioration in stock markets and economic conditions led to widespread reductions in valuations across the portfolio. In the final quarter PIP, in order to strengthen its financial position, completed a number of asset disposals which also contributed to the decrease in NAV per share.

It is even more disappointing that, over the twelve months to 30th June 2009, the ordinary share price fell by 61%, reflecting both the fall in NAV per share and the increase in the discount from 32% to 62%. Discounts widened across the listed private equity sector as a whole, reflecting market anxiety over the future direction of valuations and the funding of undrawn commitments. While the Company's capital structure had been built to withstand a downturn, with some £300 million in the form of loan facilities and standby financing, the extent of the economic crisis and the expected prolonged low level of distributions meant that it was necessary for the Company to take action to improve its financial position through the sale of certain fund interests. As a result, the Board believes the Company is now in a position to finance all its outstanding commitments for the foreseeable future.

Net assets decreased by £222m to £514m during the twelve months to 30th June 2009. Reported reductions in valuations by general partners and listed securities amounted to £220m. An additional £80m was due to realised losses on disposals of assets, and £10m was a provision relating to expected losses on unclosed sales with signed agreements. These portfolio losses were partially offset by £106m of net foreign exchange gains from the depreciation of sterling against both the US dollar and euro, currencies in which most of the Company's assets are denominated. Interest and expenses accounted for the remainder of the decrease.

INVESTMENT ACTIVITY

The scarcity of debt financing allied with increased investor uncertainty resulted in a significant reduction in activity levels within the private equity industry. During the year, the rate at which undrawn commitments were called fell markedly from December onwards. The distribution rate also slowed down dramatically throughout the year with the exception of the quarter ended 31st December 2008, when PIP received a number of notable distributions highlighting the value of a well diversified portfolio.

In the twelve months to 30th June 2009, PIP invested £157m in underlying private equity assets. Of this amount, £114m was paid to meet investment calls arising from PIP's primary commitments and £43m to pay for calls from the secondary portfolio. The total amount of cash distributed to PIP as a result of investment realisations during the year was £86m. Of this amount, £28m came from the primary portfolio with £58m arising from the secondary portfolio. In total PIP received distributions from more than 200 different funds, showing that even in difficult economic times a well diversified portfolio can generate significant realisation activity.

COMMITMENTS

In the quarter to 30th September 2008, PIP committed a total of £24m to five primary funds, encompassing one Europe-focused fund (£14m) and four US-focused funds (£10m). Due to the deteriorating outlook for distribution activity, the Company did not make any additional commitments in the last three quarters of the financial year.

Undrawn commitments decreased by £213m to £428m. £157m of this reduction was due to calls and £163m was due to the sale of fund commitments. These reductions were partially offset by the depreciation of sterling versus the US dollar and euro, and the new commitments referred to above. As has historically been the case, it is unlikely that undrawn commitments will be called in full.

The Company does not intend to make any further commitments until there is a sustained recovery in the level of distributions or additional financing is obtained.

MARKET REVIEW AND PROSPECTS

The twelve months to 30th June 2009 has without doubt been the most challenging in the 22-year history of the Company. The near collapse of the banking sector and subsequent deleveraging of the financial system resulted in a sudden, extreme scarcity of credit. The result was a significant reduction in consumption, pushing the crisis into the wider economy and causing investor sentiment along with stock markets across the globe to plunge. These conditions resulted in a dramatic reduction in private equity activity in the second half of 2008, as M&A and IPO activity plummeted and buyout managers struggled to find financing for new deals.

The liquidity measures undertaken by the major economies have helped to ease the panic that was evident in the markets at the end of 2008 and early in 2009. Credit markets are beginning to show some signs of life, although it is too early to say whether the worst is over. In our view, it is likely that the recovery in economic fundamentals will be relatively slow, with low activity levels in the private equity market expected to continue over the coming quarters.

The FTSE All-Share and MSCI World (sterling) total return indices fell by 20.5% and 14.2% respectively in the twelve months to 30th June 2009. Valuation multiples and corporate earnings for listed securities have been hit hard as a result of the economic crisis. Consequently many private equity assets, which are often valued relative to publicly listed entities and whose earnings have been similarly impacted by the recession, have been written-down. The greatest reductions in valuations have been experienced in the mega and large buyout area, where higher levels of leverage have magnified write-downs. The recent stock market rally should provide some support to private equity valuations. Notwithstanding this, the scale and extent of the economic crisis means that we cannot rule out further volatility in the coming quarters, and as such we maintain a cautious outlook going forward.

Falling valuations can provide opportunities to invest in good companies at lower prices. We expect the best private equity managers, who have the benefit of long-term investment horizons, to make the most of these opportunities in the coming years. Whilst there are undoubtedly issues concerning leverage levels utilised in the mega buyout deals of recent times, other areas of private equity, notably small/mid market buyouts and venture capital, have relied less on leverage. It should be noted that small/mid market buyouts and venture capital account for 69% of PIP's portfolio, whilst exposure to large/mega buyouts is only 20% of the portfolio. In our view, the market has been indiscriminate in the derating of the listed private equity sector over the past year, failing to reflect adequately the differences in risk profiles of the various private equity stages.

Chairman's Statement

(CONTINUED)

The diversification of PIP's portfolio, with top quality managers across buyout, venture capital and special situations stages, and across all major regions, should help mitigate some of the difficulties experienced by specific companies or sectors in the current economic conditions. Buyout managers generally favour companies in defensive industries, thus partly mitigating the risk of higher leverage. As a result, PIP's portfolio is underweight in many of those sectors, such as financials, property and basic resources, which comprise a significant part of the listed market indices and which have fallen most in the past year. As always, it is important for investors in private equity to ensure that they select the managers that are able to deliver across the market cycle. Pantheon's strategy is to focus on managers that can demonstrate clear value creation, much of which is centred on greater efficiency and building scale in middle market businesses.

CAPITAL STRUCTURE AND FINANCING

In December 2008, PIP issued £49.5 million of unsecured subordinated loan notes (the "Notes") to institutional investors who had previously entered into "standby" agreements to subscribe, if called upon by PIP to do so, for new redeemable shares. In the event of a drawdown by the Company under a "standby" agreement from an institutional investor who is a Noteholder, the Company shall repay an equivalent amount on the Notes held by such investor (or such lesser amount as is outstanding). The Company has commitments from institutional investors under "standby" agreements to subscribe a total of £150m for new redeemable shares.

In the March and June quarters PIP entered into agreements to sell fund interests to a number of third parties. The Company has reduced undrawn commitments by approximately £163m and received approximately £23m in cash proceeds, from sales that were completed in the twelve months to 30th June 2009. In addition, a further £27m of sales proceeds relating to transactions completed during the year was received in July 2009. With the exception of one transaction that is due to close in January 2010, all planned deals have now completed.

These combined sales have strengthened the financial position of the Company. As at 31st August 2009 PIP had £177m of available financing, comprising £46m of cash, £30m of unutilised bank loan facility and £101m of unutilised standby financing. As such, the Board believes that the Company is in a position to meet its undrawn commitments for the foreseeable future.

OUTLOOK

The increase in value of comparable quoted companies following the recent stock market rally should provide some support to private equity valuations in the coming quarter. However, we believe the prospects for underlying earnings in the near term will remain muted until there is a significant improvement in the macroeconomic environment. Therefore the outlook for private equity valuations remains uncertain.

Often in the past, large stock market shocks have been followed by periods of strong returns. Recent stock market falls have reduced most company valuations, and as such, PIP is well positioned via its undrawn commitments to benefit from a potentially fertile investment environment.

We expect calls and distributions to remain at a low level in the coming quarters. Any recovery in the level of calls is likely to occur before a recovery in the level of distributions, which could result in higher cash outflows for a period.

The Company will focus any investment capacity not needed to meet its unfunded commitments on its secondary programme.

TOM BARTLAM

Chairman

13th October 2009

Market Review

The private equity industry has been affected by the banking crisis and significant tightening in the debt markets, resulting in a dramatic slowdown in investment activity in the second half of 2008, particularly at the larger end of the buyout market. Historically low levels of initial public offerings ("IPOs"), mergers and acquisitions ("M&A") and secondary buyouts have resulted in a dramatic decrease in realisations. The current conditions could provide opportunities for private equity managers to acquire high quality assets at attractive prices.

BUYOUT MARKET

Buyout activity in the USA, particularly at the larger end of the market, has been severely hit by the banking crisis and the collapse of the leveraged loan market. The scarcity of debt has pushed down available leverage multiples and increased the proportion of equity in new transactions. Additionally, the uncertainty surrounding the economic crisis has suppressed demand in the buyout sector. As a result, private equity deal value was down approximately 70% in the first half of 2009 relative to the same period in 2008.

The European market has experienced similar difficulties, with the value of buyout deals dropping by over 80% in the first half of 2009 relative to the same period last year. This drop in deal flow was felt most at the larger end of the market, with no deals greater than €1 billion completed in the first half of 2009. The second quarter of 2009 saw an increase in the value of buyout deals, although it is too early to suggest that the bottom has been reached in the European buyout market. Much uncertainty persists as to both the length and depth of this crisis, with the threat of further downside likely to continue in the coming quarters.

Buyout realisation activity has also been severely restricted by the turmoil in the financial markets. This was due to a slowdown in M&A and secondary buyout activity, coupled with a near shut-down in the IPO market. Any recovery will likely be driven by an improvement in market sentiment and debt market conditions, both of which could be slow to materialise. That said, the current market dislocation could provide attractive investment returns for those with long-term horizons.

VENTURE CAPITAL MARKET

Venture capital investments do not typically utilise debt and have therefore been much less affected by the turbulence within the debt markets. However, the string of poor economic data and virtual shutdown of the IPO market has had a significant impact on activity, with venture investment in the USA down around 55% in the half year to 30th June 2009 relative to the same period in the previous year. Only one venture-backed IPO was completed in the three quarters to 31st March 2009. This compares to 48 in the same period the year before. A significant decrease in venture-backed M&A has also added to the depressed realisation levels confronting the industry.

Recently there has been some signs of a slight recovery in the level of venture capital realisations, with a total of five IPOs executed in the June quarter, alongside a quarterly increase in venture-backed M&A activity. We expect any recovery, as with the buyout market, to be slow to materialise.

ASIA AND OTHER REGIONS

Private equity firms continue to extend themselves internationally, with a notable trend for US private equity funds to increase their focus on Europe and Asia. Markets are continuing to develop in Asia, Africa and the Middle-East, providing a greater breadth of opportunity going forward. Many of these markets are very difficult to invest in without a strong local presence, highlighting the importance of a genuinely global perspective.

Asia has not been immune to problems affecting the USA and Europe. Private equity investment activity was down by more than 70% in the first half of 2009 relative to the same period in the previous year. Divestments were also down, falling by approximately 55%. In general, managers in the region are less dependent on leverage than their western counterparts. Additionally, Asian markets have become more resilient to foreign trade shocks, with domestic consumption diminishing reliance on exports to developed markets. As such, we believe that managers with solid local market knowledge and experience of investing in challenging times will have an opportunity to outperform strongly in Asian markets.

SECONDARY MARKET

The substantial wave of capital that flowed into private equity assets in the years preceding the financial crisis is expected to give rise to an unprecedented level of opportunity in the secondary market in the coming years. A large number of potential sellers, distressed, over-allocated or simply disenchanted with their performance, will add to those already selling for portfolio management reasons. Despite the significant potential, the number of deals completed so far has been relatively low due to mismatches between buyer and seller pricing expectations, and uncertainty over the effects of the recession on underlying performance. We expect deal volumes to increase over the coming year as pricing expectations align and economic visibility improves.

Pantheon's influence as a significant limited partner has made it a preferred buyer of secondary interests for many of the foremost general partners in the industry. In addition, Pantheon's strength in manager research and depth of transactional experience can enable PIP, subject to financing, to take advantage of the current opportunities in the secondary market.

Activity

PIP suspended its primary investment programme in the quarter to 30th September 2008, prior to which, commitments totalling £24 million were made to new private equity funds.

SECONDARY ACQUISITIONS

PIP acquired no new secondary assets in the year, having suspended new commitments to secondaries at the beginning of 2008.

The Company does not intend to make any further commitments until there is a sustained recovery in the level of distributions or additional financing is obtained.

DISTRIBUTIONS

PIP received £86m in proceeds from the portfolio during the twelve months to 30th June 2009, equivalent to approximately 11% of the opening private equity assets. This figure excludes proceeds from fund disposals.

QUARTERLY DISTRIBUTIONS/OPENING PORTFOLIO VALUE (ANNUALISED)

The rate of distributions fell markedly in the second half of the financial year, as the deteriorating economic climate impacted the level of portfolio company exits. The high distribution rate in the quarter to December 2008 includes the two largest portfolio exits of the year – the sales of MessageLabs and N&W Global Vending.

TOP 20 DISTRIBUTIONS DURING THE YEAR TO 30TH JUNE 2009

COMPANY / VEHICLE	DESCRIPTION	DISTRIBUTION
		£M
MessageLabs	Provider of online messaging and Web security services	14.0
N&W Global Vending	Produces automatic snack and beverage vending machines	5.8
American Public Education	Provider of online post-secondary education, focusing primarily on serving the military and public service communities	3.5
CIFA	Designs, manufactures, and distributes equipment for the mixing, transportation and placement of ready-mix concrete	3.0
Odin Partners	Group of secondary venture, buyout and special situations funds based primarily in the USA. Acquired in 2006	2.0
Ceme Group & Converteam	Ceme Group manufactures fluid control components. Converteam engineers and manufactures motors, generators and drives	1.9
Klee USA Fund I	Group of secondary venture and buyout funds based in the USA. Acquired in 2004	1.8
Klee Europe Fund II	Group of secondary buyout funds based in Europe. Acquired in 2004	1.7
Unomedical	Develops, manufactures and distributes single use medical devices	1.4
Rosetta Stone	Develops language learning software	1.3
CompAir	Manufacture and sale of air and other gas compression systems	1.2
CPS Color	Supplies advanced tinting systems and technology	1.1
Lindorff Group	Outsourced receivables management company	1.0
Racal Acoustics	Supplies high quality, state-of-the-art audio products to the military	1.0
Papillon Partners	Group of secondary venture, buyout and special situations funds based primarily in the USA. Acquired in 2008	1.0
SAV Group	Waste management group specialising in the management of hazardous waste incineration and treatment infrastructure	1.0
Papillon Partners	Group of secondary venture, buyout and special situations funds based primarily in the USA. Acquired in 2008	0.9
Papillon Partners	Group of secondary venture, buyout and special situations funds based primarily in the USA. Acquired in 2008	0.8
Jet Aviation	Global business aviation service company	0.8
Partnership	Provider of retirement solutions	0.8

The table above shows the 20 largest individual cash distributions during the year to 30th June 2009. Overall PIP received distributions from more than 200 funds, highlighting that even in difficult economic times, a well diversified portfolio can generate significant realisation activity.

GROSS MULTIPLE BAND	NUMBER IN SAMPLE
> 0.0x to 1.5x	0
> 1.5x to 2.0x	3
> 2.0x to 3.0x	2
> 3.0x to 4.0x	2
> 4.0x to 5.0x	2
> 5.0x to 7.5x	3
> 7.5x to 10.0x	2
> 10.0x to 15.0x	0
> 15.0x	1
Value of sample	£37.8m
Total distributions year to 30th June 2009	£86.1m
Coverage	44%

The table above shows the range of gross multiples on initial cost achieved by the underlying fund manager on the largest cash distributions (excluding group's of secondary funds). Ten of the fifteen distributions included in the sample generated gross multiples in excess of 3.0x for the underlying fund manager. This highlights the continued ability of private equity to provide strong returns to investors.

Activity

(CONTINUED)

CALLS

PIP paid £157m in cash calls during the year to 30th June 2009, equivalent to approximately 24% of opening undrawn commitments.

QUARTERLY CALLS*/OPENING UNDRAWN COMMITMENTS (ANNUALISED)

The rate of drawdowns from outstanding commitments decreased in the year to 30th June 2009 as a lack of debt financing coupled with economic uncertainty reduced investment activity. Pantheon expects call rates to remain subdued over the coming months.

INVESTMENT CASH FLOWS

With the exception of the quarter to 31st December 2008, when the distribution rate was significantly higher due to the exits of MessageLabs and N&W Global Vending, the Company has experienced a net cash outflow in all other quarters.

FINANCE

At 30th June 2009 the Company had £20.5m in cash and £30m remaining of its £150m revolving credit facility.

PIP continues to have in place “standby” agreements with certain institutions under which the Company can require the institutions to subscribe for new redeemable shares, up to the value of £150m. The purpose of these agreements is to provide an additional level of assurance that PIP will be in a position to meet calls in the near term.

In December 2008, PIP issued £49.5m of unsecured subordinated loan notes (the “Notes”) to institutional investors who had previously entered into “standby” agreements. The Notes have a maturity date of 15th November 2010 and accrue interest at LIBOR plus 1.5%. In the event of a drawdown by the Company under a “standby” agreement from an institutional investor who is a Noteholder, the Company shall repay an equivalent amount on the Notes held by such investor (or such lesser amount as is outstanding).

During the year PIP entered into agreements to sell fund interests to a number of third parties. As a result of these disposals, the Company has received approximately £23m in cash proceeds and reduced undrawn commitments by approximately £163m. A further £27m of sales proceeds from transactions completed during the year was received in July 2009.

Including the above sales proceeds received in July 2009, PIP’s available financing stood at £178m at 30th June 2009.

Portfolio Review

The underlying companies in the portfolio range from large and mature industrial enterprises with multinational operations to early-stage ventures operating at the leading edge of technological development. All the companies have one factor in common: the influence of professional private equity managers who are motivated to maximise the value of each underlying investment.

PORTFOLIO ANALYSIS BY VALUE AS AT 30TH JUNE 2009

PIP disposed of a number of assets in the year to 30th June 2009. Where mature primary assets were sold, in the majority of cases, PIP retained a 50% stake in order to maintain exposure to these funds and to ensure the portfolio continues to be well diversified.

GEOGRAPHIC SPREAD

The weighting to the USA increased from 53% to 60% over the period whereas the weighting to Europe fell from 40% to 31%, reflecting both investment returns, relative currency movements and fund sales since 30th June 2008. The weighting to Asia and other regions increased from 7% to 9% in the period.

STAGE COMPOSITION

PIP's portfolio is well diversified across all the major stages of private equity. The majority of the Company's exposure to buyouts is via mid and small cap funds, which tend to utilise lower levels of leverage within portfolio companies than the very largest funds. In addition, PIP has a significant exposure to venture capital-focused funds.

SECTOR COMPOSITION

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

MATURITY

PIP's portfolio is well diversified by fund vintage (referring to the year the fund made its first drawdown).

Outstanding Commitments

PIP's outstanding commitments to fund investments are well diversified by stage and geography and will enable the Company to participate in future investments with many of the highest quality fund managers in the private equity industry.

PIP's outstanding commitments to investments decreased to £428m at 30th June 2009 compared with £641m at 30th June 2008. £157m of this reduction was due to calls and £163m was due to the sale of fund commitments. These reductions were partially offset by the depreciation of sterling versus the US dollar and euro, and the new commitments made during the year.

PORTFOLIO ANALYSIS BY OUTSTANDING COMMITMENTS AS AT 30TH JUNE 2009

GEOGRAPHIC SPREAD

The chart below shows the breakdown of the Company's outstanding commitments by geography. Europe and the USA have the largest outstanding commitments reflecting the fact that they have the most mature private equity markets. Commitments to Asia and other regions totalled 12%.

STAGE COMPOSITION

The chart below shows the breakdown of the Company's outstanding commitments by the stage focus of the underlying funds.

MATURITY

The chart below shows the breakdown of the Company's outstanding commitments by the vintage (referring to the year the fund made its first drawdown) of the underlying funds.

PANTHEON VEHICLES

Pantheon Ventures Limited ("Pantheon") is not entitled to management and commitment fees in respect of PIP's holdings in, and outstanding commitments to, the firm's managed fund-of-funds vehicles. In addition, Pantheon has agreed that PIP will never be disadvantaged in terms of fees compared with the position it would have been in had it made investments directly into the underlying funds rather than indirectly through such fund-of-funds vehicles.

Portfolio Managers by Geography

The Company has exposure to many of the best managers across the globe, via both the primary and secondary markets. Our USA investments focus primarily on mid market buyout and mature venture assets. In Europe we focus primarily on mid market buyouts through both Pan-European managers and regional specialists with a detailed knowledge of local markets. The Asian portfolio is focused on both the buyout and growth stages, utilising managers with a strong local presence. In this section we disclose only the largest manager exposures.

USA

Large Buyout		Balanced/Diversified Venture	
Providence Equity Partners	1.3%	Oak Investment Partners	1.1%
Apollo Management	1.2%	New Enterprise Associates	0.8%
Carlyle Group	1.2%	RedShift Ventures	0.7%
Francisco Partners	0.9%	Essex Woodlands Health Ventures	0.6%
Vestar Capital Partners	0.5%	Baker Capital	0.6%
Bain Capital	0.4%	Polaris Venture Partners	0.5%
First Reserve	0.4%	Quantum Technology Ventures	0.5%
HM Capital Partners	0.4%	New Leaf Venture Partners	0.4%
Onex Partners	0.3%	VantagePoint Venture Partners	0.4%
Thomas H Lee Partners	0.3%	Spectrum Equity Investors	0.4%
Small/Mid Buyout		Early Stage Venture	
Golden Gate Capital	1.7%	GrandBanks Capital	0.7%
Brentwood Associates	1.6%	Alta Partners	0.6%
Churchill Equity	1.2%	JK&B Capital	0.6%
Avista Capital Partners	0.9%	Canaan Partners	0.5%
Genstar Capital	0.8%	VSP Capital	0.4%
ABRY Partners	0.5%	Doll Capital Management	0.4%
Sterling Investment Partners	0.4%	Interwest Partners	0.3%
Lake Capital	0.4%	ARCH Venture Partners	0.3%
American Securities Capital Partners	0.4%	Polaris Venture Partners	0.3%
Arlington Capital Partners	0.4%	Growth Capital	
Sun Capital Partners	0.4%	Technology Crossover Ventures	0.8%
Lovell Minnick Partners	0.3%	TA Associates	0.6%
Resolute Funds	0.3%	Weston Presidio	0.5%
Pfingsten Partners	0.3%	SoftBank Capital	0.4%
Ares Management	0.3%	Scale Venture Partners	0.4%
Code Hennessy & Simmons	0.3%	Insight Venture Partners	0.3%
Olympus Partners	0.3%	Summit Partners	0.3%
Safeguard International	0.3%	Special Situations	
		Carlyle Group/Riverstone Holdings	1.1%
		Yorktown Partners	0.7%
		Oaktree Capital Management	0.6%
		ABRY Partners	0.5%
		MatlinPatterson	0.4%
		Questor Partners	0.3%
		Generalist	
		ABS Capital Partners	1.5%
		Spectrum Equity Investors	0.2%
		Goldman Sachs Private Capital	0.1%

Figures above show the top three manager exposures (NAV + outstanding commitments) in each category shown, and in addition any managers with exposures greater than £3m in each category, as a percentage of the Company's total exposure. Above figures show both primary and secondary exposures. Figures are adjusted for fund disposals that had yet to be completed at 30th June 2009 and any known reduction in commitments post 30th June 2009. The manager exposures shown on pages 18 and 19 represent 73% of the Company's total exposure.

EUROPE

UK Managers		French Managers		Russia	
Vision Capital	1.3%	Sagard Private Equity Partners	0.5%	Baring Vostok Capital Partners	0.8%
Nova Capital Management	1.1%	Chequers Capital	0.4%		
Alchemy Partners	0.5%	AtriA Capital Partenaires	0.2%	Northern European Managers	
ECI Partners	0.4%			IK Investment Partners	0.8%
Darwin Private Equity	0.4%	Central & Eastern European Managers		Nordic Capital	0.7%
Amadeus Capital Partners	0.3%	Mid-Europa Partners	0.9%	Altor Equity Partners	0.6%
		Enterprise Investors	0.3%	Herkules Capital	0.4%
Italian Managers		German Managers		Pan-European Managers	
Clessidra Capital Partners	1.3%	Arcadia	0.5%	Barclays Private Equity	2.4%
Private Equity Partners	0.8%	Odewald Private Equity Partners	0.1%	Apax Partners	2.1%
BS Private Equity	0.1%			Hutton Collins	1.7%
		Israel		Doughty Hanson & Co	1.6%
		Gemini Israel Funds	0.4%	CVC Capital Partners	1.5%
		Cedar Fund	0.2%	BC Partners	1.0%
		Benchmark Israel	0.1%	Cipio Partners	0.8%
		Spanish Managers		Permira	0.7%
		Mercapital	0.9%	Summit Partners	0.6%
		Benelux		Montagu Private Equity	0.6%
		Bencis Capital Partners	0.4%	Cinven	0.6%
				Hg Capital	0.6%
				Index Ventures	0.5%
				Wellington Partners	0.4%
				Accel Partners	0.4%

ASIA AND OTHER

Pan-Asian		Country Specialist Growth	
Texas Pacific Group	0.8%	DT Capital Management (China)	0.3%
Pacven Walden Ventures	0.8%	Orchid Asia (China)	0.3%
CVC Capital Partners	0.6%	CDH Capital (China)	0.2%
Baring Private Equity Partners	0.5%		
Unitas Capital	0.5%		
Kohlberg Kravis Roberts & Co	0.3%		
Country Specialist Buyout			
Archer Capital (Australia)	0.6%		
Unison (Japan)	0.6%		
Hony Capital (China)	0.3%		

Figures above show the top three manager exposures (NAV + outstanding commitments) in each category shown, and in addition any managers with exposures greater than £3m in each category, as a percentage of the Company's total exposure. Above figures show both primary and secondary exposures. Figures are adjusted for fund disposals that had yet to be completed at 30th June 2009 and any known reduction in commitments post 30th June 2009.

The Top 20 Managers by Value and Outstanding Commitments

TOP 20 MANAGERS BY VALUE AS AT 30TH JUNE 2009

NUMBER	MANAGER	REGION	% OF PIP'S TOTAL PRIVATE	
			STAGE BIAS	EQUITY ASSET VALUE
1	Barclays Private Equity	EUROPE	BUYOUT	2.5%
2	Apax Partners	EUROPE	BUYOUT	2.2%
3	ABS Capital Partners	USA	GENERALIST	1.9%
4	Brentwood Associates	USA	BUYOUT	1.8%
5	Doughty Hanson & Co	EUROPE	BUYOUT	1.6%
6	Avista Capital Partners	USA	BUYOUT	1.6%
7	Churchill Equity	USA	BUYOUT	1.6%
8	Nova Capital Management	EUROPE	BUYOUT	1.5%
9	Oaktree Capital Management	GLOBAL	GENERALIST	1.4%
10	Oak Investment Partners	USA	VENTURE	1.4%
11	CVC Capital Partners	EUROPE	BUYOUT	1.4%
12	IK Investment Partners	EUROPE	BUYOUT	1.3%
13	Providence Equity Partners	USA	BUYOUT	1.3%
14	ABRY Partners	USA	BUYOUT	1.3%
15	Vision Capital	EUROPE	BUYOUT	1.3%
16	BC Partners	EUROPE	BUYOUT	1.2%
17	Carlyle Group/Riverstone Holdings	USA	SPECIAL SITUATIONS	1.2%
18	Cipio Partners	EUROPE	VENTURE	1.1%
19	Carlyle Group	GLOBAL	GENERALIST	1.1%
20	Nordic Capital	EUROPE	BUYOUT	1.1%

Figures are adjusted for fund disposals that had yet to be completed at 30th June 2009.

TOP 20 MANAGERS BY OUTSTANDING COMMITMENTS AS AT 30TH JUNE 2009

NUMBER	MANAGER	REGION	% OF OUTSTANDING	
			STAGE BIAS	COMMITMENTS
1	Hutton Collins	EUROPE	SPECIAL SITUATIONS	3.7%
2	Golden Gate Capital	USA	BUYOUT	3.6%
3	CVC Capital Partners	EUROPE	BUYOUT	3.2%
4	Clessidra Capital Partners	EUROPE	BUYOUT	2.9%
5	Apax Partners	EUROPE	BUYOUT	2.4%
6	Summit Partners	GLOBAL	VENTURE	2.3%
7	Barclays Private Equity	EUROPE	BUYOUT	2.3%
8	Mid-Europa Partners	EUROPE	BUYOUT	1.8%
9	Carlyle Group	GLOBAL	GENERALIST	1.8%
10	Baring Vostok Capital Partners	REST OF THE WORLD	BUYOUT	1.7%
11	Apollo Management	USA	BUYOUT	1.6%
12	Doughty Hanson & Co	EUROPE	BUYOUT	1.5%
13	Vision Capital	EUROPE	BUYOUT	1.5%
14	Technology Crossover Ventures	USA	VENTURE	1.4%
15	Mercapital	EUROPE	BUYOUT	1.4%
16	Private Equity Partners	EUROPE	BUYOUT	1.3%
17	Providence Equity Partners	USA	BUYOUT	1.3%
18	Arcadia	EUROPE	BUYOUT	1.2%
19	Brentwood Associates	USA	BUYOUT	1.2%
20	Unison Capital	ASIA	BUYOUT	1.2%

Figures are adjusted for fund disposals that had yet to be completed at 30th June 2009 and any known reduction in commitments post 30th June 2009.

The Top 20 Companies by Value

TOP 20 COMPANIES BY VALUE AS AT 30TH JUNE 2009

NUMBER	COMPANY	SECTOR	% OF PIP'S TOTAL PRIVATE
			EQUITY ASSET VALUE
1	Nycomed	MEDICAL/HEALTH	0.9%
2	Rosetta Stone*	COMPUTER	0.6%
3	Bibby Scientific	OTHER SERVICES AND MANUFACTURING	0.5%
4	GSI Commerce*	COMMUNICATIONS	0.5%
5	Spectrum Athletic Clubs	CONSUMER	0.5%
6	Carbolite	OTHER SERVICES AND MANUFACTURING	0.5%
7	Array	OTHER SERVICES AND MANUFACTURING	0.5%
8	Orchid Orthopedic Solutions	MEDICAL/HEALTH	0.4%
9	InterXion	COMPUTER	0.4%
10	TDC*	COMMUNICATIONS	0.4%
11	The Teaching Company	OTHER SERVICES AND MANUFACTURING	0.4%
12	Duff & Phelps*	OTHER SERVICES AND MANUFACTURING	0.4%
13	Cavium Networks*	OTHER ELECTRONICS	0.4%
14	VBrick Systems	COMPUTER	0.4%
15	Scilabware	BIOTECHNOLOGY AND PHARMACOLOGY	0.3%
16	Converteam	ENERGY	0.3%
17	Global Refund	OTHER SERVICES AND MANUFACTURING	0.3%
18	Polar	OTHER SERVICES AND MANUFACTURING	0.3%
19	ConvaTec Group	MEDICAL/HEALTH	0.3%
20	BrightHouse	CONSUMER	0.3%

Figures are adjusted for fund disposals that had yet to be completed at 30th June 2009.

* Quoted holding as at 30th June 2009.

The Manager (Pantheon)

Pantheon, one of the world's foremost private equity specialists, has acted as Manager to PIP since its inception in 1987, evaluating and managing investments on PIP's behalf in line with the strategy agreed by the Board. 70% of Pantheon's primary fund-of-funds are top quartile performers, with the remainder in the second quartile.¹ Pantheon is also one of the largest and most experienced secondary managers, having committed more than \$5 billion to secondaries over a 20 year period.²

STRONG PRIVATE EQUITY TRACK RECORD

Pantheon is one of the leading private equity fund-of-fund managers in the world, with global assets under management of \$21.4 billion,² and over 300 institutional investors. Pantheon is the private equity arm of Russell Investments, a global leader in multi-manager investing.

Pantheon has a strong and consistent private equity investment track record. Over the past 25 years Pantheon has made primary and secondary investments in over 1,000 private equity funds, gaining exceptional insight and access to the most attractive funds in all the major private equity regions. Pantheon has a 20-year track record of successful private equity secondary investing, having committed \$5.3 billion in the secondary market globally across more than 260 transactions, including more than 90 portfolio transactions and more than 170 single fund secondaries.²

RISK MANAGEMENT

Pantheon has substantial experience of investing in private equity through various economic cycles and in different regional markets. The firm's asset allocation, diversification strategies and disciplined investment process are structured with the objective of producing the best possible risk-adjusted returns. Pantheon's diversification strategy limits portfolio risk by including a multi-strategy approach, targeting funds with a variety of different return characteristics and deploying capital over a number of vintage years, generally ensuring that the most attractive segments of the market are represented in the portfolio. When applying this approach, the Board works closely with Pantheon to ensure that the management of the Company is in line with its agreed strategy.

REPUTATION AS A PREFERRED INVESTOR

Pantheon has been investing in private equity for over 25 years and has an enviable reputation in the industry. Pantheon is often considered a preferred investor due to its reputation, active approach and scale of commitments. In addition, Pantheon generally seeks advisory board seats to contribute actively to governance during the life of the fund. As such Pantheon is represented on over 180 advisory boards worldwide. Long-standing partnerships with managers on a global basis can also enhance the firm's deal flow in the secondary market.

¹ Performance figures are as at 31st December 2008, and relate to USA and European fund-of-funds only. Fund-of-funds raised after 2005 have been excluded. LP and Limited vehicles have been treated as combined funds. No adequate benchmark is available for Asia and global secondaries.

² As at 31st March 2009.

³ All staff figures as at 1st July 2009.

TEAM-BASED CULTURE

Pantheon draws upon a deep pool of resources that contribute to a unique team-based culture. With teams operating in London, San Francisco, Hong Kong and New York, Pantheon adopts a collegial approach to investment decision-making, globally leveraging the collective experience and expertise of all investment professionals.

The team's experience is also brought to bear on the evaluation, selection and ongoing monitoring of fund investments. Pantheon's team of 65 investment professionals, supported by more than 75 other professionals,³ work together with the ultimate aim of producing strong and consistent results.

THE INVESTMENT TEAM

A: San Francisco – 27 investment professionals B: London – 29 investment professionals

C: Hong Kong – 6 investment professionals D: New York – 3 investment professionals

AT A GLANCE

- \$21.4 billion² assets under management, with over 300 institutional investors
- 70% of Pantheon primary fund-of-funds are top quartile, with the remainder second quartile¹
- World leader in private equity fund-of-fund management with over 25-years' experience
- International team comprising 140 staff, including 65 investment professionals³
- At the forefront of the fast growing secondary market, having committed \$5.3 billion to secondary investments globally, across more than 260 transactions²

Biographies of Key Senior Investment Personnel

ANDREW LEBUS *Managing Partner*

Joined 1994, 24 years of private equity experience

Andrew is a senior member of Pantheon's investment team. He is responsible for co-ordinating the Company's activities within Pantheon and participates in the secondary investment process. Andrew, who spent eight years in Pantheon's Hong Kong office, also participates in Asian investment including determining investment strategy and overseeing the selection and monitoring of investments. Prior to joining Pantheon, Andrew worked for a number of years in corporate finance with special emphasis on the private equity market, latterly at Credit Lyonnais Securities, and prior to that at its affiliate, Castleforth. Andrew is based in London.

ALASTAIR BRUCE *Managing Partner*

Joined 1996, 13 years of private equity experience

Alastair is responsible for overseeing Pantheon's finance, administration and compliance. In addition, Alastair works closely with the secondary team on the structuring and completion of secondary transactions worldwide. Before joining Pantheon, he spent seven years at SPP Investment Management as an investment analyst and business controller. Alastair is based in London.

COLIN WIMSETT *Managing Partner*

Joined in 1997, 21 years of private equity experience

Colin is Pantheon's Chief Investment Officer. He joined Pantheon in 1997 from the West Midlands Pension Fund, where he spent nine years focusing on private equity investments. Colin is based in London.

J. JAY PIERREPONT *Managing Partner*

Joined 1987, 24 years of private equity experience

Jay directs Business Development and Client Service activities in North America. He is also a senior member of the North American secondary investment team. Jay joined Pantheon in 1987 and was a member of the buyout team that purchased the business from GT Management in 1988; previously he was a commercial banker at the Northern Trust Company in Chicago. Jay is based in San Francisco.

CHRIS MEADS *Partner*

Joined 2001, 13 years of private equity experience

Chris leads Pantheon's Asian investment activity. Chris joined Pantheon from HSBC Hong Kong, where he was involved both in strategic acquisitions and the design and implementation of internal operating procedures. He was previously a senior investment analyst for Brierley Investments Ltd in both Hong Kong and New Zealand, and before that worked in a deal advisory capacity for CS First Boston (NZ) and as an economist for the National Bank of New Zealand and the Reserve Bank of New Zealand. Chris is based in Hong Kong.

ELLY LIVINGSTONE *Partner*

Joined 2001, 12 years of private equity experience

Elly leads Pantheon's global secondary investment funds. He joined Pantheon in 2001. Prior to joining Pantheon, Elly was an investment manager focusing on structuring and execution of direct investments at Actis Capital, an emerging markets private equity fund, having worked previously for Accenture and PricewaterhouseCoopers on a wide range of international consulting and corporate finance advisory assignments. He is based in London.

HELEN STEERS *Partner*

Joined 1999*, 20 years of private equity experience

Helen leads Pantheon's European primary investment activity. Helen joined Pantheon in 2004 from Russell Investments in Paris, where she was Managing Director with overall responsibility for private equity in Europe. Prior to joining Russell in 1999, Helen spent five years as Director, European Private Equity with the Caisse de Dépôt et Placement du Québec. From 1989 to 1994, Helen was a senior investment manager at the Business Development Bank of Canada in Montréal. Helen is based in London.

* Year joined Russell

SUSAN LONG MCANDREWS *Partner*

Joined in 2002, 14 years of private equity experience

Susan leads Pantheon's North American primary investment activity. She also participates in Asian investment including determining investment strategy and overseeing the selection and monitoring of investments. Prior to joining Pantheon, she was a principal at Capital Z Partners in Asia, where she was responsible for executing investments in private equity funds and in fund management companies. In addition, Susan was a director at Russell Investments from 1995 to 1998 in their private equity group. Susan is based in San Francisco.

Company Strategy, 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.

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-of-funds manager monitoring and researching the global private equity market, Pantheon, PIP's Manager, is well positioned to identify fund managers who have the skills and strategies to deliver superior performance within their particular market segments.

PIP's strategy is to invest with leading private equity managers whilst reducing investment risk through diversification of the underlying portfolio by geography, investment stage and sector. This strategy is implemented through PIP's primary and secondary investment programmes. PIP has the flexibility to vary the size of the primary and secondary investment programmes depending on available financing. The portfolio reflects PIP's prolonged access to Pantheon's highly successful primary and secondary investments over the past 22 years. Only funds that have passed rigorous due diligence and research are selected for the primary and secondary programmes.

PRIMARY PROGRAMME

The primary programme invests in private equity funds when they are first formed. Pantheon aims to secure access to superior managers and to identify high quality managers often overlooked by the market. Investments are made on a pro-rata basis alongside Pantheon's regional fund-of-funds.

Through the primary programme, PIP invests in fewer than 2% of the estimated universe of private equity funds and thus is able to substantially outperform the market averages, given the high dispersal of returns between managers.

The primary programme enables PIP to invest strategically in specific areas of the market, put money to work steadily over time and gain access to the very best funds.

SECONDARY PROGRAMME

The secondary programme purchases existing investments in private equity funds. Typically these investments are acquired between three and six years after a fund's inception. PIP benefits from secondaries because the fees and expenses in the first few years have been paid and distributions from the fund will be returned over a shorter time period. This helps to reduce the drag to performance from young and immature funds, known as the "J-curve effect". In addition secondary assets can be purchased at a discount, especially in cases where the seller has liquidity problems, increasing the opportunity for outperformance.

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's latest global secondary fund, benefiting from access to larger secondary opportunities that it would not have had the capacity to complete alone. The secondary programme enables PIP to acquire attractively priced secondary interests as they become available, and is thus able to outperform market averages through judicious pricing and timing.

The Company does not intend to make any further commitments to either the primary or secondary programmes until there is a sustained recovery in the level of distributions or additional financing is obtained. As the Company's finances become less constrained, either as a result of a normalisation in the level of distributions, or due to a capital raising, PIP will be able to participate in new investments, with emphasis on the current opportunities in the secondary market as a priority.

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, by acquiring direct holdings in unquoted companies, usually either where a vendor is seeking to sell a combined portfolio of fund interests and direct holdings or where there is a private equity manager, well known to the Company's Manager, investing on substantially the same terms.

The Company may invest in private equity funds which are quoted. In addition, the Company may from time to time hold quoted investments in consequence of such investments being distributed to the Company from its fund investments or in consequence of an investment in an unquoted company becoming quoted. The Company will not otherwise normally invest in quoted securities although the Company reserves the right to do so should this be deemed to be in the interests of the Company.

The Company may invest in any type of financial instrument, including equity and non-equity shares, debt securities, subscription and conversion rights and options in relation to such shares and securities and interests in partnerships and limited partnerships and other forms of collective investment scheme. Investments in funds and companies may be made either directly or indirectly, through one or more holding, special purpose or investment vehicles in which one or more co-investors may also have an interest.

The Company employs a policy of over-commitment. This means that the Company may commit more than its available uninvested assets to investments in private equity funds on the basis that such commitments can be met from anticipated future cash flows to the Company and through the use of borrowings and capital raisings where necessary.

The Company's policy is to adopt a global investment approach. The Company's strategy is to mitigate investment risk through diversification of its underlying portfolio by geography, sector and investment stage. Since the Company's assets are invested globally on the basis, primarily, of the merits of individual investment opportunities, the Company does not adopt maximum or minimum exposures to specific geographic regions, industry sectors or the investment stage of underlying investments.

Company Strategy, Objective and Investment Policy

(CONTINUED)

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 of all the amounts invested by the Company in (including commitments to or in respect of) funds managed by a single management group may not, in consequence of any such investment being made, form more than 20% of the aggregate of the most recently determined gross asset value of the Company and the Company's aggregate outstanding commitments in respect of investments at the time such investment is made;
- 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 manager diversification requirement referred to above, the Company looks through vehicles established and managed or advised by Pantheon or any Pantheon affiliate.

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 and to meet calls in relation to existing investments without having to retain significant cash balances for such purposes. Under the Company's articles of association, the Company's borrowings may not at any time exceed 100% of the Company's net asset value. Typically, the Company does not expect its gearing to exceed 30% of gross assets. However, gearing may exceed this in the event that, for example, the Company's pipeline of future cash flows alters.

The Company may invest in private equity funds, unquoted companies or special purpose or investment holding vehicles which are geared by loan facilities that rank ahead of the Company's investment. The Company does not adopt restrictions on the extent to which it is exposed to gearing in funds or companies in which it invests.

The Directors

The Board consists solely of non-executive Directors and no one individual has unfettered powers of decision. The Board has put in place levels of corporate governance which it believes are appropriate to an investment trust and to enable the Company to comply with the AIC Code of Corporate Governance (the “AIC Code”). Directors are subject to re-election by shareholders at intervals specified in the Company’s Articles of Association, and in accordance with the AIC Code and the Financial Services Authority’s Listing Rules. The Directors consider that this meets the requirement of the Combined Code on Corporate Governance that Directors are appointed for specific periods and that their re-appointment should not be automatic. A formal process exists for the selection of new Directors to the Company. The level of remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company.

KEY: (a) Member of the Audit Committee (b) Member of the Management Engagement Committee (c) Independent of the Manager

TOM BARTLAM *Chairman* (a), (b) & (c)

Born December 1947. Appointed to the Board on 26th June 2003

Tom Bartlam was managing director of Intermediate Capital Group PLC, the leading independent arranger and provider of mezzanine finance in Europe, until his retirement in 2005; he remained a non-executive director until 2009. He is non-executive chairman of Polar Capital Holdings PLC and a non-executive director of Numis Corporation PLC and F&C UK Select Trust PLC. Prior to founding Intermediate Capital Group PLC in 1989, he worked for Charterhouse Bank, where he was a director involved in their corporate finance and private equity activities. He is a chartered accountant.

IAN BARBY (a), (b) & (c)

Born January 1945. Appointed to the Board on 28th April 2005

Ian Barby practised as a Barrister before joining Warburg Investment Management Ltd in 1985, subsequently becoming a vice chairman of Mercury Asset Management plc and latterly, until 2003, a managing director of Merrill Lynch Investment Managers. He is currently chairman of Invesco Perpetual UK Smaller Companies Investment Trust PLC and of Ecofin Water and Power Opportunities plc, as well as being a director of Merrill Lynch World Mining Trust plc, Schroder Income Growth Fund plc and SR Europe Investment Trust plc.

RICHARD CROWDER

Born March 1950. Appointed to the Board on 1st September 2000

Richard Crowder holds a range of directorships and consultancy appointments. He is a director of a number of private equity fund of funds managed by the Pantheon Group. Having worked as an investment manager with Ivory & Sime in Edinburgh and as a head of investment research with W.I. Carr in the Far East, he undertook a wide range of responsibilities for Schroders in London and the Far East, culminating in the role of managing director for Schroders' Singapore associate. He was the founding managing director of Schroders' Channel Islands subsidiary from 1991 to 2000. He is a member of the Securities and Investment Institute and resides in Guernsey.

PETER READMAN (b) & (c)

Born December 1946. Appointed to the Board on 20th October 1994

Peter Readman is chairman of Abercromby Property International and of the Chamber Orchestra of Europe. He is an economic advisor to a number of international companies and is a director of Keystone Investment Trust PLC and Schroder Income Growth Fund plc.

RHODDY SWIRE

Born March 1951. Appointed to the Board on 7th August 1987

Rhoddy Swire is the founder and a senior partner of Pantheon Holdings Limited. In 1981, he joined GT Management Ltd. ("GT"), now a part of Amvescap PLC, with responsibility for investment in unquoted companies. In 1988 he led the buyout of Pantheon Holdings, of which the Company's Manager, Pantheon Ventures Limited, is a subsidiary, from GT. He is chairman of The Lindsell Train Investment Trust PLC, and a director of Lewmar Marine plc and The China Navigation Company Limited.

SANDY THOMSON (a), (b) & (c)

Born July 1953. Appointed to the Board on 22nd May 2003

Sandy Thomson is currently CEO of Taconic Capital Advisors UK LLP and a director of a number of other companies. Prior to joining Taconic, he was managing general partner of an Asian private equity fund located in Hong Kong. He has 25 years' experience in investment banking, private equity and hedge fund investing in the United Kingdom, Europe, the United States and Asia.

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 2009.

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 2009. 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. It enables investors to gain access to a substantial portfolio of unquoted companies in the USA, Europe and Asia, within funds managed by experienced private equity managers selected for their ability to outperform.

PIP'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 full Objective and Investment Policy are set out on pages 27 and 28.

The Company has received written approval from HM Revenue & Customs as an authorised investment trust under Section 842 of the Income and Corporation Taxes Act 1988 up to the year ended 30th June 2007. This approval is subject to there being no subsequent enquiry under corporation tax self-assessment. The Company has been approved as an investment trust for all previous years. It is the opinion of the Directors that the Company has subsequently directed its affairs so as to enable it to continue to qualify for such approval and the Company will continue to seek approval under Section 842 each year.

The Company's status as an investment trust allows it to obtain an exemption from paying taxes on the profits made from the sale of its investments. Investment trusts offer a number of advantages for investors, including access to investment opportunities that might not be open to private investors and to professional stock selection skills at low cost.

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").

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 best available funds and to mitigate investment risk through diversification of the underlying portfolio by geography, investment stage and sector. The principal risks facing the Company include the following:

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 meet these commitments is dependent upon it receiving cash distributions (the timing and amount of which can be unpredictable) from its private equity investments and, to the extent these are insufficient, on the availability of financing facilities.

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 the level of diversification which the Company seeks to achieve in relation to its investment portfolio.

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 investments may carry a higher degree of risk than investments in quoted securities. The Company may be adversely affected by these risks notwithstanding the level of diversification which it seeks to achieve in relation to its investment portfolio.

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 receive a return on investments made by it for a number of years.

Liquidity risk

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 investments are less readily marketable than quoted securities and realisation of these investments may require a lengthy time period or may result in distributions in kind to the Company.

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 provided by these funds and companies to the Manager. There is potential for inconsistency in the valuation methods adopted by these funds and companies. In addition, the information provided is typically more than 90 days old at the time the net asset value of the Company's shares is reported.

Gearing

As at 30th June 2009 the Company had borrowings of £170m. The use of gearing can cause both gains and losses in the asset value of the Company to be magnified. The Company may also invest in private equity funds or unquoted companies which are geared by loan facilities that rank ahead of the Company's investment both for payment of interest and capital. As a consequence, the Company may be exposed to gearing through the borrowings from time to time of such private equity funds and companies, therefore investment in such assets presents a higher risk as to their capital return.

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 an equivalent regulatory body. Funds and unquoted companies in which the Company invests (directly or indirectly) may be domiciled in jurisdictions which do not have a regulatory regime which provides an equivalent level of investor protection to that provided under the laws of 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 of the Company from its investments may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise.

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 Limited ("Pantheon") as Manager and may be adversely affected if the services of Pantheon cease to be available to the Company. Details of the terms of the Management Agreement are set out on pages 35 and 36.

Other third party service providers on whom the Company relies include Capita Sinclair Henderson Limited, who provide company secretarial and accounting services, and HSBC Bank plc, who act as Custodian.

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 instruments are summarised in Note 20 to the financial statements.

The Directors' Report

(CONTINUED)

REVIEW OF 2008/2009

Net asset value

The Company's total net assets attributable to shareholders decreased during the year to £513,622,000 (2008: £736,105,000). The net asset value per ordinary share and redemption value per redeemable share was 773.62p at 30th June 2009 (2008: 1,108.72p).

Results and dividends

As set out in the Income Statement on page 51, the Company's net revenue deficit on ordinary activities before taxation for the year was £14,659,000 (2008: deficit of £8,080,000) and capital deficits were £207,427,000 (2008: profit of £133,547,000). The Directors do not recommend the payment of a dividend in respect of the year ended 30th June 2009 (2008: nil). The results for the year are as set out in the Income Statement.

Performance highlights

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

1. The net asset value performance
2. The level of discount
3. The total expense ratio of the Company

PIP's net asset value per ordinary share decreased by 30.2% to 773.62p in the year to 30th June 2009. Total assets decreased by £222.5 million to £513.6 million.

The 30.2% decrease in PIP's net asset value per share compares to decreases in the MSCI World Index (sterling) of 14.2% and the FTSE All-Share Index of 20.5% respectively. PIP's ordinary share price during the year decreased by 60.6% and the discount widened to 61.8% at the year end (discount of 32.4% at 30th June 2008).

The net asset value returns over 1 year, 3 years, 5 years and 10 years are set out on page 2. The total expense ratio of the Company for the year ended 30th June 2009 was 2.05% (2008: 1.45%).

Future developments

A review of the year to 30th June 2009 and the outlook for the coming year can be found in the Chairman's Statement on pages 4 to 6.

Share capital

As at 30th June 2009 and 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's market for listed securities.

No shares were issued or repurchased by the Company and no shares were held in treasury during the year or since the year end.

The redeemable shares do not carry any right to speak or vote at general meetings of the Company (although holders of redeemable shares are entitled to receive notice of general meetings of the Company and to attend such meetings). Redeemable shares do carry the right to vote at separate class meetings of the holders of redeemable shares.

Further details of the rights attaching to each of the Company's classes of share are included in Note 13 to the financial statements.

SHARE CAPITAL AND VOTING RIGHTS	NUMBER OF SHARES IN ISSUE	VOTING RIGHTS	% OF TOTAL VOTING
		ATTACHED TO EACH SHARE	RIGHTS REPRESENTED BY EACH CLASS
ORDINARY SHARES OF 67P EACH	37,521,013	1	100
REDEEMABLE SHARES OF 1P EACH	28,871,255	--	--
TOTAL VOTING RIGHTS	37,521,013		

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, and as such has no policies in this area. In carrying out its activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

MANAGEMENT

The Company's investment manager, Pantheon Ventures Limited, is one of the world's foremost private equity fund-of-funds managers and has acted as Manager to the Company since its inception in 1987. Pantheon evaluates and manages investments on the Company's behalf in line with the strategy agreed by the Board.

The Manager acts under a management agreement with the Company dated 25th February 2004 (as amended by supplemental agreements dated 9th August 2004 and 30th January 2007) (the "Management Agreement").

Under the terms of the Management Agreement (as amended) Pantheon has been appointed as the sole and exclusive discretionary manager of all the assets of the Company from time to time and to provide certain additional services in connection with the management and administration of the Company's affairs, including monitoring the performance of, and giving instructions on behalf of the Company to, other service providers to the Company.

The Manager is entitled to a monthly management fee at an annual rate of (i) 1.5% on the value of the Company's investment assets up to £150 million and (ii) 1% on the value of such assets in excess of £150 million. In addition, the Manager is entitled to a monthly commitment fee of 0.5% per annum on the aggregate amount committed (but unpaid) in respect of investments, up to a maximum amount equal to the total value of the Company's investment assets.

The Manager was also entitled to a performance fee from the Company in respect of the period of 18 months commencing on 1st January 2007 and ending on 30th June 2008 and, thereafter, 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 performance fee payable in respect of each such calculation period is 5% of the amount by which the net asset value at the end of such period exceeds 110% of the applicable 'high-water mark', i.e. the net asset value at the end of the previous calculation period in respect of which a performance fee was paid, compounded annually at 10% for each subsequent completed calculation period up to the start of the calculation period for which the fee is being calculated. If no performance fee has previously been paid, the applicable 'high-water mark' is the aggregate net asset value of all the shares of the Company in issue as at 31st December 2006 multiplied by $1 + (181 / 365 \times 10\%)$, compounded annually at 10% for each completed 12 calendar month period after 30th June 2007 up to the start of the calculation period for which the fee is being calculated.

The performance fee is calculated so as to ignore the effect on performance of any performance fee payable in respect of the period for which the fee is being calculated or of any increase or decrease in the net assets of the Company resulting from any issue, redemption or purchase of any shares or other securities, the sale of any treasury shares or the issue or cancellation of any subscription or conversion rights for any shares or other securities and any other reduction in the Company's share capital or any distribution to shareholders.

The value of investments in, and outstanding commitments to, investment funds managed or advised by the Pantheon group ("Pantheon Funds") are excluded in calculating the monthly management fee and the commitment fee. In addition, the Manager has agreed that the total fees (including performance fees) payable by Pantheon Funds to members of the Pantheon group and attributable to the Company's investments in Pantheon Funds shall be less than the total fees (excluding the performance fee) that the Company would have been charged under the Management Agreement had it invested directly in all of the underlying investments of the relevant Pantheon Funds instead of through the relevant Pantheon Funds.

The Directors' Report

(CONTINUED)

The Management Agreement is capable of being terminated (without penalty to the Company) by either party giving two years' notice in writing. It is capable of being terminated by the Company (without penalty to the Company) immediately if, among other things, the Manager defaults or goes into liquidation and on six months' notice if there is a change of control of the Manager or if certain "key man" provisions are triggered. The Manager has the benefit of an indemnity from the Company in respect of liabilities arising out of the proper performance by the Manager of its duties and compliance with instructions given to it by the Board and an exclusion of liability save to the extent of any negligence, fraud, wilful default or breach of duty.

Under the terms of the Management Agreement, the Company is entitled to participate in allocations made by the Pantheon group, under its secondary investment programme, of opportunities to acquire secondary investments, other than certain co-investment opportunities in single companies or business entities. The Company is entitled to be allocated half of any such opportunity (other than a single fund secondary investment opportunity) up to an acquisition cost of \$40 million and 25% of any balance. The Company is also entitled to be allocated, on the same basis, a share of the excess participation in single fund secondary investment opportunities which cannot be allocated to the Pantheon group's regional fund-of-funds clients. This basis for allocation to PIP of secondary investments applies until replaced by alternative allocation arrangements. It will apply during the investment period of Pantheon Global Secondary Fund III ("PGSF III"), a fund established by the Pantheon group in July 2006 for the purpose of acquiring secondary investments, and will continue to apply during the investment period of Pantheon Global Secondary Fund IV ("PGSF IV"), a successor fund to PGSF III.

An alternative basis for the allocation to the Company of secondary investment opportunities may be applied by Pantheon in the context of a successor fund to PGSF IV. In the event of Pantheon and the Company being unable to agree any such alternative allocation basis, Pantheon will cease to be entitled to any performance fee for calculation periods following that in which the alternative allocation basis takes effect and the Company will be entitled to terminate the Management Agreement (without penalty to the Company) on six months' notice.

The Board keeps under review the performance of the Manager and the Board are of the opinion that it is in the interests of shareholders to continue the appointment. The reasons for this view are that the investment performance is satisfactory and the Manager is best placed to continue to manage the assets of the Company according to the Company's strategy.

Under an agreement dated 20th November 1997, company secretarial, administrative and accounting services are provided by Capita Sinclair Henderson Limited. The Administration Agreement may be terminated by twelve months' written notice.

Related party transactions and Directors' interests in contracts and agreements are disclosed in Note 21 to the financial statements.

CORPORATE GOVERNANCE

The Statement on Corporate Governance on pages 41 to 47 forms part of the Directors' Report.

GOING CONCERN

After due consideration, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The Directors in office at the end of the year are shown on pages 30 and 31.

The interests of the Directors and their families in the ordinary shares and redeemable shares of the Company are as shown on page 37. These interests are beneficial. There were no changes to these interests between 30th June 2009 and the date of this Report.

Mr Swire is a director and a Senior Partner of Pantheon Holdings Limited, of which Pantheon Ventures Limited, the Company's Manager, is a subsidiary, and is therefore deemed to have an interest in the Management Agreement.

DIRECTORS' INTERESTS

		2009	2008
T.H. BARTLAM	Ordinary shares	12,000	12,000
	Redeemable shares	–	–
I. BARBY	Ordinary shares	24,000	24,000
	Redeemable shares	–	–
R. J. CROWDER	Ordinary shares	75,000	75,000
	Redeemable shares	–	–
J.P.A. READMAN	Ordinary shares	13,320	13,320
	Redeemable shares	4,587	4,587
R.M. SWIRE	Ordinary shares	77,430	77,430
	Redeemable shares	5,798	5,798
A. THOMSON	Ordinary shares	–	–
	Redeemable shares	–	–

SUBSTANTIAL SHAREHOLDERS

As at the date of this Report, the Company had received notification of the following substantial interests in the voting rights of the Company:

SUBSTANTIAL SHAREHOLDERS	VOTING RIGHTS	%
AEGON GLOBAL INVESTMENT FUND NV	3,402,374	9.07
JOHN LEWIS PARTNERSHIP PENSIONS TRUST LIMITED	2,175,000	5.80
CO-OPERATIVE FINANCIAL SERVICES LIMITED	1,925,557	5.13
LEGAL & GENERAL GROUP PLC	1,479,551	3.94
BAE SYSTEMS PENSION FUND TRUSTEES LIMITED	1,315,809	3.51
MR DOMINIC BRENDAN FLYNN AS TRUSTEE*	1,188,278	3.17
MISS JUDITH PORTRAIT AS TRUSTEE*	1,188,278	3.17
RENSBERG SHEPPARDS INVESTMENT MANAGEMENT LIMITED	1,155,898	3.08
WEST MIDLANDS PENSION FUND	1,148,375	3.06

* The holdings of Miss Judith Portrait as trustee and Mr Dominic Brendan Flynn as trustee include duplications.

PAYMENT OF SUPPLIERS

It is the Company's policy to obtain the best possible terms for all business and therefore there is no consistent policy as to the terms used. The Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by those terms. As at 30th June 2009, suppliers' invoices totalling £4,317,000 were due (2008: suppliers' invoices totalling £90,774 were due).

SECTION 992 COMPANIES ACT 2006

The following information is disclosed in accordance with the Companies Act 2006.

- The Company's capital structure and voting rights are summarised on page 34.
- Details of the substantial shareholders in the Company are listed on page 37.
- The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are discussed on page 42.
- Amendment of the Company's Articles of Association and the giving of powers to issue or buy back the Company's shares require an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's current powers to buy back shares are detailed on page 39.
- There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.
- There are no agreements between the Company and its Directors concerning compensation for loss of office.

The Directors' Report

(CONTINUED)

ANNUAL GENERAL MEETING

The Company's next Annual General Meeting ("AGM") will be held at 12 noon on 26th November 2009. The notice convening the meeting (the "Notice of AGM") accompanies this Report and is set out on pages 70 to 74.

At the forthcoming AGM, ordinary shareholders are being asked to vote on various items of ordinary business. These are the receipt and adoption of the annual report and accounts, the approval of the Directors' Remuneration Report, the re-election of Directors and the re-appointment of the Auditors, Grant Thornton UK LLP, and authorisation of the Directors to determine their remuneration. Resolutions 9 to 13 are proposed as special business being the granting of authorities in relation to the allotment of shares, the disapplication of pre-emption rights, the purchase by the Company of its own shares, the adoption of new Articles of Association and the approval of the holding of general meetings (other than annual general meetings) on not less than 14 clear days' notice.

The Directors' Remuneration Report is set out on page 48. An explanation of the resolutions relating to the re-election of directors and the recommendation of the Nomination Committee of the Board of Directors as to voting in this regard are set out in the Statement on Corporate Governance on page 42.

AUTHORITY TO ALLOT SHARES AND DISAPPLICATION OF STATUTORY PRE-EMPTION RIGHTS

The authorities given to the Directors at the AGM held on 25th November 2008 to allot relevant securities and to allot equity securities (and sell shares held as treasury shares) for cash otherwise than in accordance with statutory pre-emption rights (which require that, when new shares are issued, or treasury shares are sold, for cash, the shares are first offered to existing shareholders in proportion to their existing holdings of shares) will expire at the forthcoming AGM.

Resolution 9 set out in the Notice of AGM will, if passed, authorise the Directors for a period of 15 months from the date on which the Resolution is passed (or until the following AGM, if earlier) to allot ordinary shares and redeemable shares in the Company and to grant rights to subscribe for or convert a security into such shares and will replace the current authority granted to Directors at last year's AGM.

The authority conferred by Resolution 9, if passed, will permit the allotment of redeemable share capital of the Company equal to £1,000,000 less the aggregate nominal amount of the redeemable shares of the Company in issue as at the date the resolution is passed. As at the date of this Report, the aggregate nominal amount of the redeemable shares of the Company in issue is £288,712.55 (comprising 28,871,255 redeemable shares of 1p each). In the case of allotments of ordinary shares, the authority is limited to ordinary share capital of £8,379,692.90, being one-third of the issued ordinary share capital of the Company as at the date of this Report.

On the basis that no additional redeemable shares are allotted and that no existing issued redeemable shares are redeemed prior to the AGM, the maximum nominal amount of £9,090,980.35 which the Directors will be authorised to allot by the passing of Resolution 9 represents 36.16% of the issued ordinary share capital of the Company as at the date of this Report and includes redeemable share capital representing 246.37% of the issued redeemable share capital of the Company as at the date of this Report. As at such date, the Company is not holding any shares as treasury shares.

Resolution 10 set out in the Notice of AGM will, if passed, authorise the Directors for a period of 15 months from the date on which the Resolution is passed (or until the following AGM, if earlier) to allot equity securities for cash pursuant to the authority conferred by Resolution 9 as described above and to sell for cash ordinary shares and redeemable shares held by the Company as treasury shares, in each case otherwise than by way of a pre-emptive offer to existing shareholders. This authority will replace the current authority granted to Directors at last year's AGM. Equity securities for this purpose means ordinary shares and redeemable shares in the Company and rights to subscribe for or convert a security into such shares. Resolution 10, if passed, will have the effect of disapplying the statutory pre-emption rights referred to above in relation to (i) the allotment of equity securities and sale from treasury of ordinary shares and redeemable shares up to the maximum amount of share capital permitted by Resolution 9 where such securities or shares are offered to ordinary and redeemable shareholders in proportion to their existing holdings of ordinary and redeemable shares, except where exclusions are necessary or desirable to deal with fractional entitlements, regulatory requirements and/or legal or practical issues; (ii) the grant of subscription and conversion rights in relation to and the allotment and sale from treasury, at a price per share not less than the most recently calculated

net asset value per share at the time of issue (or sale), of redeemable shares up to an aggregate nominal amount equal to £1,000,000 less the aggregate nominal amount of the redeemable shares of the Company in issue as at the date of the AGM; and (iii) the grant of subscription and conversion rights in relation to and the allotment and sale from treasury, at a price per share not less than the most recently calculated net asset value per share at the time of issue (or sale), of up to £2,513,907.87 in aggregate nominal amount of ordinary share capital, being 10% of the issued ordinary share capital of the Company as at the date of this Report.

On the basis that no additional redeemable shares are allotted, and that no existing issued redeemable shares are redeemed, prior to the AGM, the maximum amount in respect of which the statutory pre-emption rights are disapplied under Resolution 10 (other than in relation to sub-paragraph (i) above) represents 12.83% of the issued ordinary share capital of the Company as at the date of this Report and includes redeemable share capital representing 246.37% of the issued redeemable share capital of the Company as at the date of this Report.

The Company's redeemable shares allow the Company flexibility to raise additional funds and return excess cash generated by the Company's investments. The authorities to be conferred by Resolutions 9 and 10 will continue to permit the Company similar flexibility in raising additional funds as was approved at the AGM held in 2008 (and previously at the AGMs held in 2004 to 2007) and the Directors intend to use the authorities to facilitate future issues of redeemable shares and ordinary shares (at or above the prevailing net asset value per share at the time of issue, where the shares to be issued are not offered to ordinary and redeemable shareholders in proportion to their existing holdings), to raise funds for investment by the Company in accordance with its investment policy, as and when required from time to time.

PURCHASE OF OWN SHARES

At last year's AGM the Directors were authorised to make market purchases of the Company's redeemable shares and ordinary shares. Resolution 11 set out in the Notice of AGM will, if passed, renew this authority by authorising the Company for a period of 18 months (or until the following AGM, if earlier) to make market purchases of up to 14.99% of the redeemable shares in circulation, representing 4,327,801 redeemable shares at the date of this report, and up to 14.99% of the ordinary shares in circulation, representing 5,624,399 ordinary shares as at the date of this Report. The maximum price (exclusive of expenses) which may be paid by the Company in relation to any such purchase is the higher of (i) 5% above the average of the market values of shares of the relevant class for the five business days before the purchase and (ii) the higher of the price of the last

independent trade and the highest current bid on the London Stock Exchange. The minimum price which may be paid is 1p per share in the case of a purchase of redeemable shares and 67p per share in the case of a purchase of ordinary shares.

As at the date of this Report, there are no outstanding warrants or options to subscribe for shares in the Company.

The Directors believe that the discount to net asset value at which redeemable shares and ordinary shares trade in the market from time to time may make it beneficial for the Company to use surplus cash (to the extent available) and/or short-term borrowings in order to repurchase shares. The Directors accordingly may cause the Company to use, each year, up to 1% of the total net assets attributable to its issued redeemable shares and ordinary shares for the purpose of repurchasing such shares. At the same time it is proposed that the Company should retain the ability to undertake a more comprehensive share buy-back policy, although the Company's policy will be to seek to return excess cash through the redemption of redeemable shares at NAV. Accordingly, such a buy-back would only be undertaken in circumstances where the Directors believe that it would benefit shareholders. In repurchasing shares, the Company may repurchase redeemable shares or ordinary shares or both in any combination or proportions as the Directors consider to be appropriate. The Company will consider holding any of its own shares which it purchases pursuant to the authority to be conferred by Resolution 11, if passed, as treasury shares rather than cancelling them, if the Directors determine in connection with any such purchase that it would be advantageous for the Company to do so.

ARTICLES OF ASSOCIATION

As special business, shareholders are also being asked to vote on a resolution (Resolution 12 in the Notice of AGM) to adopt new Articles of Association in substitution for the Company's existing Articles of Association. The proposed new Articles of Association update the Company's existing Articles of Association, primarily to reflect the provisions of the Companies Act 2006 that are to come into force on or before 1st October 2009 and the provisions of the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") which came into force on 3rd August 2009. An explanation of the principal changes between the proposed and existing Articles of Association is set out on page 75.

The Directors' Report

(CONTINUED)

NOTICE PERIOD FOR GENERAL MEETINGS

At last year's Annual General Meeting, new Articles of Association were adopted which include a provision allowing general meetings of the Company to be called on the minimum notice period provided for in the Companies Act 2006. For general meetings other than annual general meetings this was a period of 14 clear days. The provisions in the Companies Act 2006 relating to meetings were amended with effect from 3rd August 2009 by the Shareholders' Rights Regulations. One of the amendments increased the minimum notice period for listed company general meetings to 21 clear days, but with an ability for companies to reduce this period back to 14 days (other than for annual general meetings) provided that two conditions are met:

- (i) that the company offers facilities for shareholders to vote by electronic means; and
- (ii) that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 clear days to 14 clear days.

The Board is therefore proposing Resolution 13 as a special resolution to approve 14 clear days as the minimum period of notice for all general meetings of the Company other than annual general meetings. The approval will be effective until the Company's next Annual General Meeting, when it is intended that renewal will be sought.

RECOMMENDATION

Full details of all the above resolutions are provided in the Notice of Meeting on pages 70 to 74.

The Directors consider that all the resolutions to be proposed at the AGM are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that ordinary shareholders vote in favour of all the resolutions to be proposed as they intend to do in respect of their own beneficial holdings.

AUDITORS

A resolution to re-appoint Grant Thornton UK LLP and to authorise their remuneration will be put to shareholders at the forthcoming AGM.

INFORMATION TO AUDITORS

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

On behalf of the Board
TOM BARTLAM
Chairman
13th October 2009



Statement on Corporate Governance

The Company is committed to maintaining high standards of corporate governance and the Directors are accountable to shareholders for the governance of the Company's affairs.

This Statement forms part of the Directors' Report set out on pages 32 to 40.

COMPLIANCE WITH THE PROVISIONS OF THE COMBINED CODE AND THE AIC CODE

The Board has considered the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance (the "AIC Code"), by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the 2008 Combined Code on Corporate Governance (the "Combined Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts. A copy of the AIC Code and the AIC Guide can be obtained via the AIC website, www.theaic.co.uk. A copy of the Combined Code can be obtained at www.frc.org.uk.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Combined Code), will provide better information to shareholders. The Company has complied with the recommendations of the AIC Code and the provisions of Section 1 of the Combined Code, to the extent that they are relevant to the Company's business, throughout the year ended 30th June 2009.

The Combined Code includes provisions relating to:

- the role of a chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, and in the Pre-ambles to the Combined Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

Due to the illiquid nature of the portfolio, a full portfolio listing is not available.

The information required by Disclosure and Transparency Rule 7.2.6 can be found in the Directors' Report on page 37, under the heading 'Section 992 Companies Act 2006'.

BOARD MEMBERSHIP

The Board consists of six Directors, all of whom are non-executive and resident in the UK except Mr Crowder who resides in Guernsey. The Company has no employees. The Board seeks to ensure that it has the appropriate balance of skills, experience, ages and length of service amongst its members. The Directors possess a wide range of business and financial expertise relevant to the direction of the Company, and consider themselves as committing sufficient time to the Company's affairs.

The terms and conditions of the appointment of the non-executive Directors are set out in letters of appointment, copies of which are available for inspection at the registered office of the Company and will be available at the AGM. None of the Directors had a contract of service with the Company as at 30th June 2009. Brief biographical details of the Directors, including details of their other directorships and significant commitments, can be found on pages 30 and 31.

On appointment to the Board, Directors are fully briefed as to their responsibilities and are given the opportunity to talk to the relevant executive members of the management company throughout their terms in office.

BOARD OPERATION

The Directors of the Company meet at regular Board meetings, normally eight times throughout the year, and additional meetings and telephone meetings are arranged as necessary. Eight scheduled meetings were held during the year to 30th June 2009. Messrs Bartlam, Barby, Crowder and Swire attended all of the eight Board meetings, Mr Readman attended seven Board meetings and Mr Thomson attended six Board meetings. All Directors attended the Annual General Meeting.

In order to review the effectiveness of the Board as a whole, its Committees and individual Directors, the Company has implemented a thorough appraisal process, encompassing both quantitative and qualitative measures of performance in respect of the Board and its Committees. The appraisal process was conducted by the Chairman by way of an evaluation questionnaire and interviews and took place in June 2009; it will be repeated annually. The appraisal of the Chairman followed the same process and was carried out by the Board as a whole under the leadership of Mr Readman (the Senior Independent Director).

Statement on Corporate Governance

(CONTINUED)

CHAIRMAN AND SENIOR INDEPENDENT DIRECTOR

The Chairman, Mr Bartlam, is deemed by his fellow independent Board members to be independent and to have no conflicting relationships. Mr Bartlam is also a non-executive director of F&C UK Select Trust PLC, Numis Corporation PLC and non-executive Chairman of Polar Capital Holdings PLC. He considers himself to have sufficient time to commit to the Company's affairs.

Mr Readman has been appointed by the Board as the *Senior Independent Director of the Company*. He provides a channel for any shareholder concerns regarding the Chairman and takes the lead in the annual evaluation of the Chairman by the independent Directors.

DIRECTORS' INDEPENDENCE

In accordance with the Listing Rules that apply to investment entities the Board has reviewed the status of its individual Directors and the Board as a whole.

Mr Swire is a director and a senior partner of Pantheon Holdings Limited, of which Pantheon Ventures Limited, the Company's Manager, is a subsidiary and is therefore not considered to be independent under the terms of the AIC Code.

Mr Crowder is currently a director of a number of private equity fund of funds managed by the Pantheon Group, the majority of which PIP is invested in, and by virtue of that fact is not considered to be an independent Director of the Board under the terms of the AIC Code.

Mr Readman was first elected to the Board in 1994. The Board considers that the independence in character and judgement of Mr Readman is not compromised by his length of service but, on the contrary, is *strengthened* by continuity and experience and therefore Mr Readman is considered to be independent.

Messrs Barby, Bartlam and Thomson are each considered to be independent in both character and judgement. Accordingly, four of the six Board members are independent and thus the majority of the Board comprises independent non-executive Directors.

RE-APPOINTMENT OF DIRECTORS

The Board's policy with regard to tenure of office is that any Director having served for nine years since his first election will be required to seek annual re-election thereafter. Accordingly, Mr Readman is required to seek re-election at the forthcoming AGM and at each AGM thereafter.

For the purpose of compliance with the FSA Listing Rules in relation to board independence, for so long as any Director of the Company is also a director or employee of or a professional adviser to the Company's Manager (or any other company in the same group) or is a director of another investment company or fund managed by the Company's Manager (or any other company in the same group), that Director will seek re-election at each annual general meeting. Accordingly, Messrs Crowder and Swire are due to seek re-election at the forthcoming AGM.

In accordance with the terms of the Articles of Association, one-third of Directors will retire by rotation at the forthcoming AGM and no Director shall serve a term of more than three years before re-election. Messrs Bartlam and Thomson shall retire by rotation at the *forthcoming Annual General Meeting* and, being eligible, shall offer themselves for re-election.

Resolutions to re-elect Messrs Bartlam, Crowder, Readman, Swire and Thomson are contained within the Notice of AGM on page 70. The Nomination Committee has reviewed the appointment of each Director retiring at the forthcoming AGM prior to submission for their re-election. Following a formal performance evaluation, the Nomination Committee members recommend that shareholders vote for the re-election of Messrs Bartlam, Crowder, Readman, Swire and Thomson as they believe that their performance continues to be effective, that they *demonstrate commitment* to their roles as non-executive Directors of the Company and have actively contributed during meetings throughout the year.

Before voting, shareholders are requested to note that in the opinion of the other members of the Nomination Committee, each of the retiring Directors has many years' relevant experience of UK private equity and the investment trust industry which is of great value to the Company and its Board.

BOARD RESPONSIBILITIES AND RELATIONSHIP WITH THE INVESTMENT MANAGER

The Board is responsible for the determination and implementation of the Company's investment policy and for monitoring compliance with the Company's objectives. At each Board meeting the Directors follow a formal agenda to review the Company's investments and all other important issues, such as asset allocation, gearing policy, corporate strategic issues, cash management, peer group performance, marketing and shareholder relations, investment outlook, revenue forecasts and outlook, to ensure that control is maintained over the Company's affairs. The Board regularly considers its overall strategy and monitors the share price level of discount.

The Board is responsible for the investment policy and strategic and operational decisions of the Company and for ensuring that the Company is run in accordance with all regulatory and statutory requirements. These procedures have been formalised in a schedule of matters reserved for decision by the full Board, which has been adopted for all meetings. These matters include:

- the maintenance of clear investment objectives and risk management policies, changes to which require Board approval;
- the monitoring of the business activities of the Company, including investment performance and annual budgeting; and
- review of matters delegated to the Manager, Administrator or Company Secretary.

The management of the Company's assets is delegated to Pantheon Ventures Limited. At each Board meeting, a representative of Pantheon is in attendance to present verbal and written reports covering its activity, the portfolio and investment performance over the preceding period. Ongoing communication with the Board is maintained between formal meetings. The Manager ensures that Directors have timely access to all relevant management, financial and regulatory information to enable informed decisions to be made and contacts the Board as required for specific guidance on particular issues. Pantheon has discretion to manage the assets of the Company in accordance with the Company's objectives and policies, subject to certain investment restrictions (which may be amended by the Company from time to time with the consent of the Manager). The investment restrictions currently imposed on the Manager are as follows:

- an investment which would result in the aggregate outstanding investment commitments of the Company exceeding 150% of the net asset value of the Company at the time the investment is made, or the aggregate cash, loan and redeemable share commitment resources then available to the Company being less than 30% of such aggregate outstanding commitments, requires the prior approval of the Board;
- no direct or indirect investment in a single company shall form more than 5% of the gross asset value of the Company at the time the investment is made;
- the amount invested (including amounts committed for investment) in respect of a single fund shall not exceed 10% of the aggregate of the gross asset value of the Company and the aggregate outstanding investment commitments of the Company at the time the investment is made;
- an investment must not result in the aggregate amount invested or committed for investment by the Company in respect of funds managed by a single fund management group being more than 20% of the aggregate of the gross asset value of the Company and the aggregate outstanding investment commitments of the Company at the time such investment is made;
- the prior approval of the Board is required for an investment (including investment commitments) in respect of a single secondary interest in an existing fund or a portfolio of secondary interests in existing funds and/or direct investments in one or more companies exceeding 3% of the net asset value of the Company at the time the investment is made; and
- direct investment of £5 million or more in respect of a single company requires the prior approval of the Board.

In applying the above restrictions, the Company looks through holding and special purpose vehicles and investment vehicles established and managed or advised by the Manager or any other company in the Pantheon group. The Manager has also agreed that it will obtain the prior approval of the Board in relation to any primary investment in a new fund which is made otherwise than on a pro-rata basis with other Pantheon clients investing in the same fund and in relation to any investment in a vehicle managed by a member of the Pantheon group, other than holding, special purpose and feeder vehicles where no fee is charged by the Pantheon group.

Statement on Corporate Governance

(CONTINUED)

The Board determines the parameters of investment strategy and risk management policies within which the Manager can exercise judgement, and sets the investment and risk management strategies in relation to currency exposure. The Company Secretary and Manager prepare briefing notes for Board consideration on matters of relevance, for example changes to the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice.

The Company has arranged a Directors' and Officers' Liability insurance policy which includes cover for legal expenses.

The Company's Articles of Association take advantage of statutory provisions to indemnify the Directors against certain liabilities owed to third parties even where such liability arises from conduct amounting to negligence or breach of duty or of trust. In addition, under the terms of appointment of each Director, the Company has agreed, subject to the restrictions and limitations imposed by statute and by the Company's Articles of Association, to indemnify each Director against all costs, expenses, losses and liabilities incurred in execution of his office as director or otherwise in relation to such office. Save for such indemnity provisions in the Company's Articles of Association and in the Directors' terms of appointment, there are no qualifying third party indemnity provisions in force.

CONFLICTS OF INTEREST

On 1 October 2008 it became a statutory requirement that a Director must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests (a "situational conflict"). The Company's Articles of Association were amended at the last Annual General Meeting to give the Directors authority to approve such situations, where appropriate.

It is the responsibility of each individual Director to avoid an unauthorised conflict situation arising. He must request authorisation from the Board as soon as he becomes aware of the possibility of a situational conflict arising.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether or not the situational conflict should be authorised. The factors to be considered will include whether the situational conflict could prevent the Director from properly performing his duties, whether it has, or could have, any impact on the Company and whether it

could be regarded as likely to affect the judgment and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

A register of conflicts is maintained by the Company Secretary and is regularly reviewed at Board meetings, to ensure that any authorised conflicts remain appropriate. Directors are required to confirm at these meetings whether there has been any change to their position.

The Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

COMMITTEES OF THE BOARD

The Board has appointed a number of Committees as set out below to which certain Board functions have been delegated. Each of these Committees has formal written terms of reference which clearly define their responsibilities and these can be inspected at the registered office of the Company.

AUDIT COMMITTEE

During the year ended 30th June 2009 the Audit Committee comprised Messrs Barby, Bartlam and Thomson, all independent non-executive Directors of the Company.

Mr Barby, Chairman of the Audit Committee, is a qualified Barrister with wide experience of the investment management industry and of the investment trust sector. It is felt by the Committee that he is sufficiently qualified for the position of Chairman of the Audit Committee. Mr Bartlam is a chartered accountant.

The Committee met on three occasions during the year ended 30th June 2009, which were attended by all Committee members. It is intended that the Committee will continue to meet at least three times a year, to review the Half Yearly Report, to review the year-end valuation of investments and to approve the Company's Annual Report and Accounts.

The primary responsibilities of the Audit Committee are: to monitor the integrity of the financial statements and accounting policies of the Company; to review the effectiveness of the internal control environment of the Company and monitor adherence to best practice in corporate governance; to make recommendations to the Board in relation to the re-appointment of the Auditors and to approve their remuneration and terms of engagement; to review and monitor the Auditor's independence and objectivity and the effectiveness of the audit process; and to provide a forum through which the Company's Auditors report to the Board. The Audit Committee also has responsibility for reviewing the whistle blowing procedures and for receiving reports from the compliance officer of the Manager. Committee members consider that individually and collectively they are appropriately experienced to fulfil the role required. The Audit Committee has direct access to the Company's Auditors, Grant Thornton UK LLP, and representatives of Grant Thornton UK LLP attend each Committee meeting. On the basis of these meetings the Audit Committee has been able to assess the effectiveness of the external audit. Should the Auditor provide non-audit services to the Company, the Committee ensures that auditor objectivity and independence is safeguarded. The Board's policy is that non-audit work (which normally consists of taxation and other technical advice) will be carried out by the Company's Auditors unless there is a conflict of interest or someone else is considered to have more experience. Non-audit services amounting to £26,000 were provided during the year ended 30th June 2009 (2008: £20,000).

The Chairman of the Audit Committee will be present at the AGM to deal with any questions relating to the accounts.

MANAGEMENT ENGAGEMENT COMMITTEE

The Management Engagement Committee comprises all the independent non-executive Directors and is chaired by Mr Bartlam. In accordance with the requirements of the AIC Code the Committee meets at least once a year to review the performance of the Manager's obligations under the Investment Management Agreement, and to consider any variation to the terms of the Agreement. The Management Engagement Committee also reviews the performance of the Company Secretary, the Custodian and the Registrar and any matters concerning their respective agreements with the Company. The Management Engagement Committee met on one occasion during the year under review, for which all Committee Members were present. The Committee agreed that the performance of each of the service providers was satisfactory.

NOMINATION COMMITTEE

The Nomination Committee comprises the entire Board, is chaired by Mr Bartlam, and has been formally constituted to assist the Board in making recommendations on all new Board appointments. The Committee met with all members present on one occasion during the year ended 30th June 2009, to consider and make recommendations to the Board concerning the re-appointment of those Directors seeking re-election. It is intended that the Nomination Committee will continue to meet at least once a year.

The role of the Committee is to undertake the formal process of reviewing the balance and effectiveness of the Board and consider succession planning, identifying the skills and expertise needed to meet the future challenges and opportunities facing the Company and those individuals who might best provide them. The Committee makes recommendations to the Board with regard to the criteria for future Board appointments and the methods of selection as and when necessary, the appointment of a Senior Independent Director, membership of the Audit Committee, and the re-appointment of those Directors standing for re-election at Annual General Meetings.

The Committee is responsible for assessing the time commitment required for each Board appointment and ensuring that the present incumbents have sufficient time to undertake them and for reviewing the Directors' performance appraisal process.

REMUNERATION COMMITTEE

As the Board has no employees and is composed solely of non-executive Directors, it is not considered necessary to have a Remuneration Committee. It is the responsibility of the Board as a whole to determine and approve Directors' fees, following proper consideration, having regard to the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities, the time committed to the Company's affairs and remuneration levels generally within the investment trust sector. The Chairman's remuneration is decided and approved by the Board under the leadership of the Senior Independent Director.

Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on page 48.

Statement on Corporate Governance

(CONTINUED)

INDEPENDENT PROFESSIONAL ADVICE

The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may take independent professional advice at the Company's expense.

INSTITUTIONAL INVESTORS – USE OF VOTING RIGHTS

The Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights.

INTERNAL CONTROL REVIEW

The Directors acknowledge that they are responsible for the Company's systems of internal control and for reviewing their effectiveness.

An ongoing process, in accordance with the guidance of the Financial Reporting Council: "Internal Control: Revised Guidance for Directors on the Combined Code", has been established for identifying, evaluating and managing risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, has been in place throughout the year and up to the date the financial statements were approved.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, rather than absolute, assurance against material misstatement or loss.

INTERNAL CONTROL ASSESSMENT PROCESS

Risk assessment and the review of internal controls is undertaken by the Board in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming a reality;
- the Company's ability to reduce the incidence and impact of risk on its performance;
- the cost to the Company and benefits related to the review of risk and associated controls of the Company; and
- the extent to which third parties operate the relevant controls.

Against this background the Board has split the review into four sections reflecting the nature of the risks being addressed. The sections are as follows:

- corporate strategy;
- published information and compliance with laws and regulations;
- relationship with service providers; and
- investment and business activities.

Given the nature of the Company's activities and the fact that most functions are sub-contracted, the Directors have obtained information from key third party suppliers regarding the controls operated by them. To enable the Board to make an appropriate risk and control assessment, the information and assurances sought from third parties include the following:

- details of the control environment;
- identification and evaluation of risks and control objectives;
- assessment of the communication procedures; and
- assessment of the control procedures operated.

The key procedures which have been established to provide effective internal financial controls are as follows:

- Investment management is provided by Pantheon Ventures Limited. The Board is responsible for the implementation of the overall investment policy and monitors the action of the Manager at regular Board meetings.
- The Company receives advice in respect of fixed interest and foreign currency advice from Alliance Bernstein when required.

- The provision of administration, accounting and company secretarial duties is the responsibility of Capita Sinclair Henderson Limited.
- Custody of assets is undertaken by HSBC Bank plc as the Company's Custodian for quoted equities and bonds.
- The duties of investment management, accounting and custody of assets are segregated. The procedures of the individual parties are designed to complement one another.
- The non-executive Directors of the Company clearly define the duties and responsibilities of their agents and advisors in the terms of their contracts. The appointment of agents and advisors is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their ongoing performance and contractual arrangements.
- Mandates for authorisation of investment transactions and expense payments are set by the Board.
- The Board reviews detailed financial information produced by the Manager and the Company Secretary on a regular basis.

The Company does not have an internal audit function. All of the Company's management functions are delegated to independent third parties whose controls are reviewed by the Board. It is therefore felt that there is no need for the Company to have an internal audit function. However, this need is reviewed periodically.

In accordance with guidance issued to directors of listed companies, the Directors have carried out a review of the effectiveness of the system of internal controls as it has operated during the year.

COMPANY SECRETARY

The Board has direct access to the advice and services of the Company Secretary, Capita Sinclair Henderson Limited, which is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The Secretary is also responsible to the Board for ensuring timely delivery of information and reports and that statutory obligations of the Company are met.

DIALOGUE WITH SHAREHOLDERS

Communication with shareholders is given a high priority by both the Board and the Manager, and all Directors are available to enter into dialogue with shareholders. All shareholders are encouraged to attend and, where eligible, vote at the Annual General Meeting, during which the Board and the Manager are available to discuss issues affecting the Company and shareholders have the opportunity to address questions to the Manager, the Board and the Chairmen of the Board's standing committees. At each Annual General Meeting a presentation is made by the Manager to all shareholders present.

There is regular dialogue with institutional shareholders and a structured programme of shareholder presentations by the Manager to institutional investors takes place following publication of the annual results. A detailed list of the Company's shareholders is reviewed at each Board meeting.

The Annual and Half Yearly Reports of the Company are prepared by the Board and its advisors to present a full and readily understandable review of the Company's performance. Copies are dispatched to shareholders by mail and are also available for downloading from Company's website: www.pipplc.com. The Company always responds to letters from individual shareholders. Shareholders wishing to communicate directly with the Board should contact the Company Secretary at the registered office shown on page 76, who will arrange for the relevant Board member to contact them.

Directors' Remuneration Report

YEAR ENDED 30TH JUNE 2009

The Board has prepared this report in accordance with Schedule 8 to The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008. An ordinary resolution will be put to the members to approve the Report at the forthcoming AGM.

The law requires the Company's Auditors to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on page 50.

REMUNERATION COMMITTEE

It is not considered appropriate for the Company to establish a separate Remuneration Committee. It is therefore the practice for the Board as a whole to consider and approve Directors' remuneration.

POLICY ON DIRECTORS' FEES

All Directors act in a non-executive capacity and the fees for their services are approved by the whole Board. The level of remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Board's policy is that remuneration of non-executive Directors should reflect the experience of the Board as a whole, and is determined with reference to comparable organisations and appointments. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive Directors. It is intended that this policy will continue for the year ending 30th June 2010. Directors' fees for the year ended 30th June 2009 were at a level of £40,000 per annum for the Chairman, £25,000 per annum for the Chairman of the Audit Committee and £20,000 for the other Directors. It is intended to review the level of Directors' fees during the course of the current financial year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a contract of service with the Company. Each Director has entered into terms of appointment as a non-executive Director of the Company. There has been no other contract or arrangement between the Company and any Director at any time during the year. Under the Articles of Association each Director shall retire and be subject to election at the first Annual General Meeting following appointment, and at least every three years thereafter. The Board's policy on tenure in office is set out on page 42. There are no agreements between the Company and its Directors concerning compensation for loss of office.

THE COMPANY'S PERFORMANCE

The graph below compares the total return (assuming all dividends are reinvested) to ordinary shareholders, compared to the total shareholder return on a notional investment made up of shares of the same kinds and number as those by reference to which the FTSE All-Share Total Return Index and MSCI World (sterling) Total Return Index are calculated. These indices have been selected as the most relevant, although there is no listed index that is directly comparable to the Company's portfolio.

DIRECTORS' EMOLUMENTS FOR THE YEAR (AUDITED)

The Directors who served in the year received the following emoluments in the form of fees:

	2009	2008
T.H. BARTLAM	£40,000	£30,000
I. BARBY	£25,000	£25,000
R.J. CROWDER	£20,000	£20,000
J.P.A. READMAN	£20,000	£20,000
R.M. SWIRE	£20,000	£20,000
A. THOMSON	£20,000	£20,000

Mr Swire's fees were paid to Pantheon Ventures Limited. He received no further remuneration from the Company.

APPROVAL

The Directors' Remuneration Report was approved by the Board on 13th October 2009.

TOM BARTLAM
Chairman



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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- 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 that it faces.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are responsible for ensuring that the Directors' Report and other information in the Annual Report is prepared in accordance with Company law in the United Kingdom. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Services Authority. They also have responsibility for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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
13th October 2009



Independent Auditor's Report

TO THE MEMBERS OF PANTHEON INTERNATIONAL PARTICIPATIONS PLC

We have audited the financial statements of Pantheon International Participations PLC for the year ended 30th June 2009 which comprise the Income Statement, the Reconciliation of Movements in Equity Shareholders' Funds, the Balance Sheet, the Cash Flow Statement, and the related Notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Sections 495, 496 and 497 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities on page 49, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's ("APB's") Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKP.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th June 2009 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

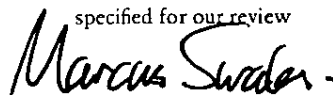
We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the Directors' statement in relation to going concern; and
- the part of the Statement on Corporate Governance relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review



MARCUS SWALES

Senior Statutory Auditor

For and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

13th October 2009

Income Statement

YEAR ENDED 30TH JUNE 2009

		2009			2008		
	NOTE	REVENUE £'000	CAPITAL £'000	TOTAL* £'000	REVENUE £'000	CAPITAL £'000	TOTAL* £'000
(Losses)/gains on investments designated at fair value through profit or loss**	9 b	–	(181,805)	(181,805)	–	137,351	137,351
Currency (losses)/gains on cash and borrowings	18	–	(22,335)	(22,335)	–	310	310
Investment income	2	2,761	–	2,761	4,787	–	4,787
Investment management fees	3	(11,279)	106	(11,173)	(9,768)	(3,660)	(13,428)
Refund of VAT on investment management fees	3	2,295	–	2,295	–	–	–
Other expenses	4	(1,554)	(3,393)	(4,947)	(900)	(454)	(1,354)
RETURN ON ORDINARY ACTIVITIES BEFORE FINANCING COSTS AND TAX		(7,777)	(207,427)	(215,204)	(5,881)	133,547	127,666
Interest payable and similar charges / finance costs	6	(6,882)	–	(6,882)	(2,199)	–	(2,199)
RETURN ON ORDINARY ACTIVITIES BEFORE TAX		(14,659)	(207,427)	(222,086)	(8,080)	133,547	125,467
Tax on ordinary activities	7	(399)	–	(399)	609	(275)	334
RETURN ON ORDINARY ACTIVITIES AFTER TAX FOR THE FINANCIAL YEAR		(15,058)	(207,427)	(222,485)	(7,471)	133,272	125,801
RETURN PER ORDINARY AND REDEEMABLE SHARE	8	(22.68)p	(312.43)p	(335.11)p	(11.25)p	200.73p	189.48p

* The total column of this statement represents the Company's profit and loss account prepared in accordance with UK Accounting Standards. The supplementary revenue return and capital columns are prepared under guidance published by the Association of Investment Companies.

** Includes currency movements on investments.

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 on pages 55 to 69 form part of these financial statements.

Reconciliation of Movements in Equity Shareholders' Funds

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	OTHER CAPITAL RESERVE £'000	CAPITAL RESERVE ON INVESTMENTS HELD £'000	SPECIAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
Movement for the year ended								
30th June 2009								
OPENING EQUITY								
SHAREHOLDERS' FUNDS	25,428	183,182	26	227,504	225,056	99,861	(24,952)	736,105
Return for the year	—	—	—	(51,912)	(155,515)	—	(15,058)	(222,485)
Expenses relating to issue of ordinary shares written back	—	2	—	—	—	—	—	2
CLOSING EQUITY								
SHAREHOLDERS' FUNDS	25,428	183,184	26	175,592	69,541	99,861	(40,010)	513,622
Movement for the year ended								
30th June 2008								
OPENING EQUITY								
SHAREHOLDERS' FUNDS	25,428	183,139	26	187,543	131,745	99,861	(17,481)	610,261
Return for the year	—	—	—	39,961	93,311	—	(7,471)	125,801
Expenses relating to issue of ordinary shares written back	—	43	—	—	—	—	—	43
CLOSING EQUITY								
SHAREHOLDERS' FUNDS	25,428	183,182	26	227,504	225,056	99,861	(24,952)	736,105

The Notes on pages 55 to 69 form part of these financial statements.

Balance Sheet

AS AT 30TH JUNE 2009

	NOTE	2009 £'000	2008 £'000
Fixed assets			
Investments designated at fair value through profit or loss	9a	648,207	806,485
Current assets			
Debtors	10	27,685	927
Cash at bank	17	20,512	8,801
		48,197	9,728
Creditors: Amounts falling due within one year			
Other creditors	11	13,282	7,888
Bank loan	17	120,000	69,966
Bank overdraft	17	–	2,254
		133,282	80,108
NET CURRENT ASSETS		(85,085)	(70,380)
Creditors: Amounts falling due after one year			
Loan notes	12	49,500	–
TOTAL ASSETS LESS CURRENT AND NON-CURRENT LIABILITIES		513,622	736,105
Capital and reserves			
Called-up share capital	13	25,428	25,428
Share premium account	14	183,184	183,182
Capital redemption reserve	14	26	26
Other capital reserve	14	175,592	227,504
Capital reserve on investments held	14	69,541	225,056
Special reserve	14	99,861	99,861
Revenue reserve	14	(40,010)	(24,952)
TOTAL EQUITY SHAREHOLDER'S FUNDS		513,622	736,105
NET ASSET VALUE PER SHARE – ORDINARY AND REDEEMABLE	15	773.62p	1,108.72p

The Notes on pages 55 to 69 form part of these financial statements.

The financial statements were approved by the Board on 13th October 2009 and were signed on its behalf by

TOM BARTLAM
Chairman



Cash Flow Statement

YEAR ENDED 30TH JUNE 2009

	NOTE	2009 £'000	2008 £'000
Cash flow from operating activities			
Investment income received		2,140	4,814
Deposit and other interest received		621	210
Investment management fees paid		(8,100)	(9,198)
Secretarial fees paid		(169)	(102)
Other cash payments		269	(2,022)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	18	(5,239)	(6,298)
Returns on investment and servicing of finance			
Revolving credit facility and overdraft interest paid		(5,459)	(471)
Loan commitment and arrangement fees paid		(429)	(552)
Redeemable share commitment fees paid		(629)	(654)
Interest on loan notes paid		(824)	—
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE		(7,341)	(1,677)
Taxation			
Net taxation (charge) / refund		(399)	498
NET CASH (OUTFLOW) / INFLOW FROM TAXATION		(399)	498
Capital expenditure and financial investment			
Purchases of investments		(164,296)	(280,170)
Purchases of government securities		—	(23,455)
Disposals of investments		114,124	136,172
Disposals of government securities		—	94,152
Realised currency gains / (losses)		93	(94)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(50,079)	(73,395)
NET CASH OUTFLOW BEFORE FINANCING		(63,058)	(80,872)
Financing			
Written back / costs of ordinary shares issue		2	43
Drawdown of loan		90,034	69,966
Repayment of loan		(40,000)	—
Issue of loan notes		49,500	—
Realised currency losses on repayment of revolving credit facility		(23,515)	(594)
NET CASH INFLOW FROM FINANCING		76,021	69,415
INCREASE / (DECREASE) IN CASH	16	12,963	(11,457)

The Notes on pages 55 to 69 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 applicable UK accounting standards and on the basis that all activities are continuing. The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when indicated otherwise.

(B) STATEMENT OF RECOMMENDED PRACTICE

The financial statements have been prepared in accordance with the Statement of Recommended Practice (as amended December 2005) issued by the Association of Investment 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 the form of interest, dividends or increases in fair value, quoted equities and fixed income securities are designated as fair value through profit or loss on initial recognition. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy. For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business at the balance sheet date. For investments that are not actively traded in organised financial markets, fair value is determined using reliable valuation techniques as described below:

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

In the case of investments in private equity funds, this is based on the net asset value of those funds ascertained from periodic valuations provided by the managers of the funds. Such valuations are necessarily dependent upon the reasonableness of the valuations by the fund managers of the underlying investments. In the absence of contrary information the values are assumed to be reasonable. These valuations are reviewed periodically for reasonableness.

In the case of direct investments in unquoted companies, the initial valuation is based on cost. Where better indications of fair value become available, such as through subsequent issues of capital or dealings between third parties, the valuation is adjusted to reflect the new evidence. This information may include the valuations provided by private equity managers who are also invested in the company. Valuations are reduced where the company's performance is not considered satisfactory.

Private equity funds may contain a proportion of quoted shares from time to time, for example, where the underlying company investments have been taken public but the holdings have not yet been sold. The quoted market holdings at the date of the latest fund accounts are reviewed and compared with the value of those holdings at the year end. If there has been a material movement in the value of these holdings, the valuation is adjusted to reflect this.

(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 a discount to the fund manager's valuation. Within the Company's portfolio, those fund holdings purchased at a premium are normally immediately revalued to their stated net asset values irrespective of the purchase price. Those fund holdings purchased at a discount are normally held at cost until the receipt of a valuation from the fund manager in respect of a date after acquisition, when they are revalued to their stated net asset values, unless an adjustment against a specific investment is considered appropriate.

As at 30th June 2009 there was no aggregate difference to be recognised in 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.

Notes to the Financial Statements

(CONTINUED)

(F) TAXATION

Corporation tax payable is based on the taxable profit for the year. The charge for taxation takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19: Deferred Tax.

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 of tax for the accounting period.

(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. Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of transaction or, where applicable, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange in a related forward exchange contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement. For non-monetary assets these are covered by fair value adjustments.

(I) 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; a realised gain will be recognised 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) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes. Assets are classified as cash equivalents if they are readily convertible to cash and are not subject to significant changes in value.

Cash and cash equivalents are defined as cash at bank.

(L) 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 5% of any increase in the net asset value of the Company at the end of such period over the applicable 'high-water mark' plus the hurdle rate of 10%.

The applicable 'high-water mark' in respect of any calculation period is the net asset value at the end of the previous calculation period in which a performance fee was payable, compounded annually at the hurdle rate for each subsequent completed calculation period up to the commencement of the calculation period for which the performance fee is being calculated.

If no performance fee has previously been expensed, the applicable 'high-water mark' is the net asset value at 31st December 2006 multiplied by $1 + (181/365 \times 10\%)$, compounded annually at the hurdle rate for each completed 12 calendar month period after 30th June 2007 up to the commencement of the calculation period for which the performance fee is being calculated.

2. INCOME

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
Income from investments		
Unfranked dividends	2,140	3,037
Interest from UK fixed interest investments	–	1,540
	2,140	4,577
Other income		
Deposit interest	–	210
Other interest	620	–
Exchange differences on income	1	–
	621	210
TOTAL INCOME	2,761	4,787
Total income comprises:		
Dividends	2,140	3,037
Interest	620	1,750
Exchange differences on income	1	–
	2,761	4,787
Analysis of income from investments		
Listed UK	–	1,540
Unlisted	2,140	3,037
	2,140	4,577

3. INVESTMENT MANAGEMENT FEES

	30TH JUNE 2009			30TH JUNE 2008		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Investment management fees	11,279	–	11,279	9,768	–	9,768
Investment performance fee	–	(106)	(106)	–	3,660	3,660
VAT thereon	(2,295)	–	(2,295)	–	–	–
	8,984	(106)	8,878	9,768	3,660	13,428

The investment management fee is payable monthly in arrears at the rate set out in the Directors' Report on page 35. At 30th June 2009 £5,064,000 (2008: £1,885,000) was owed for investment management fees (see Note 19 for more details on VAT reclaim). Following an adjustment of £(106,000), a performance fee of £5,057,000 is payable to the Manager in respect of the initial 18 month performance fee calculation period ended 30th June 2008. Of this amount £3,660,000 was charged in the year to 30th June 2008 with the remaining balance charged in the year to 30th June 2007. No performance fee is payable in respect of the 12 calendar month period to 30th June 2009. The basis upon which the performance fee is calculated is explained in Note 1(L) and the Directors' Report on page 35.

Notes to the Financial Statements

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4. OTHER EXPENSES

	30TH JUNE 2009			30TH JUNE 2008		
	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Secretarial and accountancy services	169	–	169	113	–	113
Fees payable to the Company's Auditor for the audit of the annual financial statements	35	–	35	34	–	34
Fees payable to the Company's Auditor for other services:						
– All other services	26	–	26	20	–	20
Directors' remuneration (see Note 5)	145	–	145	135	–	135
Fixed income management	–	–	–	41	–	41
Irrecoverable VAT	299	–	299	(153)	–	(153)
Legal and professional fees	585	3,393	3,978	288	454	742
Printing	65	–	65	87	–	87
Other	230	–	230	335	–	335
	1,554	3,393	4,947	900	454	1,354

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

5. DIRECTORS' REMUNERATION

Directors' emoluments comprise wholly Directors' fees. A breakdown is provided in the Directors' Remuneration Report on page 48.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	30TH JUNE 2009	30TH JUNE 2008
	£'000	£'000
Bank loan and overdraft interest	5,045	885
Loan commitment and arrangement fees	344	725
Redeemable share commitment fee	669	589
Loan notes interest	824	–
	6,882	2,199

7. TAX ON ORDINARY ACTIVITIES

	30TH JUNE 2009			30TH JUNE 2008		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Income tax refund	–	–	–	(609)	–	(609)
Withholding tax deducted from distributions	399	–	399	–	191	191
Japanese tax charged on capital gains	–	–	–	–	84	84
	399	–	399	(609)	275	(334)

Current taxation

The current taxation for the year differs from the standard rate of corporation tax in the UK (28%). The differences are explained below:

Net return on ordinary activities before tax	(14,659)	(207,427)	(222,086)	(8,080)	133,547	125,467
Theoretical tax at UK corporation tax rate of 28% (2008: 30%)	(4,104)	(58,080)	(62,184)	(2,424)	40,064	37,640
Non-taxable investment and currency gains	–	57,159	57,159	–	(41,345)	(41,345)
Effect of expenses in excess of taxable income	–	921	921	–	1,281	1,281
Unused management expenses	4,104	–	4,104	2,424	–	2,424
Withholding tax deducted from distributions	(399)	–	(399)	–	(191)	(191)
Japanese tax charged on capital gains	–	–	–	–	(84)	(84)
Income tax refund	–	–	–	609	–	609
TOTAL CURRENT TAX	(399)	–	(399)	609	(275)	334

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 because the Company meets (and intends to meet for the foreseeable future) the conditions for approval as an Investment Trust Company.

No deferred tax asset has been recognised in respect of excess management expenses and expenses in excess of taxable income as they will only be recoverable to the extent that there is sufficient future taxable revenue. As at 30th June 2009 excess management expenses are estimated to be in excess of £35 million.

Notes to the Financial Statements

(CONTINUED)

8. RETURN PER SHARE

	30TH JUNE 2009			30TH JUNE 2008		
	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL
RETURN PER ORDINARY AND REDEEMABLE SHARE	(22.68)p	(312.43)p	(335.11)p	(11.25)p	200.73p	189.48p

ORDINARY AND REDEEMABLE SHARES

Revenue return per share is based on the net deficit on ordinary activities after taxation of £15,058,000 (2008: deficit of £7,471,000) and on 66,392,268 (2008: 66,392,268) ordinary shares and redeemable shares, being the number of shares in issue during the year.

Capital return per share is based on the net deficit on ordinary activities after taxation of £207,427,000 (2008: return of £133,272,000) and on 66,392,268 (2008: 66,392,268) ordinary shares and redeemable shares, being the number of shares in issue during the year.

Total return per share is based on the net deficit for the year of £222,485,000 (2008: return of £125,801,000) and on 66,392,268 (2008: 66,392,268) ordinary shares and redeemable shares, being the number of shares in issue during the year.

9a. MOVEMENTS ON INVESTMENTS

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
Book cost brought forward	582,465	464,286
Acquisitions at cost	164,296	303,457
Capital distributions – proceeds	(140,769)	(230,316)
Capital distributions – realised (losses) / gains on sales	(26,205)	45,038
BOOK COST AT 30TH JUNE	579,787	582,465
Unrealised appreciation of investments		
Unlisted investments	78,679	224,020
Provision	(10,259)	–
VALUATION OF INVESTMENTS AT 30TH JUNE	648,207	806,485

9b. ANALYSIS OF INVESTMENTS

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
United Kingdom		
Unlisted investments	37,230	56,516
USA		
Unlisted investments	474,584	522,181
Other		
Unlisted investments	136,393	227,788
	648,207	806,485
Realised (losses) / profits on sales	(26,205)	45,038
Amounts previously recognised as unrealised appreciation on those sales	55,121	10,329
(Decrease) / increase in unrealised appreciation	(210,721)	81,984
(LOSSES) / GAINS ON INVESTMENTS	(181,805)	137,351

Further analysis of the investment portfolio is provided in the Manager's Review on pages 7 to 28.

Transaction costs incidental to the acquisition of investments totalled £nil (2008: £nil) and to the disposals of investments totalled £8,000 (2008: £6,000) for the year.

9c. DISPOSAL OF INVESTMENTS

During the year PIP disposed of a number of fund interests to strengthen its finances and reduce undrawn commitments.

	PROCEEDS £'000	BOOK COST £'000	VALUE AS AT 30TH JUNE 2008 £'000
DISPOSAL OF INVESTMENTS	49,691	103,417	118,911

10. DEBTORS

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
Amounts owed by investment funds	27	221
Prepayments and accrued income	566	706
Proceeds from disposal of investments	27,092	—
	27,685	927

Notes to the Financial Statements

(CONTINUED)

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
Investment management fees	5,064	1,885
Investment performance fee	5,057	5,163
Other creditors and accruals	3,161	840
Other creditors	13,282	7,888
Bank loan	120,000	69,966
Bank overdraft	–	2,254
	133,282	80,108

The Company has a facility agreement with The Royal Bank of Scotland whereby the bank has agreed to make available to the Company a £150,000,000 five-year committed revolving credit facility, expiring 25th May 2012, and an overdraft facility of £5,000,000. Each individual drawdown bears interest at a variable rate agreed in advance for the period of the drawdown. At 30th June 2009 the amount of £120,000,000 (30th June 2008: £72,220,000) was drawn down under the facilities.

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
Non-current liabilities		
Unsecured subordinated loan notes	49,500	–
	49,500	–

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				2009 CARRYING AMOUNT £'000	2008 CARRYING AMOUNT £'000
CURRENCY	NOTIONAL INTEREST RATE	YEAR OF MATURITY	FACE VALUE £'000	FACE VALUE £'000	FACE VALUE £'000
Unsecured subordinated loan notes	GBP LIBOR*+1.5%	2010**	49,500	49,500	–
			49,500	49,500	–

* LIBOR is the published British Banking 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 if the interest commencement date is not a business day. Interest is payable quarterly in arrears.

** Unsecured subordinated loan notes are due to mature in November 2010.

13. CALLED-UP SHARE CAPITAL

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
Authorised:		
63,474,919 (2008: 63,474,919) ordinary shares of 67p each	42,528	42,528
100,000,000 (2008: 100,000,000) redeemable shares of 1p each	1,000	1,000
	43,528	43,528
Allotted, called-up and fully paid:		
37,521,013 (2008: 37,521,013) ordinary shares of 67p each	25,139	25,139
28,871,255 (2008: 28,871,255) redeemable shares of 1p each	289	289
	25,428	25,428

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 have the right to receive notice of and attend all general meetings of the Company but not to speak or vote. The holders of ordinary shares are entitled to one vote for each ordinary share held.

The redeemable shares are redeemable at the option of the Company, at the prevailing net asset value per share, within 60 days following the end of each quarterly NAV calculation date or within 60 days of any other business day which is determined by the Directors to be a NAV calculation date.

14. RESERVES

	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	OTHER CAPITAL RESERVE £'000	CAPITAL RESERVE ON INVESTMENTS HELD £'000	SPECIAL RESERVE £'000	REVENUE RESERVE £'000
Beginning of year	183,182	26	227,504	225,056	99,861	(24,952)
Net gain on realisation of investments	-	-	28,916	-	-	-
Increase in unrealised appreciation	-	-	-	(210,721)	-	-
Transfer on disposal of investments	-	-	(55,121)	55,121	-	-
Exchange differences on loan and currency	-	-	(22,420)	-	-	-
Exchange differences on other capital items	-	-	-	85	-	-
Legal and professional costs charged to capital	-	-	(3,393)	-	-	-
Performance fee rebate charged to capital	-	-	106	-	-	-
Costs of issue of ordinary shares written back	2	-	-	-	-	-
Revenue return for the year	-	-	-	-	-	(15,058)
END OF YEAR	183,184	26	175,592	69,541	99,861	(40,010)

Notes to the Financial Statements

(CONTINUED)

15. NET ASSET VALUE PER SHARE

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

	NET ASSET VALUE PER SHARE		NET ASSETS ATTRIBUTABLE	
	2009	2008	2009 £'000	2008 £'000
ORDINARY AND REDEEMABLE SHARES	773.62p	1,108.72p	513,622	736,105

Basic net asset value per share is based on net assets attributable to equity shareholders of £513,622,000 (2008: £736,105,000) and on 66,392,268 (2008: 66,392,268) ordinary shares and redeemable shares, being the number of shares in issue at the year end.

16. RECONCILIATION OF NET CASH FLOW TO THE MOVEMENT IN NET DEBT

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
Increase / (decrease) in cash in year	12,963	(11,457)
Non-cash movement		
– Exchange gains	1,002	994
CHANGE IN NET FUNDS / (DEBT)	13,965	(10,463)
NET (DEBT) / FUNDS AT BEGINNING OF YEAR	(63,419)	17,010
Loans drawn down	(50,034)	(69,966)
Loan notes	(49,500)	–
NET DEBT AT END OF YEAR	(148,988)	(63,419)

17. ANALYSIS OF NET DEBT

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
Cash at bank	20,512	8,801
Bank overdraft	–	(2,254)
Bank loan	(120,000)	(69,966)
Loan notes	(49,500)	–
	(148,988)	(63,419)

18. RECONCILIATION OF RETURN ON ORDINARY ACTIVITIES BEFORE TAX AND FINANCING COSTS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30TH JUNE 2009 £'000	30TH JUNE 2008 £'000
Return on ordinary activities before financing costs and tax	(215,204)	127,667
Losses / (gains) on investments	181,805	(137,351)
Currency losses / (gains) on cash and borrowings	22,335	(310)
Increase in creditors	5,685	3,187
Decrease in other debtors	140	509
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(5,239)	(6,298)

19. CONTINGENCIES, GUARANTEES AND FINANCIAL COMMITMENTS

At 30th June 2009 there were financial commitments outstanding of £427.8 million (2008: £641.2 million) in respect of investments in partly paid shares and interests in private equity funds.

As a result of the AIC/Claverhouse ruling the Company no longer pays VAT on its investment management fees.

During the year the Company recovered £2,295,000 of VAT previously paid on investment management fees and £620,000 in associated interest from HM Revenue & Customs.

20. 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 Financial Reporting Standard 29: Financial Instruments: Disclosures, 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-chip' UK equities. The Directors believe that the Company, as a closed-end fund with no fixed wind-up date, is ideally suited to making long-term investments in instruments with limited marketability. The investments in unquoted securities are monitored by the Board on a monthly basis.

Notes to the Financial Statements

(CONTINUED)

There are limited opportunities for the Company to acquire secondary unquoted portfolios due to the cyclical nature of their occurrence. As a result, at times of low investment opportunity, some funds may be invested in gilts and other fixed interest government bonds. It is the nature of investment in private equity that a commitment to invest will be made and that calls for payments will then be received from the unlisted investee entity. These payments are usually on an ad-hoc basis and may be called at any instance over a number of years. In order to cover such commitments, the Company has entered into a £150,000,000 five-year committed revolving credit facility with The Royal Bank of Scotland plc expiring on 25th May 2012. At 30th June 2009 the amount drawn down was £120,000,000 (30th June 2008: £69,966,000) (see Note 11 for further information).

The principal covenant that applies to the loan facility is that gross borrowings do not exceed 30% of adjusted gross asset value.

INTEREST RATE RISK

The Company may use gearing to achieve its investment objectives and manage cash flows and uses a £150,000,000 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 + 1.25%. The interest rate is then fixed for the duration that the loan is drawn down. At 30th June 2009 there were £120,000,000 funds drawn down on the loan facilities (30th June 2008: £69,966,000). The loan is due to be repaid within one year and as such fair value is not considered to be materially different from par value.

Interest on the unsecured subordinated loan notes is payable quarterly in arrears at LIBOR + 1.5%. LIBOR is the published British Banking Association rate of interest for 1 month sterling deposits in the London interbank market on the date the interest period commences or the next business day if the interest commencement date is not a business day. At 30th June 2009 there were £49,500,000 funds drawn down on the loan notes (30th June 2008: nil). The loan notes are due to mature in November 2010 and fair value is not considered to be materially different from par value.

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

Non-interest rate exposure

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

Financial assets for 2009 and 2008 consist of investments, cash and debtors (excluding prepayments). As at 30th June 2009, the interest rate and maturity profile of the Company's financial assets was as follows:

		NO MATURITY DATE	MATURES WITHIN 1 YEAR	FIXED INTEREST AVERAGE INTEREST RATE
30TH JUNE 2009	TOTAL £'000	£'000	£'000	%
Fair value interest rate risk financial assets				
Sterling	-	-	-	-
US dollar	-	-	-	-
Other European	-	-	-	-
	-	-	-	-
No interest rate risk financial assets				
Sterling	41,601	41,601	-	-
US dollar	492,259	492,259	-	-
Other European	161,979	161,979	-	-
Other	-	-	-	-
	695,839	695,839	-	-

The interest rate and maturity profile of the Company's financial assets as at 30th June 2008 was as follows:

	TOTAL	NO MATURITY DATE	MATURES WITHIN 1 YEAR	FIXED INTEREST AVERAGE INTEREST RATE
30TH JUNE 2008	£'000	£'000	£'000	%
Fair value interest rate risk financial assets				
Sterling	-	-	-	-
US dollar	-	-	-	-
Other European	-	-	-	-
	-	-	-	-
No interest rate risk financial assets				
Sterling	57,042	57,042	-	-
US dollar	530,408	530,408	-	-
Other European	227,977	227,977	-	-
Other	-	-	-	-
	815,427	815,427	-	-

As at 30th June 2009, the interest rate and maturity profile of the Company's financial liabilities was as follows:

	TOTAL	NO MATURITY DATE	MATURES WITHIN 1 YEAR	MATURES AFTER 1 YEAR
30TH JUNE 2009	£'000	£'000	£'000	£'000
Overdraft	-	-	-	-
Loan	120,000	-	120,000	-
Loan notes	49,500	-	-	49,500
	169,500	-	120,000	49,500

As at 30th June 2008, the interest rate and maturity profile of the Company's financial liabilities was as follows:

	TOTAL	NO MATURITY DATE	MATURES WITHIN 1 YEAR
30TH JUNE 2008	£'000	£'000	£'000
Overdraft	2,254	-	2,254
Loan	69,966	-	69,966
	72,220	-	72,220

Notes to the Financial Statements

(CONTINUED)

FINANCIAL LIABILITIES

The Company primarily finances its operations through its issued capital, bank borrowings, unsecured subordinated loan notes and existing reserves. At 30th June 2009, the Company had £120,000,000 (2008: £69,966,000) drawn down of its £150,000,000 committed five-year revolving credit facility with The Royal Bank of Scotland. Tranches from this facility are drawable in US dollars, euros and sterling. Interest is incurred at a variable rate as agreed at the time of drawdown and is payable at the maturity date of each advance. At the year end, interest of £nil (2008: £414,000) was accruing. The unsecured subordinated loan notes are due to mature in November 2010. Interest is payable quarterly in arrears as described in Note 12, no interest was payable at the year end (2008: £nil). With the exception of the loan notes and bank overdraft, which at 30th June 2009 stood at £nil (2008: £2,254,000), there was no interest rate risk associated with other short-term creditors at 30th June 2009 or 30th June 2008. At 30th June 2009 and 30th June 2008, with the exception of the loan notes and bank revolving credit facility referred to above, all other financial liabilities were due within one year. The revolving credit facility is included in creditors falling due within one year.

MARKET PRICE RISK

The method of valuation of the fixed asset investments is described in Note 1(D) to the financial statements on page 55. 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.

If the investment portfolio valuation fell by 20% from the 30th June 2009 valuation, with all other variables held constant, there would have been a reduction of £129,641,000 (2008 based on a 20% fall: £161,297,000) in the return before taxation. An increase of 20% in the investment portfolio valuation would have had an equal and opposite effect in the return before taxation.

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. A geographical analysis of the portfolio and hence its exposure to currency risk is given on page 14. Although it is permitted to do so, the Company did not hedge the portfolio against the movement in exchange rates during the financial year as there was no significant increase in the perceived risk of exchange rate movement.

The investment approach and the Manager's consideration of the associated risk are discussed in further detail in the Manager's Review on pages 7 to 28. The Company settles its transactions from its bank accounts at an agreed rate of exchange at the date on which the bargain was made. As at 30th June 2009, realised exchange gains of £93,000 (2008: £94,000 losses) and unrealised gains relating to currency of £1,087,000 (2008: £998,000) have been taken to the capital reserve.

If the sterling/dollar and sterling/euro exchange rate had reduced by 10% from that obtained at 30th June 2009, it would have the effect, with all other variables held constant, of increasing equity shareholders' funds by £4,807,000 (2008: reducing by £6,081,000). If there had been an increase in the sterling/dollar and sterling/euro exchange rate of 10% it would have the effect of decreasing equity shareholders' funds by £3,933,000 (2008: increasing by £4,975,000). The calculations are based on the investments held at fair value through profit or loss and the exchange rate of 1.61255 sterling/dollar and 1.13925 sterling/euro as at 30th June 2009.

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

	30TH JUNE 2009 ASSETS £'000	30TH JUNE 2009 LIABILITIES £'000	30TH JUNE 2008 ASSETS £'000	30TH JUNE 2008 LIABILITIES £'000
US dollar	17,675	–	8,308	52,258
Euro	25,163	–	187	10,962
Swedish krona	423	–	–	–
Japanese yen	–	–	1	–
	43,261	–	8,496	63,220

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

All of 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 capital structure of the Company consists of cash held and shareholders' equity. The Company's equity is analysed into its various components in Note 13. Capital is managed so as to maximise the return to shareholders while maintaining a capital base to allow the Company to operate effectively in the marketplace and sustain future development of the business.

To this end the Company may use gearing to achieve its objectives. Details of borrowings at the year end can be found earlier in this note and on page 33 of the Directors' Report.

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

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

21. RELATED PARTY TRANSACTIONS

The Manager, Pantheon Ventures Limited, is regarded as a related party of the Company. Mr R.M. Swire, a Director of the Company, is a director of Pantheon Holdings Limited, the holding company of Pantheon Ventures Limited.

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

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action to take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended) without delay. If you have sold or transferred all of your ordinary shares of 67p each or redeemable shares of 1p each in the capital of Pantheon International Participations PLC (the "Company") and, as a result, no longer hold any shares in the Company, please send this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

An explanation of the business proposed to be transacted at the Annual General Meeting convened by this notice is set out in the Directors' Report on pages 38 to 40 of this document.

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of Pantheon Ventures Limited, Norfolk House, 31 St. James's Square, London SW1Y 4JR on Thursday, 26th November 2009 at 12 noon to consider and, if thought fit, pass the following resolutions, of which numbers 1 to 9 will be proposed as ordinary resolutions and numbers 10 to 13 as special resolutions.

ORDINARY BUSINESS

ORDINARY RESOLUTIONS

1. To receive and adopt the Reports of the Directors and Auditors and the Financial Statements for the year ended 30th June 2009.
2. To receive and approve the Directors' Remuneration Report.
3. To re-elect Mr T. Bartlam as a Director.
4. To re-elect Mr R.J. Crowder as a Director.
5. To re-elect Mr J.P.A. Readman as a Director.
6. To re-elect Mr R.M. Swire as a Director.
7. To re-elect Mr A. Thomson as a Director.
8. To re-appoint Grant Thornton UK LLP as Auditors to the Company and to authorise the Directors to determine their remuneration.

SPECIAL BUSINESS

ORDINARY RESOLUTIONS

9. THAT:

the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company, up to an aggregate nominal amount equal to the sum of (i) £1,000,000 less the aggregate nominal amount of the redeemable shares of 1p each in the capital of the Company in issue as at the date on which this Resolution is passed ("the Unissued Redeemable Share Capital") and (ii) £8,379,692.90, and comprising not more than the amount of the Unissued Redeemable Share Capital in nominal amount of redeemable shares of 1p each in the capital of the Company ("Redeemable Shares") and not more than £8,379,692.90 in nominal amount of ordinary shares of 67p each in the capital of the Company ("Ordinary Shares") provided that this authority shall (unless previously renewed, revoked or varied by the Company in general meeting) expire at the conclusion of the period commencing with the date on which this Resolution is passed and expiring at the conclusion of the next annual general meeting of the Company or the date occurring 15 months from the date on which this Resolution is passed, whichever is the earlier (the "Period of Authority"), save that the Company may before the expiry of such authority make an offer or agreement which would or might require shares in the Company to be allotted and/or rights to subscribe for, or to convert any security into, shares in the Company after the expiry of the said period and the Directors may allot such shares and/or grant such rights in pursuance of any such offer or agreement as if the authority conferred by this Resolution had not expired, and so that the authority hereby given shall be in substitution for all subsisting authorities having effect as if given under Section 551 of the Act.

SPECIAL RESOLUTIONS

10. THAT:

subject to the passing of Resolution 9 above, the Directors of the Company be and are hereby empowered, until the conclusion of the Period of Authority, pursuant to Section 570 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred upon them under Resolution 9 above as if Section 561 of the Act did not apply to any such allotment and pursuant to Section 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) held by the Company as treasury shares (within the meaning of Section 724(5) of the Act) for cash as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue, open offer or any other offer in favour of holders of ordinary shares (within the meaning of Section 560 of the Act) and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by or deemed to be held by them on the record date of such allotment, subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any territory or the requirements of any regulatory authority or any stock exchange;
- (b) the allotment of equity securities (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount equal to the sum of (i) the amount of the Unissued Redeemable Share Capital and (ii) £2,513,907.87, and comprising not more than the amount of the Unissued Redeemable Share Capital in nominal amount of Redeemable Shares and not more than £2,513,907.87 in nominal amount of Ordinary Shares and, in respect of any such allotment, on terms that the shares constituting the equity securities allotted or for or into which the equity securities allotted give a right to subscribe or convert (as the case may be), shall be subscribed for or issued or sold (as the case may be) at a price per share not less than the net asset value per share calculated pursuant to the Articles of Association of the Company as at the Calculation Date (as defined in the Articles of Association of the Company) immediately preceding the issue (or sale) of such shares;

save that the Company may, before the expiry of the Period of Authority, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

11. THAT:

the Company be and is hereby generally and, subject as hereinafter provided, unconditionally authorised in accordance with Section 701 of the Act, in substitution for all subsisting authorities having effect as if passed under Section 701 of the Act, to make market purchases (within the meaning of Section 693 of the Act) of Ordinary Shares and Redeemable Shares and provided that:

- (a) the maximum number of Redeemable Shares hereby authorised to be purchased is such number (rounded down to the nearest whole number) as is equal to 14.99% of the number of Redeemable Shares in issue (excluding any Redeemable Shares held by the Company as treasury shares (within the meaning of Section 724(5) of the Act)) as at the date this Resolution is passed;
- (b) the minimum price which may be paid for a Redeemable Share is 1p;
- (c) the maximum price (exclusive of expenses) which may be paid for a Redeemable Share shall be the higher of (i) 5% above the average of the middle market quotations for the Redeemable Shares as derived from the London Stock Exchange's Daily Official List for the five business days before the purchase is made, and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange;
- (d) the maximum number of Ordinary Shares hereby authorised to be purchased is such number (rounded down to the nearest whole number) as is equal to 14.99% of the number of Ordinary Shares in issue (excluding any Ordinary Shares held by the Company as treasury shares (within the meaning of Section 724(5) of the Act)) as at the date this Resolution is passed;
- (e) the minimum price which may be paid for an Ordinary Share is 67p;
- (f) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of (i) 5% above the average of the middle market quotations for the Ordinary Shares as derived from the London Stock Exchange's Daily Official List for the five business days before the purchase is made and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange; and

Notice of Annual General Meeting

(CONTINUED)

- (g) unless renewed, varied or revoked, the authorities hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or the date occurring 18 months from the date on which this Resolution is passed, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Redeemable Shares and/or Ordinary Shares which will or may be completed or executed wholly or partly after such expiry and may make a purchase of Redeemable Shares and/or Ordinary Shares in pursuance of any such contract.

12. THAT:

with effect from the end of the meeting:

- (a) the Articles of Association of the Company be amended by deleting all provisions referred to in paragraph 42 of schedule 2 of the Companies Act 2006 (Commencement No. 8, Transitional Provisions and Savings) Order 2008 (Statutory Instrument 2008 No. 2860); and
- (b) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

13. THAT:

a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Dated 13th October 2009

Beaufort House, 51 New North Road, Exeter EX4 4EP

By order of the Board

CAPITA SINCLAIR HENDERSON LIMITED

Secretary


FOR AND ON BEHALF OF
CAPITA SINCLAIR HENDERSON LTD.
SECRETARY

NOTES:

1. A holder of ordinary shares entitled to attend this meeting may attend the meeting in person or may appoint one or more persons as his/her proxy to attend, speak and/or vote on his/her behalf. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. A form of proxy for holders of ordinary shares is provided with this notice. The appointment of a proxy will not prevent a holder of ordinary shares from attending the meeting and voting in person if he/she so wishes. A holder of ordinary shares present in person or by proxy shall have one vote on a show of hands and on a poll every holder of ordinary shares present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder.

To appoint more than one proxy, a separate form of proxy in relation to each appointment should be completed (ordinary shareholders may photocopy the form of proxy), stating clearly on each form of proxy how many ordinary shares the proxy is appointed in relation to. A failure to specify the number of ordinary shares each proxy appointment relates to or specifying an aggregate number of ordinary shares in excess of those held by the shareholder will result in the proxy appointment being invalid. Ordinary shareholders are requested to indicate on the form of proxy if the proxy instruction is one of multiple instructions being given. All forms of proxy must be signed and should be returned together in the same envelope.

2. A holder of redeemable shares entitled to attend this meeting may attend the meeting in person or may appoint one or more persons as his/her proxy to attend on his/her behalf. A proxy need not be a member of the Company. A form of proxy for holders of redeemable shares is provided with this notice. The appointment of a proxy will not prevent a holder of redeemable shares from attending the meeting in person if he/she so wishes. Holders of redeemable shares are not entitled to speak or vote at the meeting.
3. To be effective, a form of proxy, together with any power of attorney or other authority under which it is signed or a notarially certified copy thereof, should be lodged at the office of the Company's Registrar, Capita Registrars, Proxy Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the time of the meeting, or any adjournment thereof.

4. Any question relevant to the business of the Annual General Meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office.
5. In accordance with Section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:
 - a) to do so would:
 - (i) interfere unduly with the preparation for the meeting, or
 - (ii) involve the disclosure of confidential information;
 - b) the answer has already been given on a website in the form of an answer to a question; or
 - c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
6. A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above does not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.
7. As at 12th October 2009 (being the last business day prior to the publication of this notice) the Company's issued voting share capital and total voting rights amounted to 37,521,013 ordinary 67p shares carrying one vote each. As at such date, the Company's issued non-voting share capital amounted to 28,871,255 redeemable shares of 1p each.
8. The Company specifies that only those shareholders registered on the Register of Members of the Company as at 6.00 pm on 24th November 2009 (or in the event that the meeting is adjourned, only those shareholders registered on the Register of Members of the Company as at 6.00 pm on the day which is two days prior to the adjourned meeting, (weekends excluded) shall be entitled to attend in person or by proxy and, in the case of holders of ordinary shares, vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after the specified time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting or, if adjourned, at the adjourned meeting.
9. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares:
 - a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;
 - b) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.
10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, in order to be valid, must be transmitted so as to be received by the Company's agent ID RA10 by the latest time for receipt of proxy appointments specified in Note 3 above.

Notice of Annual General Meeting

(CONTINUED)

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. *Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006.*

Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

12. *The contents of this notice of Annual General Meeting, details of the number of shares, and the shares of each class of shares, in respect of which members are entitled to exercise voting rights at the Annual General Meeting, the total voting rights which members are entitled to exercise at the Annual General Meeting in respect of the shares of each class and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: www.pipple.com.*
13. *The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at the offices of Pantheon Ventures Ltd., Norfolk House, 31 St. James's Square, London SW1Y 4JR from 11.45 am until the conclusion of the meeting:*
 - a) *Copies of the letters of appointment of the Chairman and the non-executive Directors of the Company.*
 - b) *A copy of the existing Articles of Association of the Company.*
 - c) *A copy of the new Articles of Association proposed to be adopted pursuant to Resolution 12 set out in this notice (the "New Articles") showing all the changes to the current Articles of Association.*
14. *A copy of the existing Articles of Association of the Company and a copy of the New Articles showing all the changes to the current Articles of Association will be available for inspection at the offices of the Company's solicitors, Covington & Burling LLP, 265 Strand, London WC2R 1BH during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting.*

Explanatory Notes of Principal Changes to the Company's Articles of Association

It is proposed in Resolution 12 in the Notice of AGM to adopt new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") primarily to take account of the implementation of the last parts of the Companies Act 2006 to come into force and the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations").

The principal changes introduced in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 or Shareholders' Rights Regulations, have not been noted.

The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 74.

1. THE COMPANY'S OBJECTS

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1st October 2009, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

The New Articles set out the provisions of the Company's memorandum which, by virtue of the Companies Act 2006, are treated as forming part of the Company's articles of association as of 1st October 2009.

2. ARTICLES WHICH DUPLICATE STATUTORY PROVISIONS

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006.

3. AUTHORISED SHARE CAPITAL AND UNISSUED SHARES

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006.

4. USE OF SEALS

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors.

5. CHAIRMAN'S CASTING VOTE

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Companies Act 2006.

6. NOTICE OF GENERAL MEETINGS

The Shareholders' Rights Regulations amend the Companies Act 2006 to require the company to give 21 clear days' notice of general meetings unless the company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 clear days has been passed. Annual general meetings must be held on 21 clear days' notice. The New Articles amend the provisions of the Current Articles to be consistent with the new requirements.

7. ADJOURNMENTS FOR LACK OF QUORUM

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

Contacts

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Authorised and regulated by the FSA

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* *Calls cost 10p per minute plus network charges,
lines are open 8.30am–5.30pm Monday–Friday*
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