



Partners Group
Passion for Alternative Investments

PARTNERS GROUP HOLDING
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008
(UNAUDITED)



"Passion for transparency"

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007

<i>In thousands of Swiss francs</i>	Note	30 June 2008	30 June 2007
Revenues from management and advisory services, net	5	157'211	143'832
Share of results of associates		2'699	2'856
Net revenues		159'910	146'688
Third party services		-2'168	-1'507
Personnel expenses	6	-32'745	-25'596
General & administrative expenses		-5'305	-4'018
Marketing & representation expenses		-3'745	-3'008
Depreciation and amortization		-2'600	-1'826
EBIT		113'347	110'733
Changes in fair value of derivatives arising from insurance contracts	12	6'626	14'094
Income from investment companies		-	2
Other finance income, net		5'748	5'473
Finance cost		-1'699	-1'090
Profit before tax		124'022	129'212
Income tax expense		-7'311	-7'661
Net profit for the period		116'711	121'551
Attributable to:			
Equity holders of the parent		116'601	121'396
Minority interest		110	155
Basic earnings per share (Swiss francs)		4.63	4.79
Diluted earnings per share (Swiss francs)		4.33	4.45

INTERIM CONSOLIDATED BALANCE SHEET
AS OF 30 JUNE 2008 AND 31 DECEMBER 2007

<i>In thousands of Swiss francs</i>	Note	30 June 2008	31 December 2007
Assets			
Property, plant and equipment		6'569	4'971
Intangible assets		61'371	64'808
Investments in associates		3'139	5'424
Other investments		127'986	126'548
Other financial assets	8	96'333	94'730
Deferred tax assets		712	900
Total non-current assets		296'110	297'381
Prepaid expenses		9'198	6'571
Trade receivables		44'494	73'364
Other receivables		5'747	5'078
Marketable securities		20'004	19'912
Cash and cash equivalents		83'351	80'689
Total current assets		162'794	185'614
Total assets		458'904	482'995
Equity and liabilities			
Share capital	9	267	267
Own equity instruments	9	- 190'374	- 170'742
Share premium	9	218	218
Retained earnings	9	536'976	533'541
Equity attributable to equity holders of the parent		347'087	363'284
Minority interest		800	690
Total equity		347'887	363'974
Liabilities			
Pension fund liabilities		3'955	3'792
Derivatives arising from insurance contracts	12	48'844	57'228
Total non-current liabilities		52'799	61'020
Trade payables		20'723	20'373
Income taxes payable		8'044	1'151
Accrued expenses		20'732	28'513
Other current liabilities		8'719	7'964
Total current liabilities		58'218	58'001
Total liabilities		111'017	119'021
Total equity and liabilities		458'904	482'995

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007**

In thousands of Swiss francs

	Share capital	Own equity instruments	Share premium	Translation reserves	Hedging reserve	Other retained earnings	Total retained earnings	Attributable to equity holders of the parent	Minority interest	Total
Balance at 1 January 2007	267	-60'354	218	1'155	392	331'394	332'941	273'072	427	273'499
Acquisition of treasury shares		-88'045					-	-88'045		-88'045
Sale of treasury shares		7'367				-7'067	-7'067	300		300
Equity settled transactions						1'095	1'095	1'095		1'095
Transfer of repurchased share options		10'855				-10'855	-10'855	-		-
Tax effect resulting from equity settled transactions						1'732	1'732	1'732		1'732
Dividends paid to shareholders						-66'624	-66'624	-66'624		-66'624
							-			
Translation adjustment				4'396			4'396	4'396		4'396
Fair value changes of cash flow hedges					-1'246		-1'246	-1'246		-1'246
Net profit for the period						121'396	121'396	121'396	155	121'551
Total recognized income and expense	-	-	-	4'396	-1'246	121'396	124'546	124'546	155	124'701
Balance at 30 June 2007	267	-130'177	218	5'551	-854	371'071	375'768	246'076	582	246'658
Balance at 1 January 2008	267	-170'742	218	855	982	531'704	533'541	363'284	690	363'974
Acquisition of treasury shares		-100'034					-	-100'034		-100'034
Sale of treasury shares		80'116				-	-	80'116		80'116
Equity settled transactions		286				2'595	2'595	2'881		2'881
Tax effect resulting from equity settled transactions						-1'313	-1'313	-1'313		-1'313
Dividends paid to shareholders						-105'979	-105'979	-105'979		-105'979
							-7'487	-7'487		-7'487
Translation adjustment				-7'487			-7'487	-7'487		-7'487
Fair value changes of cash flow hedges					-982		-982	-982		-982
Net profit for the period						116'601	116'601	116'601	110	116'711
Total recognized income and expense	-	-	-	-7'487	-982	116'601	108'132	108'132	110	108'242
Balance at 30 June 2008	267	-190'374	218	-6'632	-	543'608	536'976	347'087	800	347'887

INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007

<i>In thousands of Swiss francs</i>	Note	30 June 2008	30 June 2007
Operating activities			
Net profit for the period		116'711	121'551
Adjustments:			
Share of results of associates		-2'699	-2'856
Income from other investments		-	-2
Net financial result		-4'049	-4'383
Income tax expenses		7'311	7'661
Depreciation of property, plant and equipment		1'163	650
Amortization of intangible assets		1'440	1'179
Share-based expenses		2'881	1'095
Change in fair value of derivative liabilities arising from insurance contracts	12	-6'626	-14'094
Change in fair value of assets held by insurance trusts		-2'286	-1'777
Change in defined benefit obligation		163	-718
Gain / (loss) realized on other derivatives		11'184	-667
Other non-cash items		-8	88
Operating cash flow before changes in working capital		125'185	107'727
(Increase) / decrease in receivables		22'908	-24'735
Increase / (decrease) in payables		-4'691	8'391
Financial expenses (other than interest) paid		-99	-79
Cash generated from operations		143'303	91'304
Income taxes paid		-1'537	-572
Net cash provided by operating activities		141'766	90'732

<i>In thousands of Swiss francs</i>	Note	30 June 2008	30 June 2007
Investing activities			
(Purchase) / disposal of marketable securities		-1'970	13'860
Purchase of property, plant and equipment		-2'928	-985
Purchase of intangible assets		-823	-70
Cost recovered from disposal of other investments	7	23'605	2'705
Purchase of other investments	7	-39'211	-42'523
Investments in assets held by insurance trust and experience account		-1'589	-2'155
Change in other financial assets		-596	-681
Interest received		5'531	3'875
Dividends received		5'019	4'311
Net cash used in investing activities		-12'962	-21'663
Financing activities			
Interest paid		-52	-162
Dividends paid to third parties	9	-105'979	-66'624
Purchase of treasury shares		-100'034	-88'045
Disposal of treasury shares		80'116	300
Net cash used in financing activities		-125'949	-154'531
Net increase / (decrease) in cash and cash equivalents		2'855	-85'462
Cash and cash equivalents at beginning of the period		80'689	121'698
Effect of foreign exchange rate changes		-193	66
Cash and cash equivalents at end of the period		83'351	36'302

1. GENERAL INFORMATION

Partners Group Holding AG (the Company) is a company domiciled in Switzerland whose shares are publicly traded. The interim condensed consolidated financial statements of the Company and its subsidiaries (together referred to as the Group) were authorized for issue in accordance with a resolution of the directors on 22 August 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2007.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2008:

- IFRIC 11 - *IFRS 2 - Group and treasury share transactions*
- IFRIC 12 - *Service concession agreements*
- IFRIC 14 - *IAS 19 - the limit on a defined benefit asset, minimum funding requirements and their interaction*

The adoption of these standards and interpretations did not affect the Group's results of operations or financial position.

3. CHANGES IN SCOPE OF CONSOLIDATION

On 2 January 2008 the Group incorporated Partners Group Finance CHF IC Limited, Partners Group Finance EUR IC Limited, Partners Group Finance GBP IC Limited, Partners Group USD IC Limited and Partners Group Finance ICC Limited; all entities are situated in Guernsey. The main purpose of these entities is the holding of the Group's investment in third party investments.

On 4 March 2008 the Group incorporated Partners Group Management VIII and IX Limited, Guernsey. The entities' main purpose is to serve as investment manager/general partner for Scotland based private equity partnerships.

4. SEGMENT INFORMATION

The Group comprises the following main business segments:

- Private Equity
- Hedge Funds

The Group discloses no inter-segment transactions, as there are none; consequently no eliminations are necessary.

Three other business activities, wealth management, private debt and private real estate, do not meet the criteria of an independent segment and thus are disclosed under the heading "other / non-attributable". Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated items comprise:

Income statement

- Depreciation on property, plant and equipment
- Non-attributable part of amortization of intangible assets
- Pension cost
- Non-attributable part of net financial result
- Income tax expense

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007

4. SEGMENT INFORMATION (CONTINUED)

	Private Equity		Hedge Funds		Other/Non-attributable		Total	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007	30 June 2008	30 June 2007	30 June 2008	30 June 2007
<i>In thousands of Swiss francs</i>								
Revenues from management and advisory services, net	129'943	105'318	10'042	25'830	17'226	12'684	157'211	143'832
Share of result of associates	2'699	2'856	–	–	–	–	2'699	2'856
Net revenues	132'642	108'174	10'042	25'830	17'226	12'684	159'910	146'688
Segment result	118'069	109'424	557	16'165	1'531	5'478	120'157	131'067
Net financing result not allocated							3'865	–1'855
Income tax expense							–7'311	–7'661
Net profit for the period							116'711	121'551

5. REVENUES FROM MANAGEMENT AND ADVISORY SERVICES, NET

The Group operates in different businesses (refer to note 4). Within these different businesses, it earns income for its various services as follows:

<i>In thousands of Swiss francs</i>	30 June 2008	30 June 2007
Private equity		
Private equity investment management	136'708	116'703
./ . Revenue deductions	-20'247	-15'538
<i>Net private equity investment management</i>	116'461	101'165
Private equity insurance premiums	15'416	13'569
Insurance fees, where Group acts as policyholder only	-15'416	-13'569
<i>Net private equity insurance premiums</i>	-	-
Private equity transaction fees	20'419	10'533
./ . Revenue deductions	-6'937	-6'380
<i>Net private equity transaction fees</i>	13'482	4'153
Total revenues from private equity, net	129'943	105'318
Hedge funds		
Hedge funds investment management	18'665	38'620
./ . Revenue deductions	-8'623	-12'790
Total revenues from hedge funds, net	10'042	25'830

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007

**5. REVENUES FROM MANAGEMENT AND ADVISORY SERVICES, NET
(CONTINUED)**

<i>In thousands of Swiss francs</i>	30 June 2008	30 June 2007
Other revenues		
Wealth management	2'299	2'573
./ Revenue deductions	- 147	- 173
<i>Net wealth management</i>	2'152	2'400
Private debt investment management	13'376	7'271
./ Revenue deductions	- 899	- 833
<i>Net private debt investment management</i>	12'477	6'438
Private debt transaction fees	3'141	4'007
./ Revenue deductions	- 1'953	- 433
<i>Net private debt transaction fees</i>	1'188	3'574
Private real estate investment management	1'351	-
./ Revenue deductions	- 177	-
<i>Net private real estate investment management</i>	1'174	-
Private real estate transaction fees	75	-
./ Revenue deductions	- 181	-
<i>Net private real estate transaction fees</i>	- 106	-
<i>Other revenues</i>	341	272
Total other revenues, net	17'226	12'684
Revenues from management and advisory services, net	157'211	143'832
Summary		
Total gross revenues	211'791	193'548
./ Revenue deductions	- 39'164	- 36'147
./ Insurance fees, where Group acts as policyholder only	- 15'416	- 13'569
Revenues from management and advisory services, net	157'211	143'832
<i>Details on included performance fees:</i>		
Private equity	1'314	2'158
Hedge funds	225	6'280
Total performance fees received	1'539	8'438

6. PERSONNEL EXPENSES

<i>In thousands of Swiss francs</i>	30 June 2008	30 June 2007
Wages and salaries	-26'169	-21'333
Retirement schemes – defined contribution plans	-1'902	-1'185
Retirement schemes – defined benefit plans	-804	-217
Other social security expenses	-117	-1'260
Share-based payments	-2'881	-1'095
Sundry personnel expenses	-872	-506
Total personnel expenses	-32'745	-25'596

The average number of employees during the reporting period was 294 (2007: 199).

7. OTHER INVESTMENTS***Acquisitions and disposals***

During the six months ended 30 June 2008, the Group acquired assets with a cost of CHF 39'210'559 (2007: CHF 42'523'204), of which CHF 10'929'204 (2007: CHF 36'478'918) related to capital calls for limited partnership commitments.

Assets with a net book value of CHF 23'605'3649 (2007: CHF 2'704'838) were disposed of by the Group during the six months ended 30 June 2008.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007

8. OTHER FINANCIAL ASSETS

<i>In thousands of Swiss francs</i>	30 June 2008	31 December 2007
Assets in insurance trust / experience account:	94'505	93'493
<i>Restricted cash and cash equivalents</i>	94'505	93'493
Loans to third parties and related parties	1'713	299
Loans to directors and officers of the Group	–	819
Other financial assets	115	119
Total	96'333	94'730

9. CAPITAL AND RESERVES

<i>In effective number of shares</i>	30 June 2008	30 June 2007
Issued at 1 January	26'700'000	26'700'000
Issued during period	–	–
Issued at 30 June – fully paid in	26'700'000	26'700'000

Own equity instruments

Own equity instruments include treasury shares and share options of the Company. They are recognized at cost and presented separately within equity. At the balance sheet date the Group held 1'824'863 (30 June 2007: 1'618'065) of the Company's own shares. The Group holds treasury shares to provide for shares for the existing stock option program.

During the six months ended 30 June 2008 the Group sold 56'070 (30 June 2007: 160'200) shares to partners who exercised options from the existing stock option program.

Dividends

A dividend of CHF 4.25 (2007: CHF 2.65) per share was paid out to shareholders as of 16 April 2008. The Group's treasury shares were not eligible for a dividend payment.

9. CAPITAL AND RESERVES (CONTINUED)**Outstanding shares**

The computation of the weighted average number of ordinary shares outstanding during the period is based on the following figures:

<i>In effective number of shares</i>	Shares issued	Treasury shares	Out-standing
2007			
Balance at 1 January 2007	26'700'000	1'190'915	25'509'085
Purchase of treasury shares for cash		589'706	- 589'706
Sale of treasury shares for cash		- 162'556	162'556
Balance at 30 June 2007	26'700'000	1'618'065	25'081'935
Weighted average number of shares outstanding during the period (180 days)			25'351'469
Shareholders above 5 % (in % of shares issued)			
		Shares held	in %
Gantner Alfred		3'767'119	14.11%
Erni Marcel		3'767'119	14.11%
Wietlisbach Urs		3'767'119	14.11%
2008			
Balance at 1 January 2008	26'700'000	1'776'582	24'923'418
Purchase of treasury shares for cash		390'107	- 390'107
Sale of treasury shares for cash		- 341'826	341'826
Balance at 30 June 2008	26'700'000	1'824'863	24'875'137
Weighted average number of shares outstanding during the period (180 days)			25'190'455
Shareholders above 5 % (in % of shares issued)			
		Shares held	in %
Gantner Alfred		3'781'076	14.16%
Erni Marcel		3'781'076	14.16%
Wietlisbach Urs		3'781'076	14.16%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008 AND 2007

10. EARNINGS PER SHARE

	30 June 2008	30 June 2007
Basic earnings per share (in Swiss francs)	4.63	4.79
Diluted earnings per share (in Swiss francs)	4.33	4.45

11. SHARE-BASED PAYMENTS

During the six months ended 30 June 2008, the Group granted no further options (2007: nil). As of 30 June 2008 the Group had 3'946'459 options outstanding (30 June 2007: 3'131'429).

12. DERIVATIVES ARISING FROM INSURANCE CONTRACTS

(a) Basic assumptions

The Group recognizes a liability arising from the insurance contract insuring the repayment of the principal amount of a bond issued by Pearl Holding Limited ("Pearl").

Pearl Management Limited only acts as policyholder and pays certain amounts into the experience account, its exposure is limited to the balance paid into the experience account, although the actual insurance liability resulting from the transaction may be higher.

The liability is valued applying a Black-Scholes model. The following assumptions have been made for the input parameters of the model:

	30 June 2008	31 December 2007
Share price (in relation to bond notional)	123%	124%
Strike price (in millions)	EUR 712.8	EUR 712.8
Dividend yield	4.48%	4.39%
Risk free interest rate (government bonds)	5.08%	4.60%
Implicit volatility	12%	12%
Term of option	30.09.2014	30.09.2014

12. DERIVATIVES ARISING FROM INSURANCE CONTRACTS (CONTINUED)**(b) Derivative liabilities arising from insurance contracts**

<i>In thousands of Swiss francs</i>	30 June 2008	31 December 2007
Balance at beginning of period	57'228	82'755
Changes in fair value	-6'626	-27'785
Effects of movement in FX	-1'758	2'258
Balance at end of period	48'844	57'228

13. CAPITAL COMMITMENTS

As of 30 June 2008 the Group had capital commitment contracts with private equity partnerships for CHF 123'429'114 (2007: CHF 99'844'759), whereof CHF 62'758'273 (2007: CHF 54'666'593) were not yet called by the relevant investment manager.

14. SUBSEQUENT EVENTS

No events took place between 30 June 2008 and 22 August 2008 that would require adjustments to the amounts recognized in these consolidated financial statements or would need to be disclosed under this heading.



"Passion for alternative investments"

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