

Princess Private Equity Holding Limited

Investment holding company traded on the Frankfurt Stock Exchange and on the London Stock Exchange

Princess Private Equity Holding Limited ("Princess") is an investment holding company domiciled in Guernsey that invests in private market investments. Investments include primary and secondary fund investments, direct investments and listed private equity. Princess aims to provide shareholders with long-term capital growth and an attractive dividend yield in the mid- to long-term. The shares are traded on the Frankfurt Stock Exchange (in the form of co-ownership interests in a global bearer certificate) and on the London Stock Exchange.

Key facts

	Frankfurt	London
Trading symbol	PEY1	PEY
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Bloomberg	PEY1 GR	PEY LN
WKN	AOLBRM	AOLBRL
ISIN	DE000AOLBRM2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends	EUR 0.274 (30/04/2007), EUR 0.30 (13/12/2007)	

Monthly commentary

November was again marked by uncertainties and high volatilities on the global financial markets. These developments also had an impact on Princess, and adjusted for dividends to date, the NAV per share in November eased by 0.5%. Seen year to date, Princess can however still report a positive performance, with the NAV up 11.4% after dividend adjustment. At the beginning of the month, Princess declared a second semi-annual dividend payment of 30 cents which will be paid on 13 December 2007, with an ex-dividend date of 14 November 2007. This will bring the total dividend paid in 2007 to EUR 57.4 Cents per share, resulting in a yield of 7.3% based on the share price as of the end of November, which is well above the sector average.

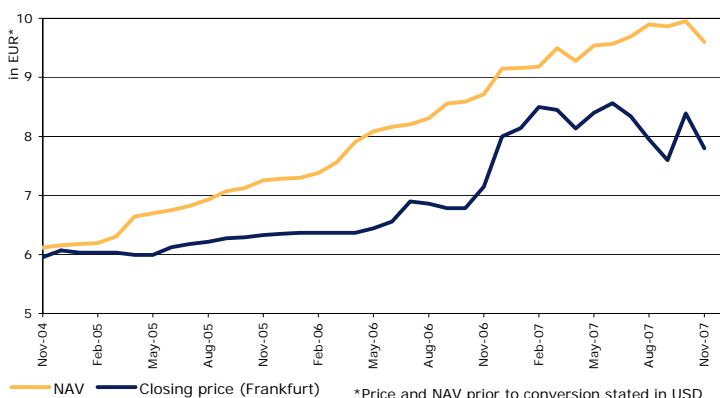
Key figures

	30.11.2007	31.10.2007	YTD
Net asset value (NAV)	EUR 9.60	EUR 9.95	4.9%
Net asset value (NAV) incl. dividend ¹	EUR 10.19	EUR 10.24	11.4%
Investment level	87.39%	85.05%	
Overcommitment	50.46%	45.20%	
Closing price Frankfurt ¹	EUR 7.80	EUR 8.39	4.7%
Premium	-18.75%	-15.68%	
Closing price London ¹	EUR 7.86	--	n.a.
Premium	-18.13%	--	

¹ YTD = Total Return

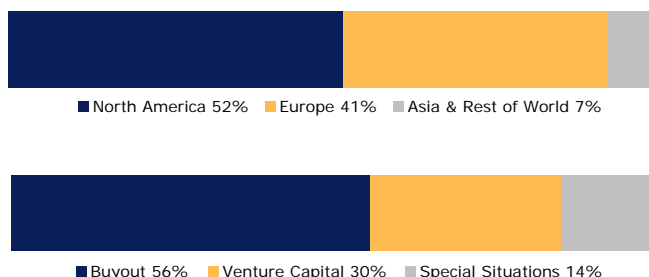
As an asset class, private equity has a long-term investment horizon and the development of investments is much more dependent on the macroeconomic environment than the short term financial market developments. However, 8% of the Princess investment portfolio is comprised of listed companies – both listed private equity funds and portfolio companies that have been successfully floated but are still in the Princess portfolio due to lock-up periods. These are valued at current market price and valuations have suffered from the recent financial market turmoil, irrespective of the quality of the underlying assets. In addition, the still weak US dollar had a further unfavorable impact on the NAV.

NAV und price development

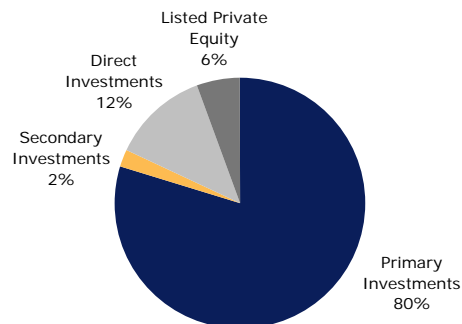


The Investment Advisor to Princess views the macroeconomic outlook as reasonably optimistic and expects the positive trend in NAV development to resume in 2008.

PE investments by regions and financing stages



PE investments by investment types



Recent commitments

Partnership/Company	Financing stage	Region	Vintage	Size in m	Month
Bridgepoint Europe IV "A", L.P.	Buyout	Europe	2007	EUR 10	Nov 07
Bain Capital X Co-Investment	Buyout	North America	2007	USD 4	Nov 07
Bain Capital Fund X, L.P.	Buyout	North America	2007	USD 16	Oct 07
Warburg Pincus Private Equity X, L.P.	Buyout	North America	2007	USD 20	Oct 07
Partners Group Global Real Estate 2008, L.P.	Special Situations	n.a.	2008	EUR 20	Sep 07

Definitions

This Newsletter is produced based on information available on the last working day of the month.

On a bondholders' meeting on 5 December 2006, bondholders approved to amend the terms and conditions of the Bonds by entering into a fifth supplemental trust deed with Law Debenture Trustees Limited (the "Fourth Supplemental Trust Deed") giving the Company a mandatory conversion right. Accordingly the Company was granted the right (the "Mandatory Conversion Right") to convert all of the Bonds into Co-ownership Interests. On 8 December 2006 each bond has been converted into 10 Ordinary shares deliverable in the form of Co-ownership Interests in a global bearer certificate issued by Clearstream, Frankfurt such that each Co-ownership Interest in a global bearer certificate carries rights corresponding to one Ordinary Share.

The conversion of 700,000 convertible bonds at a par value of USD 1,000 each at USD 100 per share resulted in the issuance of 7,000,000 Ordinary Shares. 10,000 shares were already issued and outstanding leading to a total amount of 7,010,000 issued and outstanding Ordinary shares. The Extraordinary Shareholder Meeting of the holders of ordinary shares in Princess Private Equity Holding Limited on 12 October 2007 agreed on a 1 to 10 share split according to which each ordinary share was subdivided into 10 ordinary shares. The share split became effective after close of trading on 12 October 2007.

The Net asset value ("NAV") is calculated based on a total of 70,100,000 shares outstanding.

Net asset value (NAV)	The net asset value, as described in the Prospectus dated 12 October 2007, equals the total assets less liabilities due in one year of the company calculated in accordance with the International Financial Reporting Standard ("IFRS").
Closing price	Last price paid on the Frankfurt Stock Exchange or on the London Stock Exchange on the respective date
Premium/Discount	Closing price divided by NAV
Market capitalization	Closing price multiplied by number of issued and outstanding shares
Value of private equity investments	Private equity investments are being held at fair value as required under the Company's adopted accounting standards IFRS.
Investment level	The lesser of 100% or the value of private equity investments divided by NAV
Overcommitment	Undrawn commitments less net current assets divided by NAV
Total Return	Total return is calculated according the standard BVI-method of the Bundesverband Investment and Asset Management.
Frankfurt Stock Exchange ("Frankfurt")	First listing on 13/12/2006. The shares deliverable in the form of co-ownership interests in a global bearer certificate are admitted to trading on the regulated market (Reglementierter Markt) with concurrent admission to trading on the segment of the regulated market with additional post-admission obligations (Prime Standard).
London Stock Exchange ("London")	First listing on 01/11/2007. Shares are admitted to the official market.

Regions

North America	North America
Europe	European Union & European Free Trade Association
Asia & RoW	Asia & Rest of World

Financing stages

Private Equity (PE)	Investments in companies, which typically are not publicly traded and in which the investor may significantly influence the management, and other investments of similar character.
Venture Capital (VC)	Financing for companies typically in their build-up phase. Seed Stage describes the period where product feasibility is confirmed; Early Stage involves the identification of the position in the market, the establishment of production lines and the development of marketing channels; Later Stage portrays the subsequent rapid expansion phase of a young company.
Buyout (BO)	Acquisition of a controlling stake in a company, typically with financial or managerial reorganization needs. Small/mid/large size buyout refers to the enterprise value of the acquired company. Whereas the bandwidths for Europe are set at <EUR 100m/EUR 100m-EUR 400m/>EUR 400m, US bandwidths are at <USD 300m/USD 300m-USD 1bn/>USD 1bn for small/mid/large size buyout respectively.
Special Situations (SS)	Any form of investment that falls within the definition of private equity but cannot be attributed to venture capital or buyout as described above. Special situations includes mezzanine, turnaround, distressed and other investments.

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