

Princess Private Equity Holding Limited

Investment holding company traded on the Frankfurt 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 deliverable in the form of co-ownership interests in a global bearer certificate are traded on the Frankfurt Stock Exchange.

Key facts

Incorporation	12.05.1999
Listing	13.12.2006
Trading symbol	PEY1
Valor	2 830 461
WKN	AOLBRM
ISIN	DE000AOLBRM2
Reuters	PEYGz.DE/PEYGz.F
Bloomberg	PEY1 GR
Base currency	EUR
Dividend as of 30 April 2007	EUR 2.74

Key figures

	30.09.2007	31.08.2007	YTD
Net asset value (NAV)	EUR 98.64	EUR 98.97	7.8%
Net asset value (NAV) incl. dividend ¹	EUR 101.56	EUR 101.89	11.0%
Closing price ¹	EUR 76.00	EUR 79.50	-1.8%
Premium/discount	-22.95%	-19.67%	
Market capitalization ²	EUR 532.76	EUR 557.30	
Investment level	85.60%	86.84%	
Overcommitment	42.66%	43.75%	

¹YTD = Total Return ² in million

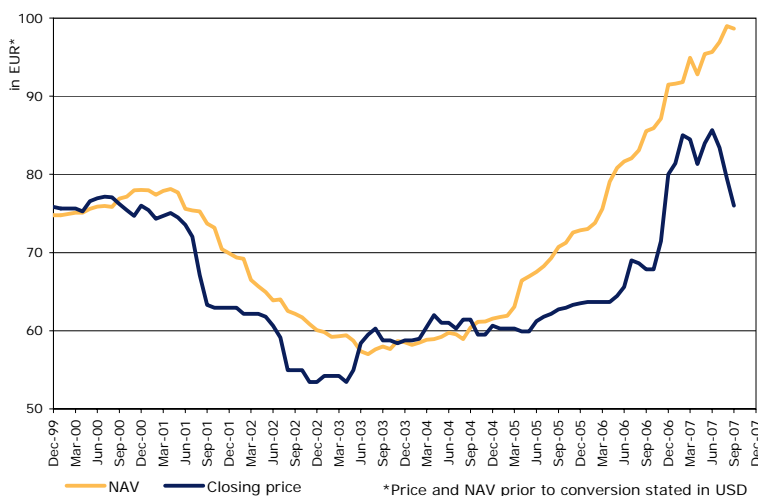
Monthly commentary

Against the background of the turbulence in the credit markets, the investment portfolio of Princess continued to show solid performance during September. Holdings in the portfolio – based on partnership reports and including IFRS adjustments – increased in value by over 0.5% in the month. The slight decline in the Princess net asset value during the month is due to the significant decline of the US dollar against the Euro (down 4%). While the non Euro denominated exposure of the Princess investment portfolio is to a large extent hedged into Euros, the large decline in the US dollar could not be offset by the revaluation of the portfolio holdings and the hedging gains made on the applied hedging strategy. In spite of this, the net asset value has increased by 11% since the beginning of the year when adjusted for the dividend payment made in April.

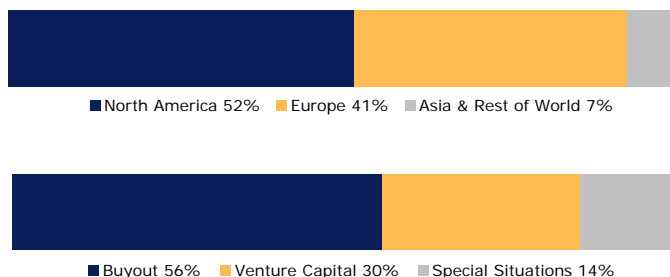
The Board of Directors of Princess has approved the application for an additional listing of the Ordinary Shares on the London Stock Exchange (LSE). Princess believes that this additional listing will raise the profile of the company, increase liquidity, reduce the discount to the net asset value at which the shares have been trading and broaden Princess' potential investor base. At the Extraordinary General meeting on 12 October 2007, Princess will also seek shareholder's approval for a 1:10 share split, which will improve the attractiveness of the shares on the London Stock Exchange. It is expected that trading on LSE will commence in early November 2007.

In September, Princess committed EUR 20m to Partners Group Global Real Estate 2008, L.P. The fund will invest globally using a "relative value" investment strategy designed to systematically identify and invest in the most attractive segments. The fund will also invest in selected real estate partnerships, and may opportunistically make co-investments, secondary and listed real estate investments.

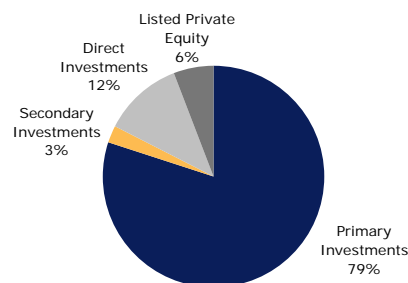
NAV and price since launch



PE investments by regions and financing stages



PE investments by investment types



Recent commitments

Partnership/Company	Financing stage	Region	Vintage	Size in m	Month
Partners Group Global Real Estate 2008, L.P.	Special Situations	n.a.	2008	EUR 20	Sep 2007
Apollo Overseas Partners VII, L.P.	Buyout	North America	2007	USD 20	Aug 2007
Partners Group European Growth 2008, L.P.	Venture Capital	Europe	2007	EUR 10	Aug 2007
Lifeways	Buyout	Europe	2007	n/a	Aug 2007
Partners Group European Buyout 2008, L.P.	Buyout	Europe	2007	EUR 25	Jul 2007

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 Net asset value ("NAV") is calculated based on a total of 7,010,000 shares outstanding.

Net asset value (NAV)	The net asset value, as described in the Prospectus dated 8 December 2006, equals the total assets less the total liabilities of the company calculated in accordance with the International Financial Reporting Standard ("IFRS").
Closing price	Last price paid on the Frankfurt 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.

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.

Contact details

Princess Private Equity Holding Limited
 Tudor House
 P.O. Box 477
 St. Peter Port
 Guernsey, GY1 1BT
 Channel Islands
www.princess-privateequity.net

Investor Relations
 Phone: +44 (0)1481 730 946
 Fax: +44 (0)1481 730 947
 Email: princess@princess-privateequity.net