

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	DE000A0LBRM2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends 2008	EUR 0.30 (20/06/2008)	

Monthly commentary

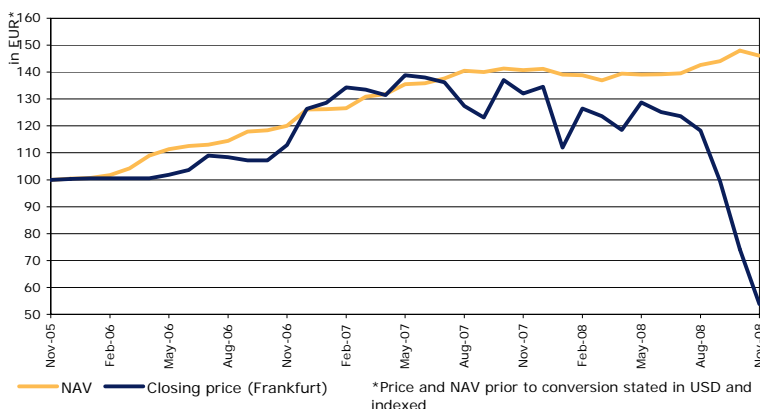
After a strong performance during recent months, the net asset value of Princess eased in November by 1.3% to EUR 9.66 per share, of which 0.7% was attributable to revaluations of investments. 29% of the general partners' valuations received to date by Princess are based on 30 September 2008 and 62% on 30 June 2008 figures. While such revaluations had only a modest impact on the Princess NAV in November, further and more material adjustments are expected given the current market environment. Irrespective of the operational soundness of underlying portfolio companies, "fair valuations" are required to reflect to a significant extent the price development of comparable public companies which recently have experienced a major decline during the market downturn. This is particularly true for large-cap buyout portfolios of more recent vintage years; however, those only account for 14% of the Princess portfolio. In particular, less recession resilient sectors, such as retail, construction and financial services, which represent less than a third of the Princess portfolio, have suffered heavy losses in the public markets, which will result in corrections of "fair values" in the private market, too. That said, the Investment Advisor has high confidence in Princess' portfolio, with quality investments and high levels of diversification, managed by top-quartile private equity firms which the Investment Advisor believes are well-equipped to weather a difficult economic environment.

Key figures

	30.11.08	31.10.08	YTD
Net asset value (NAV)	EUR 9.66	EUR 9.78	
Net asset value (NAV) incl. dividend	EUR 10.60	EUR 10.74	3.5%
Investment level	97.76%	96.89%	
Overcommitment	56.57%	56.48%	
Closing price Frankfurt	EUR 3.05	EUR 4.20	-60.0%
Premium	-68.43%	-57.06%	
Closing price London	EUR 2.80	EUR 4.10	-63.6%
Premium	-70.98%	-58.08%	

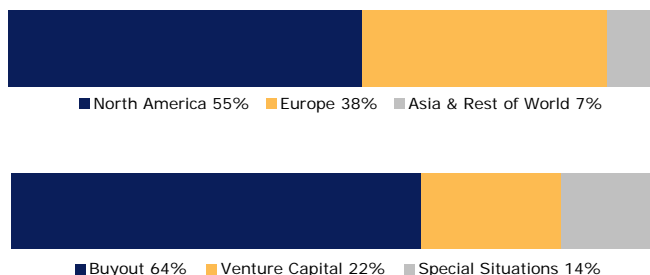
Where applicable, returns are calculated according to the standard BVI-method of the Bundesverband Investment and Asset Management and may be subject to decimal rounding.

NAV and price development (including dividends)

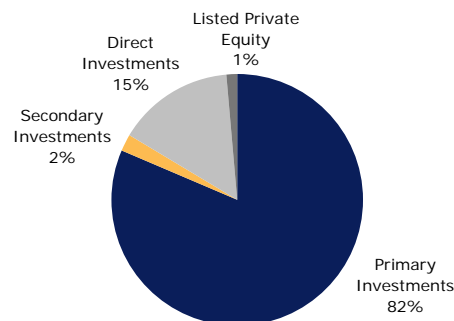


While fair value accounting and valuation principles applied to individual public investments can be appropriate to measure a company's value in case of immediate liquidation at a given point in time, the "fair value" for private equity portfolio companies is usually less significant for investors in the present environment. This is because private equity investments are held for long term appreciation and the portfolio companies are still in the process of executing their business plans, and do not have to, or are not supposed to be exited today or in the near future.

PE investments by regions and financing stages



PE investments by investment types



Recent commitments

Partnership/Company	Financing stage	Region	Vintage	Size in m	Month
Media and Communications Company	Buyout	North America	2008	EUR 1.6	Aug 08
Xanit Hospital Internacional	Buyout	Europe	2008	EUR 2.0	June 08
Cengage	Buyout	North America	2008	EUR 0.4	May 08
Ares Corporate Opportunities Fund III, L.P.	Buyout	North America	2008	USD 10.0	Apr 08
Aksia Capital III, L.P.	Buyout	Europe	2005	EUR 3.0	Mar 08

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	Unfunded commitments less net current assets plus use of credit facility 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 List.

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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