

# MONTHLY REPORT

as per 31 December 2009

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	A0LBRM	A0LBRL
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)	

## Key figures

	31.12.2009	30.11.2009	YTD
Net asset value (NAV)	EUR 7.35	EUR 6.98	
Net asset value (NAV) incl. dividend	EUR 8.07	EUR 7.66	-11.15%
Investment level	100.51%	100.69%	
Gross Investment level	96.75%	97.35%	
Overcommitment	55.58%	59.03%	
Overcommitment incl. credit line	47.81%	52.20%	
Closing price Frankfurt	EUR 3.39	EUR 3.25	9.35%
Premium	-53.85%	-53.41%	
Closing price London	EUR 3.31	EUR 3.30	8.36%
Premium	-55.01%	-52.72%	

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.

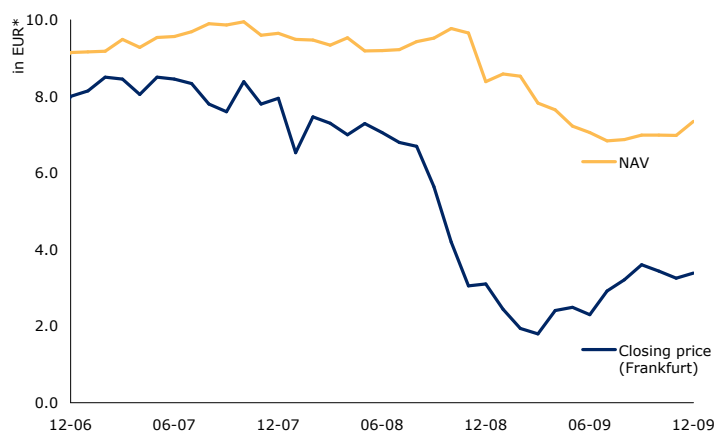
## Monthly commentary

The net asset value ("NAV") of Princess showed a strong positive performance of 5.31% in December, closing the year at an unaudited NAV of EUR 7.35 per share. Valuations of the underlying portfolio companies continued, in aggregate, to develop positively and had a positive impact on the December NAV of 3.91%. This recovery in valuations reflects the active management approach private equity managers are using to generate additional value in their portfolio companies and prepare them for future growth and a successful realization. With the US dollar strongly appreciating against the Euro in December, the foreign exchange movements contributed a positive 1.98% to the NAV. This result is estimated on the basis of currently available information and is subject to review in the audit of the annual financial statements.

In December, Princess benefited from strong distributions from exited investments which amounted to EUR 14 million, compared to EUR 6 million in drawdowns from partnerships. Amongst others, Princess received EUR 3 million from Dolphin Communications Fund's exit of Gomez, which was bought by Compuware for USD 295 million. Gomez provides solutions for optimizing the performance, availability and quality of its clients' online and mobile applications. It serves over 2'500 clients worldwide. Dolphin, which first invested in the company in 2000, has worked closely with Gomez's senior management team to position the company as a leader in the web application management space. The exit generated an 7.7x return for the partnership.

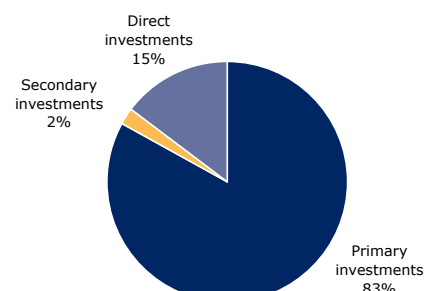
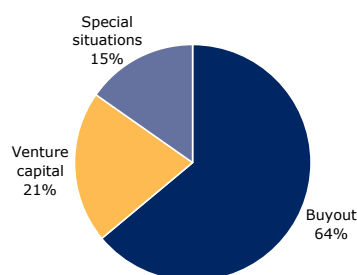
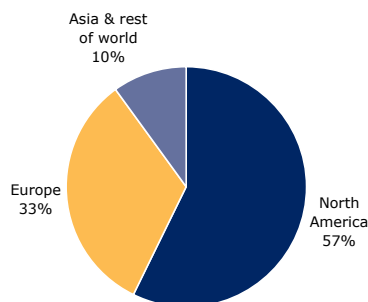
Additionally, Marken, a portfolio company of partnership ICG European Fund 2006, was acquired by Apax Partners for GBP 975 million in December. ICG had invested in Marken, a company that specializes in providing clinical drug trial logistics services, in 2007. Over the course of the fund's investment, the company has grown tremendously to become the world leader in providing clinical logistics services to the biopharmaceutical industry. ICG received GBP 170 million in proceeds from this transaction, realizing a GBP 68 million gain. The transaction is subject to regulatory approval and is expected to close during the first quarter of 2010.

## NAV and mid-market price



\*Price and NAV prior to conversion stated in USD and indexed

## PE investments by region, financing stage and type of investment



The accompanying notes form an integral part of this monthly report.

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.

## GLOSSARY

Buyout (BO)	Acquisition of a controlling stake in a company, typically with financial or managerial reorganization needs. Small/mid/large/mega large size buyout refers to the enterprise value of the acquired company. Whereas the bandwidths are set at (EUR or USD) <250m/250m-EUR 1bn/1bn-5bn/>5bn for small/mid/large/mega large size buyout respectively.
Closing price	Last price paid on the Frankfurt Stock Exchange or on the London Stock Exchange on the respective date
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).
Gross Investment level	The value of private equity investments divided by the sum of NAV and drawn credit line
Investment level	The value of private equity investments divided by NAV
London Stock Exchange ("London")	First listing on 01/11/2007. Shares are admitted to the Official List.
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").
Overcommitment	Unfunded commitments less net current assets divided by NAV
Overcommitment incl. credit line	Unfunded commitments less the sum of net current assets and total credit line divided by NAV
Premium	Price divided by NAV
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.
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.
Total Return	Total return is calculated according the standard BVI-method of the Bundesverband Investment and Asset Management.
Value of private equity investments	Private equity investments are being held at fair value as required under the Company's adopted accounting standards IFRS.
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.

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

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