

# MONTHLY REPORT

as per 28 February 2010

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

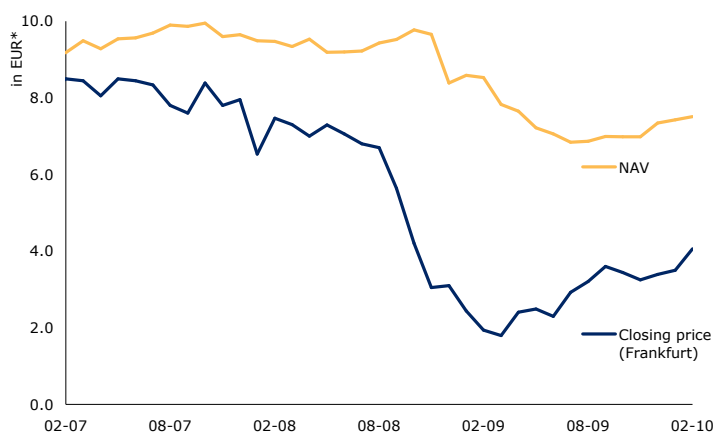
|                          |                       |              |
|--------------------------|-----------------------|--------------|
|                          | Frankfurt             | London       |
| Trading symbol           | PEY1                  | PEY          |
| Reuters                  | 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

|                                      | 28.02.2010 | 31.01.2010 | YTD    |
|--------------------------------------|------------|------------|--------|
| Net asset value (NAV)                | EUR 7.51   | EUR 7.43   |        |
| Net asset value (NAV) incl. dividend | EUR 8.25   | EUR 8.15   | 2.38%  |
| Investment level                     | 101.76%    | 101.57%    |        |
| Gross Investment level               | 98.94%     | 98.73%     |        |
| Overcommitment                       | 55.81%     | 56.59%     |        |
| Overcommitment incl. credit line     | 49.17%     | 49.87%     |        |
| Closing price Frankfurt              | EUR 4.06   | EUR 3.50   | 19.76% |
| Premium                              | -45.95%    | -52.86%    |        |
| Closing price London                 | EUR 4.10   | EUR 3.50   | 23.87% |
| Premium                              | -45.42%    | -52.93%    |        |

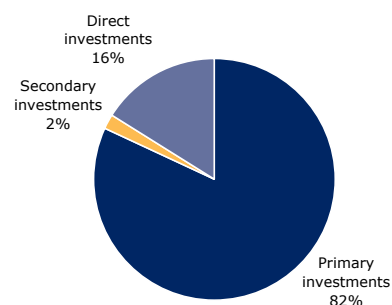
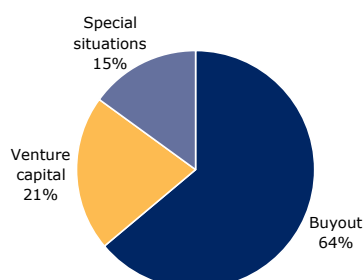
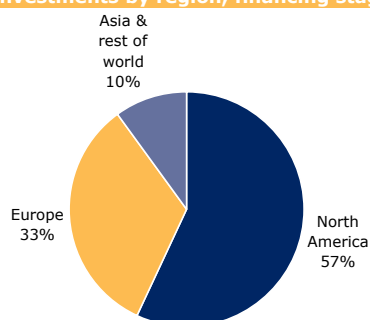
Where applicable, returns are calculated according to the standard BVI-method of the Bundesverband Investment and Asset Management and may be subject to decimal rounding.

## NAV and 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.

## Monthly commentary

Following the positive performance of the net asset value ("NAV") of Princess last month and in the second half of 2009, the NAV continued to develop well in February and increased by 1.16% to EUR 7.51 per share. Overall valuations, which were increasingly driven by improved operating results of the underlying portfolio companies, had a favorable impact on the NAV. With the US dollar further appreciating against the Euro during the course of the month, the foreign exchange movements also contributed positively to the NAV.

In February, Princess benefited from strong distributions from exited investments which amounted to EUR 8 million, compared to EUR 6 million in drawdowns for new investments. Amongst others, Princess received distributions from the previously announced sale of Marken, a company that specializes in providing clinical drug trial logistics services, and of Unitymedia, the second-largest cable operator in Germany.

On the investment side, Warburg Pincus Private Equity X acquired a majority stake in The Survitec Group, a Northern Ireland-based manufacturer of safety and survival equipment for the marine, defense and aerospace sectors, with the deal value reported at GBP 280 million. Warburg Pincus has invested in a business with robust revenue growth, a market-leading position and long-term customer relationships. The firm will push forward with its expansion through organic growth and add-on acquisitions. Warburg Pincus also has plans to grow the business internationally, particularly in North America and Asia.

Furthermore, Doughty Hanson's portfolio company Grupo Avanza acquired two further Spanish bus concessions. Avanza, which is based in Madrid, is Spain's largest urban bus operator and second-largest long-distance operator. It is also Spain's largest bus station operator. The two follow-on acquisitions together operate 156 buses which run in the southern outskirts of Madrid, linking the city with neighboring towns. They will compliment Avanza's existing urban bus operation and consolidate its market-leading position.

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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