

# MONTHLY REPORT

as per 31 May 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. 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 GY	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

	31.05.2010	30.04.2010	YTD
Net asset value (NAV)	EUR 8.40	EUR 7.95	
Net asset value (NAV) incl. dividend	EUR 9.22	EUR 8.73	14.47%
Investment level	101.77%	102.27%	
Gross Investment level	98.67%	98.98%	
Overcommitment	51.07%	52.90%	
Overcommitment incl. credit line	44.02%	45.45%	
Closing price Frankfurt	EUR 5.05	EUR 4.82	48.97%
Premium	-39.87%	-39.41%	
Closing price London	EUR 4.86	EUR 4.87	46.83%
Premium	-42.13%	-38.70%	

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 5.65% in May and increased for the sixth consecutive month to EUR 8.40 per share, resulting in a year-to-date NAV increase of 14.47%. Overall valuation developments of the portfolio companies continued to have a favorable effect on the NAV and were primarily driven by investments in the buyout segment. With the US dollar strongly appreciating against the euro in May, foreign exchange movements were the main contributor to the NAV development. Since April 2008, Princess uses put options instead of forward contracts to limit negative effects from currency movements between the US dollar and the euro. The current put option was bought in July 2009. Given the continued appreciation of the US dollar, Princess' NAV benefited strongly from the uplift on its US dollar denominated investments while only facing a relatively minor impact on the currency hedging contract. With the expiry of the current put option in July 2010, Princess is expected to renew protection against adverse currency movements.

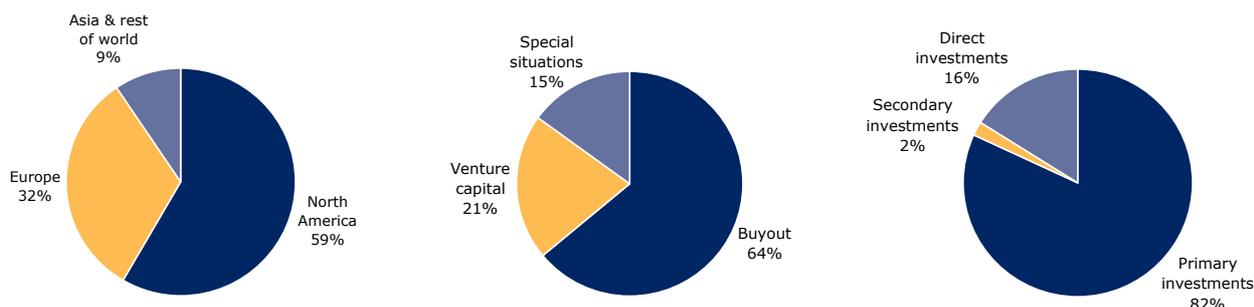
In May, Princess received EUR 8.3 million in distributions from exited portfolio companies compared to EUR 4.5 million in drawdowns for new investments. Amongst others, Princess received a partial distribution of EUR 4.5 million from the completed sale of Newbridge Asia III's investment in the Chinese lender Shenzhen Development Bank to Ping An Insurance Group, the second-largest insurance company in China, in a stock deal. Newbridge Asia III sold just over half of its holding in Ping An Insurance Group shares for USD 1.25 billion and distributed the proceeds to its investors. Ping An Insurance Group announced back in last June its intention to buy Newbridge Asia III's stake in Shenzhen Development Bank and Chinese regulators have taken almost one year to approve the deal. Based on the price of the Ping An Insurance Group shares that Newbridge Asia III sold, it generated a return of about 13 times its original investment in Shenzhen Development Bank.

Furthermore, Thomas H. Lee Parallel Fund VI agreed to acquire inVentiv Health Inc., a marketing and sales service provider to the pharmaceutical and life science industries, for approximately USD 1.1 billion. inVentiv's range of products and services offers comprehensive outsourcing solutions for its customers and presents numerous opportunities for the company to continue to grow. The company reported net income of USD 10.2 million for the first quarter of 2010 versus USD 7.9 million for the same period last year, while revenue was up 5% to USD 269.4 million. The transaction is expected to be completed by the end of the third quarter of 2010 and is still subject to regulatory approval.

## NAV and price development



## 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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