

MONTHLY REPORT

as of 30 September 2011

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 GY	PEY LN
WKN	AOLBRM	AOLBRL
ISIN	DE000AOLBRM2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends 2011	EUR 0.22 (15/07/2011)	

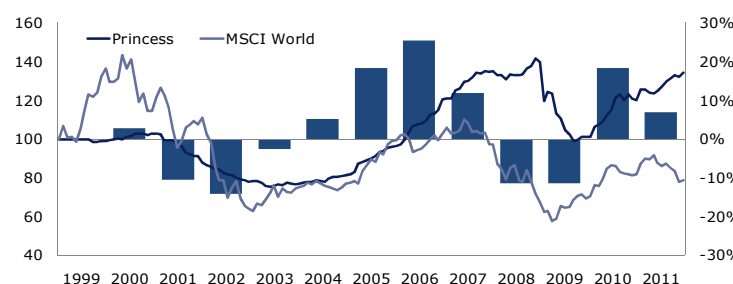
Key figures

	30.09.2011	31.08.2011	YTD
Net asset value (NAV)	EUR 9.06	EUR 8.92	
Net asset value (NAV) incl. dividend	EUR 10.20	EUR 10.04	6.92%
Investment level	96.99%	93.99%	
Gross Investment level	96.99%	93.99%	
Overcommitment	21.82%	18.80%	
Overcommitment incl. credit line	9.15%	5.93%	
Closing price Frankfurt	EUR 5.88	EUR 5.72	-4.38%
Discount	-35.13%	-35.88%	
Closing price London	EUR 5.80	EUR 5.83	-4.18%
Discount	-36.01%	-34.64%	

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

Net performance

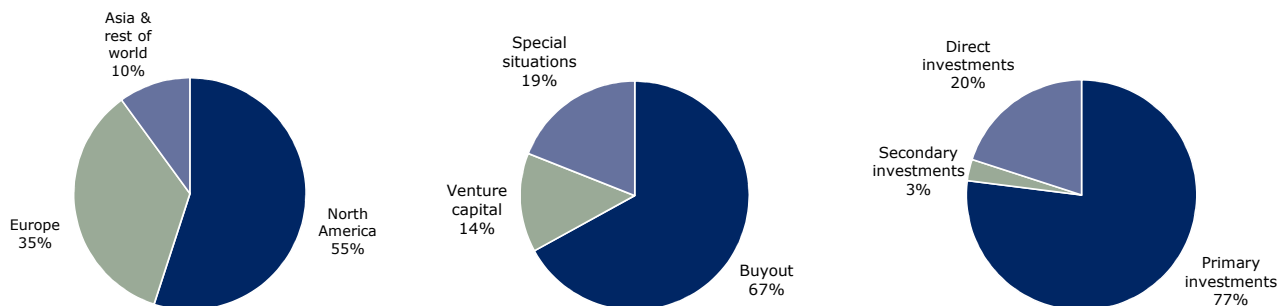


in %	2007	2008	2009	2010	2011 YTD	5 years	5 year annualized return
Princess*	11.9%	-11.3%	-11.3%	18.4%	6.9%	19.2%	3.6%
MSCI World**	-5.3%	-35.9%	22.4%	17.9%	-12.4%	-21.1%	-4.6%

* Based on monthly valuations.

** Source: Bloomberg NDDLWI Index in EUR

PE investments by region, financing stage and type of investment



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

Monthly commentary

The net asset value (NAV) of Princess Private Equity Holding Limited (Princess) gained 1.6% in September, to close the month and the third quarter at EUR 9.06 per share. This performance also means that in spite of recent public stock market developments the Company's NAV growth year-to-date now stands at 6.9%. Successful realizations of portfolio companies proved to be one of the main performance drivers over the month, most notably, the announced sale of the UK's leading specialist credit card lender SAV Credit. The portfolio company was sold above its previous carrying value and thereby added 0.5% to September's NAV. The overall impact of valuation developments on the NAV during the month was -0.8%, as volatile public markets continued to weigh on the value of Princess' listed portfolio companies. Currency movements nonetheless provided a significant boost (+2.8%) to performance as the US dollar appreciated relative to the euro.

In September, Princess further advanced the redirection of its investment focus towards direct investments by completing a EUR 4.5 million direct mezzanine investment into Securitas Direct, the Swedish headquartered provider of monitored alarm solutions for residential and small business customers. Total investments by Princess over the month equated to EUR 9.9 million. Contrary to the recent trend, distributions lagged investments in September, with underlying portfolio holdings returning an aggregate of EUR 3.9 million to Princess. Overall, the Company's balance sheet remains in a healthy position, with net liquidity of EUR 19.0 million or 3.0% of NAV and no money drawn from the new credit facility. Furthermore, the previously announced sale of Nycomed to Takeda Pharmaceutical, representing around 1.3% of Princess' NAV, was completed during the month of September, with the respective cash proceeds expected over the coming months.

Over the month Princess provided mezzanine financing to support the acquisition of Securitas Direct by Bain Capital and Hellman & Friedman. Securitas Direct is a European supplier of monitored alarm solutions for residential and small business customers. It has shown strong growth over the past three years, increasing its EBITDA by more than 50%, and has a leading position in its markets.

In September, Palamon Capital Partners announced the sale of SAV Credit to Värde Partners in a transaction valued at GBP 472 million. SAV is a sub-prime credit card provider. The firm manages around half a million accounts in the UK and has more than GBP 600 million in credit card assets. During Palamon's ownership, the company has successfully been transformed from a start-up company to the UK's market leader in the non-standard credit card segment. The sale is expected to deliver a double-digit rate of return over a nine-year period for Palamon.

PRINCESS PRIVATE EQUITY HOLDING LIMITED

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 Board of Directors of Princess Private Equity Holding Limited passed a resolution to implement a share buyback program on 13 December 2010. During September 2011, a total of 69'543 shares were repurchased under the share buyback program. All of the shares bought back in September 2011 were cancelled. As of 30 September 2011 there were 69'647'813 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 69'647'813 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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