

MONTHLY REPORT

as of 31 December 2012

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 London Stock Exchange.

Key facts

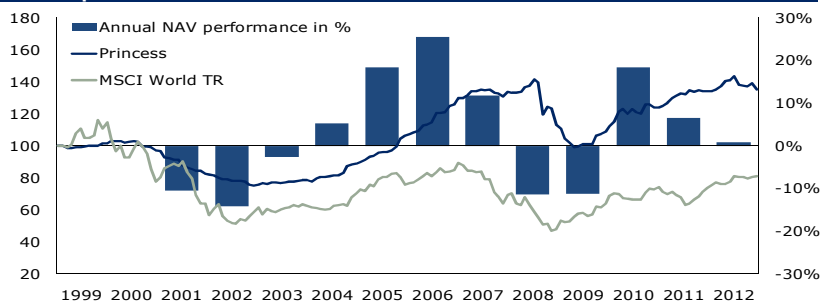
	London
Trading symbol	PEY
Reuters	PEY.L
Bloomberg	PEY LN
WKN	AOLBRL
ISIN	GG00B28C2R28
Valor	2 830 461
Formation of the Company	12.05.1999
Base currency	EUR
Dividends 2012	EUR 0.24 (22/06/12) EUR 0.25 (19/12/12)

Key figures

	31.12.2012	30.11.2012	YTD
Net asset value (NAV)	EUR 8.40	EUR 8.64	
Net asset value (NAV) incl. dividend	EUR 10.25	EUR 10.25	0.79%
Investment level	71.64%	74.09%	
Gross Investment level	71.64%	74.09%	
Overcommitment	10.78%	5.69%	
Overcommitment incl. credit line	-2.94%	-7.64%	
Closing price Frankfurt	de-listed	EUR 6.58	
Discount	de-listed	-23.87%	
Closing price London	EUR 6.83	EUR 6.63	21.48%
Discount	-18.66%	-23.29%	

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 development

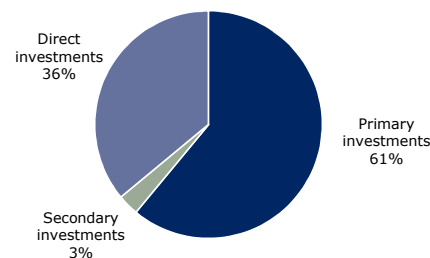
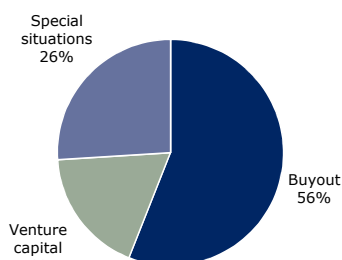
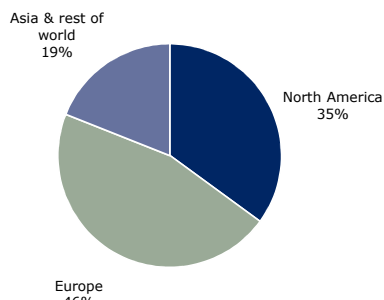


in %	2007	2008	2009	2010	2011	2012 YTD	5 years	5 year annualized return
Princess NAV*	11.9%	-11.3%	-11.3%	18.4%	6.6%	0.8%	0.1%	0.0%
MSCI World TR**	-5.3%	-35.9%	22.4%	17.9%	-2.6%	13.7%	2.5%	0.5%

* 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, or the Company) increased by 0.1% in December to EUR 8.40 per share, adjusted for the interim dividend of EUR 0.25 per share that was paid out to shareholders on 19 December 2012. Over the month, underlying company holdings continued to perform well. However, overall NAV performance was tempered by adverse currency movements as the US dollar's depreciation against the euro had a negative impact on returns from US investments.

Net cash flows were positive for the month, further strengthening the Company's liquidity position, as distributions (EUR 8.1 million) from Princess' mature portfolio continued to exceed new investments (EUR 4.4 million). A key contributor to distribution proceeds in December was Ziggo, the leading Dutch cable operator. Following the completion of a successful secondary share offering in July, Ziggo recently held a further secondary offering, where 37 million shares were sold at a price of EUR 24.75 each, representing a 34% premium over Ziggo's IPO price in March 2012.

As part of the strategic repositioning of the portfolio to focus on direct investments, Princess made a direct investment in Grupo SBF, the leading sporting goods retailer in Brazil, in December. Grupo SBF manages more than 200 stores throughout the country, as well as online channels, under brands such as Centauro, By Tennis, Nike Store and Almax. It is uniquely positioned to benefit from the expanding middle class in Brazil and from the upcoming sporting events taking place in the country, including the 2014 FIFA World Cup and the 2016 Summer Olympics. Princess and its investment partners seek to assist the company's growth by expanding existing store sales and e-commerce turnover as well as via the roll-out of new stores.

On 6 December 2012 the Company's de-listing from the Frankfurt Stock Exchange became effective, meaning that trading activity is now consolidated solely on the London Stock Exchange.

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 December 2012, zero shares were repurchased under the share buyback program. As of 31 December 2012, there were 69'450'385 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 69'450'385 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
Closing price	Last price paid on the Frankfurt Stock Exchange or on the London Stock Exchange on the respective date
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
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,
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.

CONTACT DETAILS

Princess Private Equity Holding Limited
Tudor House
P.O. Box 477
St. Peter Port
Guernsey, GY1 1BT
Channel Islands
www.princess-privateequity.net

Investor Relations
Phone: +44 (0)1481 730 946
Fax: +44 (0)1481 730 947
Email: princess@princess-privateequity.net

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