

MONTHLY REPORT

as of 29 February 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 Frankfurt Stock Exchange (in the form of co-ownership interests in a global bearer certificate) and on the London Stock Exchange.

Key facts

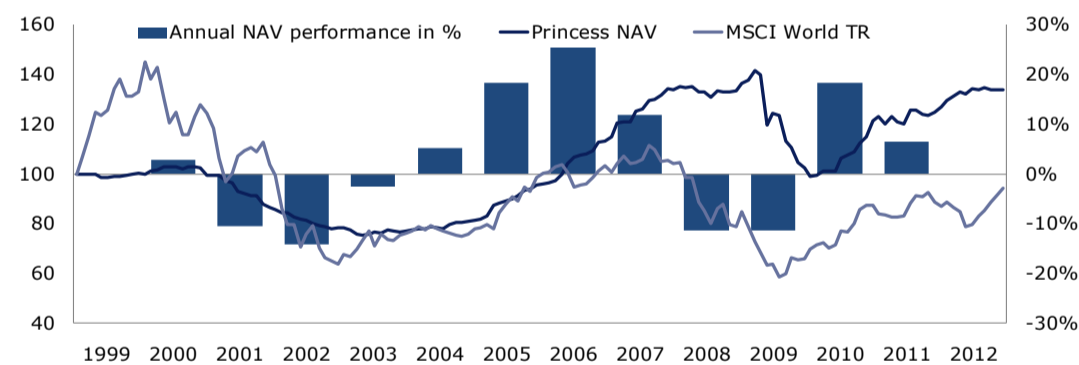
	Frankfurt	London
Trading symbol	PEY1	PEY
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Bloomberg	PEY1 GY	PEY LN
WKN	A0LBRL	A0LBRL
ISIN	DE000A0LBRL2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends 2011	EUR 0.22, 0.23 (15/07/11, 23/12/11)	

Key figures

	29.02.2012	31.01.2012	YTD
Net asset value (NAV)	EUR 8.81	EUR 8.81	
Net asset value (NAV) incl. dividend	EUR 10.17	EUR 10.17	0.01%
Investment level	97.39%	98.85%	
Gross Investment level	97.39%	98.85%	
Overcommitment	19.47%	21.74%	
Overcommitment incl. credit line	6.42%	8.68%	
Closing price Frankfurt	EUR 6.07	EUR 6.00	3.94%
Discount	-31.09%	-31.87%	
Closing price London	EUR 6.08	EUR 6.11	3.93%
Discount	-30.98%	-30.63%	

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. Also please note that year-to-date NAV returns are based on Princess' audited 2011 financial results.

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%	0.0%	10.8%	2.1%
MSCI World TR**	-5.3%	-35.9%	22.4%	17.9%	-2.6%	6.1%	-9.8%	-2.0%

* Based on monthly valuations
 ** Source: Bloomberg NDDLWI Index in EUR

Monthly commentary

The net asset value (NAV) of Princess Private Equity Holding Limited (Princess) was EUR 8.81 per share as at the end of February 2012, unchanged from last month's NAV.

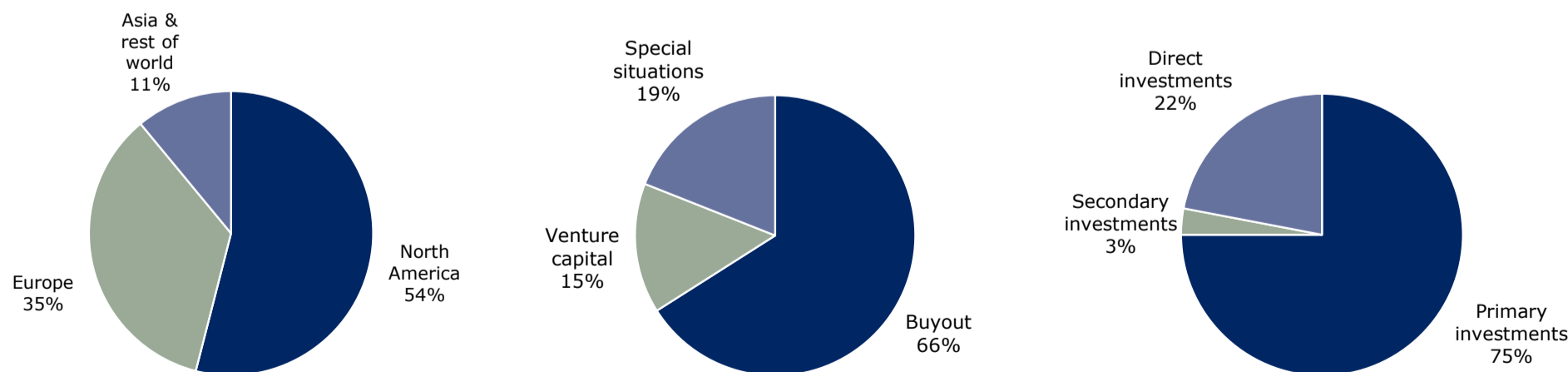
During the reporting period, valuation developments within the Princess portfolio continued to make a positive contribution to NAV growth (+1.0%), with support primarily coming from successful realizations and ongoing operational improvements by its underlying portfolio companies. For instance, Princess' largest portfolio company holding, General Nutrition Centers (GNC), experienced a sharp increase in its share price during February, after the US nutritional supplements retailer beat its fourth quarter 2011 earnings guidance on the back of strong sales. GNC posted its results for 2011 on 16 February with revenues and net income up 14% and 37% versus the previous year. As a consequence the company's shares traded at almost double its IPO price at the end of February. However, these positives were offset by negative currency effects (-0.8%) as the US dollar weakened against the euro in February.

Building on its strong start to the year, Princess' mature portfolio generated sizable realization proceeds of EUR 10.5 million in February. Two key contributors were Avista Capital Partners' exit from BioReliance (EUR 1.4 million), a leading provider of biopharmaceutical testing services; and MatlinPatterson Global Opportunities Partners' sale of XLHealth (EUR 1.4 million) to UnitedHealthcare. US-based XLHealth provides healthcare programs and services to Medicare beneficiaries with chronic illnesses. Consequently distributions, as in previous months, outpaced investments, which in February totaled EUR 3.3 million. These positive cash flows are ultimately helping to support Princess' liquidity position.

In February, Avista Capital Partners made a distribution stemming from the realization of portfolio company BioReliance. The investment partner sold the company for USD 350 million to Sigma-Aldrich, a manufacturer of chemical and biochemical products used in scientific research. Since the initial investment in BioReliance in 2007 for USD 210 million, the company has achieved impressive growth. In addition, it has remained dedicated to research and development and focused on providing high-quality customer service.

During the month MatlinPatterson Global Opportunities Partners III made a distribution following the sale of portfolio company XLHealth. The company serves its members under the Care Improvement Plus brand in six states across the US and has received approval to offer its 2012 Medicare health plan contracts in six additional states. XLHealth had been acquired by MatlinPatterson in 2007. The exit generated a multiple of 5.5x, with additional proceeds still held in escrow.

PE investments by region, financing stage and type of investment



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

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 February 2012 zero shares were repurchased under the share buyback program. As of 29 February 2012 there were 69'579'214 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 69'579'214 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.

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
Jan-Frederik Modell
Phone: +44 (0)20 7575 2753
E-mail: jan-frederik.modell@partnersgroup.com

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