

MONTHLY REPORT

as of 31 August 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

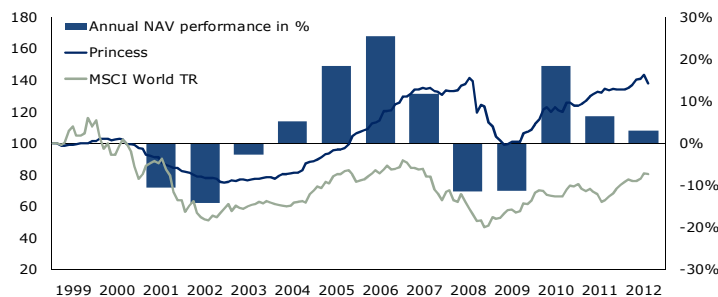
	Frankfurt	London
Trading symbol	PEY1	PEY
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Bloomberg	PEY1 GY	PEY LN
WKN	A0LBRM	A0LBRL
ISIN	DE000A0LBRM2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends 2012	EUR 0.24 (22/06/12)	

Key figures

	31.08.2012	31.07.2012	YTD
Net asset value (NAV)	EUR 8.84	EUR 9.19	
Net asset value (NAV) incl. dividend	EUR 10.49	EUR 10.90	3.09%
Investment level	95.91%	97.23%	
Gross Investment level	95.91%	97.23%	
Overcommitment	29.28%	29.81%	
Overcommitment incl. credit line	16.27%	17.29%	
Closing price Frankfurt	EUR 6.40	EUR 6.20	14.05%
Discount	-27.63%	-32.56%	
Closing price London	EUR 6.59	EUR 6.33	17.21%
Discount	-25.48%	-31.15%	

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%	3.1%	2.8%	0.6%
MSCI World TR**	-5.3%	-35.9%	22.4%	17.9%	-2.6%	13.5%	-4.5%	-0.9%

* Based on monthly valuations.

** Source: Bloomberg NDDLWI Index in EUR.

Monthly commentary

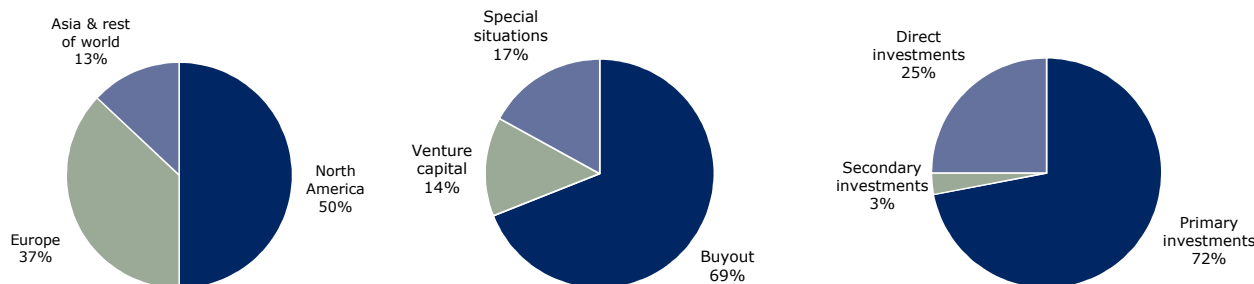
The net asset value (NAV) of Princess Private Equity Holding Limited (Princess, or the Company) fell by 3.8% in August, as the carrying value of the 17 buyout funds currently being sold by Princess on the secondary market were revalued to reflect their discounted sale price. The transaction ultimately had a -2.7% impact on the Company's August NAV, of which -0.4% represents the effect of discounting the deferred payments of the secondary sale. Foreign exchange movements provided a further drag (-0.9%) on performance during the month as the US dollar depreciated versus the single European currency, reversing last month's currency movements. So despite positive valuation developments within the existing portfolio in August (+0.2%), Princess' NAV ended the month down at EUR 8.84 per share. Year-to-date the Company's NAV growth therefore stands at 3.1%.

Just last week, Princess announced that it had signed a binding agreement to sell a portfolio of mainly North American and European large cap buyout fund positions to a third-party buyer at an aggregate discount of 4.9%. The aim of the transaction is to accelerate the phased transition of the portfolio towards global direct investments. In further support of this strategic initiative, Princess participated in the direct investment in Strategic Partners, a US manufacturer and marketer of medical uniforms. Princess remained cash-flow positive over the month as strong distribution proceeds (+EUR 11.2 million) from exits, notably InterDent and Plex Systems, exceed outgoings from new investments (-EUR 1.7 million). This ultimately had a positive impact on Princess' already healthy liquidity position. Year-to-date, the Company's mature portfolio has generated exit proceeds of EUR 103.0 million, approximately 90% of 2011's total distributions.

Late last quarter Apax Partners agreed to sell Plex Systems (Plex), a manufacturing management software developer, to tech-focused private equity firm Francisco Partners. Apax acquired a majority stake in Plex Systems in 2006, and has since supported the company to become a leading provider of cloud-based enterprise resource planning solutions for global manufacturers. Plex's revenues have tripled since its transition to a subscription-based business model in 2007, while employee headcount grew by more than three times during Apax's ownership.

In August, Princess participated in a direct investment in Strategic Partners, a leader in the manufacturing and marketing of medical uniforms, medical footwear and school uniforms in the US. The investment was made through the Princess' allocation to the Partners Group Direct Investments 2012 program. Strategic Partners is a dominant player in its industry, supplying non-cyclical products for which growth in demand is supported by an increasing number of medical professionals. Going forward, Strategic Partners will leverage on Partners Group's global industry network to further develop its on-going business initiatives.

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 August 2012 no shares were repurchased under the share buyback program. As of 31 August 2012 there were 69'488'725 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 69'488'725 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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