

MONTHLY REPORT

as of 31 May 2013

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

Stock Exchange	London	
Trading symbol	PEY	
Reuters	PEY.L	
Bloomberg	PEY LN	
WKN	A0LBRL	
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)

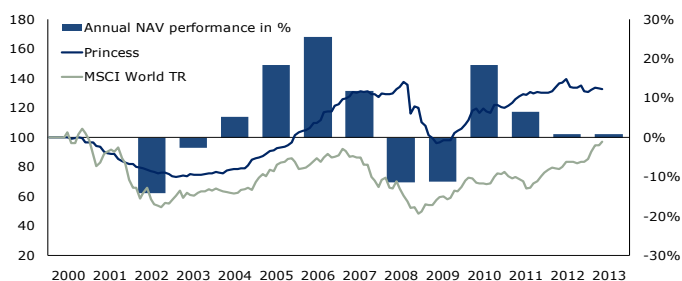
Key figures

	31/05/2013	30/04/2013	YTD
Net asset value (NAV)	EUR 8.21	EUR 8.50	
Net asset value (NAV) incl. dividend	EUR 10.35	EUR 10.38	0.93%
Investment level	69.74%	67.66%	
Gross Investment level	69.74%	67.66%	
Deferred receivables ¹⁾	18.56%	17.74%	
Net liquidity	11.69%	14.60%	
Overcommitment	8.53%	5.12%	
Overcommitment incl. credit line	-5.50%	-8.43%	
Closing price London	EUR 6.96	EUR 6.75	5.71%
Discount	-15.28%	-20.62%	

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.

Deferred receivables¹⁾ relate to a sale and purchase agreement with a single third party buyer to sell 17 partnership interests held by the Company.

NAV development



in %	2008	2009	2010	2011	2012	2013 YTD	5 years	5 year annualized return
Princess NAV*	-11.3%	-11.3%	18.4%	6.6%	0.8%	0.9%	2.5%	0.5%
MSCI World TR**	-35.9%	22.4%	17.9%	-2.6%	13.7%	16.2%	33.6%	6.0%

* Based on monthly valuations.

** Source: Bloomberg NDDLWI Index in EUR.

Monthly commentary

The net asset value (NAV) of Princess Private Equity Holding Limited (Princess or Company) fell by 0.3% to EUR 8.21 per share in May, adjusted for the first interim dividend payment of EUR 0.26 per share that is due to be paid to shareholders on 26 June 2013. Although valuation developments detracted 0.5% from Princess' NAV in May, over the year-to-date, their impact remains positive (+1.5%), as several companies within the Princess portfolio have continued to benefit from strong operational improvements.

In line with Princess' intended strategy to transition its portfolio to a pure direct investment vehicle, the Company made a new direct investment in CSS Corp, a global technology support services leader, post month-end.

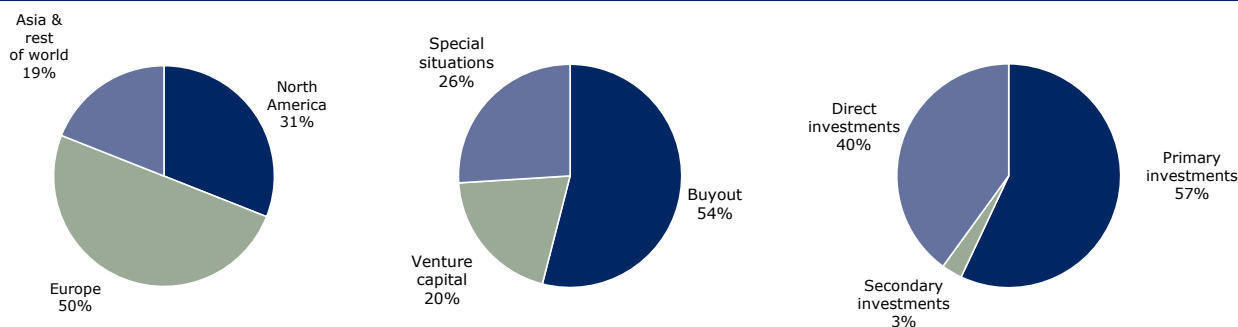
CSS Corp provides a range of technology support services, including mobility solutions, cloud enablement, technical support and remote infrastructure management to a blue-chip client base that includes some of the largest global technology companies in the US, Europe, India and China. The investment is aimed at supporting the next phase of CSS' growth, with an emphasis on boosting sales by adding delivery centres in new geographies.

During the month, Princess' liquidity position benefited from positive net cash flows, as distributions (EUR 5.5 million) from the Company's mature portfolio continued to exceed new investments (EUR 4.2 million). A notable exit from the portfolio was the trade sale of Bausch & Lomb.

In May, Princess fund investment Warburg Pincus Private Equity IX agreed to sell Bausch & Lomb, one of the largest global providers of eyecare products, to NYSE-listed Valeant Pharmaceuticals for USD 8.7 billion. Of this, USD 4.5 billion will be paid to existing investors of Bausch & Lomb while the remainder will be used to repay the company's debt. Bausch & Lomb has undergone significant value creation since the initial investment in 2007. During the investment period, the company introduced new products, expanded into new markets and strengthened its relationships with eyecare professionals around the world. The sale of Bausch & Lomb will generate a return of approximately 3x. Pending regulatory approval, the transaction is expected to close in the third quarter of 2013.

The first interim dividend for the year (EUR 0.26 per share) will be paid to qualifying shareholders on 26 June 2013. The relevant date for the entitlement to the dividend (record date) was 24 May 2013 and the corresponding ex-dividend date was 22 May 2013.

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. As of 6 December 2012, the Company delisted from the Frankfurt Stock Exchange, and now only trades on the London Stock Exchange, where each ordinary registered share represents one voting right.

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 May 2013, 4'000 shares were repurchased under the share buyback program. As of 31 May 2013, there were 69'423'185 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 69'423'185 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 London Stock Exchange on the respective date
Deferred receivables	The value of deferred receivables divided by NAV. Deferred receivables are related to a sale and purchase agreement with a single third party buyer to sell 17 partnership interests held by the Company (Project Alexander). The transaction is being settled in three installments. The remaining 2/3 proceeds have been evenly split between two deferred payments which are due to be received on 31 March 2014 and 30 September 2015.
Discount/Premium	Price divided by NAV
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).
Net liquidity	The value of net liquidity divided by NAV
Overcommitment	Unfunded commitments less the sum of net current assets and deferred receivables divided by NAV
Overcommitment incl. credit line	Unfunded commitments less the sum of net current assets, deferred receivables and total credit line 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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