Princess

INTERIM REPORT

for the period from 1 January 2008 to 31 March 2008

INVESTMENT MANAGER'S REPORT

Princess Private Equity Holding Limited ("Princess") is an investment holding company domiciled in Guernsey that invests in private equity and private debt 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.

NAV EASES AMID MARKET TURBULENCE

In the first quarter of 2008, the net asset value ("NAV") of Princess eased by 3.2% to EUR 9.34 per share, a movement that is principally attributable to the turbulences in financial markets. In their year-end 2007 reports published during the first quarter, general partners reported that their portfolios had overall performed positively and this lifted the NAV by 0.9%. This underlines the general partners' continued confidence in the positive development and future potential of their portfolio companies. However, since Princess applies the IFRS valuation standard based on fair market values, certain adjustments to the values reported by the general partners had to be made in order to reflect market conditions and this had a negative impact of –1.0% on the NAV. Approximately 12% of the Princess investment portfolio is comprised of listed companies – both listed private equity vehicles and portfolio companies that have been successfully floated but are still in the Princess portfolio due to lock-up periods. As these are valued at current market prices, valuations have suffered from the recent stock market turbulences, irrespective of the quality of the underlying assets, resulting in a –1.4% adjustment to the NAV. Princess' net asset value was also adversely affected during the past quarter by the significant depreciation of the US dollar accounting for a decline of another 1.3%. While the non-euro denominated exposure of the Princess investment portfolio is to a large extent hedged into euros, the sharp depreciation of the US dollar could not be offset by the revaluation of the portfolio holdings and the hedging gains from the hedging strategy applied.

SHARE PRICE OUTPERFORMS STOCK MARKET

The Princess share price was not immune to stock market volatility and closed the first quarter down 8.2% in Frankfurt at EUR 7.30 per share. However, the share price performed substantially better than the MSCI and the LPX 50, both of which lost around 15%.

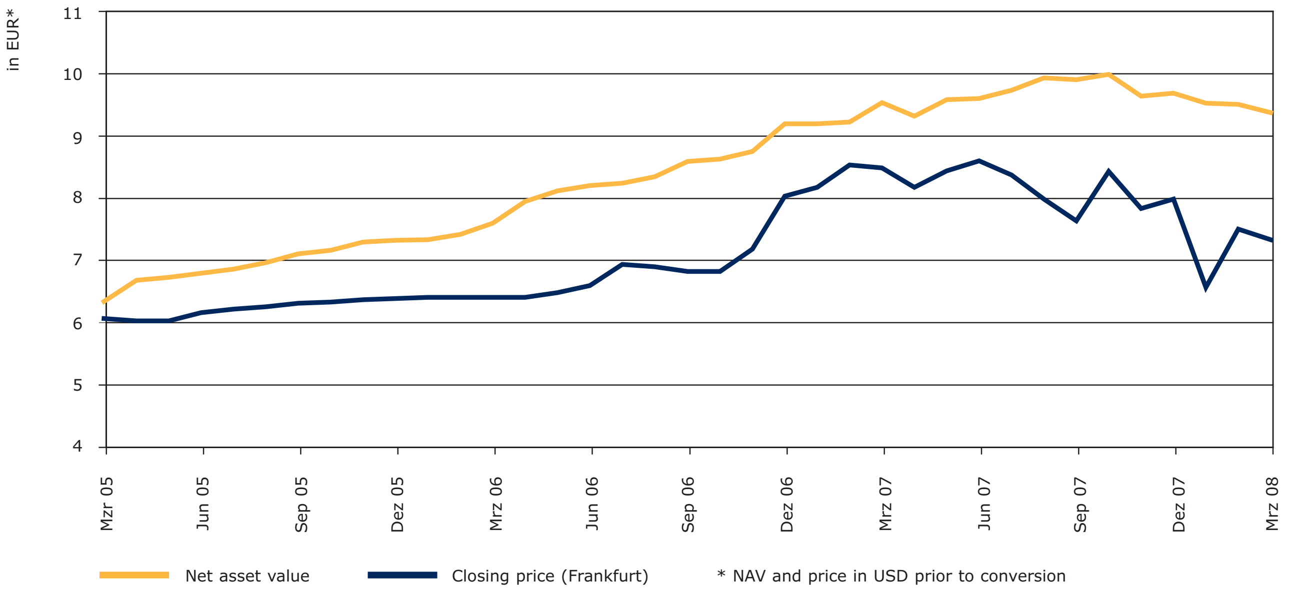
COMMITMENT ACTIVITY CONTINUED

Given that it is still in the process of building up the portfolio in order to achieve full investment in the current year, Princess continued to make commitments during the first quarter, albeit at a slower pace than in 2007. This reflects the current situation in the private equity industry: both the level of investment and exit activity have slowed significantly as private equity investors reassess their strategy in the light of the prevailing market conditions. During the past quarter, Princess made one new secondary, one direct and five primary investments to, among others, Clayton, Dubilier & Rice Fund VIII, a buyout fund, and Partners Group Distressed 2008. The latter fund – which comes at no additional fee to Princess as Partners Group acts as the Investment Advisor to both funds – aims to capitalize on the excellent distressed opportunities that are arising in the current market environment. This commitment also exemplifies just how Princess – thanks to its relative value investment strategy – can take advantage of the most attractive opportunities at any given point in time. Partners Group has been investing in distressed opportunities since 1996 and has a proven track record. It enjoys access to the top players in this market.

SLOWER INVESTMENT ACTIVITY

In what was a generally very calm quarter for the whole private equity industry, Princess saw EUR 38 million in capital calls from partnerships and for direct investments, somewhat below the quarterly average for 2007, which, however, had been driven by the building-up of the direct portfolio. Although Princess continues to receive cash inflows from realizations – some EUR 30 million during the first quarter – exit activity both in the Princess portfolio and in the private equity market in general has slowed down markedly during the past few months. General partners are now going back to their core competency, i.e. creating value in a portfolio company before exiting it, and in the current market environment they are pausing to consider before selling off portfolio companies prematurely. Princess regards this as a healthy trend in the industry. Some partnerships were nevertheless able to sell selected portfolio companies at a very attractive profit. Apollo Investment Fund V and Apax Excelsior VI, for instance, generated a gross IRR of over 100% through their sale of satellite company Intelsat.

PRICE AND NAV DEVELOPMENT



* NAV and price in USD prior to conversion

OUTLOOK

Until both the volatility and negative sentiment in the global financial markets subside, the Princess NAV will remain vulnerable to short-term movements. However, as the performance of private equity funds does not depend on short-term fluctuations in the financial markets but rather on long-term macroeconomic developments, which Princess and its Investment Advisor believe will be positive in the medium term, the assessment of the prospects for the portfolio continues to be positive.

MARKET TRENDS

Credit crisis, lack of liquidity and market turmoil might scare away many investors, but to private equity firms these words translate into attractive opportunities, and this is because private equity firms have the flexibility to adjust to new environments and to pursue the strategies to benefit.

RETURNS STABLE THROUGHOUT VARIOUS PUBLIC MARKET CRISES

Since the onset of the credit crunch in mid-2007, the future of private equity, and of large buyouts in particular, has been called into question. Taking a look back in history and to what happened to private equity returns in the aftermath of major crises, such as the bursting of the dot.com bubble, the Russian debt default or the Black Monday stock market crash, shows buyout returns have remained fairly stable throughout various public market crises. Why? Because private equity has the flexibility to adjust to new environments and to pursue strategies that are attractive at a given point in time.

LBO DEALS BACK, BUT AT NEW WORLD CONDITIONS

With the widening of credit spreads, large-cap buyout houses have stopped doing new deals and are focusing instead on developing their existing portfolio companies. This in itself is no cause for concern as the funds have a period of four to five years in which to deploy their capital. It is more crucial to make the right deals at the right point in time than to just deploy the capital quickly.

Large buyout firms are already returning to the market, but with deals now reflecting new world conditions: a much higher proportion of equity is being employed, refinancing is occurring at a later stage and the main focus is on operating improvements that add value to a company.

Large buyout houses are also now focusing on new regions, such as Asia or Russia. TPG, for instance, announced a USD 800 million investment in a pharmaceuticals distribution company in Russia's biggest private equity deal ever. While

TPG funded the deal with cash and no debt, it also demonstrates the shift towards so-called growth-equity investments, which aim to grow the underlying business as opposed to generating a quick profit from loading up a target with cheap debt.

IT IS ALL ABOUT VALUE CREATION

Before the crisis, thanks to cheap, readily available debt private equity returns were often the result of debt arbitrage through recapitalizations. The rising cost of capital is now limiting arbitrage and making buyout firms focus on their core competence again, namely generating value creation for their portfolio companies: increasing the fundamental value through operational improvements and profitable growth. General partners with the ability to implement corporate restructuring, cost cutting, and external and organic growth in order to add value to their portfolio companies will continue to generate attractive returns for their investors, irrespective of the availability of cheap debt. However, only the players with top manager qualities will succeed. As a result, the dispersion of returns among the top- and bottom-quartile buyout firms will be greater. Investors with access to the top value-creating, return-generating players are well positioned to profit in the current environment.

SOLID GROUND FOR SMALL- AND MID-CAP BUYOUTS

Although some well-known financial institutions suffered steep write-offs as an effect of the credit crisis and will probably be reluctant to syndicate further private equity deals, there are other institutions with healthy books that are open to small- to mid-sized deals with stable cash flows and with clear value-creating opportunities supporting buyout houses in their activities.

In the prevailing market turmoil, the prices of public companies and the entry multiples for private companies have both been driven down to very attractive levels, hence there is a significant number of small- and mid-cap companies with solid fundamentals that are underpriced and can be picked up at an attractive price, providing promising new deal flow for buyout funds.

ATTRACTIVE OPPORTUNITIES IN THE SECONDARY MARKET

The lack of liquidity and major write-offs in the aftermath of the credit crisis are putting pressure on many of the holders of private equity portfolios, especially banks, to look for sources of cash. They are being forced to sell their private equity portfolios in the secondary market at a discounted price relative to the net asset value. Investors with the buying power to capitalize on such opportunities will be able to secure attractive entry prices.

MEZZANINE MAKING A COMEBACK

On the debt side, there is no longer cheap and easy access to senior and second-lien debt tranches, and this is forcing the market to find alternative sources of credit financing to support deals. The solution is to use the full range of financing instruments available in the market. Moreover, the biggest winners in this situation are the mezzanine debt providers. On one hand, they are experiencing a significant increase in deal flow, which is allowing them to be far more selective and to cherry-pick the most attractive deals. On the other hand, the widening of spreads is putting mezzanine deals back in the spotlight.

COMPELLING OPPORTUNITIES FOR DISTRESSED INVESTORS

The market turmoil is also opening the door to new "solid" distressed and turnaround/restructuring opportunities. Going forward, tighter credit conditions and a slowing economy are likely to increase the pressure on over-leveraged companies significantly, causing default rates to rise from previously very low levels, and restructuring and refinancing activity to increase in the short to mid term. These dynamics, moreover, are expanding the opportunity set for distressed investors.

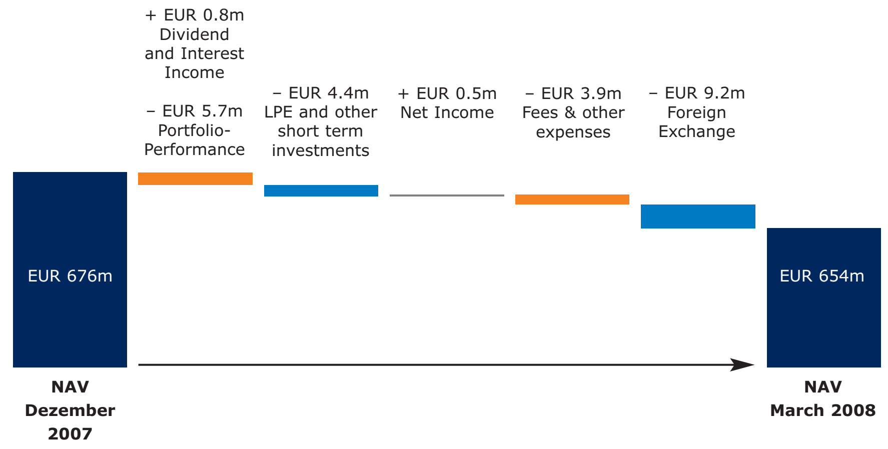
PRIVATE EQUITY IS HERE TO STAY

It can be seen then that the credit crisis has not brought the buyout industry to a complete halt. However, there has been a definite shift in importance away from financial engineering towards value creation. While large buyout firms are redirecting their focus and adapting to the new environment, a number of other opportunities have emerged, making private equity still an attractive investment even in the current market situation.

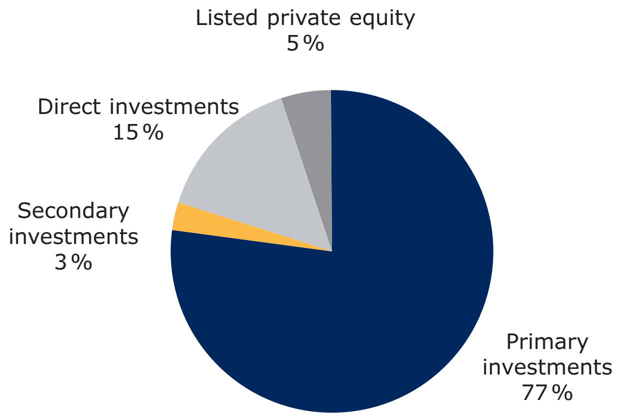
PORTFOLIO ALLOCATION

The portfolio is well-balanced and broadly diversified according to investment types, regions, financing stages and investment years, and maintains a suitable level of currency hedging.

NAV PERFORMANCE ATTRIBUTION

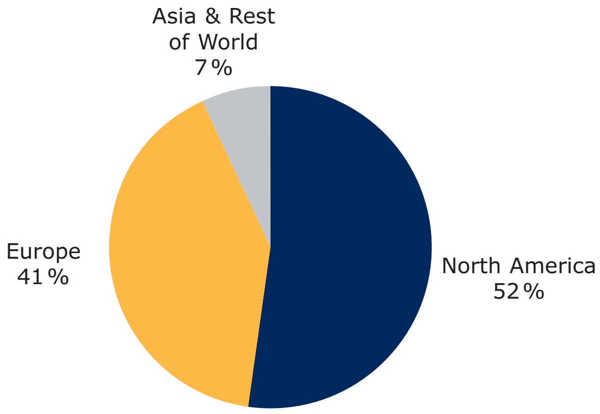


INVESTMENTS BY INVESTMENT TYPE*



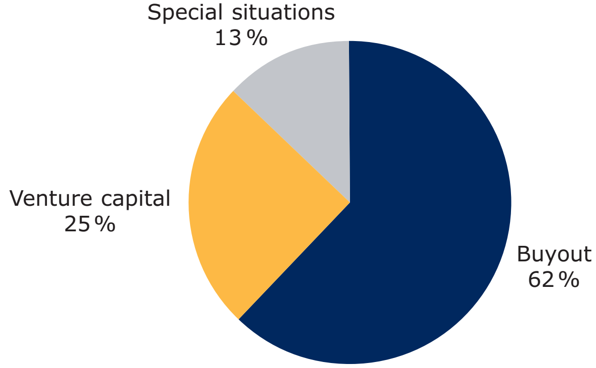
* based on value of private equity investments

INVESTMENTS BY GEOGRAPHIC REGION*



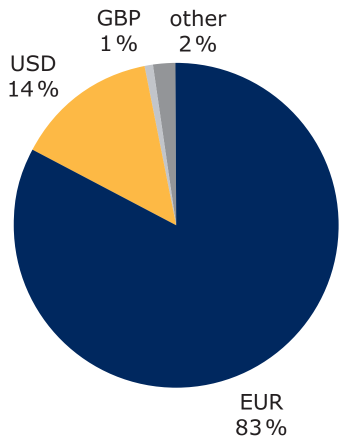
* based on value of private equity investments

INVESTMENTS BY FINANCING STAGE*



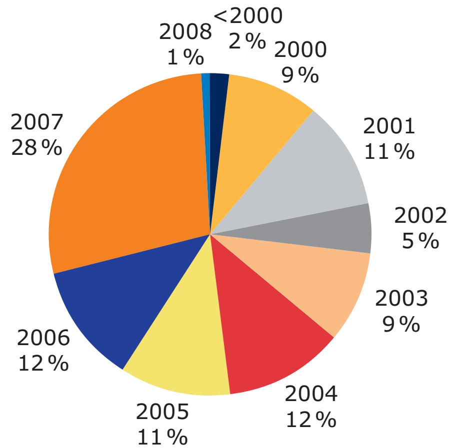
* based on value of private equity investments

NET CURRENCY EXPOSURE*



* based on value of private equity investments

INVESTMENTS BY INVESTMENT YEAR*



* based on value of private equity investments

PORTFOLIO

Since the start of the year Princess made new commitments for EUR 66 million.

In 2008, Princess funded EUR 38 million in capital calls from partnerships and for direct investments and received EUR 30 million in distributions. Unfunded commitments at the end of the quarter totaled EUR 429 million.

SELECTED COMMITMENTS

Carmel Ventures III, L.P.
In January, Princess committed USD 6 million to Carmel Ventures III. The fund will focus on investing in seed and early stage information technology companies and will concentrate on the software and communications sub-segments. Carmel III is committed to seeking ground-breaking technology ideas and entrepreneurial groups who will be able to define and lead new emerging categories. The fund will strive to be an investor in the first financing round. The majority of companies will be Israel-based, as the country boasts the largest concentration of high-tech companies outside the US and is an important foothold for many large global tech corporations.

Clayton, Dubilier & Rice Fund VIII, L.P.
In February, Princess made a USD 20 million commitment to Clayton, Dubilier & Rice Fund VIII. Clayton, Dubilier & Rice was established in 1978 and is one of the oldest and most reputable buyout investors that have been very successful in the attractive niche of leading control-oriented buyout investments in businesses which are typically in need of strategic and operational transformation. These businesses are often market leaders in attractive industries, but have underperformed their potential due to a lack of strategic fit and support from the corporate parent. The fund has no geographical investment restrictions, as its worldwide sourcing strategy leverages the firm’s relevant relationships and expertise globally.

TPG Partners VI, L.P.
In February, Princess made a USD 15 million commitment to TPG Partners VI. The fund will pursue an investment strategy consistent with the previous funds by making large, value-oriented buyout investments on a global basis across economic cycles and in companies with fundamentally sound business models, that may be out of favor with the market or otherwise undervalued. TPG Partners VI will deploy most of its capital within the US, but will also pursue investments in Europe and Asia. TPG has developed a strong reputation as a leader in complex large cap investments and is one of very few firms that can tackle multi-billion dollar opportunities around the world.

NEW DIRECT INVESTMENTS

Harrah's Entertainment, Inc.
In January, Princess made a direct equity investment into Harrah's Entertainment, Inc. alongside Apollo Management and TPG. Harrah's is the world's largest provider of branded casino entertainment, with leading positions in all of its markets. Since its inception in Reno, Nevada, nearly 70 years ago, Harrah's has grown through development of new properties, expansion and acquisitions, and currently owns or manages casinos on four continents in a growing gaming market and employs approximately 85'000 employees. Upon completion of the deal, the company was de-listed from the NYSE.

SELECTED PARTNERSHIP INVESTMENTS

Apollo Overseas Partners VI, L.P.
In January, Princess partnership Apollo Overseas Partners VI funded its 50% stake in the USD 1 billion investment in cruising company *NCL Corporation,* the parent company of Norwegian Cruise Line, NCL America and Orient Lines, which was announced back in August 2007. The investment will strengthen NCL's balance sheet and will enable the company to make significant investments in a number of key areas, in addition to funding continued expansion of the fleet. NCL gives its guests the opportunity to enjoy the flexibility of "freestyle cruising" with no fixed dining times, a variety of different restaurants on board and no obligatory dress code – an experience that is vastly different from the traditional cruise product.

BC European Capital VIII, L.P.
In February, Princess partnership BC Partners acquired a 50.8% stake in *Migros Türk T.S.A.* from Koc Holding for USD 3.25 billion. A tender offer for the remaining shares will be launched in due course. Headquartered in Istanbul, Migros Türk is the leading Turkish food retailer. The group is the only truly national food retailer in Turkey and is ideally positioned to benefit from the rapidly growing organized food retail market, the favorable demographic trends and the positive dynamics of the Turkish economy.

SELECTED REALISATIONS

Apax Excelsior VI, L.P.
Apollo Investment Fund V, L.P.
In February, Princess partnership Apax Excelsior VI and Apollo Investment Fund V alongside a private equity consortium successfully sold *Intelsat Holdings Ltd.* to BC Partners for USD 16.5 billion, generating a high single-digit multiple and resulting in a gross internal rate of return (IRR) of over 100% on the original investment. Intelsat is a leading provider of worldwide satellite communications services, supplying video, data and voice connectivity in around 200 countries. The private equity consortium had initially acquired Intelsat in August 2004. Intelsat's acquisition of rival PanAmSat for USD 3.2 billion followed in August 2005.

Pegasus Partners II, L.P.
In March, Princess partnership Pegasus Partners II has successfully sold *Cannondale Bicycle Corporation,* the leading designer, developer and manufacturer of high-end bicycles. Widely regarded as the bicycle industry's leading innovator, Cannondale have won numerous design awards during the holding period of Pegasus. In 2003 Pegasus bought Cannondale out of bankruptcy for about USD 58 million and helped Cannondale return to its core business of making bicycles, resulting in a 30–40% growth of its top lines over the period. The sale also includes Sugoi Performance Apparel whose products are used worldwide by runners, cyclists, triathletes and fitness enthusiasts who demand the best sporting apparel available. The total value of the transaction will be USD 190–200 million, subject to Cannondale's earnings results for the year ending on 30 June 2008.

PORTFOLIO OVERVIEW

PRIMARY INVESTMENTS

Europe – Buyout

3i Europartners IIIA, L.P.
3i Eurofund Vb, L.P.
Advent International Global Private Equity VI, L.P.
Apax Europe VII-B, L.P.
Astorg II, L.P. (FCPR)
August Equity Partners II A, L.P.
AXA LBO Fund IV, L.P.
BC European Capital VIII, L.P.
Botts Capital Partners, L.P.
Bridgepoint Europe I "D", L.P.
Bridgepoint Europe III, L.P.
Bridgepoint Europe IV "A", L.P.
Candover 2005 Fund
Doughty Hanson & Co V, L.P.
Fourth Cinven Fund, L.P.
GMT Communications Partners III, L.P.
Graphite Capital Partners V, L.P.
Industri Kapital 2000, L.P.
Industri Kapital 2007, L.P.
Magenta, L.P.
Mercapital Spanish Private Equity Fund II, L.P.
Nmás1 Private Equity Fund II, L.P.
Nordic Capital IV, L.P.
Nordic Capital VI, L.P.
Nordic Capital VII, L.P.
Palamon European Equity "C", L.P.
Partners Private Equity, L.P.
Permira Europe II, L.P.
Quadriga Capital Private Equity Fund II, L.P.
Quadriga Capital Private Equity Fund III, L.P.
Segulah II, L.P.
Terra Firma Capital Partners III, L.P.
Warburg Pincus International Partners, L.P.

Europe – Venture Capital

Abingworth Bioventures III, L.P.
Elderstreet Capital Partners, L.P.
European E-Commerce Fund
European Equity Partners (III), L.P.
European Equity Partners (IV), L.P.
GMT Communications Partners II, L.P.
Index Ventures I (Jersey), L.P.
Partners Group European Growth 2008, L.P.
SV Life Sciences Fund II
Wellington Partners II, L.P.

Europe – Special Situations

AP Investment Europe Limited
Coller International Partners III, L.P.
Doughty Hanson & Co. European Real Estate Fund, L.P.
ICG Mezzanine Fund 2000, L.P. No. 2
ICG European Fund 2006, L.P.
Mezzanine Management Fund III, L.P.
Partners Group Global Real Estate 2008, L.P.
Partners Group Infrastructure 2007, L.P.
Penta CLO 1 S.A.
The Rutland Fund

North America – Buyout

American Securities Partners III, L.P.
Apax US VII, L.P.
Apollo Investment Fund V, L.P.
Apollo Overseas Partners VI, L.P.
Apollo Overseas Partner VII, L.P.
Avista Capital Partners (Offshore) L.P.
Bain Capital Fund X, L.P.
Bain Capital X Co-Investment Fund, L.P.
Blackstone Communications Partners I, L.P.
Bruckmann, Rosser, Sherrill & Co. II, L.P.
Carlyle Partners III, L.P.
Clayton, Dubilier & Rice Fund VII, L.P.
Clayton, Dubilier & Rice Fund VIII, L.P.
Fenway Partners Capital Fund II, L.P.
Green Equity Investors V, L.P.
Heritage Fund III, L.P.
INVESCO U.S. Buyout Partnership Fund II, L.P.
Kohlberg TE Investors IV, L.P.
Kohlberg TE Investors VI, L.P.
Providence Equity Partners IV, L.P.
Providence Equity Partners VI-A, L.P.
Silver Lake Partners, L.P.
Silver Lake Partners III, L.P.
Sterling Investment Partners II, L.P.
T3 Partners, L.P.
TPG Partners III, L.P.
TPG Partners VI, L.P.
Thomas H. Lee Parallel Fund V, L.P.
Thomas H. Lee Parallel Fund VI, L.P.
Vestar Capital Partners IV, L.P.
Warburg Pincus Private Equity IX, L.P.
Warburg Pincus Private Equity X, L.P.

North America – Venture Capital

Apax Excelsior VI, L.P.
Advanced Technology Ventures VI, L.P.
Austin Ventures VII, L.P.
Battery Ventures VI, L.P.
Cardinal Health Partners II, L.P.
Catterton Partners IV Offshore, L.P.
Chancellor V, L.P.
Columbia Capital Equity Partners III, L.P.
Dolphin Communications Fund, L.P.
Draper Fisher Jurvetson Fund VII, L.P.
EnerTech Capital Partners II, L.P.
Infinity Capital Venture Fund 1999, L.P.
INVESCO Venture Partnership Fund II, L.P.
INVESCO Venture Partnership Fund II-A, L.P.
Lightspeed Venture Partners VI, L.P.

Menlo Ventures IX, L.P.
Morgan Stanley Venture Partners IV, L.P.
Morgenthaler Partners VII, L.P.
Prism Venture Partners IV, L.P.
Sevin Rosen Fund VIII, L.P.
Sierra Ventures VIII-A, L.P.
Summit Ventures VI-B, L.P.
SV Life Sciences Fund IV, L.P.
TA IX, L.P.
TH Lee Putnam Ventures Parallel, L.P.
Thomas Weisel Capital Partners, L.P.
Vortex Corporate Development Fund, L.P.
Worldview Technology Partners III, L.P.
Worldview Technology Partners IV, L.P.

North America – Special Situations

Ares Corporation Opportunities Fund II, L.P.
Blackstone Mezzanine Partners, L.P.
Canterbury Mezzanine Capital II, L.P.
Levine Leichtman Capital Partners II, L.P.
MatlinPatterson Global Opportunities Partners III, L.P.
OCM Opportunities Fund III, L.P.
OCM Mezzanine Fund II, L.P.
OCM/GFI Power Opportunities Fund, L.P.
Pegasus Partners II, L.P.
Pensinsula Fund IV, L.P.
Sun Capital Partners V, L.P.
TCW/Crescent Mezzanine Partners III, L.P.

Asia & Rest of World – Buyout

Advent Latin American Private Equity Fund II, L.P.
Advent Latin American Private Equity Fund IV, L.P.
Affinity Asia Pacific Fund III, L.P.
Archer Capital Fund 4, L.P.
Asia Opportunity Fund III, L.P.
Baring Asia Private Equity Fund IV, L.P.
CDH Venture Partners II, L.P.
ChrysCapital V, LLC
DLJ SAP International, LLC
Exxel Capital Partners VI, L.P.
GP Capital Partners IV, L.P.
IVF III (Mauritius) Holdings Limited
Navis Asia Fund V, L.P.
Newbridge Asia III, L.P.
NewMargin Growth Fund, L.P.
Pacific Equity Partners Fund IV, L.P.
Pàtria – Brazilian Private Equity Fund IV, L.P.
Polish Enterprise Fund IV, L.P.
Russia Partners III, L.P.
SBCVC Fund II-Annex, L.P.
Southern Cross Latin America Private Equity Fund III, L.P.
TPG Asia V, L.P.

Asia & Rest of World – Venture Capital

Carmel Software Fund (Cayman), L.P.
Carmel Ventures III, L.P.
Crimson Velocity Fund, L.P.
Genesis Partners II LDC
Jerusalem Venture Partners III, L.P.
Pitango Venture Capital Fund III

SECONDARY INVESTMENTS

Affinity Asia Pacific Fund II, L.P.
Aksia Capital III, L.P.
Axcel III K /S2
CapVis Equity II, L.P.
Chase 1998 Pool Participation Fund, L.P.
Coller International Partners III NW1, L.P.
Coller International Partners III NW2, L.P.
Doughty Hanson & Co. Fund III, L.P.
Partners Group SPP1 Limited
Second Cinven Fund (No.2), L.P.
William Blair Capital Partners VI, L.P.

DIRECT INVESTMENTS

AHT Cooling Systems GmbH
Arcos Dorados Limited (McDonalds Latin American Operation)
AWAS Aviation Holding
Cengage (fka: Thomson Learning, Inc.)
Essmann
Ferretti SpA
Foodservice and distribution company
General Nutrition Centers, Inc.
Harrah's Entertainment, Inc.
Healthcare company
Hospital Xanit Internacional
Information service company
Lifeways Communicty Care Limited
Media Company
Partners Group Direct Investments 2006, L.P.
Plantasjen
The Reader's Digest Association
Universal Hospital Services, Inc.

LISTED PRIVATE EQUITY

Partners Group Listed Investment – Listed Private Equity
Partners Group Private Equity Performance Holding Limited (P^3)

Some investments may be made through Partners Group pooling vehicles at no additional fees.

CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

for the period from 1 January 2008 to 31 March 2008

CONSOLIDATED UNAUDITED INCOME STATEMENT

for the period from 1 January 2008 to 31 March 2008

	Notes	**01.01.2008– 31.03.2008 EUR**	01.01.2007– 31.03.2007 EUR
Net income from designated financial assets at fair value through profit or loss		**(13’956’671)**	26’709’564
– Dividend and interest income	3	757’273	2’209’698
– Revaluation	3	(5’671’453)	26’539’026
– Foreign exchange gains & losses	3	(9’042’491)	(2’039’160)
Net income from financial assets at fair value through profit or loss held for trading		**(4’392’930)**	–
Net income from listed private equity			
– Gains and losses	4	(4’392’930)	–
Net income from short-term investments		–	301’065
– Gains and losses		–	950’535
– Interest on short-term investments		–	240’388
– Foreign exchange gains & losses		–	(889’858)
Net income from cash & cash equivalents		**497’959**	170’669
– Interest income		692’424	876’457
– Foreign exchange gains & losses		(194’465)	(705’788)
Operating income		**(17’851’642)**	27’181’298
Operating expenses		**(3’916’460)**	(2’965’190)
– Management fee		(3’520’900)	(3’196’349)
– Administration fee		(84’643)	(81’766)
– Incentive fee		(75’161)	–
– Other foreign exchange gains & losses		28’505	626’932
– Other operating expenses		(264’261)	(314’007)
Financing cost		**(34’413)**	(12’704)
– Interest expense		(34’413)	(12’704)
Surplus / (loss) for the financial period		**(21’802’515)**	24’203’404

	01.01.2008–31.03.2008	01.01.2007–31.03.2007
Earnings per share		
– Weighted average number of shares outstanding	70'100'000	7'010'000
– Basic surplus / (loss) per share for the financial period	(0.31)	3.45
– Diluted surplus / (loss) per share for the financial period	(0.31)	3.45

The notes on pages 20 to 22 form an integral part of these financial statements.

CONSOLIDATED UNAUDITED BALANCE SHEET

as at 31 March 2008

	Notes		31.03.2008 EUR		31.12.2007 EUR
Assets					
Non-current assets					
Designated financial assets at fair value through profit or loss					
Investments in limited partnerships and directly held investments	2&3		**539'707'502**		565'123'026
Financial assets at fair value through profit or loss held for trading					
Investment in listed private equity	2&4	**26'890'920**		31'283'850	
Hedging assets	3	**15'506'797**		6'095'015	
			42'397'717		37'378'865
Current assets					
Other short-term receivables		**1'241'383**		616'560	
Cash and cash equivalents		**78'267'790**		80'258'529	
			79'509'173		80'875'089
Total assets			**661'614'392**		683'376'980
Equity					
Capital and reserves					
Issued capital	5	**70'100**		70'100	
Share premium	5	**–**		–	
Distributable reserve	5	**689'911'890**		689'911'890	
Accumulated loss		**(35'577'996)**		(13'775'481)	
Total equity			**654'403'994**		676'206'509
Liabilities falling due within one year					
Other short-term liabilities					
Other short-term payables		**7'210'399**		7'170'471	
Rounding		**(1)**		–	
			7'210'398		7'170'471
Total liabilities and equity			**661'614'392**		683'376'980

The notes on pages 20 to 22 form an integral part of these financial statements.

CONSOLIDATED UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2008 to 31 March 2008 (all amounts in EUR)

	Share capital	Distributable reserve	Accumulated surplus/(loss)	Total
Equity at beginning of reporting period	70'100	689'911'890	(13'775'481)	**676'206'509**
Surplus / (loss) for the financial period	–	–	(21'802'515)	**(21'802'515)**
Equity at end of reporting period	**70'100**	**689'911'890**	**(35'577'996)**	**654'403'994**

CONSOLIDATED UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2007 to 31 March 2007 (all amounts in EUR)

	Share capital	Share premium	Accumulated surplus/(loss)	Total
Equity at beginning of reporting period	70’100	730’149’287	(88’919’448)	**641’299’939**
Surplus / (loss) for the financial period	–	–	24’203’404	**24’203’404**
Equity at end of reporting period	**70’100**	**730’149’287**	**(64’716’044)**	**665’503’343**

The notes on pages 20 to 22 form an integral part of these financial statements.

CONSOLIDATED UNAUDITED CASH FLOW STATEMENT

for the period from 1 January 2008 to 31 March 2008

	Notes	**01.01.2008– 31.03.2008 EUR**	01.01.2007– 31.03.2007 EUR
Cash flow from operating activities			
– Management fee		**(3'520'900)**	(3'196'349)
– Administration fee		**(84'643)**	(81'766)
– Incentive fee		**(75'161)**	–
– Other operating expenses		**(264'261)**	(314'007)
– Proceeds from / (costs of) hedging activities	3	**9'524'955**	–
– (Increase) / decrease in other short-term receivables		**(596'318)**	(537'764)
– Increase / (decrease) in other short-term payables		**39'928**	1'628'532
– Dividends received from limited partnerships and directly held investments	3	**260'776**	726'011
– Interest received from limited partnerships and directly held investments	3	**156'191**	1'483'687
– Purchase of limited partnerships and directly held investments	3	**(38'119'812)**	(84'486'061)
– Distributions from limited partnerships and directly held investments	3	**30'224'959**	43'702'103
– Redemptions of short-term investments		**–**	197'302'644
– Net purchase of short-term investments		**–**	(150'790'113)
– Interest on short-term investments		**–**	240'388
– Interest from cash and cash equivalents		**692'424**	876'457
– Financing cost / credit line charges		**(34'413)**	(12'704)
Net cash from / (used in) operating activities		**(1'796'275)**	6'541'058
Net increase / (decrease) in cash and cash equivalents		**(1'796'275)**	6'541'058
Cash and cash equivalents at beginning of reporting period		**80'258'529**	167'922'252
Effects on cash and cash equivalents			
– Movement in exchange rates		**(194'465)**	(705'788)
– Rounding		**1**	–
Cash and cash equivalents at end of reporting period		**78'267'790**	173'757'522

The notes on pages 20 to 22 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

1 ORGANIZATION AND BUSINESS ACTIVITY

Princess Private Equity Holding Limited is an investment holding company established on 12 May 1999. The Company's registered office is Tudor House, St. Peter Port, Guernsey, GY1 1BT. The Company is a Guernsey corporation that operates in the private equity and private debt market and invests directly or through its wholly-owned subsidiary, Princess Private Equity Subholding Limited, in private market investments.

Since 13 December 2006 the shares of the Company have been listed on the Prime Standard of the Frankfurt Stock Exchange. As of 1 November 2007 the shares have been listed additionally on the London Stock Exchange.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 2007.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2007, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2008.

- IFRIC 11 – Group and treasury share transactions
- IFRIC 12 – Service Concession Arrangements
- IFRIC 13 – Customer Loyalty Programmes
- IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group assessed the impact of the interpretations of IFRIC 11 to 14 and concluded that these new interpretations will not affect the Group's results of operations or financial position.

3 LIMITED PARTNERSHIPS AND DIRECTLY HELD INVESTMENTS

3.1 INVESTMENTS

	31.03.2008 EUR	31.12.2007 EUR
Balance at beginning of reporting period	**565'123'026**	430'576'071
Capital activity recorded at the transaction rate	**38'119'812**	234'695'249
Distributions	**(30'224'959)**	(167'355'690)
Accrued PIK Interest	**165'653**	873'446
Realized PIK	**–**	(387'536)
Accrued Cash Interest	**174'653**	138'814
Revaluation	**(5'671'453)**	103'667'915
Foreign exchange gains / (losses)	**(27'979'228)**	(37'085'243)
Rounding	**(2)**	–
Balance at end of reporting period	**539'707'502**	565'123'026

3.2 DISTRIBUTIONS

	01.01.2008–31.03.2008 EUR	01.01.2007–31.03.2007 EUR
Dividends	260'776	726'011
Interest income	156'191	1'483'687
Accrued PIK Interest	165'653	–
Accrued Cash Interest	174'653	–
	757'273	2'209'698
Return of investments	30'367'293	43'708'429
Gains / (losses) from sale of stock distributions	(142'334)	(6'326)
	30'224'959	43'702'103
Total distributions	**30'982'232**	45'911'801

3.3 FOREIGN EXCHANGE

	01.01.2008–31.03.2008 EUR	01.01.2007–31.03.2007 EUR
Foreign exchange revaluation	(27'979'228)	(4'741'004)
Revaluation of foreign exchange hedges relating to investments in limited partnerships and directly held investments	9'411'782	2'701'844
Realized gains / (losses) from foreign exchange hedges relating to investments in limited partnerships and directly held investments	9'524'955	–
	(9'042'491)	(2'039'160)

At the balance sheet date, the Group had the following forward foreign exchange contracts in place. The contracts were entered into to hedge against changes in the foreign exchange value of the investments of the Subholding. The unrealized surplus / (loss) at the end of the reporting period is detailed below:

	USD	Rate	Value date	Surplus/(loss) 31.03.2008 EUR	Surplus/(loss) 31.12.2007 EUR
Buy EUR against USD	335,000,000	0.7042	18.01.2008	–	6'205'019
Buy EUR against USD	20,000,000	0.6802	18.01.2008	–	(110'004)
Buy EUR against USD	356,000,000	0.6767	18.04.2008	15'506'797	–
				15'506'797	6'095'015

4 INVESTMENTS IN LISTED PRIVATE EQUITY

	31.03.2008 EUR	31.12.2007 EUR
Balance at beginning of reporting year	31'283'850	–
Purchases recorded at the transaction rate	–	37'063'836
Gains / (losses) on listed private equity	(4'392'930)	5'779'986
Balance at end of reporting year	**26'890'920**	31'283'850

5 SHARE CAPITAL

	31.03.2008 EUR	31.12.2007 EUR
Authorized		
200’100’000 Ordinary shares of EUR 0.001 each	**200’100**	200’100
	200’100	200’100
Issued and fully paid		
70’100’000 Ordinary shares of EUR 0.001 each out of bond conversion	**70’100**	70’100
	70’100	70’100

5.1 DISTRIBUTABLE RESERVES

	31.03.2008 EUR	31.12.2007 EUR
Distributable reserves	**689'911'890**	730’149’287
Dividend payment	**–**	(40’237’397)
Total distributable reserves	**689’911’890**	689’911’890

5.2 SHAREHOLDERS ABOVE 3% OF ORDINARY SHARES ISSUED

	Shares held	in %
CVP/CAP	**215’210**	3.07%
Deutsche Asset Management Investmentgesellschaft mbH	**609’590**	8.70%
VEGA Invest Fund PLC	**600’000**	8.56%

6 COMMITMENTS

	31.03.2008 EUR	31.12.2007 EUR
Total commitments translated at the rate prevailing at the balance sheet date	**1’437’913’952**	1’426’422’963
Unfunded commitments translated at the rate prevailing at the balance sheet date	**429’369’353**	408’170’641

7 NET ASSETS AND DILUTED ASSETS PER ORDINARY SHARE

The net asset value per share is calculated by dividing the net assets in the balance sheet by the number of potential shares outstanding at the balance sheet date.

	31.03.2008 EUR	31.12.2007 EUR
Net assets of the Group	**654’403’994**	676’206’509
Outstanding shares at the balance sheet date	**70’100’000**	70’100’000
Net asset per share at period-end	**9.34**	9.65
Diluted net assets per share at the balance sheet date	**9.34**	9.65

Princess

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Trading Information

Listing	Frankfurt Stock Exchange	London Stock Exchange
ISIN	DE000A0LBRM2	GG00B28C2R28
WKN	A0LBRM	AOLBRL
Valor	2 830 461	2 830 461
Trading symbol	PEY1	PEY
Bloomberg	PEY1 GR	PEY LN
Reuters	PEYGz.DE / PEYGz.F	PEY.L
Designated Sponsor	Sal. Oppenheim jr. & Cie. KGaA	JPMorgan Cazenove