PRINCESS PRIVATE EQUITY HOLDING LIMITED

HALF-YEARLY REPORT 2010

Half-yearly report for the period from
1 January 2010 to 30 June 2010

Princess

PRINCESS PRIVATE EQUITY HOLDING LIMITED

Princess Private Equity Holding Limited (Princess or the Company) is an investment holding company domiciled in Guernsey that invests in private equity and private debt investments. The portfolio includes direct investments, primary and secondary fund investments as well as listed private equity investments. Princess aims to provide shareholders with long-term capital growth.

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.

This document is not intended to be an investment advertisement or sales instrument; it constitutes neither an offer nor an attempt to solicit offers for the product described herein. This report was prepared using financial information contained in the Company's books and records as of the reporting date. This information is believed to be accurate but has not been audited by any third party. This report describes past performance, which may not be indicative of future results. The Company does not accept any liability for actions taken on the basis of the information provided.

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1 KEY FIGURES

IN EUR	30 JUNE 2010	31 DECEMBER 2009
Net asset value (NAV)	595'223'019	514'297'225
NAV per share	8.49	7.34
Closing price (Frankfurt)	4.60	3.39
Premium over NAV (Frankfurt)	-45.85%	-53.79%
Closing price (London)	4.45	3.31
Premium over NAV (London)	-47.59%	-54.88%
Cash and cash equivalents	25'095'511	15'251'321
Use of credit facility	36'500'000	20'000'000
Value of private equity investments	606'297'621	516'927'880
Undrawn commitments	281'895'969	283'519'959
Investment level	101.86%	100.51%
Overcommitment	49.22%	55.64%
Overcommitment incl. credit line	39.22%	47.86%

2 INVESTMENT MANAGER'S REPORT

Strong NAV increase in first half of 2010

The net asset value (NAV) of Princess increased by a significant 15.74% to EUR 8.49 per share in the first half of 2010, continuing the rebound that had started in the second half of last year.

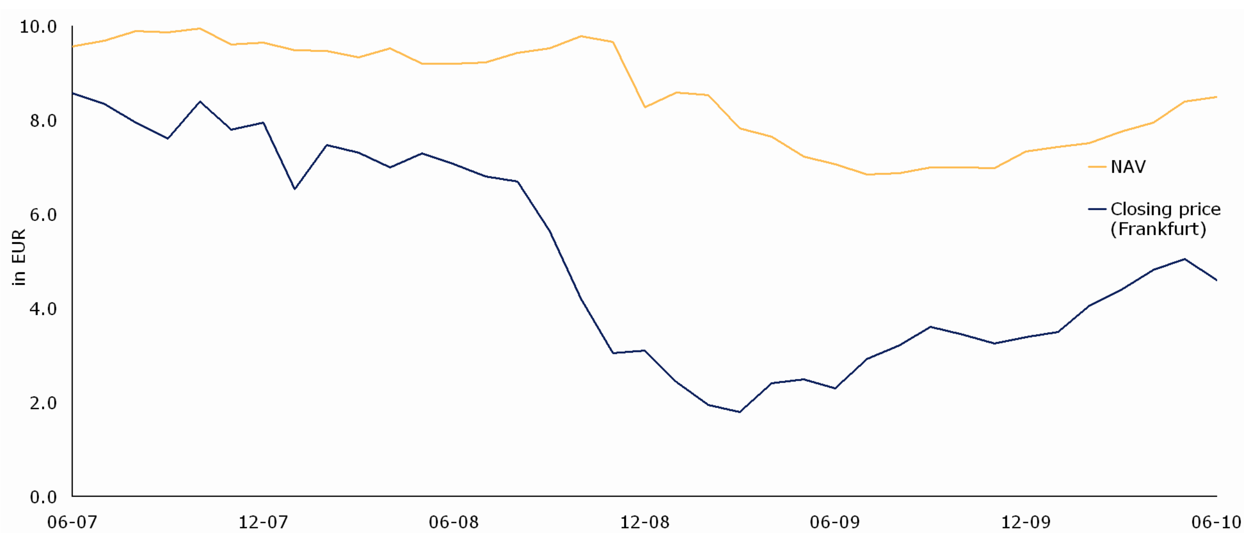
Valuation developments of the portfolio companies had a positive impact on the NAV of 7.02% during the first six months of the year and continued to be one of the main drivers behind its rise. Many of the companies in the Princess portfolio enjoyed positive earnings momentum as they were able to add value to their business models and capitalize on the sustained rebound in global economies. Also notable with regards to recent valuation developments is the fact that a number of recently exited portfolio companies were sold well above the previous book value, thus validating portfolio valuations and leading to further write-ups in the Princess NAV.

In addition, the significant depreciation of the euro against the US dollar positively influenced the NAV. Overall, foreign exchange movements had an impact of 10.46% on the NAV during the reporting period. Furthermore, at the end of June 2010, Princess renewed its currency hedging contract to limit negative effects from movements between the euro and the US dollar, resetting the put option strike from 1.46 to 1.23 and extending the maturity to 29 June 2011. Given the continued appreciation of the US dollar over the term of the previously held put option, Princess' NAV benefited significantly from the uplift on its US dollar denominated investments and locked in these gains through the option reset.

Attractive valuation metrics

The 30 largest portfolio companies of Princess, representing almost 30% of NAV, are currently valued at a weighted average multiple of 9.3 times earnings before interest, tax, depreciation and amortization over the

PRICE AND NAV DEVELOPMENT (LAST THREE YEARS)



last twelve months (LTM EBITDA). The weighted average level of debt of these companies is 4.6 times LTM EBITDA and the average level of leverage is 49.5%. With the Princess shares currently trading at a discount of 45.9% to NAV, the weighted average EV/EBITDA multiple of the top 30 portfolio companies falls to just 5.0 times LTM EBITDA.

Share price rising

Following the very strong performance of the Princess share price in the first quarter of 2010, it continued to rise in the second quarter. The Princess share price gained 35.6% over the course of the first half of 2010 and closed the reporting period at EUR 4.60 per share on the Frankfurt Stock Exchange, thus extending its year-to-date outperformance of the LPX 50 Total Return Index (in euro) for listed private equity to 23.6% compared to 21.5% as of 31 March 2010. Despite the increase in the Princess share price, the discount to the NAV stood at 45.9% at the end of June 2010. The Investment Manager believes that this high discount does not reflect the high quality of the Princess portfolio, particularly when considering Princess' significant NAV rebound over the past months as well as the fact that discounts in the institutional secondary market have narrowed to 0-20% for high-quality private equity assets.

Significant rebound in deal activity

The first half of 2010 witnessed a significant increase in private equity investment and exit activity compared to 2009, both in the wider market and particularly in the Princess portfolio. In the first half of 2010, Princess invested EUR 32.4 million into new investment opportunities, of which EUR 18.9 million was deployed into new investments in the second quarter alone – the highest quarterly level of drawdowns since the fourth quarter of 2008.

Amongst others, many new investments were completed in the relatively more stable sectors such as healthcare. For example, Thomas H. Lee Equity Fund VI agreed to acquire inVentiv Health Inc., a marketing and sales service provider to the pharmaceutical and life science industries, in May and Industri Kapital 2007 acquired a majority stake in Colosseum Dental, the leading provider of private dental care in Scandinavia, in June.

In line with the increased investment activity in the portfolio, the exit environment for Princess' mature portfolio companies improved substantially. Distributions received during the first half of the year amounted to EUR 39.4 million, of which EUR 24.5 million were received over the course of the second quarter – the highest quarterly level of distributions since the first quarter of 2008.

For instance, Princess' significant allocation to investments in Asia resulted in a number of successful exits in the region. The sale of the Chinese lender Shenzhen Development Bank, Princess' third largest portfolio company, by Newbridge Asia III was completed at a return of about 13 times the original investment. Princess recently received a partial distribution of EUR 4.5 million from this exit and expects to receive proceeds of around the same amount again over the coming months. Furthermore, a number of exits, such as the sale of Cognis, a German food and cosmetics ingredients producer, by Permira Europe II and SV Life Sciences Fund II at a return of about three times the original investment, have recently been announced and are awaiting regulatory approval.

Full investment level

Distributions from realizations of portfolio companies exceeded the capital called for new investments for the third consecutive quarter. During the first half of the year, the portfolio generated EUR 7.0 million more in distributions than drawdowns, thus contributing positively to Princess' liquidity position. The previously mentioned renewal of the currency hedging contract, however, resulted in an offsetting cash outflow. Overall, Princess held EUR 25.1 million in cash and cash equivalents as of the end of June 2010, and had drawn down EUR 36.5 million under the credit facility, which currently amounts to EUR 59.5 million, with the potential to increase this to EUR 90.0 million. Due to the conservative investment and commitment strategy during the past years, Princess continued to be fully invested and had an investment level of 102% at the end of June 2010.

Attractive level of unfunded commitments

Drawdowns amounted to EUR 32.4 million in the first half of 2010 and led to a further reduction in unfunded commitments during the reporting period. By the end of June 2010, Princess' unfunded commitments stood at EUR 281.9 million, of which 17% stem from funds with vintage year 2000 or earlier which should be post their respective investment periods and are unlikely to call down anymore capital. With increased exit activity in the Princess portfolio and the available credit facility of up to EUR 90.0 million, the Investment Manager believes that Princess' future funding obligations are adequately covered.

Outlook

Over the past three quarters distributions have exceeded capital calls and with the rebound in exit activity the Investment Manager expects this trend to continue over the coming months. The re-opening of the exit window should have a positive effect on the mature Princess portfolio as 35% of the NAV is accounted for by portfolio companies that have been held since before 2006. The maturity of the portfolio is also underlined by the fact that the weighted average age of all portfolio companies is 4.2 years and 7.1 years for venture capital investments alone.

The Investment Manager is confident that the valuation development of Princess' underlying portfolio companies is likely to remain positive in the months to come, with earnings growth being one of the key drivers behind this positive development, provided the global economy continues to improve.

Following the Annual General Meeting of Princess on 16 June 2010 at which the proposed restructuring of the Company was not approved, the Board of Princess and the Investment Manager are currently reviewing portfolio-based measures to reduce the structural discount within the current corporate structure as a listed closed-ended company. The Board is also committed to restoring the dividend over the medium term and expects to announce in due course specific measures to reduce the discount.

The Investment Manager believes that Princess is well positioned for the months to come as the increasing rate of exits of mature portfolio companies will likely lead to increasing distributions for Princess. In addition, Princess should also be able to capitalize on post-recession investment opportunities by acquiring strong businesses at attractive valuations, particularly in the small- and mid-cap buyout segments which are overweighted in the portfolio with 40% of unfunded commitments.

3 PRIVATE EQUITY MARKET ENVIRONMENT

The past quarters have been challenging for private equity on several fronts with a shortage of leverage, a low volume of acquisition and divestiture activities, and fundraising difficulties. However, while some contended that private equity had suffered irreparable damage, many saw a nimble industry that would recover and eventually become stronger than ever.

Indeed, 2009 and the first half of 2010 progressed with positive developments in the financial market. The effects of fiscal and monetary policies restored confidence in the financial system, paving the way for private equity-backed activities to rebound strongly.

Renewed optimism for deal financing

According to research company Preqin, the second quarter of 2010 represented the strongest quarter for buyout deals in the post-credit crunch landscape, with a total of 411 private equity buyout deals announced, with an aggregate value of USD 43.3 billion. This represents a 60% increase in aggregate deal value from the previous quarter, when 356 deals were announced with an aggregate value of USD 27.1 billion. Driving this recovery is the renewed willingness of banks to underwrite debt. While obtaining debt financing to complete new deals posed considerable challenges for many private equity firms worldwide in 2009, the final quarter of 2009 and the first months of 2010 saw signs of recovery in the financial market, making it again possible to raise debt – though still mainly for companies with very high-quality credit ratings.

The revival of high-yield bonds

Given the still limited amount of debt financing available, a large number of private equity firms have been turning to the high-yield bond market to raise capital. These high-yield issuers primarily focused on extending their debt maturities as they refinanced bank loans and bonds with near-term maturities. A good example is Bain Capital and Thomas H. Lee Partners' strategy of using the USD 2.5 billion proceeds from bond sales to refinance the debt of portfolio company Clear Channel Communications in December 2009. The global radio and outdoor advertising company thereby avoided breaching its year-end covenants.

While banks are now more willing to provide financing, they are still highly selective and impose restrictive lending terms. As a result, the high-yield bond market is expected to remain vigorous in 2010. Returns are also likely to stay strong as a result of improving economic growth and a substantial rise in corporate profitability, leading to a declining rate of companies defaulting on their debt in 2010.

Stronger, bolder portfolio companies

In the past months, aside from creating value in portfolio companies through cost reduction programs and organic growth, many private equity firms were actively expanding their in-house operations teams by hiring seasoned executives and consultants. According to a recent study by Ernst & Young, these executives, who boast many years of strategic and operating experience, have been invaluable in assisting portfolio companies streamline operations, improve working capital, drive further growth and increase their market value. Their efforts are expected to continue throughout 2010, with the aim of creating additional value for their portfolio companies before looking to exit them at attractive prices in the future.

Additionally, the improved economic outlook has provided many private equity managers with greater earnings visibility when valuing potential investment opportunities. As such, they were well-positioned to increase their portfolio companies' market competitiveness and future growth potential by acquiring weaker competitors and complementary businesses. This trend is expected to remain strong in 2010, as evidenced by the data provided by Preqin, which reported that the number of add-on acquisitions made up almost a quarter of all investments completed in the second quarter of 2010.

Thawing exit markets

Exit markets were generally challenging in 2009, owing to the lack of visibility in the macroeconomic outlook, a shortage of debt financing and the significant pricing gap between buyers and sellers. Consequently, the sparse activity in exit markets, which translated into a low level of distributions made to limited partners, contributed to a difficult year for private equity fundraising worldwide.

However, during the final quarter of 2009 and the first half of 2010, exit opportunities improved as economic green shoots became visible. While trade sales remained the preferred exit route for most private equity firms, the initial public offering (IPO) market began to gain momentum. The recovery of worldwide stock markets helped restore the IPO as a viable exit strategy.

The pace of exits is expected to accelerate as 2010 progresses. According to Mergermarket M&A Round-up for the first half of 2010, private equity exits via trade sales and secondary buyouts in the first half of 2010 were up by 225% from the lows seen in the first half of 2009, at USD 76.8 billion. The largest exit so far in 2010 was KKR's sale of East Resources to Royal Dutch Shell for a total amount of USD 4.7 billion. Secondary buyouts were also up, with activity increasing by 164.3% compared to the first half of 2009, at USD 22.6 billion. Should this momentum continue, exit activity will end the year significantly higher than in 2009.

Emerging markets are attractive destinations

Whereas historically, the world's emerging markets were susceptible to financial crisis and ensuing recessions, emerging economies have proved surprisingly resilient in the recent recession. From March 2009 onwards, many emerging countries staged a remarkable recovery. Thanks to their prudent policies in the past, a large number of governments were able to enact large stimulus packages. In addition, strong domestic demand, a healthy banking sector in most emerging economies and sound macroeconomic fundamentals supported the rebound.

Today, emerging markets are leading the worldwide economic recovery and have seen their share of private equity activity increase in recent years. According to the latest data provided by Ernst & Young, three of the largest, fastest growing markets, namely China, Brazil and India, are ranked the most attractive emerging markets among private equity investors. Specifically, over the last decade, private equity investments in these three regions have totaled USD 25.8 billion, USD 7.3 billion and USD 23.4 billion, respectively.

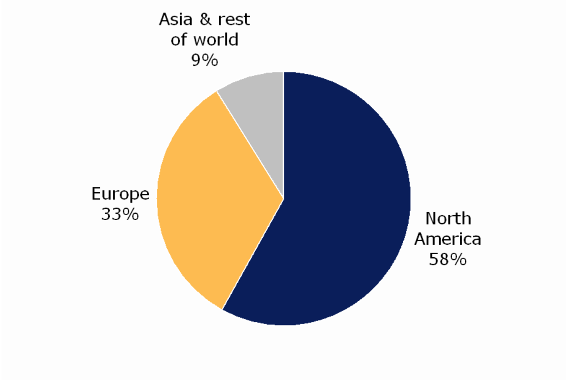
Looking ahead, these figures are expected to rise as there have been an increasing number of funds raised from 2003 to 2010 with a global investment focus. In addition, stable governments, a growing middle class and healthy gross domestic product (GDP) growth rates will continue to position emerging markets as popular destinations for long term private equity activities. In particular, the Brazilian financial market posted a strong recovery in the second quarter of 2010 with an expansion of 9.0% year-on-year, and the International Monetary Fund (IMF) increased Brazil's economic growth forecast for 2010 to 7.1% year-over-year in July. Meanwhile, China and India also reported strong first two quarters in 2010. While China recorded GDP expansion of 10.3% year-on-year during the second quarter of 2010, the International Monetary Fund (IMF) upped India's economic growth forecast for 2010 to 9.4% year-over-year.

Positive outlook for 2010

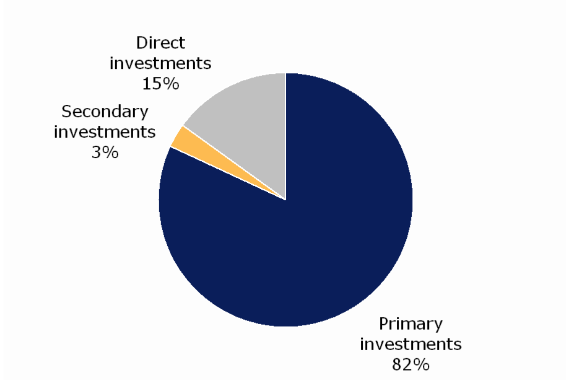
Although the past quarters were challenging, the private equity industry showed resilience in adapting to adverse market conditions. With leverage returning, the volume of acquisitions activities increasing and exit opportunities rising, the outlook for the private equity space in 2010 is positive.

4 PORTFOLIO ALLOCATION

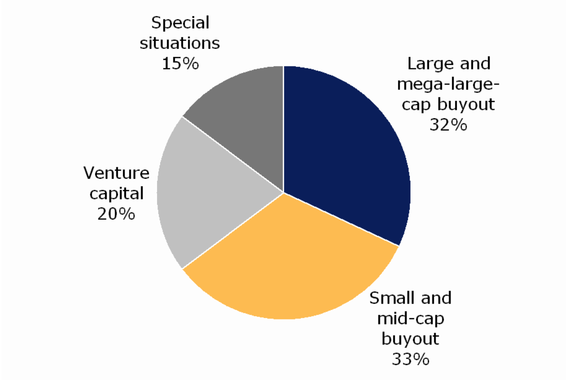
INVESTMENTS* BY GEOGRAPHIC REGION



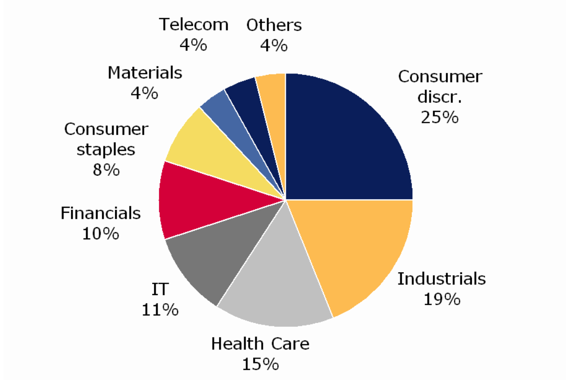
INVESTMENTS* BY INVESTMENT TYPE



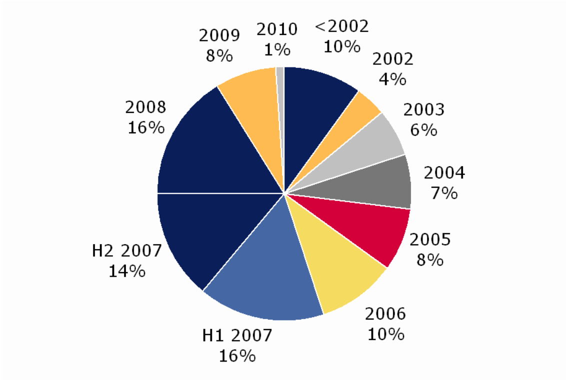
INVESTMENTS* BY FINANCING STAGE



INVESTMENTS* BY INDUSTRY SECTOR

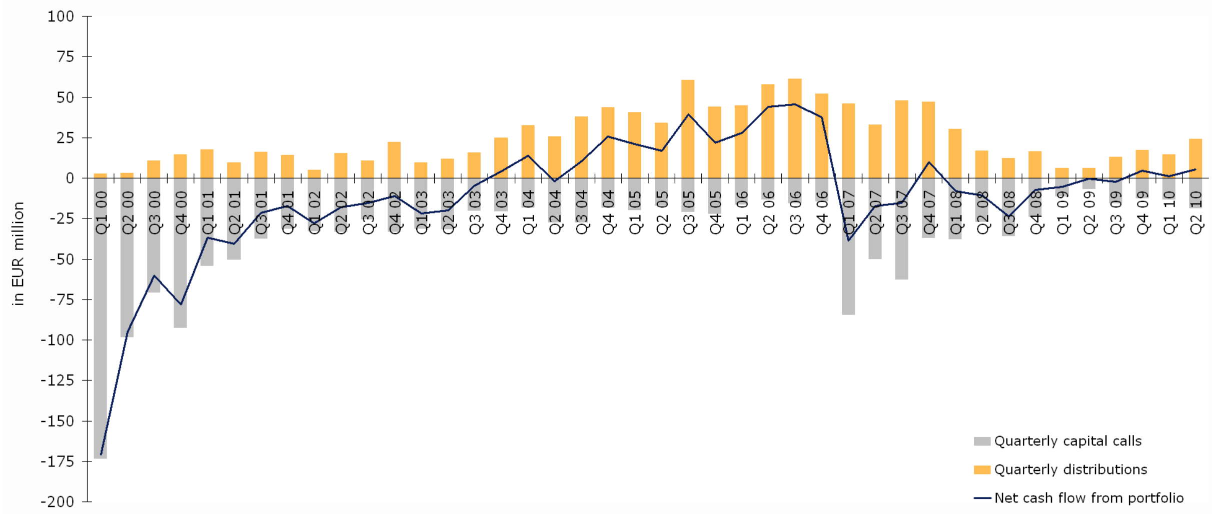


INVESTMENTS* BY INVESTMENT YEAR

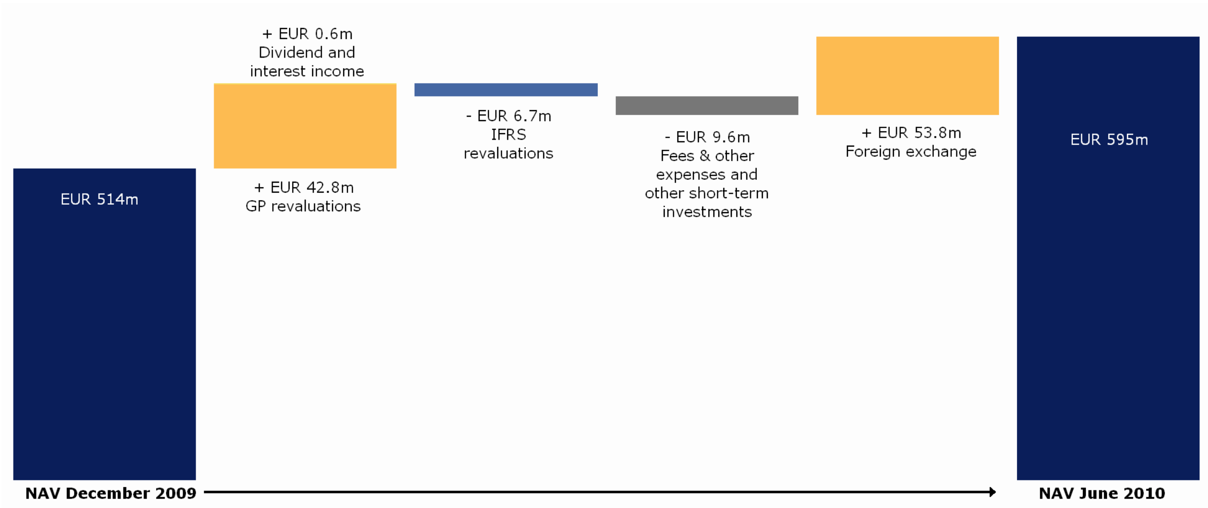


HALF-YEARLY REPORT 2010

DEVELOPMENT OF NET CASH FLOWS



NAV PERFORMANCE ATTRIBUTION IN 2010



* based on investment value

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5 PORTFOLIO TRANSACTIONS

So far in 2010, Princess funded EUR 32 million in capital calls from partnerships and received EUR 39 million in distributions. Unfunded commitments at the end of June 2010 totaled EUR 282 million.

Selected investments

- American Tire Distributors Holdings

In April, TPG Partners VI agreed to buy American Tire Distributors Holdings, the largest independent distributor of replacement tires to local, regional and national tire retailers, for approximately USD 1.3 billion. The company has a large network of 83 distribution centers serving 37 states. The company provides tire retailers with a range of services, including frequent and timely delivery of inventory and business support services, such as credit, training and access to consumer market data. Furthermore, the company administers tire manufacturer affiliate programs, a leading online ordering and reporting system and a website that enables its tire retailer customers to participate in Internet marketing of tires to consumers.

- inVentiv Health

In May, Thomas H. Lee Parallel Fund VI agreed to acquire inVentiv Health Inc., a marketing and sales service provider to the pharmaceutical and life science industries, for approximately USD 1.1 billion or USD 26 in cash for each share of common stock. The company is an insights-driven global healthcare leader that provides dynamic solutions to deliver customer and patient success. Its client roster is comprised of more than 350 leading pharmaceutical companies. inVentiv's range of products and services offers comprehensive outsourcing solutions for its customers and presents numerous opportunities for the company to continue to grow. The company reported net income of USD 10.2 million for the first quarter of 2010 versus USD 7.9 million for the same period last year, while revenue was up 5% to USD 269.4 million. The transaction is expected to be completed by the end of the third quarter of 2010 and is still subject to regulatory approval.

- Colosseum Dental

In June, Industri Kapital 2007 acquired a majority stake in Colosseum Dental. Headquartered in Oslo and employing approximately 350 professionals in total, Colosseum is the leading provider of private dental care in Scandinavia. The company currently operates ten clinics in Norway, seven in Sweden and two in Denmark, offering a range of services from basic prophylactic care to specialist surgery to a broad customer base. The dental care markets in Scandinavia are attractive with strong drivers like growing and ageing populations, increased use of advanced and expensive treatments and increased recognition of dental health as important for overall health. Furthermore, the dental care markets are fragmented and Colosseum is very well positioned as the only pan-Scandinavian provider of dental care. For the financial year ended 31 December 2009, Colosseum generated revenues of NOK 382 million, up 19% on the previous year. The transaction is subject to customary anti-trust approvals.

Selected exits

Shenzhen Development Bank

In May, Newbridge Asia III completed the sale of its investment in Chinese lender Shenzhen Development Bank to Ping An Insurance Group, the second-largest insurance company in China, in a stock deal. Newbridge Asia III sold just over half of its holding in Ping An Insurance Group shares for USD 1.25 billion and distributed the proceeds to its investors. Ping An Insurance Group announced back in last June its intention to buy Newbridge Asia III's stake in Shenzhen Development Bank and Chinese regulators have taken almost one year to approve the deal. Based on the price of the Ping An Insurance Group shares that Newbridge Asia III sold, it generated a return of about 13 times its original investment in Shenzhen Development Bank.

Michael Foods

In May, Thomas H. Lee Parallel Fund V agreed to sell Michael Foods Inc., a Minnesota-based supplier of refrigerated foods, to a fund run by Goldman Sachs Group, Inc. for about USD 1.7 million. Thomas H. Lee stands to make a return of around three times its initial investment of USD 290 million. Thomas H. Lee, which acquired Michael Foods in 2003, will retain an ownership stake of approximately 20% as part of the transaction. Michael Foods makes egg products, refrigerated potato edibles, cheese and other dairy products. It reported sales of USD 1.54 billion in 2009. Going forward, the company's strategy will be based on lowering costs and focusing on higher-margin items such as low-cholesterol and pre-cooked egg products.

Cognis

In June, Permira Europe II and SV Life Sciences Fund II announced the sale of Cognis, a German food and cosmetics ingredients producer, to German chemicals company BASF for an enterprise value of EUR 3.1 billion. The exit is expected to generate a return of about 3x the original investment. Cognis specializes in the production of chemical products based on renewable raw materials for the health and nutrition market as well as the cosmetics, detergents and cleaning industries. The company was originally acquired in 2001 and since has been transformed into a stand-alone company focused on end-markets, which has resulted in significant cost savings. The deal is subject to approval from the competition authorities and is expected to close by November 2010.

6 LARGEST PORTFOLIO HOLDINGS

for the period ended 30 June 2010 (in EUR)

Investment	Type of investment	Financing stage	Regional focus	Vintage year	Total commitments	Contributions
AHT Cooling Systems GmbH	Direct	Buyout	Europe	2007	5'129'636	5'093'686
Arcos Dorados Limited	Direct	Buyout	Rest of World	2007	309'789	311'472
AWAS Aviation Holding	Direct	Buyout	Europe	2006	5'970'444	5'970'444
Bartec GmbH	Direct	Buyout	Europe	2008	1'649'305	1'645'639
Bausch & Lomb Inc.	Direct	Buyout	North America	2007	1'086'188	1'086'188
Direct marketing and sales company	Direct	Buyout	Rest of World	2007	774'266	691'429
Education publisher 1	Direct	Buyout	North America	2007	7'356'811	7'356'811
Essmann	Direct	Special Situations	Europe	2007	2'705'065	2'705'065
EXCO Resources, Inc.	Direct	Buyout	North America	2007	1'482'153	1'482'153
Food company 1	Direct	Buyout	North America	2007	2'369'456	2'369'456
Health product retailer	Direct	Buyout	North America	2007	6'159'644	6'159'644
Healthcare operator 1	Direct	Buyout	Europe	2006	588'178	588'178
Healthcare operator 4	Direct	Buyout	Europe	2007	3'973'179	3'973'179
Information service company	Direct	Buyout	North America	2007	4'545'447	4'546'054
Medical diagnostic company	Direct	Buyout	North America	2008	825'221	831'189
Plantasjen ASA	Direct	Special Situations	Europe	2007	3'363'816	3'363'816
Realogy Corporation	Direct	Buyout	North America	2007	1'372'748	1'310'501
u-blox AG	Direct	Venture Capital	Europe	2000	772'726	772'726
Universal Hospital Services, Inc.	Direct	Buyout	North America	2007	3'642'548	3'642'548
US entertainment company	Direct	Buyout	North America	2008	4'275'645	4'275'645
Advent Latin American Private Equity Fund II, L.P.	Primary	Buyout	Rest of World	2001	4'238'336	4'238'336
Advent Latin American Private Equity Fund IV, L.P.	Primary	Buyout	Rest of World	2007	3'933'441	2'781'586
Aksia Capital III, L.P.	Secondary	Buyout	Europe	2005	5'500'000	4'468'690
Anonymized European Buyout Fund 9	Primary	Buyout	Europe	2009	9'307'662	7'577'988
Anonymized US Buyout Fund 2	Primary	Buyout	North America	2007	12'268'078	4'110'482
Anonymized US Buyout Fund 9	Primary	Buyout	North America	2005	11'358'827	11'358'827
Apax US VII, L.P.	Primary	Buyout	North America	2006	7'417'190	5'978'859
Apollo Investment Fund V, L.P.	Primary	Buyout	North America	2001	8'843'255	12'862'510
Apollo Overseas Partners VI, L.P.	Primary	Buyout	North America	2005	17'641'898	20'710'453
Apollo Overseas Partners VII, L.P.	Primary	Buyout	North America	2008	15'310'995	7'785'751
Ares Corporate Opportunities Fund II, L.P.	Primary	Special Situations	North America	2006	14'213'905	14'495'757
Ares Corporate Opportunities Fund III, L.P.	Primary	Special Situations	North America	2008	8'160'880	3'429'642
August Equity Partners II A, L.P.	Primary	Buyout	Europe	2007	8'603'586	4'850'153
Avista Capital Partners (Offshore), L.P.	Primary	Buyout	North America	2005	14'147'565	15'570'716

Investment	Type of investment	Financing stage	Regional focus	Vintage year	Total commitments	Contributions
BC European Capital VIII, L.P.	Primary	Buyout	Europe	2005	10'000'000	7'340'000
Bridgepoint Europe III, L.P.	Primary	Buyout	Europe	2005	7'500'000	6'672'516
Bruckmann, Rosser, Sherrill & Co. II, L.P.	Primary	Buyout	North America	1999	13'713'521	14'318'226
Carmel Software Fund (Cayman), L.P.	Primary	Venture Capital	Rest of World	2000	9'254'930	9'422'023
Catterton Partners IV Offshore, L.P.	Primary	Venture Capital	North America	1999	15'410'968	17'071'346
Chancellor V, L.P.	Primary	Venture Capital	North America	1999	19'230'382	17'311'014
Clayton, Dubilier & Rice Fund VII L.P.	Primary	Buyout	North America	2005	7'439'464	7'659'202
Doughty Hanson & Co V	Primary	Buyout	Europe	2006	20'000'000	10'417'228
Fenway Partners Capital Fund II, L.P.	Primary	Buyout	North America	1998	29'440'770	31'651'010
Fourth Cinven Fund, L.P.	Primary	Buyout	Europe	2006	7'500'000	4'682'540
GMT Communications Partners II, L.P.	Primary	Venture Capital	Europe	2000	14'000'000	15'313'252
Green Equity Investors Side V, L.P.	Primary	Buyout	North America	2007	9'777'884	3'629'443
ICG European Fund 2006, L.P.	Primary	Special Situations	Europe	2006	15'000'000	9'426'159
Industri Kapital 2007 Fund, L.P.	Primary	Buyout	Europe	2007	15'000'000	5'265'986
INVESCO U.S. Buyout Partnership Fund II, L.P.	Primary	Buyout	North America	2000	28'631'433	26'608'454
INVESCO Venture Partnership Fund II, L.P.	Primary	Venture Capital	North America	1999	58'968'312	54'930'788
INVESCO Venture Partnership Fund II-A, L.P.	Primary	Venture Capital	North America	2000	33'608'505	32'115'665
Kohlberg TE Investors VI, L.P.	Primary	Buyout	North America	2007	9'414'467	4'635'691
Levine Leichtman Capital Partners II, L.P.	Primary	Special Situations	North America	1998	30'437'483	35'633'016
MatlinPatterson Global Opportunities Partners III	Primary	Special Situations	North America	2007	7'300'859	5'464'672
Nordic Capital VI, L.P.	Primary	Buyout	Europe	2005	7'500'000	7'452'033
OCM Mezzanine Fund II, L.P.	Primary	Special Situations	North America	2005	11'256'539	12'706'849
Palamon European Equity 'C', L.P.	Primary	Buyout	Europe	1999	10'000'000	12'044'631
Peninsula Fund IV, L.P.	Primary	Special Situations	North America	2005	7'601'461	6'487'949
Pitango Venture Capital Fund III	Primary	Venture Capital	Rest of World	2000	11'559'197	11'559'197
Providence Equity Partners IV, L.P.	Primary	Buyout	North America	2000	9'170'047	11'773'457
Providence Equity Partners VI-A, L.P.	Primary	Buyout	North America	2007	18'974'449	12'530'228
Quadriga Capital Private Equity Fund II, L.P.	Primary	Buyout	Europe	1999	8'173'976	9'513'135
Quadriga Capital Private Equity Fund III, L.P.	Primary	Buyout	Europe	2006	10'000'000	6'933'180
Sierra Ventures VIII-A, L.P.	Primary	Venture Capital	North America	2000	8'881'970	8'881'970
Silver Lake Partners III, L.P.	Primary	Buyout	North America	2007	11'449'737	4'440'477
Sterling Investment Partners II, L.P.	Primary	Buyout	North America	2005	7'766'093	3'962'110
Terra Firma Capital Partners III, L.P.	Primary	Buyout	Europe	2006	20'000'000	12'345'390
Thomas H. Lee Parallel Fund V, L.P.	Primary	Buyout	North America	2000	8'616'952	9'081'274
Thomas H. Lee Parallel Fund VI, L.P.	Primary	Buyout	North America	2006	19'130'773	10'006'820
Warburg Pincus Private Equity X, L.P.	Primary	Buyout	North America	2007	15'225'110	7'434'606

Some names may not be disclosed for confidentiality reasons. Furthermore, some investments have been made through Partners Group pooling vehicles at no additional fees. Please note that contributions may exceed total commitments due to foreign currency movements. The overview shows the 20 largest direct investments and the 50 largest partnerships based on NAV.

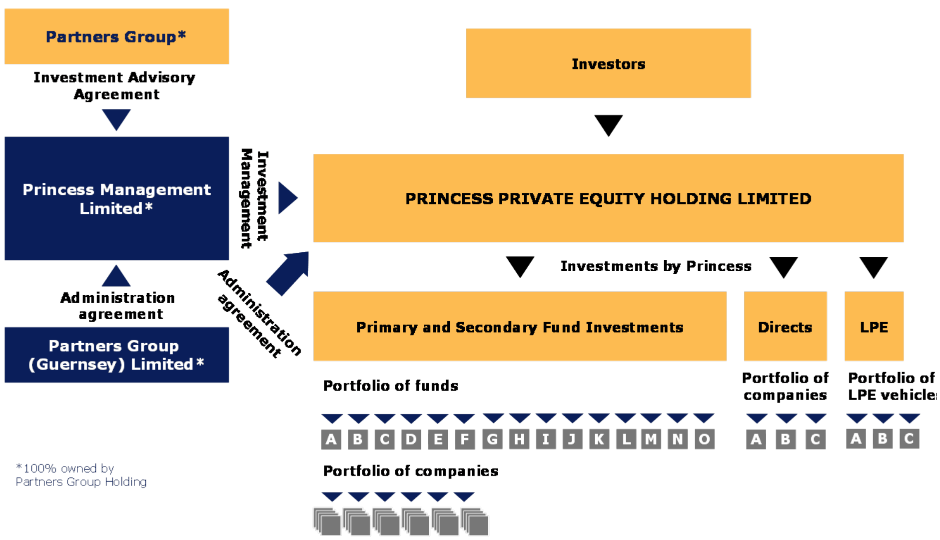
7 STRUCTURAL OVERVIEW

Princess Private Equity Holding Limited is a Guernsey-registered private equity holding company founded in May 1999 that invests in private market investments. In 1999 Princess raised USD 700 million through the issue of a convertible bond and invested the capital by way of commitments to private equity partnerships. The convertible bond was converted into shares in December 2006. Concurrently, the investment guidelines were amended and the reporting currency changed from the US dollar to euro. The Princess shares were introduced for trading on the Frankfurt Stock Exchange (trading symbol: PEY1) on 13 December 2006 and on the London Stock Exchange (trading symbol: PEY) on 1 November 2007.

Princess aims to provide shareholders with long-term capital growth. Besides direct investments, Princess also considers primary and secondary fund investments as well as listed private equity.

The investments of Princess are managed on a discretionary basis by Princess Management Limited, the Investment Manager of Princess, a wholly-owned subsidiary of Partners Group Holding, registered in Guernsey. The Investment Manager is responsible for, inter alia, selecting, acquiring and disposing of investments and carrying out financing and cash management services.

The Investment Manager is permitted to delegate some or all of its obligations and has entered into an advisory agreement with Partners Group AG. Partners Group is a global private markets investment management firm with over EUR 20 billion in investment programs under management in private equity, private debt, private real estate and private infrastructure. Through the advisory agreement, Princess benefits from the global presence, the size and experience of the investment team, relationships with many of the world’s leading private equity firms and the experience in direct, secondary and primary investments.



8 FACTS AND FIGURES

Company	Princess Private Equity Holding Limited
Currency denomination	Euro
Designated sponsors	Frankfurt Stock Exchange: Conrad Hinrich Donner Bank AG London Stock Exchange: JPMorgan Cazenove
Incentive fee	No incentive fee on primary investments; 10% incentive fee per secondary investment; 15% incentive fee per direct investment; subject in each case to a 8% p.a. preferred return (with catch-up)
Incorporation	1999
Listing	Frankfurt Stock Exchange London Stock Exchange
Management fee	0.375% per quarter of the higher of (i) NAV or (ii) value of Princess' assets less any temporary investments plus unfunded commitments, plus 0.0625% per quarter in respect of secondary investments and 0.125% per quarter in respect of direct investments
Securities	Fully paid-in ordinary registered shares
Structure	Guernsey Company
Trading information (Frankfurt Stock Exchange)	WKN: A0LBRM ISIN: DE000A0LBRM2 Trading symbol: PEY1 Bloomberg: PEY1 GY Reuters: PEYGz.DE / PEYGz.F
Trading information (London Stock Exchange)	WKN: A0LBRL ISIN: GG00B28C2R28 Trading symbol: PEY Bloomberg: PEY LN Reuters: PEY.L
Voting rights	Each ordinary registered share represents one voting right

9 STATEMENTS UNDER DISCLOSURE AND TRANSPARENCY RULES

Condensed set of financial statements

The condensed set of financial statements are set out in the section "financial statements".

Interim management report

- Important events during the past six months

The important events that have occurred during the period and the key factors influencing the financial statements are all set out in the Investment Manager's report.

In addition, Princess held its Annual General Meeting on 16 June 2010. The resolutions put to Shareholders for the adoption of the 31 December 2009 financial statements, reappointment of PricewaterhouseCoopers CI LLP as auditor for the year ending 31 December 2010, re-election of Directors and authorization of the Company to make market purchases of Ordinary Shares in the Company were all duly passed. Shareholders also had the opportunity to cast their vote with respect to a proposed restructuring of the Company into an open-ended investment company and cancellation of listing on the Frankfurt and London Stock Exchanges. The respective resolutions received the support from 73.7% of votes cast which was, however, just below the required majority of 75% needed for the approval of the restructuring. As a result, the restructuring has been narrowly rejected and the Company will continue to operate in the current corporate structure.

- Principal risks and uncertainties

The main focus of the Company is to invest in direct investments and private equity funds, which themselves invest in unquoted companies. The investment manager believes that for the remaining six months of the financial year Princess' principal risk relates to the performance of its existing private equity portfolio and the ability of underlying fund managers to source and invest in new assets as well as in shifts in the global economic and credit markets that may impact the exit environment in the short term. A further explanation of the risks and how they are managed is contained in note 19 to the accounts in the Princess annual report 2009, which can be found on the Princess website.

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34;
- the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board of Directors on
11 August 2010

Brian Human
Chairman

Richard Battey
Chairman of the Audit Committee

10 FINANCIAL STATEMENTS

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Consolidated statement of comprehensive income

for the period from 01 January 2010 to 30 June 2010

In thousands of EUR	**Notes**	**01.01.2010 30.06.2010**	**01.01.2009 30.06.2009**
Net income from designated financial assets at fair value through profit or loss		**96'579**	**(67'833)**
Private Equity		*88'628*	*(57'955)*
Interest & dividend income		-	(138)
Revaluation	6	32'581	(58'150)
Net foreign exchange gains / (losses)	6	56'047	333
Private Debt		*6'887*	*(11'816)*
Interest income (including PIK)		632	603
Revaluation	6	2'522	(12'751)
Net foreign exchange gains / (losses)	6	3'733	332
Private Real Estate		*682*	*1'392*
Revaluation	6	621	1'378
Net foreign exchange gains / (losses)	6	61	14
Private Infrastructure		*382*	*546*
Revaluation	6	382	546
Net income from financial assets at fair value through profit or loss held for trading		**-**	**139**
Net income from opportunistic investments		-	*139*
Revaluation	7	-	139
Net income from cash & cash equivalents and other income		**74**	**230**
Interest income		4	22
Net foreign exchange gains / (losses)		70	208
Total net income		**96'653**	**(67'464)**
Operating expenses		**(8'570)**	**(6'692)**
Management fee		(6'777)	(6'564)
Incentive fee		(1'419)	200
Administration fee		(133)	(109)
Other operating expenses		(227)	(280)
Other net foreign exchange gains / (losses)		(14)	61
Other financial activities		**(7'157)**	**(10'471)**
Setup expenses - credit facility		(11)	-
Interest expense - credit facility		(1'040)	(97)
Other finance cost		(6)	(2)
Net result from hedging activities		(6'100)	(10'372)
Surplus / (loss) for the financial period	**5**	**80'926**	**(84'627)**
Other comprehensive income for the period; net of tax		-	-
Total comprehensive income for the period		**80'926**	**(84'627)**
Earnings per share			
Weighted average number of shares outstanding		70'100'000	70'100'000
Basic surplus / (loss) per share for the financial period		1.15	(1.21)

In thousands of EUR	**Notes**	**01.01.2010 30.06.2010**	**01.01.2009 30.06.2009**
Diluted surplus / (loss) per share for the financial period		1.15	(1.21)

The earnings per share is calculated by dividing the surplus / (loss) for the financial period by the weighted average number of shares outstanding.

Consolidated statement of financial position

As at 30 June 2010

In thousands of EUR	Notes		30.06.2010		31.12.2009
ASSETS					
Designated assets at fair value through profit or loss					
Private equity	6	546'478		467'992	
Private debt	6	48'098		40'912	
Private real estate	6	9'197		6'095	
Private infrastructure	6	2'525		1'929	
Non-current assets			**606'298**		**516'928**
Other short-term receivables		1'409		1'615	
Hedging assets		11'496		5'776	
Cash and cash equivalents	8	25'096		15'251	
Current assets			**38'001**		**22'642**
TOTAL ASSETS			**644'299**		**539'570**
LIABILITIES					
Share capital	9	70		70	
Reserves		668'882		668'882	
Retained Earnings		(73'729)		(154'655)	
Total Equity			**595'223**		**514'297**
Short term credit facilities	10	36'500		20'000	
Other short-term payables		12'576		5'273	
Liabilities falling due within one year			**49'076**		**25'273**
TOTAL LIABILITIES			**644'299**		**539'570**

Consolidated statement of changes in equity

for the period from 01 January 2010 to 30 June 2010

In thousands of EUR	Share capital	Reserves	Retained earnings	Total
Equity at beginning of reporting period	70	668'882	(154'655)	514'297
Other comprehensive income for the period; net of tax			-	-
Surplus / (loss) for the financial period			80'926	80'926
Equity at end of reporting period	**70**	**668'882**	**(73'729)**	**595'223**

for the period from 01 January 2009 to 30 June 2009

In thousands of EUR	Share capital	Reserves	Retained earnings	Total
Equity at beginning of previous period	70	668'882	(89'293)	579'659
Other comprehensive income for the period; net of tax			-	-
Surplus / (loss) for the financial period			(84'627)	(84'627)
Equity at end of previous period	**70**	**668'882**	**(173'920)**	**495'032**

Consolidated cash flow statement
for the period from 01 January 2010 to 30 June 2010

In thousands of EUR	Notes	01.01.2010 30.06.2010	01.01.2009 30.06.2009
Operating activities			
Surplus / (loss) for the financial period		80'926	(84'627)
Adjustments:			
Foreign exchange result		(59'897)	(948)
Investment revaluation		(36'106)	68'838
Net (gain) / loss on interests & dividends		404	(390)
(Increase) / decrease in receivables		(5'452)	9'101
Increase / (decrease) in payables		7'228	(358)
Purchase of private equity investments	6	(26'569)	(16'105)
Purchase of private debt investments	6	(2'749)	(994)
Purchase of private real estate investments	6	(2'789)	259
Purchase of private infrastructure investments	6	(300)	(1'511)
Distributions from and sales of private equity investments	6	36'711	10'730
Distributions from and sales of private debt investments	6	2'250	1'364
Distributions from and sales of private real estate investments	6	369	-
Distributions from and sales of private infrastructure investments	6	86	-
Sale of opportunistic investments	7	-	5'339
Interest & dividends received		203	203
Net cash from / (used in) operating activities		**(5'685)**	**(9'099)**
Financing activities			
Increase / (decrease) in credit facilities		16'500	5'000
Interest expense - credit facility		(1'040)	(97)
Net cash from / (used in) financing activities		**15'460**	**4'903**
Net increase / (decrease) in cash and cash equivalents		**9'775**	**(4'196)**
Cash and cash equivalents at beginning of reporting period	**8**	**15'251**	**13'707**
Movement in exchange rates		70	208
Cash and cash equivalents at end of reporting period	**8**	**25'096**	**9'719**

Notes to the consolidated financial statements

for the period from 01 January 2010 to 30 June 2010

1 Organization and business activity

Princess Private Equity Holding Limited (the "Company") 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 limited liability company that operates in the private equity and private debt market and invests directly or through its wholly-owned subsidiary, Princess Private Equity Subholding Limited ("the Subsidiary"), 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 also been listed 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 financial statements do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the period ended 31 December 2009.

The accounting policies adopted in the preparation of the condensed financial statements are consistent with those followed in the preparation of the Group's consolidated annual financial statements for the period ended 31 December 2009, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2010.

IFRS 2 - Group cash-settled share-based payment transactions
IFRS 3 - Business combination
IFRS 5 - Non-current assets held for sale and discontinued operations
IFRS 8 - Operating segments

IAS 1 - Presentation of financial statements
IAS 7 - Statement of cash flows
IAS 17 - Leases
IAS 18 - Revenue
IAS 32 - Financial instruments: presentation
IAS 36 - Impairment of assets

IFRIC 17 - Distribution of non-cash assets to owners
IFRIC 18 - Transfer of assets from customers

The board of Directors has assessed the impact of these amendments and concluded that these standards and new interpretations will not affect the Group's results of operations or financial position.

The following standards, interpretations and amendments to published standards that are mandatory for future accounting periods, but where early adoption is permitted now have not been duly adopted.

IFRS 9 (effective January 1, 2013) – Financial instruments
IAS 24 (amended, effective January 1, 2011) – Related party transactions
IAS 32 (amended, effective February 1, 2010) – Financial instruments: Presentation
IFRIC 14 (amended, effective January 1, 2011) – Prepayments of a minimum funding requirement

IFRIC 19 (effective July 1, 2010) – Extinguishing financial liabilities with equity instruments

The board of Directors has assessed the impact of these amendments and concluded that these new accounting standards and interpretations will not affect the Group's results of operations or financial position.

3 Shareholders above 3% of Ordinary shares issued

Shares held

3'551'206 (5.07%; CVP/CAP)
6'095'900 (8.70%; Deutsche Asset Management Investmentgesellschaft GmbH)
6'000'000 (8.56%; VEGA Invest Fund PLC)

4 Earnings per share

The earnings per share is calculated by dividing the surplus / (loss) for the financial period by the weighted average number of shares outstanding.

5 Segment calculation

In thousands of EUR	Private Equity		Private Debt		Private Real Estate		Private Infrastructure		Non attributable		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Interest & dividend income	-	(138)	632	603	-	-	-	-	4	22	636	487
Revaluation	32'581	(58'150)	2'522	(12'751)	621	1'378	382	546	-	139	36'106	(68'838)
Net foreign exchange gains / (losses)	56'047	333	3'733	332	61	14	-	-	70	208	59'911	887
Total Net Income	**88'628**	**(57'955)**	**6'887**	**(11'816)**	**682**	**1'392**	**382**	**546**	**74**	**369**	**96'653**	**(67'464)**
Segment Result	**88'628**	**(57'955)**	**6'887**	**(11'816)**	**682**	**1'392**	**382**	**546**	**(8'496)**	**(6'323)**	**88'083**	**(74'156)**
Other financial activities not allocated											(7'157)	(10'471)
Surplus / (loss) for the financial period											**80'926**	**(84'627)**

6 Designated assets at fair value through profit or loss

6.1 Private Equity

In thousands of EUR	**30.06.2010**	**31.12.2009**
Balance at beginning of period	467'992	496'102
Purchase of limited partnerships and directly held investments	26'569	43'204
Distributions and sale from limited partnerships and directly held investments; net	(36'711)	(39'815)
Revaluation	32'581	(25'858)
Foreign exchange gains / (losses)	56'047	(5'641)
Balance at end of period	**546'478**	**467'992**

6.2 Private Debt

In thousands of EUR	**30.06.2010**	**31.12.2009**
Balance at beginning of period	40'912	49'167
Purchase of limited partnerships and directly held investments	2'749	1'340
Distributions and sale from limited partnerships and directly held investments; net	(2'250)	(1'742)
Accrued cash and PIK interest	432	668
Revaluation	2'522	(8'849)
Foreign exchange gains / (losses)	3'733	328
Balance at end of period	**48'098**	**40'912**

6.3 Private Real Estate

In thousands of EUR	**30.06.2010**	**31.12.2009**
Balance at beginning of period	6'095	5'113
Purchase of limited partnerships and directly held investments	2'789	500
Distributions and sale from limited partnerships and directly held investments; net	(369)	-
Revaluation	621	476
Foreign exchange gains / (losses)	61	6
Balance at end of period	**9'197**	**6'095**

6.4 Private Infrastructure

In thousands of EUR	**30.06.2010**	**31.12.2009**
Balance at beginning of period	1'929	-
Purchase of limited partnerships and directly held investments	300	1'511
Distributions and sale from limited partnerships and directly held investments; net	(86)	-
Revaluation	382	418
Balance at end of period	**2'525**	**1'929**

7 Financial assets at fair value through profit or loss held for trading

In thousands of EUR	**30.06.2010**	**31.12.2009**
Balance at beginning of period	-	6'830
Sale of listed private equity investments	-	(7'323)
Revaluation	-	493
Balance at end of period	**-**	**-**

8 Cash and cash equivalents

In thousands of EUR	**30.06.2010**	**31.12.2009**
Bank balances	2'096	3'251
Cash equivalents	23'000	12'000
Total cash and cash equivalents	**25'096**	**15'251**

9 Capital

9.1 Capital

In thousands of EUR	**30.06.2010**	**31.12.2009**
Authorized		
200'100'000 Ordinary shares of EUR 0.001 each	200	200
	200	200
Issued and fully paid		
70'100'000 Ordinary shares of EUR 0.001 each out of the bond conversion	70	70
	70	70

9.2 Reserves

In thousands of EUR	**30.06.2010**	**31.12.2009**
Distributable reserves		
Distributable reserves at beginning of reporting period	688'882	688'882
Total distributable reserves at end of reporting period	**688'882**	**688'882**

10 Short term credit facilities

As of 25 September 2009, the Company entered into a 3–year credit facility, with a large international bank and other lenders, of initially EUR 40m and the potential to increase to EUR 90m. The credit facility is structured as a combination of committed senior term and revolving facilities and a subordinated term facility. The Company may re-designate its senior revolving facility, fully or partially, to a senior term loan. No such re-designation has taken place as at the end of the reporting period. The purpose of the facility is, inter alia, to meet potential upcoming liquidity constraints. The credit facilities are due to terminate on 25 September 2012.

The credit facilities of the Company form part of EUR 170m syndicated term loan and revolving facilities (the "Syndicated Facilities") available to the Company, Pearl Holding Limited and Partners Group Global Opportunities Limited (each a "Borrower"). Each Borrower is independently responsible for its borrowings and the default of one Borrower does not trigger the default of any other Borrower under the Syndicated Facilities.

The Syndicated Facilities may be allocated among the Borrowers as per individual demand and as determined by Partners Group AG (the "Allocation Agent") subject to certain minimum and maximum limits.

As at the end of the reporting period, the facility amounts as adjusted, by the Allocation Agent, are: EUR 20m under the senior revolving facility and EUR 39.5m under the junior facility. The Company has drawn down EUR 36.5m under the junior facility and EUR nil under the senior facility.

In relation to the senior revolving facility, interest on drawn amounts is calculated at a rate of 5% per annum (calculated as a margin of 2.75% on drawn amounts plus a facility fee of 2.25% on the applicable senior facility amount) above the applicable EURIBOR rate. In addition there is a facility fee of 2.25% per annum on the remaining undrawn applicable senior facility amount.

The margin on drawn amounts under the junior facility is 8.75% per annum above EURIBOR. No facility fee is due under the junior facility.

The Company may not, fully or partially, repay any amount of the junior facility before its senior facility has been repaid in full.

In thousands of EUR	**30.06.2010**	**31.12.2009**
Balance at end of period	**36'500**	**20'000**

11 Commitments

In thousands of EUR	**30.06.2010**	**31.12.2009**
Unfunded commitments translated at the rate prevailing at the balance sheet date	281'896	283'520

12 Net assets and diluted assets per share

In thousands of EUR	**30.06.2010**	**31.12.2009**
Net assets of the Company	595'223	514'297
Outstanding shares at the balance sheet date	70'100'000	70'100'000
Net assets per share at period-end	8.49	7.34

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Investment manager
Princess Management Limited
Guernsey, Channel Islands

Auditor
PricewaterhouseCoopers CI LLP

Trading Information

Listing	Frankfurt Stock Exchange	London Stock Exchange
ISIN	DE000A0LBRM2	GG00B28C2R28
WKN	A0LBRM	A0LBRL
Valor	2 830 461	2 830 461
Trading symbol	PEY1	PEY
Bloomberg	PEY1 GY	PEY LN
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Designated sponsor	Conrad Hinrich Donner Bank	JPMorgan Cazenove

Princess