Princess

# GESCHÄFTSBERICHT 2008
# ANNUAL REPORT 2008

# ÜBERSICHT 2008
# OVERVIEW 2008

**Firmenprofil**

Princess Private Equity Holding Limited («Princess») ist eine Investment-Holding-Gesellschaft mit Sitz in Guernsey, die in Private Equity- und Private Debt-Anlagen investiert. Investitionen beinhalten Beteiligungen an Private Equity-Fonds in Form von Primär- und Sekundärbeteiligungen, Direktinvestments und börsennotierte Private Equity-Anlagen. Princess strebt danach, den Aktionären langfristig Kapitalwachstum und mittel- bis langfristig eine attraktive Dividendenrendite zu bieten. Die Aktien von Princess werden an der Frankfurter Wertpapierbörse sowie an der London Stock Exchange gehandelt.

**Company Profile**

Princess Private Equity Holding Limited ("Princess") is an investment holding company domiciled in Guernsey that invests in private equity and private debt investments. These 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 and the London Stock Exchange.

| **Kennzahlen**<br>**Key Figures** | **31.12.2008** | **31.12.2007** |
|---|---|---|
| Geprüfter Innerer Wert (NAV) pro Aktie<br>Audited net asset value (NAV) per share | EUR 8.27 | EUR 9.65 |
| Schlusskurs (Frankfurt)<br>Closing price (Frankfurt) | EUR 3.10 | EUR 7.95 |
| Prämie über NAV (Frankfurt)<br>Premium over NAV (Frankfurt) | –62.51% | –17.62% |
| Schlusskurs (London)<br>Closing price (London) | EUR 3.05 | EUR 8.03 |
| Prämie über NAV (London)<br>Premium over NAV (London) | –63.12% | –16.79% |
| Flüssige und geldähnliche Mittel<br>Cash and cash equivalents | EUR 13’707’132 | EUR 80’258’529 |
| Geprüfter Wert der Private Equity-Investitionen<br>Audited value of private equity investments | EUR 557’211’889 | EUR 596’406’876 |
| Nicht abgerufene Zahlungsversprechen<br>Undrawn commitments | EUR 374’928’358 | EUR 408’170’641 |
| Investitionsgrad<br>Investment level | 96.13% | 88.20% |
| Overcommitment<br>Overcommitment | 60.81% | 57.44% |

# INHALTSVERZEICHNIS

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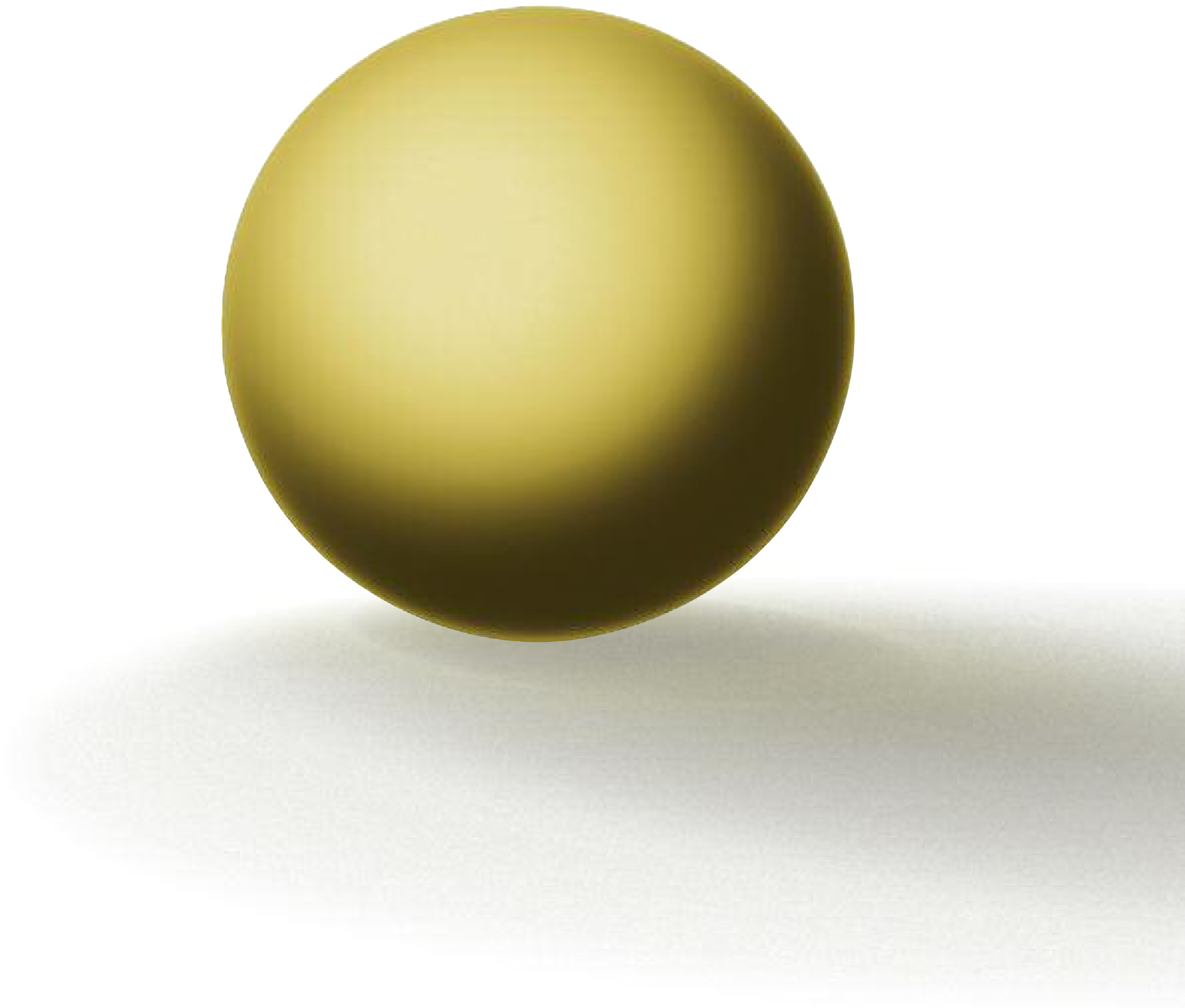
# DATEN UND FAKTEN

| | | |
|---|---|---|
| Gesellschaft | Princess Private Equity Holding Limited | |
| Gründung | 1999 | |
| Struktur | Aktiengesellschaft mit Sitz in Guernsey | |
| Aktien | Voll einbezahlte Stammaktien | |
| Stimmrecht | Ein Stimmrecht pro gehaltener Stammaktie | |
| Währung | Euro | |
| Dividendenpolitik | Die Gesellschaft beabsichtigt, eine jährliche Dividende im Bereich von 5% bis 8% des Inneren Wertes auszuschütten | |
| Managementgebühr | 0.375% pro Quartal auf das jeweils Höhere von (i) NAV oder (ii) Wert der Princess' Anlagen abzüglich kurzfristige Anlagen, zuzüglich ausstehende Kapitalabrufe, zuzüglich 0,0625% pro Quartal in Bezug auf Sekundäranlagen und 0,125% pro Quartal in Bezug auf Direktinvestments | |
| Erfolgsabhängige Gebühr | – Keine erfolgsabhängige Vergütung für Primäranlagen<br>– 10% erfolgsabhängige Vergütung in Bezug auf Sekundäranlagen<br>– 15% erfolgsabhängige Vergütung in Bezug auf Direktinvestitionen<br>unter Berücksichtigung einer Hürde von 8% pro Jahr und einem «Catch-up»-Mechanismus | |
| Börsenzulassung | Frankfurter Wertpapierbörse | London Stock Exchange |
| Handelsinformationen | WKN: A0LBRM<br>ISIN: DE000A0LBRM2<br>Börsenkürzel: PEY1<br>Bloomberg: PEY1 GR<br>Reuters: PEYGz.DE / PEYGz.F | WKN: A0LBRL<br>ISIN: GG00B28C2R28<br>Börsenkürzel: PEY<br>Bloomberg: PEY LN<br>Reuters: PEY.L |
| Designated Sponsor | Sal. Oppenheim jr. & Cie. KGaA | JPMorgan Cazenove |

# FACTS AND FIGURES

| | | |
|---|---|---|
| Company | Princess Private Equity Holding Limited | |
| Incorporation | 1999 | |
| Structure | Guernsey Corporation | |
| Securities | Fully paid-in ordinary registered shares | |
| Voting rights | Each ordinary registered share represents one voting right | |
| Currency denomination | Euro | |
| Dividends | Princess intends to distribute an annual dividend of between 5% and 8% of the net asset value | |
| 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 | |
| Incentive fee | – No incentive fee on primary investments<br>– 10% incentive fee per secondary investment<br>– 15% incentive fee per direct investment<br>subject in each case to a 8% p.a. preferred return (with catch-up) | |
| Listing | Frankfurt Stock Exchange | London Stock Exchange |
| Trading information | WKN: A0LBRM<br>ISIN: DE000A0LBRM2<br>Trading symbol: PEY1<br>Bloomberg: PEY1 GR<br>Reuters: PEYGz.DE / PEYGz.F | WKN: A0LBRL<br>ISIN: GG00B28C2R28<br>Trading symbol: PEY<br>Bloomberg: PEY LN<br>Reuters: PEY.L |
| Designated sponsor | Sal. Oppenheim jr. & Cie. KGaA | JPMorgan Cazenove |



# BERICHT DES VERWALTUNGSRATSVORSITZENDEN
# CHAIRMAN'S REPORT

**Sehr geehrte Investoren,**

in meiner Rolle als Verwaltungsratsvorsitzender von Princess Private Equity Holding Limited freut es mich sehr, Ihnen diesen Geschäftsbericht zu präsentieren. Ich habe weiterhin grosses Vertrauen in das Portfolio von Princess sowie in den Anlageberater Partners Group, welcher seit der Gründung des Unternehmens im Jahr 1999 massgeblichen Anteil an dessen Entwicklung hatte. Die Qualität des Portfolios ist beeindruckend und bietet den Investoren eine breite Diversifizierung über verschiedene Sektoren, Industrien, Regionen und Lancierungsjahre, was dem Portfolio auch während 2008, einem Jahr enormer Herausforderungen an den Weltfinanzmärkten, sehr geholfen hat.

Am 20. Juni 2008 zahlte Princess ihren Aktionären eine halbjährliche Dividende für das erste Halbjahr 2008 in Höhe von EUR 0.30 pro Aktie. In Anbetracht der hohen Unsicherheit an den Finanzmärkten und basierend auf der konservativen Prognose zukünftiger Portfolio-Cashflows durch den Anlageberater wurde die Dividende für die zweite Jahreshälfte 2008 vorsorglich ausgesetzt. Diese Entscheidung wurde unabhängig von der stabilen NAV-Entwicklung gefällt und ist als Massnahme des kurzfristigen Liquiditätsmanagements zu betrachten, was nach Auffassung des Verwaltungsrats im besten Interesse der Aktionäre ist.

Nach vier Jahren mit zweistelligen Zuwachsraten gab der NAV unter Berücksichtigung der Dividendenzahlung um 11.4% nach. Diese Entwicklung muss jedoch im Kontext einer Periode betrachtet werden, in welcher die Subprime-Krise sowohl die weltweiten Kreditmärkte als auch die Realwirtschaft deutlich in Mitleidenschaft zog. Die Entwicklung des Portfolio-NAV wurde gegen Ende des Jahres, vor allem durch Bewertungsanpassungen unterliegender Investitionen negativ beeinflusst. Ungeachtet der operativ soliden Zustände der Portfoliounternehmen müssen Bewertungen zu «fairen Werten» zu einem grossen Teil die Preisentwicklung vergleichbarer börsennotierter Unternehmen abbilden, welche im Zuge der Marktverwerfungen im letzten Quartal des Jahres deutlich an Wert verloren haben.

Der Aktienkurs von Princess sank in 2008 dividendenbereinigt um 59.3%. Die Kursentwicklung, welche die Entwicklung des LPX 50 TR (–64.3%) als Massstab für den Gesamtmarkt börsennotierter Beteiligungsgesellschaften übertraf, erlaubt jedoch keine Aussage über die Entwicklung der Portfoliounternehmen und war vor allem auf die enorme Unsicherheit sowie den weltweiten Vertrauensverlust in den Märkten zurückzuführen.

**Dear valued investor**

In my role as Chairman of the Board of Princess Private Equity Holding Limited I am pleased to present this Annual Report to you. I continue to have great confidence in the Princess portfolio and in its strong Investment Advisor, Partners Group, which has played a key role in the development of Princess since its inception in 1999. The quality of the portfolio is impressive and offers investors the advantages of broad diversification across various sectors, industries, geographies and vintages, which significantly helped the portfolio during 2008, a year of unprecedented challenges in the global financial market environment.

In June 2008, Princess paid its shareholders a semi-annual dividend for the first half of 2008 of EUR 0.30 per share. In consideration of the uncertain financial market environment and based on the prudent forecasting of future portfolio cash flows by the Investment Advisor, the dividend payment for the second half of 2008 was precautionarily suspended. The decision was made independently of the stable development of the net asset value (NAV) as a measure to manage short-term working capital requirements, which the Princess' Board of Directors believes is in the best interests of shareholders.

After four years of double-digit increases, the NAV decreased by 11.4%, adjusted for the dividend payment. This decrease, however, has to be considered in the context of a period when the impact of the subprime mortgage crisis on credit markets and subsequently the real economy was unfolding. The performance of the portfolio NAV was negatively affected towards the end of the year, particularly due to revaluations of investments. Irrespective of the operational soundness of the underlying portfolio companies, "fair valuations" are required to reflect to a significant extent the price development of comparable public companies, which in the final quarter of 2008 experienced a major decline during the market downturn.

The share price of Princess closed the year down 59.3% when including the dividend payment. The share price development, which still outperformed the overall listed private equity industry as measured by the LPX 50 TR, which was down 64.3%, did not reflect the performance of Princess' underlying portfolio and was principally attributable to the record levels of uncertainty and loss of confidence which prevailed in global markets.

In order to reduce liquidity risks in a scenario with continued US dollar appreciation, Princess changed its currency

Um das Liquiditätsrisiko in einem Szenario anhaltender US-Dollar-Aufwertung zu reduzieren und negative Effekte von Währungsschwankungen zu beschränken, hat Princess im April 2008 die Währungsabsicherung von quartalsweise rollierenden Terminkontrakten auf Optionen umgestellt.

Mit einem Anstieg des Investitionsgrades von 88% per Ende 2007 auf 96% per Ende 2008 hat Princess praktisch das Ziel erreicht, Ende 2008 voll investiert zu sein. General Partner im Princess-Portfolio waren jedoch im Bezug auf Neuinvestitionen äusserst selektiv und haben ausschliesslich die besten Transaktionen und Geschäftsmodelle finanziert. Im Einklang mit der Gesamtindustrie blieb die Investitionsaktivität von Princess somit deutlich unter dem Niveau von 2007. Im Rahmen einer aktiven Steuerung des Investitionsgrades hat der Anlageberater Zahlungszusagen bereits Ende 2007 deutlich reduziert und nach April 2008 keine signifikanten Zahlungsversprechen mehr abgegeben, um Princess für das sich abschwächende Umfeld entsprechend vorzubereiten.

Trotz des herausfordernden Marktumfeldes bleibe ich zuversichtlich, dass 2009 attraktive Investitionsmöglichkeiten bieten wird, von denen Princess vor allem durch die Relative Value-Anlagestrategie, welche zum Ziel hat, die zu einem gegebenem Zeitpunkt attraktivsten Investitionsmöglichkeiten zu identifizieren, profitieren kann. Beispielsweise untergewichtete Princess bereits frühzeitig Large-Cap-Buyout-Fonds und baute eine Allokation zu Special Situations- und Distressed-Fonds auf, welche von zahlreichen Investitionsmöglichkeiten im aktuellen Umfeld profitieren dürften. Die Reife und Qualität des diversifizierten Portfolios, dass zu der vergleichbar soliden NAV-Entwicklung beigetragen haben, lassen erwarten, dass Princess sich auch in 2009 klar von den Mitbewerbern abheben wird.

Im Namen meiner Kollegen im Verwaltungsrat möchte ich mich auf diesem Wege bei allen Aktionären für deren Vertrauen in Princess bedanken. Obwohl weitere Bewertungsanpassungen innerhalb des Portfolios in Anbetracht des rezessiven Marktumfeldes nicht ausgeschlossen werden können, erwarte ich, dass Princess – mit der geringen Allokation zu teuren Investitionsjahren und Zugang zu den führenden Private Equity-Firmen – moderatere Anpassungen sehen wird als die Private Equity-Branche im Allgemeinen. Der anspruchsvolle Investitionsprozess und die Entwicklung des Portfolios seit dessen Gründung stimmen zuversichtlich, dass Princess in dem herausfordernden Umfeld in 2009 erfolgreich bestehen kann.

Colin Maltby
Verwaltungsratsvorsitzender

Guernsey, 18. Februar 2009

hedging strategy in April 2008. Instead of rolling quarterly forward contracts, Princess purchased an option contract to limit negative effects from currency fluctuations.
With the increase in the investment level from 88% as per the end of 2007 to 96% at the end of 2008, Princess virtually reached its goal of becoming fully invested in 2008. General partners in the Princess portfolio, however, have been very selective in terms of new investments, only supporting the best transactions and business models. Broadly in line with the industry, Princess´ investment activity has thus remained somewhat below the levels seen in 2007. In the context of active investment level steering, the Investment Advisor significantly reduced Princess' commitment program at the end of 2007, and did not make significant commitments after April 2008 in order to position Princess for a softening market environment.

Despite the challenging market environment, I remain confident that 2009 will offer attractive opportunities, which Princess will be able to capitalize on, mainly due to its relative value investment approach under which the most attractive opportunities at any given point in time are selected. Princess, for instance, underweighted large-cap buyout funds early on and built up an allocation to special situations and distressed players, sectors that will benefit from plenty of opportunities in environments such as the current one. The maturity and quality of the diversified portfolio of Princess, which has led to the comparably solid NAV performance, are expected to allow Princess to clearly differentiate itself from competitors in 2009.

I and my fellow Directors would like to take this opportunity to thank investors for the confidence they have shown in Princess Private Equity Holding Limited. Even though further valuation adjustments within the Princess portfolio cannot be ruled out in this recessionary environment, I expect Princess – with its limited exposure to expensive investment periods and access to top-quartile private equity firms – to see more moderate adjustments as compared to the private equity industry in general. The sophisticated investment process and the development of the portfolio since its launch are grounds for confidence that Princess is well equipped to weather the challenging environment of 2009.

Colin Maltby
Chairman

Guernsey, 18 February 2009

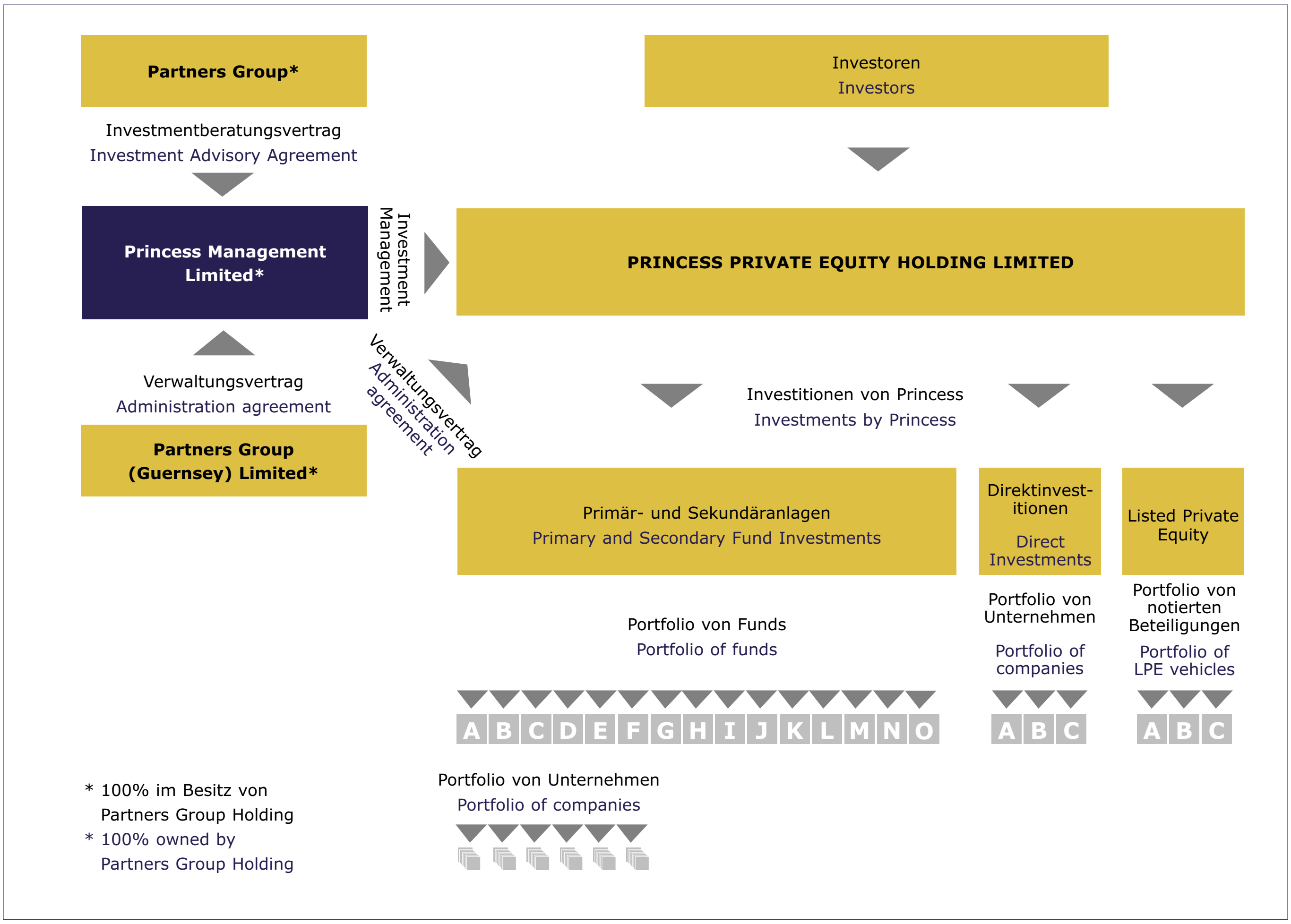
# STRUKTURDARSTELLUNG
# STRUCTURAL OVERVIEW

Princess Private Equity Holding Limited ist eine in Guernsey domizilierte Private Equity-Beteiligungsgesellschaft, die im Mai 1999 gegründet wurde und in Private Market-Anlagen investiert. 1999 hat Princess über die Ausgabe einer Wandelanleihe USD 700 Mio. aufgenommen und dieses Geld über Zahlungsversprechen an Private Equity-Partnerships investiert. Die Wandelanleihe wurde im Dezember 2006 in Aktien gewandelt. Gleichzeitig wurden die Anlagerichtlinien angepasst und die Berichtswährung von US-Dollar in Euro umgestellt. Die Princess-Aktien werden seit dem 13. Dezember 2006 an der Frankfurter Wertpapierbörse (Börsenkürzel PEY1) sowie seit 1. November 2007 an der London Stock Exchange (Börsenkürzel PEY) gehandelt.

Princess strebt danach, den Aktionären langfristig Kapitalwachstum und mittel- bis langfristig eine attraktive Dividendenrendite zu bieten. Princess kann ausser Primärfonds auch Sekundär- und Direktbeteiligungen erwerben sowie in börsennotierte Beteiligungsgesellschaften (Listed Private Equity) investieren. Ende 2008 setzte sich das Princess-Portfolio aus über 150 Zahlungsversprechen an Private Equity-Partnerships zusammen.

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 700m through the issue of a convertible bond and invested the capital raised 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 the 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 and an attractive dividend yield in the mid to long term. Based on the new investment guidelines, besides primary fund investments, Princess also considers secondary fund investments, direct investments and listed private equity.



Die Investitionen von Princess werden auf diskretionärer Basis von Princess Management Limited, dem Investment Manager von Princess, einer Tochtergesellschaft der Partners Group Holding, welche in Guernsey registriert ist, getätigt. Dieser ist unter anderem für die Selektion, Akquisition und Veräusserungen von Investitionen wie auch für Finanzierungsfragen und das Cash-Management verantwortlich.

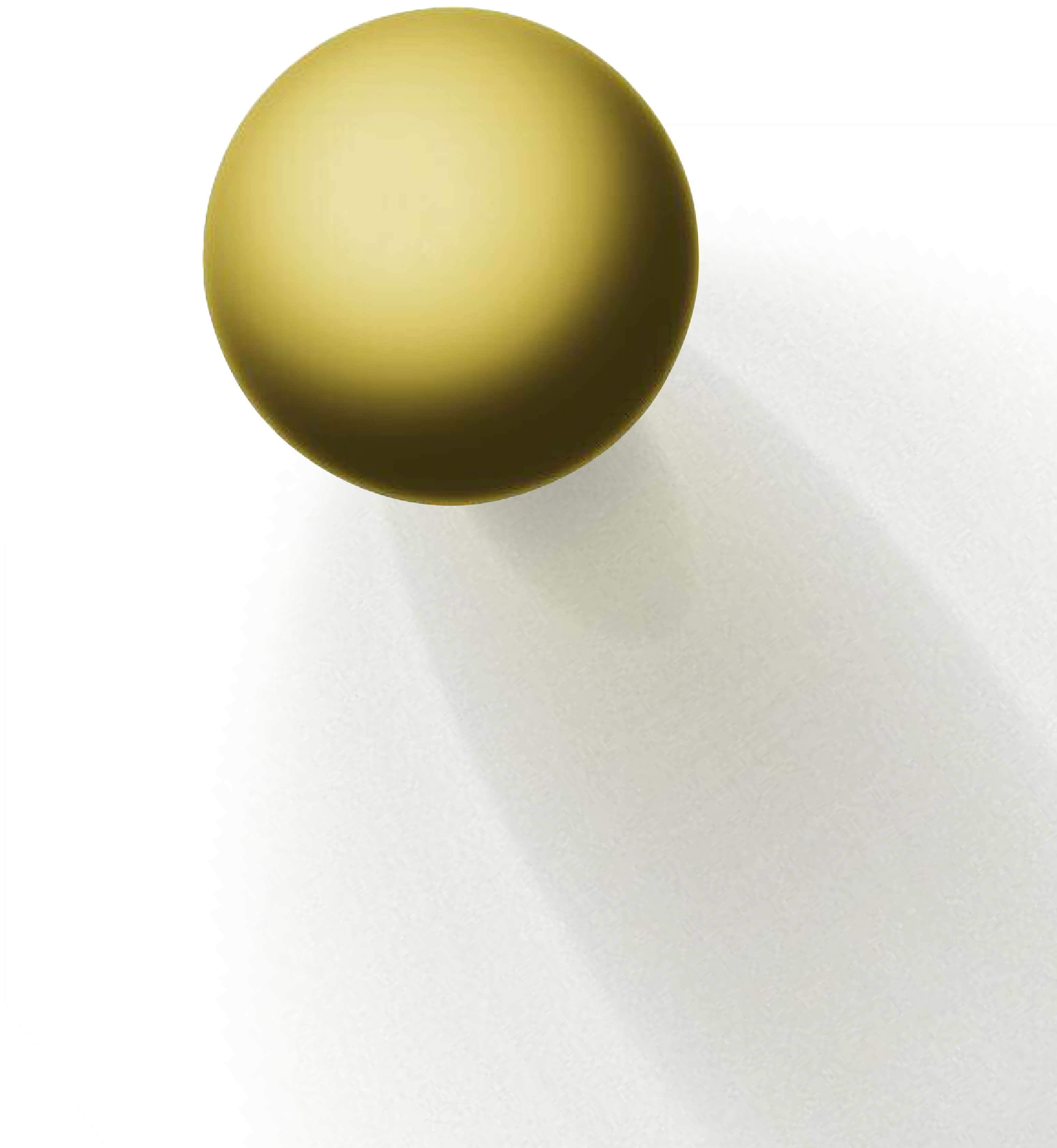
Der Investmentmanager kann einen Teil oder auch seine gesamten Verpflichtungen Dritten übertragen. In diesem Sinn hat der Investmentmanager mit der Partners Group AG einen Beratungsvertrag abgeschlossen. Partners Group ist ein führender unabhängiger Vermögensverwalter im Bereich alternativer Anlagen mit Sitz in Zug (Schweiz). Über diesen Beratungsvertrag profitiert Princess von Partners Group's weltweiter Präsenz, der Grösse und Erfahrung ihres Investmentteams, ihrem Netzwerk zu vielen der weltweit führenden Private Equity-Häusern und ihrem Fachwissen in den Bereichen Primär-, Sekundär- und Direktanlagen.

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, among other things, 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 leading independent alternative asset manager, headquartered in Zug, Switzerland. Through the advisory agreement, Princess will benefit from the global presence, the size and experience of the investment team, relationships with many of the world's leading private equity firms across all financing stages and the experience in primary, secondary and direct investments of Partners Group.

Princess

# BERICHT DES INVESTMENTMANAGERS
# INVESTMENT MANAGER'S REPORT



# RÜCKBLICK AUF DIE PRIVATE EQUITY-INDUSTRIE 2008
# REVIEW OF THE PRIVATE EQUITY INDUSTRY IN 2008

**Die Finanzkrise breitet sich weltweit aus …**

Das Jahr 2008 wurde geprägt durch die internationale Liquiditäts- und Finanzkrise, die im Sommer 2007 nach dem Zusammenbruch des US-Subprime-Hypothekenmarktes begann. Die Folgen der Krise fielen deutlich stärker aus als anfangs erwartet und die Finanzkrise erreichte ein neues, sehr viel ernsteres Stadium im September 2008 mit negativen Auswirkungen auf das weltweite Wirtschaftswachstum. Mehrere bedeutende Finanzinstitute in den USA verschwanden in kurzer Zeit vom Finanzmarkt, insbesondere die Beantragung des Insolvenzverfahrens von Lehman Brothers verstärkte den Mangel an Liquidität im Markt und verschärfte weltweit Ängste über die Zahlungsfähigkeit von Banken. Auch Europa war nicht in der Lage, den im angelsächsischen Raum ausgelösten Verwerfungen zu trotzen, und tief greifende staatliche Eingriffe waren nötig, um den Kollaps mehrerer europäischer Finanzinstitute zu verhindern. Als Folge dieser Ereignisse kam der Interbanken-Geldmarkt vollkommen zum Erliegen, was schliesslich auch Asien und andere Wachstumsländer erreichte, die bis dahin nahezu unbehelligt von der Krise waren. Der Mangel an Liquidität in den entwickelten Ländern in Verbindung mit einer erhöhten Risikoaversion führten zu einem Abzug von Kapital aus diesen Regionen.

Die Verwerfungen an den internationalen Finanzmärkten zwangen Regierungen auf der ganzen Welt zu weitreichenden Interventionsvorschlägen, um einen Kollaps des globalen Bankensystems zu verhindern. Diese Vorschläge begannen mit dem «Paulson Plan», der anfangs die staatliche Übernahme grosser Mengen riskanter Vermögenswerte vorsah und später auf weitreichende Staatsgarantien für Bankeinlagen in mehreren europäischen Ländern sowie auf Rekapitalisierungen von Banken in Grossbritannien, der Eurozone und den USA ausgeweitet wurde. Des Weiteren senkten viele Zentralbanken ihre Leitzinsen, Mindestreserveanforderungen wurden heruntergesetzt und unlimitiert US-Dollar zur Verfügung gestellt, um die Verwerfungen auf dem Interbanken-Geldmarkt zu lindern.

**… und erreicht auch gestandene Unternehmen**

Trotz dieser zeitnahen, flexiblen und beispiellosen Schritte nahm der Druck auf die Finanzmärkte nicht ab. Weltweit verzeichneten die Aktienmärkte deutliche Verluste, insbesondere die Insolvenz von Lehman Brothers führte zu enormen Kurseinbrüchen. Banken setzten ihren Schuldenabbauprozess fort und die Kreditmärkte blieben beeinträchtigt. Folglich hatten Unternehmen Schwierigkeiten, kurzfri-

**Financial crisis goes global …**

The year 2008 was characterized by the international liquidity and financial crisis which had begun in the summer of 2007 following the collapse of the US subprime mortgage market. Its effects and severity turned out to be far greater than initially foreseen and the financial crisis entered a new, more severe stage in September 2008 with negative repercussions for global growth. Several systemically important financial institutions in the United States abruptly exited the market; particularly Lehman Brothers decision to file for Chapter 11 exacerbated the severe contraction in market liquidity and heightened fears over counterparty risk worldwide. Europe was also unable to withstand the turbulence that had started in the Anglo-Saxon world and massive government intervention was needed to prevent the collapse of a number of key financial institutions in several European countries. As a result, interbank lending dried up worldwide, eventually affecting Asia and the emerging markets too. Up until then, they had been somewhat immune to the financial crisis; the shortage of liquidity in the developed world coupled with heightened risk aversion led to a withdrawal of capital from these regions.

The turmoil prompted policymakers around the world to propose dramatic action to prevent the collapse of the global banking system. These moves began with the "Paulson Plan" which initially aimed at taking over large volumes of bad assets and was followed by large-scale deposit guarantees by a number of European countries and bank recapitalization proposals in the UK, the eurozone and the United States. In addition, global central banks lowered interest rates in coordinated actions, reduced reserve requirements and provided unlimited access to US dollar funding in order to alleviate strains on the interbank market.

**… and spills over to Main Street**

Despite these timely, flexible and unprecedented moves, pressure on financial markets did not abate. Stock markets around the world experienced significant losses over the course of the year, including a sharp correction following the collapse of Lehman Brothers. Furthermore, banks continued their deleveraging process and credit markets stayed severely impaired. As a result, businesses continued to experience difficulties in gaining access to both long- and short-term credit, eventually leading to liquidity constraints in most sectors. This, in combination with weak consumer sentiment in Europe and the United States, rising default rates on a range of assets and recessionary environments in the industrialized world as well as in a number of emerstige wie langfristige Kredite zu erhalten, wodurch es letztendlich zu Liquiditätsengpässen in den meisten Branchen kam. In Verbindung mit einem nachlassenden Konsumklima in Europa und den USA, steigenden Ausfallraten bei einer Reihe von Vermögensklassen und einem rezessiven Umfeld in der industrialisierten Welt sowie in mehreren aufstrebenden Volkswirtschaften verstärkte sich das Risiko eines schwerwiegenden weltweiten Wirtschaftsabschwungs.

Regierungen auf der gesamten Welt begegneten diesem makroökonomischen Umfeld mit der Ankündigung grossvolumiger, staatlicher Investitionsprogramme, um die Stärke des Wirtschaftsabschwungs zu lindern. China beschloss ein enormes Wirtschaftsförderungspaket und die Vereinigten Staaten arbeiten an einem noch umfangreicheren Programm. Auch europäische Länder einigten sich auf Förderungsprogramme unterschiedlicher Grössen. Diese Programme benötigen jedoch naturgemäss eine gewisse Zeit, bis sie einen spürbaren Einfluss auf die Realwirtschaft entfalten. Ende 2008 blieben die Aussichten für das folgende Jahr daher trüb.

**Private Equity-Fundraising nimmt ab, aber nicht sehr stark**

Angesichts deutlicher Verluste an den Börsen, eines weltweiten Abbaus der Verschuldungsgrade und eines schwächeren makroökonomischen Umfelds in 2008 schlossen Private Equity-Häuser laut einer Studie des Forschungsunternehmens Preqin 768 Fonds mit einem Anlagevermögen von USD 554 Mrd. Obwohl dies einer Abnahme von 11% im Vergleich zum Vorjahr entspricht, ist es weiter-

ging economies, significantly increased the risks of a severe global economic downturn.

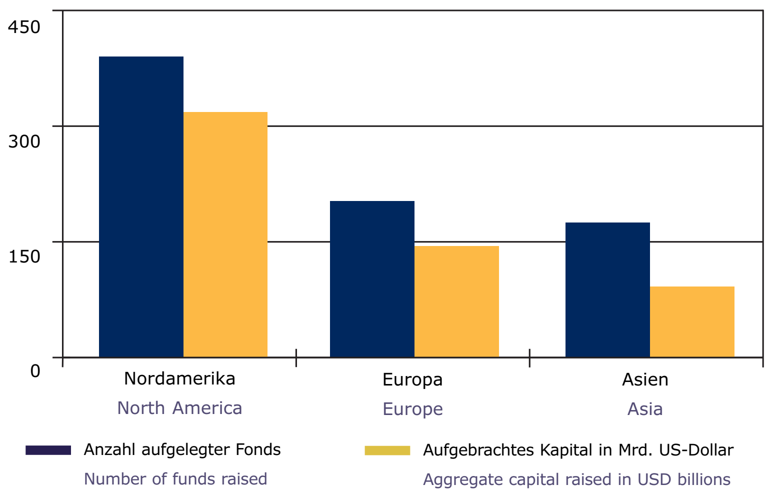
Governments worldwide responded to this deteriorating macroeconomic environment by announcing extensive spending programs to mitigate the depth of the economic downturn. China announced a massive economic stimulus package and the United States is working on an even larger recovery program. European countries have also announced stimulus packages of different sizes. However, such measures take time for their effects to be fully felt, and as of the end of 2008 the world seemed set for a difficult 2009.

**Private equity fundraising slows, but not by much**

In the face of sharp losses by investors in the public markets, global deleveraging and a weakening macroeconomic environment, private equity firms held final closes for 768 funds raising USD 554 billion in 2008, according to research group Preqin. While this represents a decline of about 11% compared to the previous year, it is still ahead of the USD 525 billion raised in 2006 and ranks as the second-highest amount on record. This impressive result serves to show that despite the prevailing negative sentiment in the financial world trust in private equity as an asset class is still intact.

From a geographical standpoint, the United States topped global fundraising activity, with US-based firms raising 390 funds for a total of USD 318 billion, more than double the USD 144 billion raised by 203 funds in Europe. In Asia and the rest of the world, 175 funds raised USD 92 billion.

**FUNDRAISING NACH REGIONEN**
**FUNDRAISING BY REGION**




Quelle - Source: Preqin 2008 Fundraising Review hin höher als das in 2006 aufgenommene Kapital in Höhe von USD 525 Mrd. und rangiert als zweithöchstes Volumen aller Zeiten. Diese beeindruckende Tatsache verdeutlicht, dass trotz eines negativen Finanzmarktumfeldes weiterhin Vertrauen in Private Equity als Anlageklasse besteht.

Aus geographischer Sicht bleiben die USA in der Kapitalaufnahme führend, da US-amerikanische Häuser 390 Fonds mit einem Wert von USD 318 Mrd. auflegten, was die USD 144 Mrd. von 203 Fonds in Europa um mehr als das Doppelte übersteigt. In Asien und dem Rest der Welt wurden 175 Fonds mit USD 92 Mrd. geschlossen.

Unter Berücksichtigung der in den Vorjahren aufgenommenen, aber noch nicht investierten Gelder schätzt Preqin, dass Private Equity-Häusern per Ende 2008 mehr als USD 1 Billion für zukünftige Investitionen zur Verfügung stehen.

**Verminderte Private Equity-Investitionen durch Finanzmarkt-Turbulenzen**

Die Anzahl der Private Equity-Investitionen in 2008 verringerte sich trotz des robusten Fundraisings und der Höhe des zur Verfügung stehenden Kapitals in der Private Equity-Industrie deutlich, insbesondere als sich die Finanzkrise Ende des Jahres verschärfte. Nach Daten von Thomson Reuters erzielten Private Equity-Transaktionen weltweit einen Wert von USD 189 Mrd., ein Rückgang von 72% im Vergleich zu 2007 und das niedrigste Niveau seit 2003. Buyout-Transaktionen machten nur 7% des gesamten Fusions- und Übernahmevolumens aus, ein Drittel des Rekordanteils von 2006 und das niedrigste Niveau seit 2001.

Der Hauptgrund dieser Abnahme ist die Beeinträchtigung des Kreditmarktes, der die Syndizierung von Krediten, also das Weiterreichen der Übernahmekredite von Banken an andere Investoren, unmöglich machte. Als Folge waren Banken nicht mehr in der Lage, Private Equity-Häuser mit Krediten für Transaktionen zu versorgen. Hiervon waren insbesondere Large- und Mega Large-Cap-Buyout-Transaktionen betroffen, die einen hohen Verschuldungsgrad voraussetzen und die aufgrund ihrer Grösse die weltweiten Buyout-Statistiken vor der Finanzkrise aufblähten.

Small- und Mid-Cap-Buyouts waren hiervon nicht so stark betroffen, da sie weniger Fremdkapital benötigen und dieses Kapital zudem von regionalen Banken zur Verfügung gestellt wird, die diese Kredite in der Regel in ihrer Bilanz

Taking into account monies that were raised in previous years but not yet invested, Preqin estimates that private equity firms had more than USD 1 trillion available for future deal-making as of the end of 2008.

**Turmoil affects private equity investing**

Despite the robust fundraising and the amount of "dry powder" available across the industry, private equity investing slowed down significantly in 2008, especially when the financial crisis worsened towards the end of the year. According to data from Thomson Reuters, global private equity activity amounted to USD 189 billion, down 72% from 2007 and the lowest level since 2003. Furthermore, buyout deals were just 7% of total merger and acquisition (M&A) volume, about a third of the record proportion in 2006 and the lowest level since 2001.

The main reason for these decreases was the impairment of the credit markets, which made syndication of loans – e.g. the sale of debt used in a leveraged buyout from a bank to other investors – impossible. As a result, banks were no longer willing to provide large amounts of debt to private equity firms willing to make deals. Most affected by this were the large- and mega-cap segments, which relied most on large amounts of leverage and due to their size inflated global buyout statistics prior to the financial crisis.

Small- and mid-cap buyouts, however, proved more resilient as they require less debt financing and their leverage is mostly provided by local banks which keep the loans on their balance sheets instead of syndicating them. These banks were also much less exposed to the subprime crisis and only started feeling the full effect of the financial crisis after the collapse of Lehman Brothers.

However, the difficulty in raising debt necessary for buyouts was not the only reason for a slowdown in investment activity. The deteriorating macroeconomic conditions in the second half of the year and, more significantly, the severe public market correction at the end of September made general partners even more cautious, prompting them to extend their due diligence in order to gain another quarter of earnings visibility before closing a deal. Furthermore, many potential sellers were slow to adjust their price expectations, prolonging negotiations as general partners saw time on their side.

belassen und nicht syndizieren. Zudem waren diese Banken auch schwächer von der Subprime-Krise betroffen und fühlten die vollen Auswirkungen der Finanzkrise erst nach dem Zusammenbruch von Lehman Brothers.

Die Schwierigkeiten bei der Fremdkapitalaufnahme für Buyouts war jedoch nicht der einzige Grund für die rückläufige Investitionstätigkeit. Das sich verschlechternde makroökonomische Umfeld in der zweiten Jahreshälfte und insbesondere nach den starken Einbrüchen der Börsen Ende September verstärkte die Vorsicht der General Partner und führte zu einer Verlängerung des Due Diligence-Prozesses, um so Informationen über den Geschäftsverlauf eines weiteren Quartals zu erhalten. Darüber hinaus passten viele potentielle Verkäufer ihre Preiserwartungen nur langsam an, wodurch sich Verhandlungen verlängerten, da General Partner die Zeit auf ihrer Seite sahen.

**Veränderungen in der Struktur und dem Fokus von Transaktionen**

Bedingt durch striktere Kreditbedingungen der Banken, deren Verhandlungsbasis durch die Verwerfungen an den Kreditmärkten deutlich gestärkt wurde, zeichneten sich in 2008 abgeschlossene Investitionen neben kleineren Transaktionsgrössen auch durch eine höhere Eigenkapitalquote der Finanzinvestoren aus. Einige Deals, insbesondere gegen Ende des Jahres, wurden sogar vollständig mit Eigenkapital finanziert und sollten refinanziert werden, sobald Kredite wieder leichter verfügbar sind.

Ein weiterer Trend in 2008 war eine spürbare Veränderung des Fokus von General Partnern. Anstatt sich lediglich auf steigende Multiples, z.B. Unternehmenswert/EBITDA, zu fokussieren, mussten sich Private Equity-Häuser auf ihre Kernkompetenzen besinnen und Unternehmen identifizieren, bei denen sie den inhärenten Wert steigern können, anstatt sich ausschliesslich auf externe Marktfaktoren zu verlassen. Während in der ersten Jahreshälfte eine Flucht Richtung Qualität zu beobachten war und ein hoher Wettbewerb zwischen Private Equity-Häusern zu weiterhin hohen Multiples führte, waren in der zweiten Jahreshälfte abgeschlossene Investitionen entweder durch geringe Kaufpreise oder durch eine hohe Komplexität gekennzeichnet und fielen hauptsächlich in eine der folgenden Kategorien:

– Konträre Investitionen, bei denen General Partner nach unbeliebten Industrien wie Automobilindustrie, Spezialmaschinenbau oder Finanzdienstleistern suchen und hierbei auf Nischenanbieter zu attraktiven Bewertungen setzen.

**Change in structure and focus of deals**

Besides the smaller deal sizes, those transactions that were pursued in 2008 also displayed a higher equity contribution by the financial sponsor as a result of the stricter conditions imposed by lenders whose negotiating power rose significantly as a result of the impaired credit markets. Certain deals, especially later in the year, were even completed purely with equity and will be refinanced once debt becomes more widely available again.

A further distinctive trend in 2008 was a notable shift in focus by general partners. Instead of being able to rely on rising valuation multiples – enterprise value/EBITDA – private equity firms had to go back to their core competencies and identify deals where they would be able to add intrinsic value to a company instead of relying on external factors. While in the first half of the year a flight to quality and increased competition amongst private equity firms kept purchase multiples high, deals closing in the second half of 2008 were mostly characterized by either low purchase prices or high complexity and mainly fell within one of these categories:

– Contrarian deals, where general partners look for out-of-favor industries, such as automotive, specialty manufacturing or financials, and within these identify niche providers at attractive valuations.

– Distressed-oriented deals, where the company itself or its parent entity is distressed.

– Corporate divestitures, as managers are encouraged to focus on their core businesses; non-core businesses often have strong market positions and scale but lack management discipline, making them attractive to private equity investors.

– Highly structured transactions, such as purchases of debt securities, which can provide attractive risk-adjusted return opportunities, PIPEs (private investment in public equity) and structured debt/equity acquisitions, which typically require strong structuring skills.

These deals are mostly of a proprietary nature and developed in-house. Only very experienced general partners with an outstanding reputation and credibility have the capability and the high-quality networks to identify such deal opportunities, perform the due diligence under the current market conditions and successfully execute them. In addition, when accomplished, such deals have proven to be highly profitable in previous economic cycles.

– Liquiditätsgetriebene Transaktionen, bei denen das Unternehmen selbst oder dessen Mutterkonzern in einer notleidenden Situation steckt.

– Konzernabspaltungen zur Fokussierung auf Kernkompetenzen: nicht zum Kerngeschäft gehörende Geschäftsbereiche haben oftmals eine gute Marktposition und Grösse, lassen aber Managementdisziplin vermissen und sind daher attraktiv für Private Equity-Investoren.

– Komplexe Transaktionen wie Investitionen in Fremdkapital, die attraktive risikobereinigte Renditepotentiale bieten, PIPEs (Investitionen in börsennotierte Unternehmen durch Private Equity) und strukturierte Fremd- und Eigenkapitalinvestitionen, die typischerweise eine hohe Strukturierungskompetenz voraussetzen.

Diese Deals sind meistens proprietär von den Private Equity-Häusern entwickelt. Nur sehr erfahrene General Partner mit einer ausgezeichneten Reputation und Glaubwürdigkeit haben die Fähigkeit und besitzen ein qualitativ hochwertiges Netzwerk, um solche Investitionsmöglichkeiten zu identifizieren, in der aktuellen Marktumgebung eine erfolgreiche Due Dilligence durchzuführen und die Transaktion abzuschliessen. Diese Deals haben sich auch in vorherigen Zyklen als hochprofitabel erwiesen.

**Abwartende Haltung bei Veräusserungen**

Ebenso wie die Investitionsgeschwindigkeit hat sich auch das Umfeld für Veräusserungen im Laufe des Berichtszeitraums stetig abgekühlt. Als Folge fallender Aktienkurse und hoher Unsicherheit im Markt waren Börsengänge nahezu unmöglich. Insgesamt fiel die Anzahl der Börsengänge laut einer Studie von Ernst & Young in 2008 weltweit um 58%. Ausserdem führten die Finanzkrise und das schwächere makroökonomische Umfeld bei Veräusserungen an industrielle Investoren zu einer Abnahme der Multiples, wodurch sich das Gewinnpotential dieser zweiten Exit-Möglichkeit verringerte. Da General Partner jedoch nicht auf die kurzfristige Sichtweise der Börse angewiesen sind und sie ihre Beteiligungen nicht veräussern müssen, wenn sie Verkaufspreise als zu niedrig ansehen, können sie stattdessen den Unternehmenswert ihrer Portfoliounternehmen weiter steigern, bis wieder gute Exit-Möglichkeiten durch Börsengänge oder Verkäufe an industrielle Investoren bestehen.

Nichtsdestotrotz waren einige General Partner mit starken Unternehmen dennoch in der Lage, Verkäufe zu für sie akzeptablen Preisen durchzuführen. Beispielsweise hat IK Investment Partners im Dezember bekannt gegeben, durch

**A wait-and-see exit market**

Similarly to the investment pace, the exit environment also weakened progressively during the reporting period. As a result of falling stock markets and high uncertainty, the initial public offering (IPO) window basically closed. Overall, the number of IPOs worldwide fell by a stunning 58% in 2008, according to a study by Ernst & Young. Furthermore, amid the financial crisis and the weakening macroeconomic environment, valuation multiples offered by potential trade buyers were depressed, lowering potential returns from this second exit route. However, since general partners, not depending on the short-term focus of public markets, are not required to exit their companies at prices that they consider too low, they can choose to continue growing their companies and create value until the exit environment, through IPOs or trade sales, becomes more favorable again.

Nonetheless, some general partners holding strong companies still managed to exit them at prices they found acceptable. In December, for example, IK Investment Partners announced it had generated a return of approximately five times its initial cost on its exit of Dutch mid-range online retailer Wehkamp by turning the company’s declining sales into steady growth of 5% year on year, while doubling operating profits.

**Private equity valuations more resilient by nature**

The valuation of private equity assets was a contested topic in 2008. While liquidity dried up and the first spillovers from the financial crisis materialized in the wider economy, the first calls were heard for downward revaluations by private equity funds. The sharp correction in public equity markets at the end of the third quarter exacerbated this, as comparable public companies were valued much lower than their private equity held counterparts.

Many general partners today apply “fair value” accounting and valuation standards, where “fair value” is defined as “the price for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction”. However, their valuations, done quarterly or semi-annually, inherently lag the public markets and the liquidity and fear-driven public market losses at the beginning of the year did not adequately fit the definition of “arm’s length transaction”, as general partners are not obliged to exit their portfolio companies in a fire sale. As a result, downward valuations were slow to adjust in the first half of the year. Nonetheless, as the year progressed, public markets continued to tumble and the macroeconomic environden Verkauf des niederländischen Online-Händlers Wehkamp rund das Fünffache der ursprünglichen Investitionssumme zurückerhalten zu haben, nachdem die vormals fallenden Umsätze zu einem jährlichen Umsatzwachstum von 5% ausgebaut wurden und sich der operative Gewinn dabei verdoppelte.

**Private Equity-Bewertungen naturgemäss stabiler**

Die Bewertung von Private Equity-Beteiligungen war ein strittiges Thema in 2008. Während die Liquidität abnahm und erste Auswirkungen der Finanzkrise in der Realwirtschaft sichtbar wurden, kamen erste Forderungen nach Bewertungsanpassungen von Private Equity-Fonds auf. Der starke Fall der Börsen am Ende des dritten Quartals verstärkte diese Forderungen, da vergleichbare börsennotierte Unternehmen nunmehr niedriger bewertet wurden als ähnliche von Private Equity-Fonds gehaltene Firmen.

Viele General Partner wenden heute Bilanzierungs- und Bewertungsstandards zu «fairen Werten» an, wobei ein «fairer Wert» als der Wert bezeichnet wird, «zu dem ein Vermögenswert in einer Transaktion zwischen unabhängigen, sachkundigen und zum Vertragsabschluss gewillten Partnern ausgetauscht werden könnte». Diese in der Regel quartalsweise oder halbjährlich vorgenommenen Bewertungen erfolgen jedoch naturgemäss mit einem Zeitverzug zu den täglichen Bewertungen an der Börse. Des Weiteren können die liquiditäts- und panikgetriebenen Kursabschläge an den Aktienmärkten am Anfang des Jahres nicht direkt auf Private Equity-Investitionen übertragen werden, da sie nicht der Definition einer «Transaktion zwischen unabhängigen Partnern zu fairen Werten» entsprechen. General Partner sind nicht gezwungen, Portfolio-unternehmen zu Ausverkaufspreisen zu veräussern. Aus diesen Gründen wurden Wertberichtigungen in der ersten Jahreshälfte nur langsam vorgenommen. Nichtsdestotrotz setzten sich die Wertverluste an den Börsen im Laufe des Jahres fort und auch das makroökonomische Umfeld verschlechterte sich weiter, wodurch General Partner begannen, deutlichere Wertberichtigungen ihrer Portfoliounternehmen vorzunehmen, die in 2008 zu Abschreibungen von rund 10–15% bei reifen, diversifizierten Portfolios führten.

**Rekord-Dealflow im Sekundärmarkt**

Während man in der ersten Jahreshälfte 2007 schon eine Vorahnung über die zunehmende Attraktivität des Private Equity-Sekundärmarkts bekommen konnte, war es dennoch schwierig, dessen genaue Entwicklung vorherzusagen. Sekundärmarkt-Transaktionen in 2008 überstiegen laut Partners Group USD 53 Mrd., was eine Steigerung um

ment worsened, and as a result general partners started revaluing their portfolio companies more aggressively, resulting in corrections of about 10–15% for mature, diversified portfolios in 2008.

**Record deal flow in the secondary market**

While the second half of 2007 had already offered a glimpse at the increased attractiveness of the private equity secondary market, it would have been hard to predict the extent to which this was to become true. According to Partners Group, secondary deal flow exceeded USD 53 billion in 2008, an increase of more than 75% over the previous year. This increase, initially driven by portfolio management concerns as some investors wanted to reduce their exposure to certain regions or vintages and by an overallocation to private equity on a relative basis as the value of public equity portfolios suffered significantly, became increasingly dominated by distressed sellers as the year progressed. Mainly financial institutions with liquidity issues tried to free themselves of their private equity portfolios and cast off large amounts on the secondary market.

In line with the public equity market, the price decline on the secondary market was broad-based with discounts even on high-quality portfolios. In 2008, prices on the secondary market fell to their lowest level since 2003 and the bid/ask spread widened notably; especially distressed sellers became increasingly willing to accept prices significantly below NAV.

**Venture capital: survival of the fittest**

2008 was not an easy year for the venture capital industry. Fundraising in 2008 fell to USD 28 billion, according to the National Venture Capital Association, a 23% drop from the previous year and about the same level as in 2005. Mainly fourth quarter fundraising sharply slowed down from the still rather stable levels seen previously.

Venture capital investments eased to USD 28 billion in 3'808 deals in 2008, a drop of 8% and 4% respectively compared to 2007. This marks the first yearly decline of total investments since 2003. The decline in investments over the prior year was spread across industries and stages of development, with some notable exceptions. Dollars invested in the clean technology sector, for instance, grew by more than 50% in 2008.

The venture capital exit environment was most severely affected by the financial crisis. The closing of the IPO window resulted in only six venture-backed IPOs in all of 2008, mehr als 75% im Vergleich zum Vorjahr darstellt. Dieser Anstieg war anfangs bedingt durch Portfolio-Anpassungen zur Reduzierung einzelner Positionen mit bestimmten Lancierungsjahren oder regionalen Investitionsschwerpunkten sowie durch Überallokationen zu Private Equity, entstanden durch die relativ stärkeren Verluste von börsennotierten Instrumenten. Im Laufe des Jahres wurde der Sekundärmarkt vermehrt von liquiditätsgetriebenen Verkäufern dominiert, die sich gezwungen sahen, Anteile ihrer Private Equity-Fonds zu veräussern. Viele Finanzinstitutionen mit Liquiditätsproblemen versuchten ihre Bilanzen von Private Equity-Portfolios zu bereinigen und warfen grosse Volumen auf den Markt.

Ähnlich wie an den Börsen waren die Preisabschläge im Sekundärmarkt breit gefächert und betrafen sogar hoch qualitative Portfolios. Im Jahr 2008 fielen die Preise im Sekundärmarkt auf den niedrigsten Stand seit 2003 und die Differenz zwischen An- und Verkaufspreisen weitete sich spürbar aus; insbesondere liquiditätsgetriebene Verkäufer waren zunehmend gewillt, Preise deutlich unter NAV zu akzeptieren.

**Venture Capital: Survival of the Fittest**

2008 war kein einfaches Jahr für die Venture Capital-Industrie. Das Fundraising im Jahr 2008 fiel laut der National Venture Capital Association auf ein mit 2005 vergleichbares Niveau von USD 28 Mrd. zurück, eine Verringerung um 23% im Vergleich zum Vorjahr. Insbesondere im vierten Quartal verlangsamte sich das Fundraising deutlich, nachdem das Niveau vorher relativ stabil geblieben ist.

Venture Capital-Investitionen fielen in 2008 auf 3'808 Deals und USD 28 Mrd., eine Verringerung um 4% beziehungsweise 8% im Vergleich zum Vorjahr. Dieses stellt den ersten Investitionsrückgang auf Jahresbasis seit 2003 dar. Die abnehmende Investitionstätigkeit verteilt sich über nahezu alle Industrien und Investitionsphasen mit Ausnahme von Investitionen in saubere Energien, bei denen in 2008 ein Wachstum von mehr als 50% verzeichnet wurde. Die Venture Capital Exit-Umgebung war von der Finanzkrise am stärksten betroffen. Das schlechte Börsenumfeld führte zu nur sechs Börsengängen von Venture Capital-Portfoliounternehmen in 2008, von denen fünf im ersten Quartal stattfanden. Insgesamt wurden nur USD 470 Mio. eingenommen, rund die Hälfte der USD 1 Mrd., die durch 86 Börsengänge in 2007 erzielt wurde. Fusionen und Übernahmen waren weiterhin möglich, jedoch nur für deutlich kleinere Transaktionen. In 2008 gab es 260 Deals, im Vergleich zu 360 in 2007. Auch der Wert der angekündigten

five of which occurred in the first quarter. Overall only USD 470 million was raised, a far cry from the USD 1 billion raised in 86 IPOs in 2007. Meanwhile, M&As remained possible, but were much smaller in value. There were 260 deals in 2008, compared to 360 in 2007, while the value of disclosed deals more than halved to USD 13 billion.

**Two new worlds for private debt**

The private debt universe experienced two different storylines in 2008. As available credit dried up, private equity firms adjusted the structure of their leveraged buyouts, raising the percentage of equity used from roughly a third to close to 50% on average. This is a welcome development for private debt investors as it makes their investments safer. A further effect of the lack of easily available credit was the return of mezzanine, which had already been seen in the second half of 2007. Mezzanine, a hybrid financing form senior to equity but subordinate to senior debt on the balance sheet, had almost fallen out of favor and was often repaid quickly during the times of widely available and cheap senior debt leading up the credit crunch. Since then, however, it started making up 10–20% in the structure of leveraged buyout transactions again. In addition, negotiating power shifted to the mezzanine lender, leading to an increase in contractual yields to levels of almost 15%, while holding periods became significantly longer and the opportunities to purchase equity kickers increased.

However, while mezzanine regained a prominent position in the structure of leveraged buyouts, the decline in the number of deals made and their smaller size led to an overall decrease in the volume of mezzanine activity, especially in the second half of the year. According to the LCD European Mezzanine Review, new mezzanine issued in Europe in 2008 amounted to EUR 6.4 billion, half the EUR 12.8 billion issued in 2007 and the first time since 2000 that mezzanine volume had dropped year on year. However, despite the lower deal volume, mezzanine became more attractive as mezzanine lenders received an attractive combination of increased spreads, higher and more frequent prepayment fees as well as non-call features, previously considered a staple in the high-yield bond asset class.

Meanwhile, as deal volumes plunged towards the end of the year – in the fourth quarter mezzanine volume amounted to only EUR 340 million – a second storyline materialized. As the financial crisis entered its second phase in September 2008, forced selling by distressed investors holding too much debt on their vehicles' balance sheets and looking to deleverage brought debt pricing on the secondary market down to absurd levels, thus creating tremendous

Transaktionen nahm um mehr als die Hälfte auf USD 13 Mrd. ab.

**Zwei neue Welten für Private Debt in 2008**

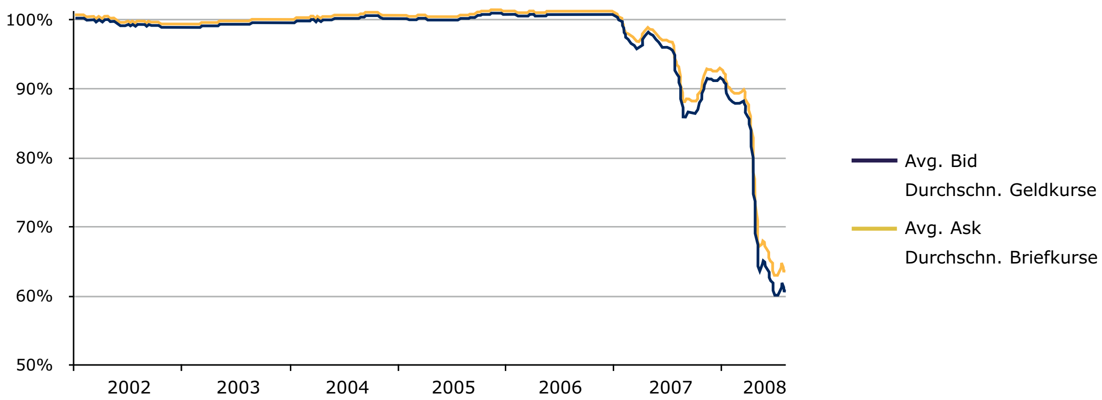
Das Private Debt-Universum wurde 2008 von zwei verschiedenen Faktoren beeinflusst. Als das Angebot an verfügbaren Krediten abnahm, passten Private Equity-Häuser die Struktur ihrer Buyouts an und erhöhten den Eigenkapitalanteil von gut einem Drittel auf durchschnittlich mehr als 50%. Für Private Debt-Investoren war dies eine gute Nachricht, da ihre Investitionen hierdurch sicherer wurden. Ein weiterer Effekt dieser Entwicklung war die Rückkehr von Mezzanine, was schon ab der zweiten Jahreshälfte 2007 zu beobachten war. Mezzanine, eine hybride Finanzierungsform, die auf der Bilanz nachrangig zu Fremdkapital und gleichzeitig sicherer als Eigenkapital ist, war fast aus der Mode gekommen und wurde oftmals sehr schnell zurückbezahlt, da vorrangiges Fremdkapital vor der Kreditkrise günstig und leicht zugänglich war.

Jedoch machte Mezzanine seit Ausbruch der Krise wieder 10–20% der Finanzierung von Buyouts aus. Weiterhin verschob sich die Verhandlungsmacht zu den Mezzanine-Anbietern, wodurch die vertragliche Rendite auf nahezu 15% anstieg, Vertragslaufzeiten signifikant verlängert wurden und die Möglichkeit der Einbeziehung von Eigenkapitaloptionen erhöht wurde.

Obwohl Mezzanine wieder eine wichtigere Rolle in der Finanzierungsstruktur von Buyouts einnahm, sank das Mezzanine-Volumen insbesondere in der zweiten Jahreshälfte durch die geringere Anzahl an Deals und deren

**ATTRAKTIVE INVESTITIONSMÖGLICHKEITEN NACH VERFALL DER LEVERAGED LOAN-SEKUNDÄRMARKTPREISE**

**ATTRACTIVE OPPORTUNITIES AFTER DROP IN LEVERAGED LOAN SECONDARY PRICES**




Quelle - Source: S&P LCD European Weekly Secondary Report

opportunities for investors with "dry powder" to acquire mezzanine and senior debt stakes in private equity owned companies. Such tranches, when selected carefully, offer tremendous risk-return profiles near those for equity investments, as investors benefit both from stable interest payments as well as high premiums upon the repayment of the loan that they acquired at a highly reduced price.

**Listed private equity affected by poor public market performance**

The listed private equity segment was severely affected by the turbulence and crises in the financial markets over the course of 2008. Several factors contributed to this: the inherent limited transparency into the underlying transactions of listed private equity companies, suspicion about the level of leverage of underlying portfolio companies as well as uncertainty about valuation adjustments to net asset values contributed to the price pressure on the asset class, which was already suffering from its correlation to public markets. As a result, the global listed private equity index LPX 50 TR eased by 64.3% in 2008 and discounts reached record levels of more than 50%. These developments, however, are in their magnitude an overreaction by market participants and cease to differentiate between the portfolio qualities of individual listed private equity companies: the fundamental data of the underlying companies is no longer reflected in the actual stock prices of listed private equity vehicles.

kleinere Volumen. In Europa betrug das Volumen an neuen Mezzanine-Finanzierungen in 2008 laut LCD European Mezzanine Review EUR 6.4 Mrd., rund die Hälfte des Volumens von EUR 12.8 Mrd. in 2007 und der stärkste Einbruch auf jährlicher Basis seit dem Jahr 2000. Trotz des geringen Dealvolumens wurde Mezzanine als Vermögensklasse dennoch attraktiver, da Mezzanine-Anbieter durch höhere Risikoprämien, höhere und häufigere Vorfälligkeitsentschädigungen und Vertragsklauseln zur Verhinderung vorzeitiger Rückzahlungen attraktive Konditionen aushandeln konnten.

Während das Transaktionsvolumen zum Jahresende abnahm – im vierten Quartal betrug das Mezzanine-Volumen nur EUR 340 Mio. – erlangte ein zweiter Einflussfaktor an Bedeutung. Als die Finanzkrise im September 2008 die nächste Stufe erreichte, wurden liquiditätsgetriebene Investoren auf Grund eines zu hohen Fremdkapitalanteils in ihren Anlagevehikeln zu Veräusserungen gezwungen. Durch diese Verkäufe fielen die Sekundärmarktpreise für Fremdkapital auf absurd niedrige Niveaus und boten Investoren mit verfügbarer Liquidität hervorragende Möglichkeiten zum Kauf von vorrangigem Fremdkapital und von Mezzanine-Krediten von Private Equity-Portfoliounternehmen. Sorgfältig ausgewählte Tranchen bieten ausgezeichnete Risiko-Rendite-Profile ähnlich denen von Eigenkapital-Investitionen, da Investoren sowohl von stabilen Zinszahlungen als auch von hohen Prämien bei der Rückzahlung profitieren, nachdem sie die Kredite zu signifikanten Preisnachlässen erworben haben.

**Listed Private Equity von schlechter Aktienmarktentwicklung beeinträchtigt**

Das Listed Private Equity-Segment wurde im Jahr 2008 sehr stark von den Turbulenzen und Krisen an den Finanzmärkten beeinträchtigt. Mehrere Faktoren trugen zu dieser Entwicklung bei: die produktspezifisch begrenzte Transparenz der zugrunde liegenden Transaktionen von Listed Private Equity-Unternehmen und die Unsicherheit über den Verschuldungsgrad sowie über zukünftige Abwertungen der Portfoliounternehmen führten zu einem Preisdruck auf die gesamte Anlageklasse, die schon vorher Kursverluste wegen ihrer Korrelation zum Aktienmarkt zu verzeichnen hatte. Folglich verlor der Listed Private Equity Index LPX 50 TR im Jahr 2008 rund 64% und Abschläge zum NAV erreichten mehr als 50%. Diese Entwicklung war jedoch in diesem Ausmass eine Überreaktion des Marktes, welcher fundamentalen Daten der Portfoliounternehmen keine Bedeutung mehr schenkte, so dass diese nicht mehr in den Aktienkursen von Listed Private Equity-Unternehmen widergespiegelt werden.

# WERTENTWICKLUNG DES PRINCESS-PORTFOLIOS
# PERFORMANCE OF THE PRINCESS PORTFOLIO

In Anbetracht deutlicher Aktienmarktkorrekturen, Volatilitäten auf Rekordniveau und einem einbrechenden Konsumklima zeigte sich der Innere Wert (NAV) von Princess weitestgehend stabil und musste erst zum Jahresende – bedingt durch Bewertungsanpassungen, die den Abschwung der Finanzmärkte widerspiegelten – deutliche Einbussen hinnehmen. Ungeachtet dieser Entwicklung gab der Aktienkurs von Princess, beeinflusst von den Marktverwerfungen, signifikant nach, was einen unverhältnismässigen und noch nie da gewesenen Abschlag zum NAV nach sich zog.

**2008 – ein wahrlich herausforderndes Jahr**

Basierend auf den Jahresendbewertungen nach IFRS (International Financial Reporting Standards) gab der geprüfte Innere Wert von Princess von EUR 676 Mio. per Ende Dezember 2007 auf EUR 580 Mio. per Ende Dezember 2008 nach. Nach vier Jahren mit zweistelligen Zuwachsraten stellt dies unter Berücksichtigung der Dividendenzahlung im Juli 2008 einen Wertrückgang von 11.4% dar. Diese Entwicklung muss jedoch im Kontext einer Periode betrachtet werden, in welcher die Subprime-Krise sowohl die weltweiten Kreditmärkte als auch die Realwirtschaft deutlich in Mitleidenschaft zog. Der MSCI World TR Index, der die Entwicklung der weltweiten Aktienmärkte widerspiegelt, verlor in der Berichtsperiode 35.4%, und Prognosen zum Wirtschaftswachstum wurden weltweit nach unten korrigiert.

Die Entwicklung des Portfolio-NAV, die bis November positiv war, gab gegen Ende des Jahres, vor allem durch Bewertungsanpassungen unterliegender Investitionen, nach und resultierte in einem NAV-Rückgang auf Jahressicht von 12.4%. Die von den General Partnern (GPs) gemeldeten Anpassungen betrugen hierbei –5.0%. Ein NAV-Rückgang von 7.4% entfiel auf die von Princess Anlageberater Partners Group durchgeführten Wertanpassungen zu «fairen Werten», welche nicht realisierte Verluste im Zusammenhang mit der zum Marktwert vorgenommenen Bewertung börsennotierter Positionen beinhalten. Ungeachtet der operativ soliden Zustände der unterliegenden Portfoliounternehmen müssen Bewertungen zu «fairen Werten» zu einem grossen Teil die Preisentwicklung vergleichbarer börsennotierter Unternehmen abbilden, welche im Zuge der Marktverwerfungen – insbesondere in weniger rezessionsresistenten Industrien – im letzten Quartal des Jahres deutlich an Wert verloren haben. Mit gewisser Verzögerung zogen diese Verwerfungen auch Korrekturen im privaten Sektor nach sich. Insofern nehmen die vom Anlageberater vorgenommenen Bewertungen zu

Against the backdrop of sharply correcting equity markets, volatilities reaching record levels and a slump in consumer confidence, the net asset value (NAV) of Princess was largely resistant and it was only at the very end of the year when valuation adjustments reflecting the downturn in the financial markets severely hit the NAV. Irrespective of this development, the Princess share price dropped significantly, being affected by the market dislocations, resulting in an unprecedented and disproportionate discount to the NAV by the end of the year.

**2008 – a truly challenging year**

Based on year-end valuations prepared under International Financial Reporting Standards (IFRS), the audited NAV declined from EUR 676 million at the end of December 2007 to EUR 580 million at the end of December 2008. After four years of double-digit increases, this translates into a decrease of 11.4%, adjusted for the dividend paid in June 2008. This decrease, however, has to be considered in the context of a period when the impact of the subprime mortgage crisis on credit markets and subsequently the real economy was unfolding. The MSCI World Index, as a benchmark for global equity markets, was down 35.4% in the reporting period and GDP forecasts were revised downwards on a global scale.

The performance of the portfolio NAV, which had been positive for the year until November, was negatively affected towards the end of the year, particularly due to revaluations of investments, which overall in 2008 resulted in a decrease of 12.4% in the NAV. Thereof, valuation adjustments as reported by the general partners (GPs) had a negative impact of 5.0%, while adjustments made by Princess' Investment Advisor Partners Group according to "fair value" principles, including unrealized losses relating to mark-to-market adjustments of public positions, accounted for a 7.4% decrease in the NAV. Irrespective of the operational soundness of the underlying portfolio companies, "fair valuations" are required to reflect to a significant extent the price development of comparable public companies, which – in particular in less recession resilient sectors – in the final quarter of 2008 experienced a major decline during the market downturn. With a certain delay this resulted in corrections in the private market as well. In this sense, the "fair valuations" made by the Investment Advisor already anticipate some of the GP revaluations, which are typically received with a delay of one quarter.

The development of the listed private equity investments in the portfolio also had an unfavorable impact of –2.2% on «fairen Werten» einige der GP-Bewertungsanpassungen, welche typischerweise mit einer Verzögerung von einem Quartal gemeldet werden, vorweg.

Die Entwicklung der börsennotierten Beteiligungsgesellschaften im Portfolio wirkte sich im letzten Jahr mit –2.2% ebenfalls nachteilig auf den NAV aus. Die Gründe für das schwache Abschneiden dieses Segments waren in erster Linie die Unsicherheit der Anleger über die weitere Entwicklung der NAVs, Bedenken mit Hinblick auf die von Private Equity-Firmen eingesetzte Fremdkapitalfinanzierung sowie die allgemeine Liquiditätsknappheit im Markt.

Um das Liquiditätsrisiko in einem Szenario anhaltender US-Dollar-Aufwertung zu reduzieren und negative Effekte von Währungsschwankungen zu beschränken, hat Princess im April 2008 ihre Währungsabsicherung von quartalsweise rollierenden Terminkontrakten auf Optionen umgestellt. So konnte Princess vollständig von der Aufwertung des US-Dollars in der zweiten Jahreshälfte profitieren, was sich mit einem Zuwachs von 4.8% auf den NAV niederschlug.

**Aktienkursentwicklung**

Der Aktienkurs von Princess sank in 2008 dividendenbereinigt um 59.3%. Dieser Einbruch ist vor allem auf die enorme Unsicherheit sowie den weltweiten Vertrauensverlust in den Märkten zurückzuführen. Darüber hinaus befanden sich viele liquiditätsgetriebene Verkäufer im Markt, welche ihre Allokationen anpassen mussten und

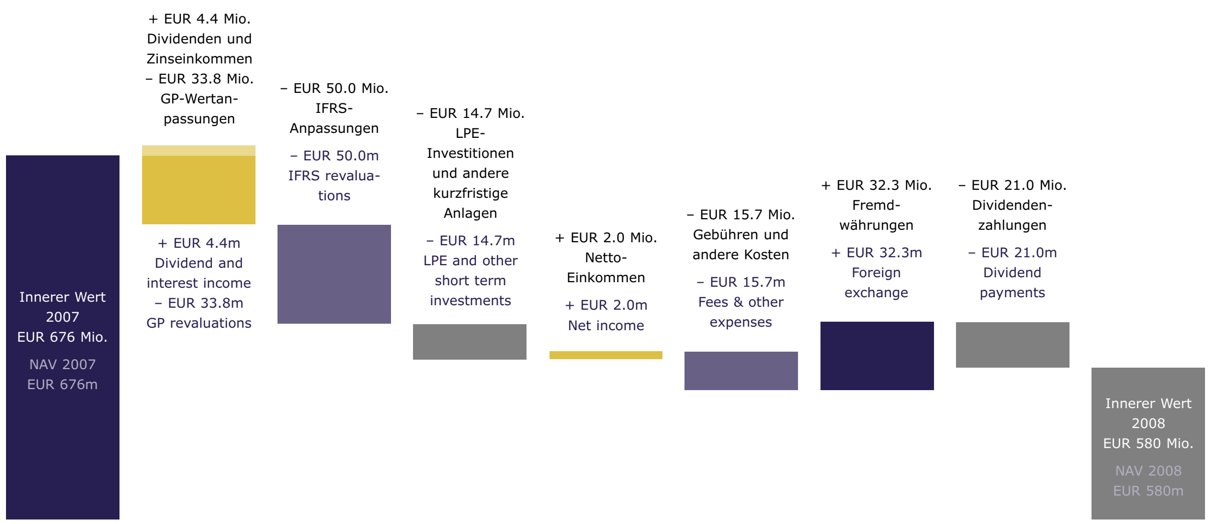
the NAV during this period. The reasons for the poor performance of the listed private equity segment were primarily investors' uncertainty about the future development of NAVs, concerns about the leverage applied by the private equity firms as well as constrained liquidity in the market.

In order to reduce liquidity risks in a scenario with continued US dollar appreciation, Princess changed its currency hedging strategy in April 2008. Instead of rolling quarterly forward contracts, Princess purchased an option contract to limit negative effects from currency fluctuations. This allowed Princess to benefit fully from the appreciation of the US dollar in the second half of the year, with the total impact of foreign exchange accounting for a positive 4.8% in 2008.

**Share price development**

Princess' share price closed the year down 59.3% when including the June dividend payment. The share price fall was largely attributable to the record levels of uncertainty and loss of confidence which prevailed in global markets. In addition to that, many distressed sellers were active in the market, having to adjust allocations and dispose of assets at any price. However, it should be noted that the share price development of Princess, which outperformed the overall listed private equity industry as measured by the LPX 50 TR, being down 64.3%, did not reflect the performance of Princess' underlying portfolio. From the Investment Advisor's point of view, the discount to the NAV,

ANALYSE DER NAV-ENTWICKLUNG 2008
NAV PERFORMANCE ATTRIBUTION IN 2008



Positionen zu jedem Preis veräusserten. Nichtsdestotrotz ist anzumerken, dass die Kursentwicklung von Princess die Entwicklung des LPX 50 TR (–64.3%) als Massstab für den Gesamtmarkt börsennotierter Beteiligungsgesellschaften übertraf und keine Aussage über die Entwicklung der unterliegenden Portfoliounternehmen erlaubt. Aus Sicht des Anlageberaters reflektiert der Abschlag zum NAV, welcher sich von 17.6% per Ende 2007 auf 62.5% per Ende 2008 ausweitete, nicht die hohe Qualität des Princess-Portfolios, welches breit über Industrien, Investitionsarten und Finanzierungsstadien diversifiziert ist und eine Allokation von nur 13% zu Large-Cap-Buyout-Fonds der teureren Lancierungsjahre 2006–2007 aufweist.

**Dividendenzahlung**

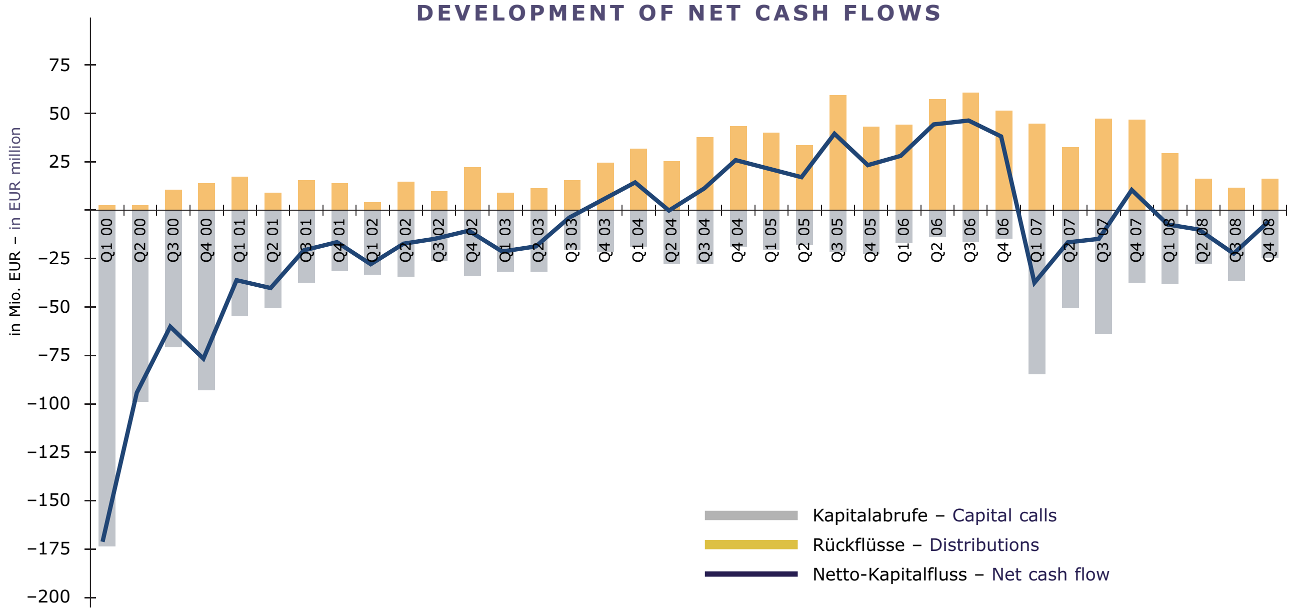
Am 20. Juni 2008 zahlte Princess ihren Aktionären eine halbjährliche Dividende für das erste Halbjahr 2008 in Höhe von EUR 0.30 pro Aktie. In Anbetracht der hohen Unsicherheit in den Finanzmärkten und basierend auf der konservativen Prognose zukünftiger Portfolio-Cashflows durch den Anlageberater hat der Verwaltungsrat von Princess entschieden, die Dividendenzahlung für die zweite Jahreshälfte 2008 vorsorglich auszusetzen. Diese Entscheidung wurde unabhängig von der stabilen NAV-Entwicklung gefällt und ist als Massnahme zum kurzfristigen Liquiditätsmanagement zu betrachten, was nach Auffassung des Verwaltungsrats im besten Interesse der Aktionäre liegt. Die Gesellschaft wird jedoch weiterhin an ihrer langfristigen Dividendenpolitik, die eine jährliche Dividendenrendite von 5–8% auf den NAV vorsieht, festhalten.

which widened from 17.6% at the end of 2007 to 62.5% as per the end of 2008, does not reflect the high quality of the Princess portfolio, which is broadly diversified across industries, types and stages and has an allocation to large-cap buyout funds with the more expensive vintage years 2006–2007 making up only 13%.

**Dividend payment**

On 20 June 2008, Princess paid its shareholders a semi-annual dividend for the first half of 2008 of EUR 0.30 per share. In consideration of the uncertain financial market environment and based on the prudent forecasting of future portfolio cash flows by the Investment Advisor, the dividend payment for the second half of 2008 was precautionarily suspended. The decision was made independently of the stable development of the NAV and is to be considered a measure to manage short-term working capital requirements, which the Princess' Board of Directors believes is in the best interests of shareholders. Princess however retains its long-term dividend policy which targets an annual dividend yield of 5–8% on the NAV.

**ENTWICKLUNG DER NETTO-KAPITALFLÜSSE**
**DEVELOPMENT OF NET CASH FLOWS**



# INVESTITIONSAKTIVITÄT
# INVESTMENT ACTIVITY

**Zurückhaltende Investitionsaktivität in 2008**

Da sich die Preiserwartungen der Verkäufer noch immer in der Anpassungsphase befinden und Finanzierungsbedingungen durch die zunehmende Unsicherheit hinsichtlich der Entwicklung der Weltwirtschaft noch schwieriger geworden sind, blieb das Transaktionsvolumen in der gesamten Branche weit unter dem Niveau von 2007.

Im Einklang mit der Gesamtindustrie bediente Princess in 2008 EUR 124 Mio. an Kapitalabrufen für Neu- und Folgeinvestitionen und investierte davon EUR 6 Mio. in das Direktportfolio. Die General Partner im Princess-Portfolio waren im Bezug auf Neuinvestitionen äusserst selektiv und haben ausschliesslich die besten Transaktionen und Geschäftsmodelle finanziert. Solche viel versprechenden Investitionen umfassten die Akquisition von TMF, einem weltweit im Bereich der Auslagerung von Buchhaltungs- und Managementdienst-leistungen tätigen Unternehmen durch Doughty Hanson V, sowie den Erwerb von Bodycote Testing Group, eines der weltweit führenden unabhängigen Prüfinstitute, durch Clayton Dubilier & Rice VII.

**Schwieriges Umfeld für Veräusserungen**

Die EUR 75 Mio., welche im Jahresverlauf von Limited Partnerships sowie Direktinvestitionen an Princess zurückflossen, stellen eine deutliche Abnahme gegenüber den EUR 174 Mio. an Rückflüssen im Jahre 2007 dar und spiegeln die aktuelle Zurückhaltung bei Unternehmensübernahmen und Erstemmissionen (IPOs) und die abwartende Haltung vieler Investoren in 2008 wider. Erstklassige Beispiele für Veräusserungen im Princess-Portfolio in 2008 waren: die Veräusserung von Summit Medical, Ltd., bei der Graphite Capital das ursprünglich eingesetzte Kapital rund dreifach zurückerhielt; der Verkauf von Asiakastieto durch GMT Communications Partners III mit einer internen Verzinsung (IRR) von rund 70% bei einer Haltedauer von weniger als zwei Jahren; und die Veräusserung von Intelsat Holdings durch Apax Excelsior VI und Apollo Investment Fund V mit einem IRR von mehr als 100%. Diese Beispiele illustrieren, dass exzellente Renditen selbst in einem instabilen Marktumfeld möglich sind.

**Princess in 2008 nahezu voll investiert**

Mit einem Anstieg des Investitionsgrades von 88% per Ende 2007 auf 96% per Ende 2008 hat Princess praktisch das Ziel erreicht, Ende 2008 voll investiert zu sein. Am Jahresende betrugen Barbestände und bargeldähnliche Mittel EUR 14 Mio., Ende 2007 waren es EUR 80 Mio. Per

**Investment activity cautious in 2008**

With sellers' price expectations still in the adjustment phase and funding conditions having become ever more stringent given the rising uncertainty about the development of the global economy as the year progressed, deal volume throughout the entire industry remained well below the levels seen in 2007.

Broadly in line with the industry, Princess funded EUR 124 million in capital calls from existing partnerships for new and follow-on investments and thereof invested EUR 6 million in the direct portfolio in 2008. General partners in the Princess portfolio have been very selective in terms of new investments, only supporting the best transactions and business models. Such investments in promising opportunities included: Doughty Hanson V's acquisition of TMF, a global management and accounting outsourcing services business, and the acquisition of Bodycote Testing Group, one of the world's leading independent testing organizations, by Clayton Dubilier & Rice VII.

**Challenging exit environment**

From the high level of distributions of EUR 174 million received in 2007, proceeds from limited partnerships and directly held investments in the reporting period decreased substantially to EUR 75 million, reflecting the market's generally smaller appetite for takeovers and initial public offerings (IPOs) and the wait-and-see attitude in 2008. Prime examples of realizations in the Princess portfolio in 2008 were: Graphite Capital's sale of medical firm Summit Medical, Ltd., generating a return of more than three times the cost of its original investment; GMT Communications Partners III's exit of portfolio company Asiakastieto, achieving an internal rate of return (IRR) of approximately 70% over a holding period of less than two years; and the sale of Intelsat Holdings by Apax Europe V and Permira Europe III, resulting in an IRR of more than 100%. These transactions impressively illustrate that excellent returns can be made even in a persistently unstable environment.

**Princess almost fully invested in 2008**

With the increase in the investment level from 88% as per the end of 2007 to 96% at the end of 2008, Princess virtually reached its goal of becoming fully invested in 2008. At year-end, cash equivalents stood at EUR 14 million, against EUR 80 million at the end of 2007. Princess currently has net cash and liquid assets of 5% of NAV and its USD 50 million credit facility, which is committed until the end of 2009, remains fully undrawn.

Ende 2008 verfügt Princess somit über Barmittel und liquide Bestände in Höhe von 5% des NAV und eine ungenutzte Kreditlinie von USD 50 Mio. mit Laufzeit bis Ende 2009.

**Zahlungsversprechen den Marktbedingungen angepasst**

Der Anlageberater von Princess passt seine Cashflow-Modelle und die Commitment-Planung laufend basierend auf verschiedenen Marktszenarien an. Um sich dem abschwächenden Umfeld gegenüber zu positionieren, wurden den Zahlungszusagen bereits Ende 2007 deutlich reduziert und nach April 2008 keine signifikanten Zahlungsversprechen mehr abgegeben. So wurden in 2008 neue Zahlungsversprechen in Höhe von EUR 86 Mio. an sechs Primär-, eine Sekundär- und zwei Direktinvestitionen abgegeben, ein Bruchteil der EUR 361 Mio. aus 2007. Die Zahlungsversprechen in der Berichtsperiode wurden über alle Segmente abgegeben, aber vor allem an in 2008 aufgelegte Fonds in Nordamerika. Basierend auf der Relative Value-Anlagestrategie, welche zum Ziel hat, die zu einem gegebenen Zeitpunkt attraktivsten Investitionsmöglichkeiten zu identifizieren, tätigte Princess Zahlungsversprechen an verschiedene Fonds, die sich auf Distressed-Investitionen fokussieren. Ares Corporate Opportunities Fund investiert beispielsweise in Unternehmen, die überschuldet sind, sich in einer Notlage befinden oder gezwungen sind, zusätzliches Kapital aufzunehmen. Ein anderes Zahlungsversprechen ging an den Partners Group Distressed 2008-Fonds, wobei keine zusätzlichen Gebühren anfallen. Ziel des Fonds ist es, ein diversifiziertes Portfolio von Distressed-, Turnaround- und Special Situations-Investitionen aufzubauen. Die Special Situations-Allokation im Princess-Portfolio wurde so weiter erhöht.

**Commitments adjusted to reflect market sentiment**

Princess' Investment Advisor is continuously adapting its cash flow modeling and commitment planning based on various market scenarios. In this context, the Investment Advisor significantly reduced Princess' commitment program at the end of 2007, and did not make significant commitments after April 2008 in order to position Princess for a softening market environment. Consequently, the EUR 86 million in new commitments made to six primary, one secondary and two direct investments in 2008 was dwarfed by the EUR 361 million in the previous year. The new commitments made during the year were primarily to 2008 vintage funds in North America across all segments. Following the relative value investment approach, under which the most attractive opportunities at any given point in time are selected, Princess made commitments to several funds focusing on distressed opportunities, such as the Ares Corporate Opportunities Fund which invests in under-capitalized middle-market companies that are either over-leveraged, distressed or generally capital constrained. A commitment was made to the Partners Group Distressed 2008 fund, for which no additional fees were incurred and has been established to build a diversified portfolio of distressed, turnaround and special situations investments, increasing the special situations allocation of the Princess portfolio.

## PORTFOLIO-ALLOKATION
## PORTFOLIO ALLOCATION

Das Ziel der Relativ Value-Anlagestrategie ist die systematische Identifizierung von Private Equity- und Private Debt-Investitionen, die das Investment-Team von Partners Group, dem Anlageberater von Princess, zu einem gegebenen Zeitpunkt als besonders attraktiv ansieht. Dabei kann Princess von der weltweiten Präsenz, der Grösse und dem Fachwissen des Anlageberaters und seinen Beziehungen zu führenden Private Equity-Häusern über alle Finanzierungsstadien sowie von seiner Erfahrung bei Primär-, Sekundär- und Direktinvestitionen profitieren.

**Reduzierung der börsennotierten Beteiligungsgesellschaften**

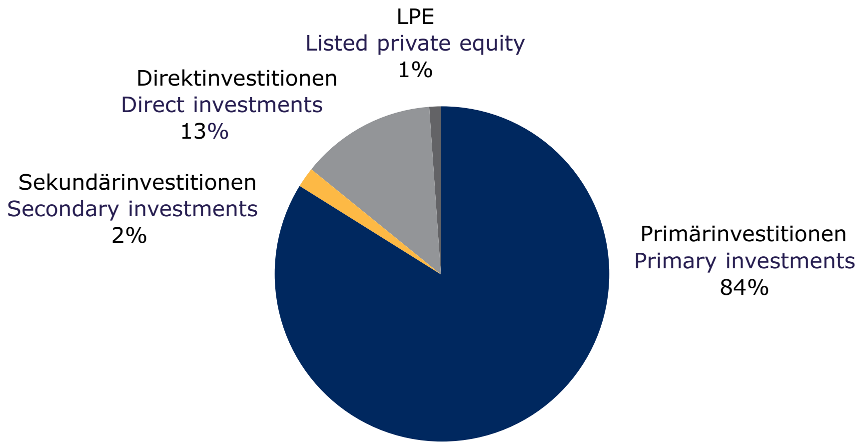
Börsennotierte Beteiligungsgesellschaften wurden stark von den Kurseinbrüchen an den Börsen getroffen und der Anlageberater hat folglich entschieden, die Allokation von 5% per Ende 2007 auf 1% per Ende 2008 zu reduzieren. Hierdurch und auf Grund der Tatsache, dass die Mehrheit der Kapitalabrufe von Primärfonds erfolgte, stieg die Allokation zu Primärfonds auf 84% per Ende 2008. Der Anteil der Direktinvestitionen (13%) und der Sekundärfonds (2%) blieb nahezu unverändert.

The goal of the relative value investment strategy is to systematically identify and invest in private equity and private debt investments which the Investment Advisor believes are particularly attractive at a given point in time. By following this approach, Princess benefits from the global presence, the size and experience of the Investment Advisor's investment team, its relationships with many of the world's leading private equity firms across all financing stages and its experience in primary, secondary and direct investing.

**Listed private equity allocation reduced**

The listed private equity asset class took significant hits in the market downturn and the Investment Advisor decided to reduce the allocation from 5% as per the end of 2007 to 1% at the end of 2008. For this reason, and due to the majority of capital calls having stemmed from primary partnerships, the primary allocation increased proportionally and accounted for 84% at the end of 2008. The portion of direct investments (13%) and secondary investments (2%) remained virtually unchanged.

**WERT DER INVESTITIONEN NACH INVESTITIONSARTEN**
**VALUE OF INVESTMENTS BY INVESTMENT TYPES**




**Verringerte Allokation zu Venture Capital**

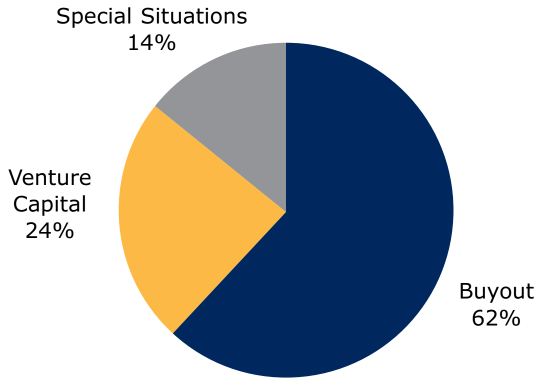
Der Anteil der Venture Capital-Investitionen nahm signifikant von 28% per Ende 2007 auf 24% per Ende 2008 ab, was auf den Fokus auf Buyout und Special Situations sowie den Aufbau eines Portfolios an Distressed-Fonds im Rahmen der Relativ Value-Anlagestrategie im letzten Jahr zurückzuführen ist. Dementsprechend nahm die Allokation zu Special Situations um 2% auf 14% zu und der Anteil der Buyout-Investitionen stieg zum Ende des Geschäftsjahres um 2% auf 62%.

**Decrease in venture capital allocation**

The portion of venture capital investments within the portfolio decreased significantly from 28% as per the end of 2007 to 24% as per year-end 2008, reflecting the focus on buyout and special situation investments, including the ramp-up of the distressed portfolio under the relative value approach, in the previous years. Correspondingly, the special situations allocation increased by 2% to 14%, while the buyout portion grew by 2% to 62% at the end of the reporting period.

**WERT DER INVESTITIONEN NACH FINANZIERUNGSSTADIEN**

**VALUE OF INVESTMENTS BY FINANCING STAGES**




**Regionale Allokation nahezu unverändert**

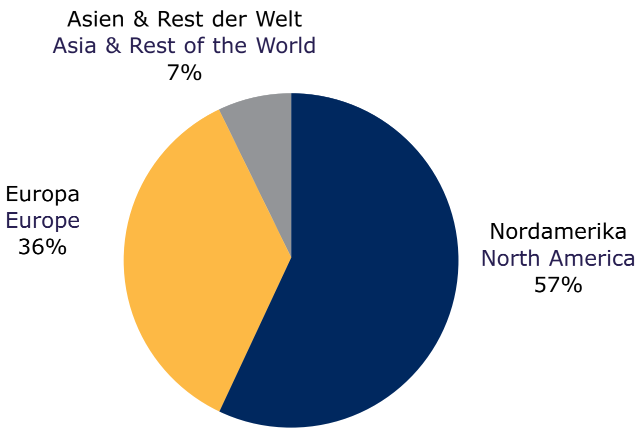
Der aktuelle Anteil der Investitionen kann folgendermassen aufgeteilt werden: 36% entfallen auf Europa (41% in 2007), 57% auf die USA (52% in 2007), was auch durch die Aufwertung des US-Dollars im Laufe des Jahres 2008 beeinflusst wurde, und ein Anteil von 7% entfällt unverändert auf Asien und den Rest der Welt.

**Regional allocation virtually unchanged**

The current value of investments can be divided into: a 36% European exposure (41% in 2007); a 57% North American exposure, up from 52% in 2007, and due also to the US dollar appreciation during 2008; and an unchanged 7% Asia & Rest of World exposure.

**WERT DER INVESTITIONEN NACH REGIONEN**

**VALUE OF INVESTMENTS BY REGIONS**



# PORTFOLIO-ALLOKATION
# PORTFOLIO ALLOCATION

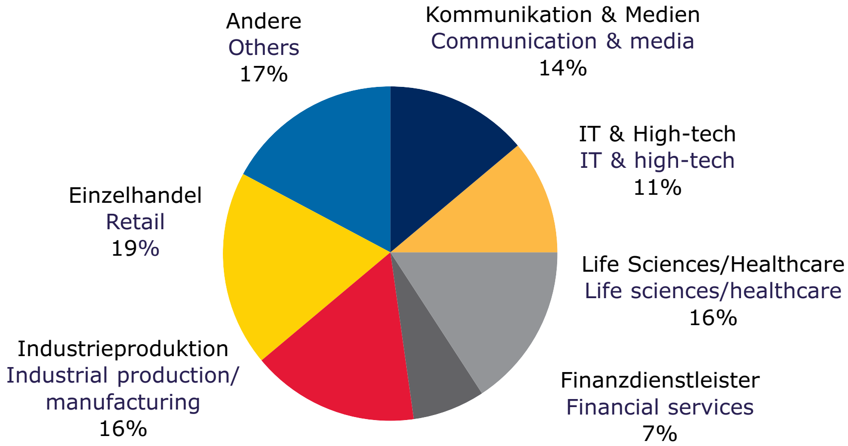
**Ausgewogene Allokation über verschiedene Industrien**

Princess ist breit über verschiedene Industrien diversifiziert. Die Allokation zu rezessionsresistenten Industrien wie Life Sciences/Healthcare und Kommunikation sollte während eines rezessiven Umfelds zur Stabilität des Portfolios beitragen. Das Portfolio umfasst beispielsweise Gesundheitsunternehmen wie Lantheus Medical Imaging, ein Weltmarktführer im Bereich medizinischer Bilderfassung, und ConvaTec, einem weltweit führenden Unternehmen im Bereich therapeutischer Wundversorgung und künstlicher Darmausgänge. Das Engagement im Finanzdienstleistungssektor, der nur einen Anteil von 7% im Portfolio ausmacht, beinhaltet auch Vermögensverwalter und Versicherungen und ist nur bedingt im Bankensektor investiert, da dieser keine typische Private Equity-Industrie darstellt. Die Industrieklassifizierung Einzelhandel beinhaltet auch konjunkturunabhängige Bereiche wie die Lebensmittel- und Getränkeindustrie.

**Well-balanced industry allocation**

Princess is well diversified across a range of different industries. The allocation to recession resilient industries, such as life sciences/healthcare and communications, should contribute to the portfolio's stability amid a recessionary market environment. The portfolio includes healthcare companies such as Lantheus Medical Imaging, which is a worldwide leader in medical imaging, and ConvaTec, a world leader in the development of wound therapeutics and ostomy care products, to name but two. The financial services exposure, accounting for only 7% of the portfolio, is also invested in asset management and insurance businesses with a low specific exposure to the banking sector, as it is not a typical private equity industry. The industry classification retail also includes non-discretionary retail such as food and beverages.

**WERT DER INVESTITIONEN NACH INDUSTRIEN**
**VALUE OF INVESTMENTS BY INDUSTRIES**




**Mehrheit der Investitionen im Umfeld geringer Preise getätigt**

Rund 64% der Investitionen wurden zwischen 2001 und 2005 sowie ab der zweiten Jahreshälfte 2007 getätigt, nur 23% des Portfolios wurden in dem teureren Zeitraum zwischen 2006 und der ersten Jahreshälfte 2007 aufgebaut. Die gesunde Diversifikation über verschiedene Investitionsjahre unterstreicht die Reife des Portfolios. Hierdurch wird sichergestellt, dass für Princess kein Risiko besteht, alle

**Majority of investments made in "low price" environment**

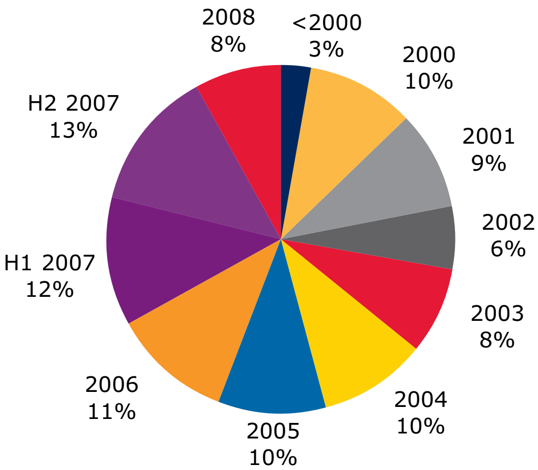
Around 64% of the investments were made between 2001 and 2005 and in the second half of 2007 and thereafter, namely at quite favorable prices; only 23% of the portfolio was invested in the more expensive period between 2006 and the first half of 2007. Princess' healthy diversification across different investment years underlines the maturity of the portfolio. It ensures that Princess does not face a risk

Rückflüsse zum selben Zeitpunkt zu erhalten, sondern diese vielmehr zeitlich verteilt zu beziehen, was aus der typischen Haltedauer der Portfoliounternehmen resultiert. Ein signifikanter Anteil der in 2007 getätigten Investitionen kann durch den Aufbau des Direktportfolios erklärt werden.

of receiving all distributions at the same point in time, but instead having inflows to the product well distributed given a specific holding period after which a portfolio company is usually exited. A significant proportion of the 2007 vintage investments is explained by the ramp-up of the direct investment allocation.

**WERT DER INVESTITIONEN NACH INVESTITIONSJAHR**

**VALUE OF INVESTMENTS BY INVESTMENT YEAR**




Auf den folgenden Seiten wird ein Überblick über die Partnerships, Direktinvestitionen und börsennotierte Beteiligungsgesellschaften in dem Portfolio von Princess gegeben. Zudem werden in 2008 getätigte Zahlungsversprechen und einige interessante Transaktionen des letzten Geschäftsjahres, an denen Princess beteiligt war, dargestellt.

In the following pages, an overview of the Princess portfolio by partnerships, direct investments and listed private equity investments is given along with a description of selected new commitments made in 2008 and some of the most interesting transactions in which the Princess portfolio participated during the past 12 months.

# PORTFOLIO-ÜBERSICHT
# PORTFOLIO OVERVIEW

in EUR

| Manager | Partnership | Fondsvolumen Fund size | Zahlungsversprechen Amount committed | Beteiligung in % % Owned | Abrufe in % % Drawn down | Lancierungsjahr Vintage year |
|---|---|---|---|---|---|---|
| **PRIMÄRINVESTITIONEN PRIMARY INVESTMENTS** | | | | | | |
| **Europa – Buyout Europe – Buyout** | | | | | | |
| 3i Investments plc | 3i Eurofund Vb | 1'167'100'000 | 10'000'000 | 0.9 | 56.3 | 2006 |
| 3i Investments plc | 3i Europartners IIIA, L.P. | 995'000'000 | 20'000'000 | 2.0 | 89.7 | 1999 |
| Advent International Corporation | Advent International GPE VI, L.P. | 3'162'024'000 | 10'000'000 | 0.3 | 12.5 | 2008 |
| Advent International Corporation | Advent International GPE VI, L.P. | 3'162'024'000 | 3'942'914 | 0.1 | 12.5 | 2008 |
| Apax Partners | APAX Europe VII - B, L.P. | 7'137'119'770 | 20'000'000 | 0.3 | 43.5 | 2007 |
| Astorg Partners S.A.S. | Astorg II, FCPR | 185'925'000 | 9'400'000 | 5.1 | 97.0 | 1998 |
| August Equity | August Equity Partners II A, L.P. | 161'751'356 | 7'312'048 | 4.5 | 33.2 | 2007 |
| AXA Private Equity | AXA LBO Fund IV | 1'601'600'000 | 1'971'457 | 0.1 | 26.6 | 2007 |
| BC Partners Limited | BC European Capital VIII, L.P. | 5'850'000'000 | 10'000'000 | 0.2 | 52.2 | 2005 |
| Bridgepoint Capital Limited | Bridgepoint Europe I 'D', L.P. | 1'045'655'187 | 20'891'565 | 2.0 | 95.3 | 1998 |
| Bridgepoint Capital Limited | Bridgepoint Europe III, L.P. | 1'111'461'000 | 7'500'000 | 0.7 | 82.6 | 2005 |
| Bridgepoint Capital Limited | Bridgepoint Europe IV 'A', L.P. | 4'000'000'000 | 10'000'000 | 0.3 | 1.4 | 2007 |
| Candover Partners Ltd. | Candover 2005 Fund, L.P. | 2'965'968'000 | 10'000'000 | 0.3 | 83.9 | 2005 |
| Cinven | Fourth Cinven Fund, L.P. | 6'500'000'000 | 7'500'000 | 0.1 | 54.6 | 2006 |
| Clessidra Capital | Clessidra Capital Partners II | 1'318'900'000 | 1'478'593 | 0.1 | 1.5 | 2008 |
| Doughty Hanson & Co | Doughty Hanson & Co V | 3'000'000'000 | 20'000'000 | 0.7 | 46.9 | 2006 |
| ECI Partners LLP | ECI 9, L.P. | 490'951'767 | 1'544'506 | 0.3 | 0.0 | 2009 |
| GMT Communications Partners Limited | GMT Communications Partners III, L.P. | 338'315'313 | 10'000'000 | 3.0 | 50.5 | 2006 |
| Graphite Capital Management Limited | Graphite Capital Partners V, L.P. | 191'418'960 | 10'445'782 | 3.0 | 90.2 | 1999 |
| HitecVision Private Equity AS | HitecVision V, L.P. | 585'056'003 | 1'766'159 | 0.3 | 9.1 | 2008 |
| IK Investment Partners | Industri Kapital 2000, L.P. | 2'100'000'000 | 10'000'000 | 0.5 | 100.0 | 1999 |
| IK Investment Partners | Industri Kapital 2007 Fund, L.P. | 1'674'900'000 | 15'000'000 | 0.9 | 23.9 | 2007 |
| Magenta SGR SpA | Magenta, L.P. | 45'300'000 | 1'500'000 | 3.3 | 100.0 | 2006 |
| Mercapital Servicios Financieros | Mercapital Spanish Private Equity Fund II, L.P. | 618'000'000 | 7'000'000 | 1.1 | 98.5 | 2000 |
| Nmas1 Capital Privado S.G.E.C.R. | Nmas1 Private Equity Fund II, L.P. | 304'000'000 | 2'464'321 | 0.8 | 24.9 | 2008 |
| Nordic Capital | Nordic Capital IV, L.P. | 562'817'380 | 12'314'481 | 2.2 | 95.7 | 2000 |
| Nordic Capital | Nordic Capital VI, L.P. | 1'900'000'000 | 7'500'000 | 0.4 | 100.0 | 2005 |
| Nordic Capital | Nordic Capital VII, L.P. | 4'300'000'000 | 2'957'186 | 0.1 | 19.5 | 2008 |
| Palamon Capital Partners | Palamon European Equity 'C', L.P. | 439'679'000 | 10'000'000 | 2.3 | 100.0 | 1999 |
| Partners Group Management III Limited | Partners Group Direct Investments 2006, L.P. | 510'050'000 | 50'000'000 | 9.8 | 87.4 | 2006 |
| Partners Private Equity Management Inc. | Partners Private Equity, L.P. | 100'569'770 | 7'187'386 | 7.2 | 100.0 | 1998 |
| Permira Advisers Limited | Permira Europe II, L.P. | 3'300'000'200 | 20'000'000 | 0.6 | 100.0 | 2000 |
| Quadriga Capital Limited | Quadriga Capital Private Equity Fund II, L.P. | 265'871'932 | 8'173'977 | 3.2 | 97.6 | 1999 |
| Quadriga Capital Limited | Quadriga Capital Private Equity Fund III, L.P. | 525'403'000 | 10'000'000 | 1.9 | 59.2 | 2006 |
| Segulah Management Limited | Segulah II, L.P. | 77'535'620 | 7'753'562 | 10.0 | 91.2 | 1999 |
| Terra Firma Capital Partners Holding | Terra Firma Capital Partners III, L.P. | 5'384'094'580 | 20'000'000 | 0.4 | 48.3 | 2006 |
| Ventizz | Ventizz Capital Fund IV, L.P. | 450'000'000 | 1'991'952 | 0.4 | 27.2 | 2007 |
| Warburg Pincus, LLC | Warburg Pincus International Partners, L.P. | 1'791'729'378 | 3'583'459 | 0.2 | 100.0 | 2000 |
| **Europa – Venture Capital Europe – Venture Capital** | | | | | | |
| Abingworth Management Limited | Abingworth Bioventures III, L.P. | 161'255'644 | 1'791'729 | 1.1 | 91.7 | 2001 |
| EEP Managers Limited | European Equity Partners (III), L.P. | 52'595'075 | 3'000'000 | 5.7 | 100.0 | 1999 |
| EEP Managers Limited | European Equity Partners (IV), L.P. | 10'500'000 | 600'000 | 5.7 | 100.0 | 2004 |
| GMT Communications Partners Limited | GMT Communications Partners II, L.P. | 367'500'000 | 14'000'000 | 3.8 | 100.0 | 2000 |
| Index Ventures | Index Ventures Growth I (Jersey), L.P. | 406'091'371 | 1'991'952 | 0.5 | 23.9 | 2008 |
| Index Ventures | Index Ventures I (Jersey), L.P. | 128'968'319 | 7'166'918 | 5.6 | 100.0 | 1998 |
| Sofinnova Partners, SA | Sofinnova Capital VI FCPR | 350'000'000 | 995'976 | 0.3 | 12.0 | 2008 |
| Summit Partners | Summit Partners Europe Private Equity Fund, L.P. | 1'000'000'000 | 1'991'952 | 0.2 | 0.0 | 2008 |
| SVLS Management Advisers Inc. | SV Life Sciences Fund II, L.P. | 200'647'889 | 14'333'835 | 7.1 | 100.0 | 1998 |
| Wellington Partners Verwaltungs GmbH | Wellington Partners II, L.P. | 111'000'000 | 4'000'000 | 3.6 | 100.0 | 2000 |
| Zouk Ventures Limited | European E-Commerce Fund | 54'325'235 | 3'583'459 | 6.6 | 99.8 | 1999 |
| **Europa – Special Situations Europe – Special Situations** | | | | | | |
| Apollo European Principal Finance | Apollo European Principal Finance Fund (Feeder), L.P. | 685'315'699 | 1'731'274 | 0.3 | 35.4 | 2008 |
| Apollo Management, L.P. | AP Investment Europe Limited | 400'000'000 | 5'000'000 | 1.3 | 100.0 | 2006 |
| Coller Capital Limited | Coller International Partners III, L.P. | 359'062'567 | 8'600'301 | 2.4 | 99.0 | 1999 |
| Doughty Hanson & Co | Doughty Hanson & Co. European Real Estate Fund | 258'976'564 | 3'736'657 | 1.4 | 99.2 | 1999 |
| EQT Infrastructure AB | EQT Infrastructure (No.1) Limited Partnership | 901'150'000 | 1'428'571 | 0.2 | 1.8 | 2008 |
| Frogmore I | Frogmore Real Estate Partners II, L.P. | 313'373'468 | 1'042'472 | 0.3 | 0.0 | 2008 |
| Innisfree | Innisfree PFI Secondary Fund | 627'269'225 | 1'492'255 | 0.2 | 1.7 | 2007 |
| Intermediate Capital Group PLC (aka: ICG) | ICG European Fund 2006, L.P. | 1'246'177'404 | 15'000'000 | 1.2 | 53.5 | 2006 |
| Intermediate Capital Group PLC (aka: ICG) | ICG Mezzanine Fund 2000 L.P. No. 2 | 307'500'000 | 10'000'000 | 3.3 | 97.6 | 2000 |
| Mezzanine Management Limited | Mezzanine Management Fund III, L.P. | 381'703'462 | 10'750'376 | 2.8 | 97.3 | 1999 |

in EUR

| Manager | Partnership | Fondsvolumen Fund size | Zahlungs-versprechen Amount committed | Beteiligung in % % Owned | Abrufe in % % Drawn down | Lancierungs-jahr Vintage year |
|---|---|---|---|---|---|---|
| **Europa – Special Situations (Fortsetzung)** | | | | | | |
| **Europe – Special Situations (continued)** | | | | | | |
| NIAM | Niam Nordic Fund IV, L.P. | 694'775'060 | 1'330'645 | 0.2 | 25.4 | 2007 |
| Penta Management Limited | Penta CLO I S.A.. | 405'676'593 | 2'850'000 | 0.7 | 100.0 | 2007 |
| Perusa GmbH | Perusa Partners 1, L.P. | 180'000'000 | 1'731'274 | 1.0 | 7.2 | 2008 |
| Perusa GmbH | Perusa Partners 1, L.P. | 180'000'000 | 1'971'457 | 1.1 | 7.2 | 2008 |
| Rutland Fund Management Limited | Rutland Fund, The | 112'239'930 | 6'789'758 | 6.1 | 88.5 | 2000 |
| VEP Management I C.V. | Value Enhancement Partners Special Situations Fund I, L.P. | 84'000'000 | 1'731'274 | 2.1 | 4.0 | 2008 |
| **Nordamerika – Buyout** | | | | | | |
| **North America – Buyout** | | | | | | |
| American Securities Associates | American Securities Partners III, L.P. | 465'849'638 | 3'583'459 | 0.8 | 89.7 | 2001 |
| Apax Partners | Apax US VII, L.P. | 613'730'382 | 7'166'918 | 1.2 | 68.8 | 2006 |
| Apollo Management, L.P. | Apollo Investment Fund V, L.P. | 2'681'825'414 | 7'166'918 | 0.3 | 100.0 | 2001 |
| Apollo Management, L.P. | Apollo Overseas Partners VI, L.P. | 7'184'834'804 | 17'917'294 | 0.3 | 97.6 | 2005 |
| Apollo Management, L.P. | Apollo Overseas Partners VII, L.P. | 7'188'418'263 | 14'333'835 | 0.2 | 21.6 | 2007 |
| Ares Management, L.P. (ACOF funds) | Ares Corporate Opportunities Fund III, L.P. | 2'187'343'224 | 7'166'918 | 0.3 | 19.7 | 2008 |
| Ares Management, L.P. (ACOF funds) | Ares Corporate Opportunities Fund III, L.P. | 2'187'343'224 | 1'240'790 | 0.1 | 19.7 | 2008 |
| Avista Capital Holdings | Avista Capital Partners (Offshore), L.P. | 1'433'383'502 | 14'333'835 | 1.0 | 86.5 | 2005 |
| Bain Capital | Bain Capital Fund X, L.P. | 7'518'096'468 | 11'467'068 | 0.2 | 25.3 | 2007 |
| Bain Capital | Bain Capital X Co-Investment Fund, L.P. | 1'285'745'001 | 2'866'767 | 0.2 | 7.0 | 2007 |
| Bruckmann, Rosser, Sherrill & Co., Inc. | Bruckmann, Rosser, Sherrill & Co. II, L.P. | 549'845'911 | 10'750'376 | 2.0 | 97.7 | 1999 |
| Carlyle Group | Carlyle Partners III, L.P. | 2'723'428'654 | 7'166'918 | 0.3 | 100.0 | 1999 |
| Clayton, Dubilier & Rice, Inc. | Clayton, Dubilier & Rice Fund VII L.P. | 2'839'535'590 | 7'166'918 | 0.3 | 99.0 | 2005 |
| Clayton, Dubilier & Rice, Inc. | Clayton, Dubilier & Rice Fund VIII, L.P. | 5'375'188'133 | 14'333'835 | 0.3 | 0.0 | 2008 |
| Fenway Partners, Inc. | Fenway Partners Capital Fund II, L.P. | 651'537'955 | 21'859'098 | 3.4 | 100.0 | 1998 |
| Heritage Partners, Inc. | Heritage Fund III, L.P. | 604'482'436 | 7'166'918 | 1.2 | 83.0 | 1999 |
| INVESCO Private Capital, Inc. | INVESCO U.S. Buyout Partnership Fund II, L.P. | 62'995'322 | 21'500'753 | 34.1 | 91.6 | 2000 |
| Kohlberg & Company, L.L.C. | Kohlberg Investors IV, L.P. | 412'846'162 | 7'166'918 | 1.7 | 89.3 | 2000 |
| Kohlberg & Company, L.L.C. | Kohlberg TE Investors VI, L.P. | 547'482'482 | 8'958'647 | 1.6 | 33.3 | 2007 |
| Leonard Green & Partners, L.P. | Green Equity Investors Side V, L.P. | 876'514'011 | 8'958'647 | 1.0 | 27.4 | 2007 |
| Providence Equity Partners, Inc. | Providence Equity Partners IV, L.P. | 1'974'852'019 | 7'439'280 | 0.4 | 100.0 | 2000 |
| Providence Equity Partners, Inc. | Providence Equity Partners VI-A, L.P. | 16'767'786'275 | 17'917'294 | 0.1 | 51.2 | 2007 |
| Silver Lake Partners | Silver Lake Partners III, L.P. | 6'690'392'780 | 10'750'376 | 0.2 | 20.8 | 2007 |
| Silver Lake Partners | Silver Lake Partners, L.P. | 1'611'080'055 | 21'500'753 | 1.3 | 94.3 | 1999 |
| Sterling Investment Advisers Management L.L.C | Sterling Investment Partners II, L.P. | 390'238'658 | 7'166'918 | 1.8 | 46.5 | 2005 |
| Texas Pacific Group | T3 Partners, L.P. | 348'915'721 | 5'016'842 | 1.4 | 77.0 | 2000 |
| Texas Pacific Group | TPG Partners III, L.P. | 2'446'559'313 | 2'866'767 | 0.1 | 90.2 | 2000 |
| The Blackstone Group | Blackstone Communications Partners I, L.P. | 1'446'713'969 | 7'166'918 | 0.5 | 91.7 | 2000 |
| Thomas H. Lee Company | Thomas H. Lee Parallel Fund V, L.P. | 4'381'881'551 | 7'166'918 | 0.2 | 93.6 | 2000 |
| Thomas H. Lee Company | Thomas H. Lee Parallel Fund VI, L.P. | 2'133'048'884 | 17'917'294 | 0.8 | 51.7 | 2006 |
| TPG Asia | TPG VI, L.P. | 14'209'290'664 | 10'750'376 | 0.1 | 5.1 | 2008 |
| Vestar Capital Partners | Vestar Capital Partners IV, L.P. | 1'777'646'385 | 3'583'459 | 0.2 | 95.9 | 1999 |
| Warburg Pincus, LLC | Warburg Pincus Private Equity IX, L.P | 5'733'534'008 | 10'750'376 | 0.2 | 98.4 | 2005 |
| Warburg Pincus, LLC | Warburg Pincus Private Equity X, L.P. | 10'503'923'889 | 14'333'835 | 0.1 | 30.0 | 2007 |
| **Nordamerika – Venture Capital** | | | | | | |
| **North America – Venture Capital** | | | | | | |
| Advanced Technology Ventures | Advanced Technology Ventures VI, L.P. | 286'676'700 | 3'583'459 | 1.3 | 100.0 | 2000 |
| Apax Partners | APAX Excelsior VI, L.P. | 754'770'888 | 3'583'459 | 0.5 | 96.8 | 2000 |
| Austin Ventures | Austin Ventures VII, L.P. | 591'270'695 | 3'583'459 | 0.6 | 98.2 | 1999 |
| Battery Ventures | Battery Ventures VI, L.P. | 609'187'988 | 3'015'481 | 0.5 | 100.0 | 2000 |
| Cardinal Health Partners | Cardinal Health Partners II, L.P. | 84'193'182 | 3'583'459 | 4.3 | 94.4 | 2000 |
| Catterton Partners | Catterton Partners IV Offshore, L.P. | 286'676'702 | 10'750'376 | 3.8 | 100.0 | 1999 |
| Columbia Capital | Columbia Capital Equity Partners III (Cayman), L.P. | 2'067'096'408 | 7'166'918 | 0.4 | 98.1 | 2000 |
| Dolphin Communications | Dolphin Communications Fund, L.P. | 90'020'828 | 7'166'918 | 8.0 | 100.0 | 1998 |
| Draper Fisher Jurvetson | Draper Fisher Jurvetson Fund VII, L.P. | 460'890'710 | 3'583'459 | 0.8 | 98.0 | 2000 |
| EnerTech Capital Partners | EnerTech Capital Partners II, L.P. | 167'845'338 | 3'583'459 | 2.1 | 97.0 | 2000 |
| Infinity Capital Ventures | Infinity Capital Venture Fund 1999, L.P. | 142'631'160 | 7'166'918 | 5.0 | 100.0 | 1999 |
| INVESCO Private Capital, Inc. | Chancellor V, L.P. | 161'786'161 | 14'333'835 | 8.9 | 89.3 | 1999 |
| INVESCO Private Capital, Inc. | INVESCO Venture Partnership Fund II, L.P. | 245'020'838 | 43'001'505 | 17.6 | 94.4 | 1999 |
| Lightspeed Venture Partners | Lightspeed Venture Partners VI, L.P. | 503'410'130 | 5'733'534 | 1.1 | 86.3 | 2000 |
| Menlo Ventures | Menlo Ventures IX, L.P. | 1'085'896'592 | 7'166'918 | 0.7 | 95.0 | 2000 |
| Morgan Stanley Dean Witter & Co | Morgan Stanley Dean Witter Venture Partners IV, L.P. | 349'028'883 | 3'583'459 | 1.0 | 100.0 | 1999 |
| Morgenthaler Partners | Morgenthaler Partners VII, L.P. | 622'746'023 | 2'273'877 | 0.4 | 95.0 | 2001 |
| Partners Private Equity Management Inc. | INVESCO Venture Partnership Fund II-A, L.P. | 28'957'242 | 24'725'865 | 85.4 | 94.7 | 2000 |
| Prism Venture Partners | Prism Venture Partners IV, L.P. | 307'344'935 | 1'433'384 | 0.5 | 90.5 | 2001 |
| Sevin Rosen Funds | Sevin Rosen Fund VIII, L.P. | 430'320'720 | 2'458'253 | 0.6 | 98.0 | 2000 |

**in EUR**

| Manager | Partnership | Fondsvolumen Fund size | Zahlungs-versprechen Amount committed | Beteiligung in % % Owned | Abrufe in % % Drawn down | Lancierungs-jahr Vintage year |
|---|---|---|---|---|---|---|
| **Nordamerika – Venture Capital (Fortsetzung)** | | | | | | |
| **North America – Venture Capital (continued)** | | | | | | |
| Sierra Ventures | Sierra Ventures VIII-A, L.P. | 354’886’263 | 7’166’918 | 2.0 | 100.0 | 2000 |
| Summit Partners | Summit Ventures VI-B, L.P. | 1’437’169’155 | 3’583’459 | 0.3 | 100.0 | 2000 |
| SVLS Management Advisers Inc. | SV Life Sciences Fund IV, L.P. | 394’180’463 | 3’583’459 | 0.9 | 39.0 | 2006 |
| TA Associates, Inc. | TA IX, L.P. | 1’433’455’171 | 7’166’918 | 0.5 | 97.0 | 2000 |
| Tailwind Capital Partners | Thomas Weisel Capital Partners, L.P. (Tailwind) | 767’391’588 | 7’166’918 | 0.9 | 97.4 | 1999 |
| TH Lee Internet Partners | TH Lee Putnam Parallel Ventures, L.P. | 309’624’178 | 7’166’918 | 2.3 | 85.3 | 1999 |
| Vortex Partners | Vortex Corporate Development Fund, L.P. | 33’132’946 | 2’092’740 | 8.7 | 95.1 | 2000 |
| Worldview Technology Partners | Worldview Technology Partners III, L.P. | 261’339’113 | 3’583’459 | 1.4 | 100.0 | 1999 |
| Worldview Technology Partners | Worldview Technology Partners IV, L.P. | 367’584’337 | 2’165’607 | 0.6 | 93.5 | 2000 |
| **Nordamerika – Special Situations** | | | | | | |
| **North America – Special Situations** | | | | | | |
| GI Partners | GI Partners Fund III L.P. | 1’792’087’723 | 1’382’810 | 0.1 | 8.4 | 2008 |
| Lone Star Funds | Lone Star Fund VI, L.P. | 3’610’693’042 | 1’430’494 | 0.0 | 85.3 | 2008 |
| Alinda Capital Partners LLC | Alinda Infrastructure Parallel Fund II, L.P. | 3’683’795’600 | 2’047’691 | 0.1 | 2.3 | 2008 |
| Ares Management, L.P. (ACOF funds) | Ares Corporate Opportunities Fund II, L.P. | 1’479’968’466 | 14’333’835 | 1.0 | 97.1 | 2006 |
| The Blackstone Group | Blackstone Mezzanine Partners, L.P. | 817’745’288 | 2’866’767 | 0.4 | 64.6 | 1999 |
| First Reserve Corporation | First Reserve Fund XI, L.P. | 5’590’195’658 | 511’923 | 0.0 | 75.1 | 2006 |
| HIG Capital Partners | H.I.G Bayside Debt & LBO Fund II, L.P. | 2’150’075’253 | 1’240’790 | 0.1 | 9.2 | 2008 |
| Levine Leichtman Capital Partners II, Inc. | Levine Leichtman Capital Partners II, L.P. | 250’451’516 | 21’500’753 | 8.6 | 100.0 | 1998 |
| MatlinPatterson Global Advisors LLC | MatlinPatterson Global Opportunities Partners III, L.P. | 2’760’987’960 | 7’166’918 | 0.3 | 48.5 | 2007 |
| Oaktree Capital Management, LLC | OCM Mezzanine Fund II, L.P. | 896’844’406 | 10’750’376 | 1.2 | 100.0 | 2005 |
| Oaktree Capital Management, LLC | OCM Opportunities Fund III, L.P. | 1’484’204’114 | 2’866’767 | 0.2 | 100.0 | 1999 |
| Oaktree Capital Management, LLC | OCM/GFI Power Opportunities Fund, L.P. | 321’866’982 | 2’866’767 | 0.9 | 84.7 | 1999 |
| Pegasus Capital Advisors | Pegasus Partners II, L.P. | 402’099’907 | 2’866’767 | 0.7 | 94.5 | 1999 |
| Peninsula Capital Partners, LLC | Peninsula Fund IV, L.P. | 240’345’112 | 7’166’918 | 3.0 | 67.8 | 2005 |
| Sun Capital Partners, Inc. | Sun Capital Partners V, L.P. | 4’300’150’506 | 7’166’918 | 0.2 | 22.4 | 2007 |
| TCW/Crescent Mezzanine, L.L.C. | TCW/Crescent Mezzanine Partners III, L.P. | 840’059’881 | 7’166’918 | 0.9 | 97.5 | 2001 |
| **Asien & Rest der Welt – Buyout** | | | | | | |
| **Asia & Rest of World - Buyout** | | | | | | |
| Affinity Equity Partners Limited | Affinity Asia Pacific Fund III, L.P. | 2’006’736’903 | 1’031’064 | 0.1 | 24.4 | 2007 |
| Archer Capital Pty Limited | Archer Capital Fund 4, L.P. | 684’549’118 | 645’767 | 0.1 | 14.0 | 2007 |
| CCMP Capital Asia Ltd | Asia Opportunity Fund III L.P. | 1’798’896’295 | 1’145’627 | 0.1 | 3.0 | 2007 |
| ChrysCapital Management Companies | ChrysCapital V, LLC | 904’916’506 | 572’813 | 0.1 | 47.0 | 2007 |
| CVC Capital Partners | CVC Capital Partners Asia Pacific III, L.P. | 2’598’218’567 | 1’260’189 | 0.1 | 23.0 | 2007 |
| Hony Capital Management Limited | Hony Capital Fund 2008, L.P. | 1’001’935’068 | 801’939 | 0.1 | 6.9 | 2008 |
| India Value Fund Advisors Private Limited | IVF III (Mauritius) Holdings Limited | 265’534’294 | 286’407 | 0.1 | 39.2 | 2007 |
| Navis Investment Partners (Asia) Limited | Navis Asia Fund V, L.P. | 709’763’320 | 1’145’627 | 0.2 | 57.3 | 2007 |
| TPG Asia | Newbridge Asia III, L.P. | 518’884’828 | 3’583’459 | 0.7 | 99.8 | 2000 |
| PEP Management (Jersey) Limited | Pacific Equity Partners Fund IV, L.P. | 1’749’625’373 | 581’190 | 0.0 | 18.5 | 2007 |
| Texas Pacific Group | TPG Asia V, L.P. | 2’938’139’282 | 1’260’189 | 0.0 | 16.3 | 2007 |
| Unison Capital, Inc. | Unison Capital Partners III, (B) L.P. | 1’579’051’200 | 407’222 | 0.0 | 0.0 | 2008 |
| Abris-EMP CEE Management Limited | Abris CEE Mid-Market Fund, L.P. | 320’200’000 | 1’478’593 | 0.5 | 20.8 | 2007 |
| Advent International (Central & Eastern Europe) | Advent Central & Eastern Europe IV, L.P. | 1’000’000’000 | 1’065’662 | 0.1 | 4.0 | 2008 |
| Advent International Corporation | Advent Latin American Private Equity Fund II, L.P. | 91’378’198 | 3’583’459 | 3.9 | 100.0 | 2001 |
| Advent International Corporation | Advent Latin American Private Equity Fund IV, L.P. | 186’339’855 | 3’818’756 | 2.1 | 47.5 | 2007 |
| DLJ Investment Partners, Inc. | DLJ SAP International, LLC | 217’637’927 | 305’500 | 0.1 | 54.2 | 2007 |
| Exxel Group S.A. | Exxel Capital Partners VI, L.P. | 316’335’387 | 3’583’459 | 1.1 | 100.0 | 2000 |
| Global Investment House | Global Buyout Fund, L.P. | 440’982’726 | 381’876 | 0.1 | 86.0 | 2007 |
| GP Investimentos | GP Capital Partners IV, L.P. | 931’699’276 | 1’527’502 | 0.2 | 83.5 | 2007 |
| GP Investimentos | GP Capital Partners V, L.P. | 215’007’525 | 1’527’502 | 0.7 | 23.9 | 2008 |
| Patria | Patria - Brazilian Private Equity Fund III, L.P. | 308’894’145 | 1’527’502 | 0.5 | 13.1 | 2007 |
| Enterprise Investors | Polish Enterprise Fund IV, L.P. | 155’283’212 | 3’583’459 | 2.3 | 100.0 | 2000 |
| Russia Partners Management LLC | Russia Partners III, L.P. | 573’353’401 | 1’527’502 | 0.3 | 17.0 | 2007 |
| Southern Cross | Southern Cross Latin America Private Equity Fund III, L.P. | 538’235’505 | 1’527’502 | 0.3 | 45.8 | 2007 |
| **Asien & Rest der Welt – Venture Capital** | | | | | | |
| **Asia & Rest of World – Venture Capital** | | | | | | |
| Baring Private Equity Asia Group Ltd | Baring Asia Private Equity Fund IV, L.P. | 1’075’037’627 | 916’501 | 0.1 | 50.1 | 2007 |
| Carlyle Asia Growth | Carlyle Asia Growth Partners IV, L.P. | 549’385’720 | 336’051 | 0.1 | 5.5 | 2008 |
| CDH Venture Management | CDH Venture Partners II, L.P. | 359’299’076 | 435’338 | 0.1 | 28.0 | 2007 |
| Crimson Capital | Crimson Velocity Fund, L.P. | 237’260’804 | 3’583’459 | 1.5 | 100.0 | 2000 |
| IDG-Accel Management | IDG-Accel China Capital Fund | 430’373’396 | 343’688 | 0.1 | 11.0 | 2008 |
| NewMargin Ventures | NewMargin Growth Fund, L.P. | 250’842’113 | 229’125 | 0.1 | 28.0 | 2007 |
| SBCVC Management II, L.P. | SBCVC Fund II-Annex, L.P. | 30’799’828 | 114’563 | 0.4 | 42.8 | 2007 |
| SB China Venture Capital | SBCVC Fund III, L.P. | 211’674’909 | 343’688 | 0.2 | 9.3 | 2008 |

in EUR

| Manager | Partnership | Fondsvolumen Fund size | Zahlungs-versprechen Amount committed | Beteiligung in % % Owned | Abrufe in % % Drawn down | Lancierungs-jahr Vintage year |
|---|---|---|---|---|---|---|
| **Asien & Rest der Welt – Venture Capital (Fortsetzung)** | | | | | | |
| **Asia & Rest of World – Venture Capital (continued)** | | | | | | |
| Carmel Ventures | Carmel Software Fund (Cayman), L.P. | 49'810'077 | 7'166'918 | 14.4 | 97.3 | 2000 |
| Carmel Ventures | Carmel Ventures III, L.P. | 168'422'561 | 4'300'151 | 2.6 | 4.5 | 2008 |
| Enterprise Investors | Enterprise Venture Fund I, L.P. | 100'000'000 | 995'976 | 1.0 | 0.0 | 2008 |
| Genesis Partners | Genesis Partners II LDC | 188'782'179 | 7'166'918 | 3.8 | 91.8 | 1999 |
| Jerusalem Venture Partners (Israel) | Jerusalem Venture Partners III, L.P. | 104'923'672 | 3'583'459 | 3.4 | 100.0 | 1999 |
| Pitango Venture Capital | Pitango Venture Capital Fund III | 358'345'876 | 8'600'301 | 2.4 | 100.0 | 2000 |
| **Asien & Rest der Welt - Special Situations** | | | | | | |
| **Asia & Rest of World - Special Situations** | | | | | | |
| Xander Investment Management Limited | Xander Master Fund III, L.P. | 333'261'664 | 605'576 | 0.2 | 0.0 | 2008 |
| ARA Private Equity Limited | ARA Asia Dragon Limited | 812'169'426 | 1'430'494 | 0.2 | 27.6 | 2007 |
| IL&FS Investment Managers Ltd | IL&FS India Realty Fund II LLC | 623'521'823 | 1'907'325 | 0.3 | 6.0 | 2007 |
| Secured Capital Corporation | Secured Capital Japan Real Estate Partners IV, L.P. | 1'075'037'627 | 1'430'494 | 0.1 | 0.0 | 2008 |
| 3i India Private Limited | 3i India Infrastructure Fund D L.P. | 45'717'767 | 343'688 | 0.8 | 46.0 | 2007 |
| IDFC Management | IDFC Private Equity (Mauritius) Fund III | 465'849'638 | 343'688 | 0.1 | 20.7 | 2008 |
| Intermediate Capital Group Asia (aka: ICG Asia) | Intermediate Capital Asia Pacific Fund 2008 | 716'691'751 | 504'076 | 0.1 | 26.5 | 2008 |
| Prudential Real Estate Investors | PLA Residential Fund III, L.P. | 622'446'786 | 1'430'494 | 0.2 | 57.8 | 2007 |

| Manager | Partnership | Fondsvolumen Fund size | Zahlungs-versprechen Amount committed | Beteiligung in % % Owned | Abrufe in % % Drawn down | Lancierungs-jahr Vintage year |
|---|---|---|---|---|---|---|
| **SEKUNDÄRINVESTITIONEN** | | | | | | |
| **SECONDARY INVESTMENTS** | | | | | | |
| Affinity Equity Partners Limited | Affinity Asia Pacific Fund II, L.P. | 476'583'746 | 460'521 | 0.1 | 95.7 | 2003 |
| CCMP Capital Asia Ltd | Asia Opportunity Fund I, L.P. | 514'599'639 | 14'542 | 0.0 | 71.6 | 1999 |
| CCMP Capital Asia Ltd | Asia Opportunity Fund II, L.P. | 1'057'120'333 | 84'117 | 0.0 | 100.0 | 2005 |
| Baring Private Equity Asia Group Ltd | The Baring Asia Private Equity Fund III, L.P.1 | 351'178'958 | 307'220 | 0.1 | 86.3 | 2005 |
| AsiaVest Partners, TCW/YFY Ltd | AsiaVest Opportunities Fund IV | 193'506'773 | 28'633 | 0.0 | 92.0 | 2004 |
| Cybernaut (China) Capital | Cybernaut Growth Fund, L.P. | 179'172'938 | 458'251 | 0.3 | 40.8 | 2005 |
| AsiaVest Partners, TCW/YFY Ltd | Taiwan Special Opportunities Fund III | 202'823'766 | 1'707 | 0.0 | 100.0 | 1999 |
| PGPEAL | Partners Group SPP1 Limited | 222'331'398 | 28'667'670 | 12.9 | 93.7 | 1996 |
| William Blair & Company LLC | William Blair Capital Partners VI, L.P. | 193'259'514 | 1'433'384 | 0.7 | 99.1 | 1998 |
| The Blackstone Group | Blackstone Real Estate Partners VI, L.P. | 7'740'270'911 | 876'037 | 0.0 | 48.3 | 2007 |
| Fortress Investment Group LLC | Fortress Investment Fund V (co-Investment Fund), L.P. | 2'909'768'509 | 83'448 | 0.0 | 72.8 | 2007 |
| Fortress Investment Group LLC | Fortress Investment Fund V, L.P. | 2'909'768'509 | 126'860 | 0.0 | 36.0 | 2007 |
| Chase Capital Partners | Chase 1998 Pool Participation Fund, L.P. | 180'982'765 | 14'333'835 | 7.9 | 99.0 | 1998 |
| Aksia Capital | Aksia Capital III, L.P. | 147'000'000 | 5'500'000 | 3.7 | 73.1 | 2005 |
| Axcel III K / S 2 | Axcel III K / S 2 | 405'162'574 | 273'753 | 0.1 | 61.3 | 2007 |
| CapVis Equity Partners AG | CapVis Equity II, L.P. | 340'000'000 | 314'757 | 0.1 | 95.4 | 2003 |
| Coller Capital Limited | Coller International Partners III NW1, L.P. | 118'705'405 | 13'579'517 | 11.4 | 82.6 | 1994 |
| Coller Capital Limited | Coller International Partners III NW2, L.P. | 120'188'964 | 16'190'963 | 13.5 | 93.2 | 1996 |
| Doughty Hanson & Co | Doughty Hanson & Co. Fund III, L.P. | 1'906'400'058 | 4'862'230 | 0.3 | 97.1 | 1997 |
| Cinven | Second Cinven Fund (No.2), L.P. | 945'343'295 | 5'353'463 | 0.6 | 97.5 | 1998 |
| NIAM | NIAM Nordic Investment Fund III | 321'010'050 | 419'284 | 0.4 | 91.7 | 2004 |
| DFJ Esprit Capital Partners | Esprit Capital I Fund, L.P. | 244'750'424 | 1'058'646 | 0.6 | 91.7 | 2000 |

in EUR

| Unternehmen / Company | Zahlungsversprechen Amount committed | Abrufe in % % Drawn down | Lancierungsjahr Vintage year | Finanzierungsstadium Financing stage | Region |
|---|---|---|---|---|---|
| **DIREKTINVESTITIONEN** | | | | | |
| **DIRECT INVESTMENTS** | | | | | |
| AHT Cooling Systems GmbH | 4’000’000 | 100.0 | 2007 | Special Situations | Europe |
| Arcos Dorados Limited (aka: McDonalds Latin American Operati) | 303’184 | 100.0 | 2007 | Buyout | Asia & Rest of World |
| AWAS Aviation Holding | 4’500’000 | 100.0 | 2006 | Buyout | North America |
| Cengage (fka: Thomson Learning, Inc.) | 5’768’885 | 100.0 | 2007 | Buyout | North America |
| *Diagnostic Imaging Company** | 48’435 | 100.0 | 2007 | Buyout | Asia & Rest of World |
| *Direct Marketing and Sales Company** | 168’025 | 91.1 | 2007 | Buyout | Asia & Rest of World |
| Essmann | 2’705’065 | 100.0 | 2007 | Special Situations | Europe |
| Ferretti | 3’600’000 | 100.0 | 2007 | Special Situations | Europe |
| *Food company** | 1’791’729 | 100.0 | 2007 | Buyout | North America |
| General Nutrition Centers, Inc. | 4’999’427 | 100.0 | 2007 | Buyout | North America |
| *Indian Communications Company** | 69’031 | 100.0 | 2008 | Special Situations | Asia & Rest of World |
| *Information Service Company** | 3’583’459 | 100.0 | 2007 | Buyout | North America |
| *Japanese Financial Institution** | 140’088 | 96.6 | 2008 | Buyout | Asia & Rest of World |
| Lifeways Community Care Limited | 2’462’388 | 100.0 | 2007 | Buyout | Europe |
| *Media and Communications Company** | 1’788’261 | 100.0 | 2008 | Buyout | North America |
| *Media Company** | 150’774 | 100.0 | 2007 | Buyout | Asia & Rest of World |
| Plantasjen ASA | 2’778’757 | 100.0 | 2007 | Buyout | Europe |
| Purple Labs SA | 180’902 | 100.0 | 2007 | Buyout | Europe |
| The Readers’ Digest Association, Inc. | 2’866’767 | 100.0 | 2007 | Buyout | North America |
| Universal Hospital Services, Inc. | 2’866’767 | 100.0 | 2007 | Buyout | North America |
| *US Entertainment Company** | 3’583’459 | 100.0 | 2008 | Buyout | North America |
| Xanit Hospital Internacional | 1’954’639 | 100.0 | 2007 | Buyout | Europe |

| Unternehmen / Company | Marktkapitalisierung Market capitalisation | Marktwert Market Value | Beteiligung in % % owned | Finanzierungsstadium Financing Stage | |
|---|---|---|---|---|---|
| **NOTIERTE BETEILIGUNGSGESELLSCHAFTEN** | | | | | |
| **LISTED PRIVATE EQUITY** | | | | | |
| Partners Group Private Equity Performance Holding Limited (P3) | 150’730’845 | 2’574’325 | 1.7 | Buyout | |
| Partners Group Listed Investment - Listed Private Equity | 43’264’272 | 4’255’440 | 9.8 | Buyout | |

Einige Investitionen wurden über Partners Group-Zugangsvehikel getätigt, ohne zusätzliche Gebühren

Some investments have been made through Partners Group pooling vehicles at no additional fees

** Aus Vertraulichkeitsgründen können wir die Namen nicht veröffentlichen*

** Names may not be disclosed for confidentiality reasons*

## AUSGEWÄHLTE ZAHLUNGSVERSPRECHEN IN 2008
## SELECTED COMMITMENTS IN 2008

**Partners Group Infrastructure 2007, L.P.**
Im Januar investierte Princess EUR 10 Mio. in die Portfolio-Partnership Partners Group Infrastructure 2007. Der Fonds tätigt Primärinvestitionen in ausgewählte Infrastruktur-Fonds mit einem Fokus auf Public-Private-Partnerships (PPP), Private Finance Initiatives (PFI), Energie-Infrastruktur und generelle Infrastruktur-Investitionen. Der Fokus wird auf Europa liegen, aber auch Investitionsmöglichkeiten in Amerika werden auf einer opportunistischen Basis in Erwägung gezogen. Zwischen der Hälfte und zwei Dritteln des Kapitals wird Fonds zugewiesen, die bereits eine Cash Yield erzielen, der Restbestand wird Fonds zugeteilt, die sich auf Kapitalgewinne konzentrieren. Da Partners Group als Anlageberater für Princess tätig ist, fallen auf Ebene von Partners Group Infrastructure 2007 keine zusätzlichen Gebühren an.

**Carmel Ventures III, L.P.**
Im Januar hat Princess ein Zahlungsversprechen über EUR 4 Mio. an Carmel Ventures III abgegeben. Der Fonds fokussiert sich auf Früh- und Wachstumsfinanzierungen für IT-Unternehmen und konzentriert sich dabei auf die Industriesegmente Software und Kommunikation. Carmel III sucht nach innovativen technologischen Ideen und unternehmerisch denkenden Gruppen, die neue Konzepte definieren und entwickeln können. Dabei zielt der Fonds darauf ab, sich an der ersten Finanzierungsrunde zu beteiligen.

**Partners Group Distressed 2008, L.P.**
Im Februar gab Princess eine Zahlungszusage in Höhe von EUR 20 Mio. an Partners Group Distressed 2008 ab. Ziel des Fonds ist es, durch Zahlungsversprechen an andere Fonds sowie durch opportunistisch getätigte Sekundär- und Direktinvestitionen ein diversifiziertes Portfolio von Distressed-, Turnaround- und Special Situations-Investitionen aufzubauen. Der Fonds wird sich in erster Linie auf Investitionen in den USA und Westeuropa konzentrieren sowie zu einem geringeren Teil in anderen Regionen investieren. Da Partners Group als Anlageberater für Princess tätig ist, fallen auf Ebene von Partners Group Distressed 2008 keine zusätzlichen Gebühren an.

**Clayton, Dubilier & Rice Fund VIII, L.P.**
Im Februar gab Princess ein Zahlungsversprechen in Höhe von EUR 13 Mio. an Clayton, Dubilier & Rice Fund VIII ab. Clayton, Dubilier & Rice wurde 1978 gegründet und ist einer der ältesten und angesehendsten Buyout-Investoren. Seit der Gründung fokussiert sich Clayton, Dubilier & Rice sehr erfolgreich auf kontrollorientierte Buyout-Investitionen und unterstützt dabei Unternehmen, die typischerweise strategische und operative Umstrukturierungen benötigen. Die Unternehmen sind oftmals Marktführer in attraktiven Industrien,

**Partners Group Infrastructure 2007, L.P.**
In January, Princess committed EUR 10 million to Partners Group Infrastructure 2007. The fund makes primary investments in selected infrastructure funds with a focus on Public-Private-Partnerships (PPP), Private Finance Initiatives (PFI), energy infrastructure and general infrastructure investments. The focus of the fund is on Europe, but investment opportunities in the US might also be considered on an opportunistic basis. Between half and two thirds of the portfolio will be allocated to funds that generate a current cash yield, with the remainder being allocated to funds with a focus on capital gains. Since Partners Group acts as the Investment Advisor to Princess, no additional fees are levied with respect to the investment in Partners Group Infrastructure 2007.

**Carmel Ventures III, L.P.**
In January, Princess committed EUR 4 million to Carmel Ventures III. The fund focuses on investing in seed and early stage information technology companies and concentrates 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 strives to be an investor in the first financing round.

**Partners Group Distressed 2008, L.P.**
In February, Princess committed EUR 20 million to Partners Group Distressed 2008. The fund will build up a diversified portfolio of distressed, turnaround and special situation investments by making primary commitments to funds as well as opportunistic secondary and direct investments. The fund will primarily target opportunities in the US and Western Europe and to a lesser extent in the rest of the world. Since Partners Group acts as the Investment Advisor to Princess, no additional fees will be levied with respect to the investment in Partners Group Distressed 2008.

**Clayton, Dubilier & Rice Fund VIII, L.P.**
In February, Princess made a commitment of EUR 13 million 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.

haben sich jedoch mangels strategischer Ausrichtung oder auf Grund unzureichender Unterstützung der Muttergesellschaft unter ihren Möglichkeiten entwickelt. Clayton, Dubilier & Rice Fund VIII hat keine geografischen Investitionsbeschränkungen, da das gute Beziehungsnetzwerk und das globale Fachwissen des Unternehmens einen weltweiten Dealfluss ermöglichen.

**Aksìa Capital III, L.P.**
Im März gab Princess eine Kapitalzusage von EUR 3 Mio. an Aksìa Group ab. Aksìa Group fokussiert sich auf Industrie-Sektoren, in welchen italienische Unternehmen traditionell spezialisiert sind und internationale Führungspositionen vorzuweisen haben. Der Fokus des Unternehmens liegt darauf, sich den tatsächlichen Bedürfnissen der Unternehmen zu verschreiben, einer permanenten Verbesserung ihrer Leistungs- und Wettbewerbsfähigkeit. Aksìa Group konzentriert sich deshalb auf erfolgreiche Unternehmen, die ein klares Geschäftsmodell implementiert haben und bereits über einen nachhaltigen Wettbewerbsvorteil verfügen. Aksìa Group ist normalerweise involviert, wenn strategische und aussergewöhnliche Begebenheiten die organisatorische Struktur, die Kerncharakteristiken oder die Marktposition ihrer Unternehmen tangieren. Als Hauptaktionär trägt Aksìa Group zur Unternehmensstrategie und zum Management bei. Aksìa Group evaluiert die besten Entwicklungsopportunitäten im Sektor der Klein- und mittelständischen Unternehmen und bietet den Firmen Stabilität im Management sowie die Stärkung ihrer Wettbewerbsposition.

**Ares Corporate Opportunities Fund III, L.P.**
Im April gab Princess eine Kapitalzusage von EUR 6 Mio. an Ares Corporate Opportunities Fund III ab. Der Fonds verfolgt dieselbe flexible und opportunistische Strategie wie seine Vorgänger, indem er in mittelständische Unternehmen investiert, die überschuldet sind, sich in einer Notlage befinden oder gezwungen sind, zusätzliches Kapital aufzunehmen. Ares investiert in verschiedene Industriesegmente im nordamerikanischen Markt, um ein breit diversifiziertes Portfolio von rund 15 bis 25 Unternehmen aufzubauen. Mit seinem breiten Fachwissen, seinem Strukturierungs-Know-how und seinem fundierten Einblick in die Kapitalmärkte ist Ares gut positioniert, um von komplexen Investitionsopportunitäten während eines gesamten Konjunkturzykluses zu profitieren.

**Aksìa Capital III, L.P.**
In March, Princess committed EUR 3 million to Aksìa Capital III. Aksìa Group focuses on industrial sectors in which Italian companies are traditionally specialized and boast international leadership. The focus of the fund is on companies' real needs to make tangible, permanent improvements in their performance and competitive position. Aksìa Group thereby targets successful companies that have consolidated a clear-cut business model and gained a sustainable competitive edge. Aksìa Group is usually involved when strategic and extraordinary events affect its companies' organizational structure, core characteristics and market position. As the majority shareholder, Aksìa Group contributes to its companies' strategies and management. Aksìa Group assesses the most suitable development opportunities in small and mid cap buyout sectors, offering the companies management stability and act to reinforce the companies' competitive position.

**Ares Corporate Opportunities Fund III, L.P.**
In April, Princess committed EUR 6 million to Ares Corporate Opportunities Fund III. The fund follows the same flexible and opportunistic investment strategy as its predecessor funds by investing in middle-market companies that are overleveraged, distressed or generally capital-constrained. It aims to invest across a variety of industries in North America and build up a diversified portfolio of around 15 to 25 companies. With its broad platform, structuring expertise and profound insight into capital markets, Ares is very well positioned to capitalize on complex investment opportunities across economic cycles.

# AUSGEWÄHLTE INVESTITIONEN IN 2008
# SELECTED INVESTMENTS IN 2008

**Doughty Hanson & Co Fund V, L.P.**
Im Juli erwarb die Princess-Partnership Doughty Hanson & Co V *TMF*, ein weltweit tätiges Unternehmen in der Auslagerung von Managementdienstleistungen und Buchhaltung, für EUR 750 Mio. von Silverfleet Capital. TMF verzeichnet organisches sowie durch Übernahmen generiertes Umsatzwachstum und gilt damit als idealer IPO-Kandidat. Das Unternehmen hat hochqualitative Einnahmen und Verträge mit einer Laufzeit von mehr als einem Jahr. Des Weiteren besitzt das Unternehmen einen sehr hohen Geldumschlag und einen tiefen Investitionsaufwand. TMF profitiert von Richtlinien wie dem Sarbanes Oxley Act, der es den vier grössten Wirtschaftsprüfern verbietet, gleichzeitig die Buchführung und die Wirtschaftsprüfung für ihre grossen multinationalen Klienten zu übernehmen. Des Weiteren sollte das Unternehmen vom rasanten Wachstum profitieren, das für den Markt für Auslagerungen von Geschäftsprozessen vorhergesagt wird.

**Baring Asia Private Equity Fund IV, L.P.**
Die Princess-Partnership Baring Private Equity Asia erwarb im August für rund USD 360 Mio. *Nord Anglia Education*. Die Übernahme wird mit einem unter anderem in Asien aufgenommenen Finanzierungspaket teilweise fremdfinanziert. Nord Anglia ist tätig im Bereich von Dienstleistungen im Ausbildungswesen und betreibt internationale Schulen in China, Korea und Osteuropa. Die Wachstumspläne von Baring umfassen die Gründung weiterer Schulen in bestehenden und neuen Märkten innerhalb Asiens und die Ausweitung des Geschäftsbereiches Ausbildungswesen in neuen Märkten, speziell im Mittleren Osten.

**Clayton, Dubilier & Rice Fund VII, L.P.**
Im Oktober erwarb Princess-Partnership Clayton, Dubilier & Rice Fund VII *Bodycote Testing Group*, von Bodycote Plc. Bodycote Testing Group ist eines der weltweit führenden unabhängigen Prüfinstitute mit über 130 Laboren in mehr als 25 Ländern. Bodycote Testing Group bietet seinen Kunden aus verschiedenen Industriebereichen Technologie- und Ingenieursdienstleistungen, welche anspruchsvolle Zulassungen und technische Erfahrungen benötigen. Clayton, Dubilier & Rice beabsichtigt, die Stärken des Unternehmens weiter auszubauen, um die Leistungsfähigkeit zu verbessern sowie dadurch die Produktivität und die Umsätze in einem Industriesegment zu erhöhen, das auf Grund seiner nicht zyklischen Umsatzstruktur von der schwachen konjunkturellen Entwicklung relativ unabhängig ist.

**Doughty Hanson & Co Fund V, L.P.**
In July, Princess partnership Doughty Hanson & Co V acquired *TMF*, a global management and accounting outsourcing services business, from Silverfleet Capital for EUR 750 million. TMF is enjoying top-line growth, both organic and through acquisitions, and is considered to be an ideal listing candidate. The company has high-quality earnings and contracts that extend beyond a year, as well as a very high cash conversion and low capex requirement. The company has benefited from regulations such as the Sarbanes Oxley Act, which bans the four largest accounting firms from preparing and subsequently auditing the books of their large multinational clients. It is anticipated that the company will profit from the rapid growth foreseen for the business process outsourcing market.

**Baring Asia Private Equity Fund IV, L.P.**
In August, Princess partnership Baring Private Equity Asia completed the acquisition of *Nord Anglia Education* in a deal worth USD 360 million. The takeover is supported by a debt package raised partly in Asia. Nord Anglia operates a learning services division and international schools located in China, Korea and Eastern Europe. Baring's growth plan for Nord Anglia is to roll out further school campuses in existing and new markets across Asia and expand the learning services footprint in new markets, particularly in the Middle East.

**Clayton, Dubilier & Rice Fund VII L.P.**
In October, Princess partnership Clayton, Dubilier & Rice Fund VII successfully acquired *Bodycote Testing Group*, from Bodycote Plc. Bodycote Testing Group is one of the world's leading independent testing organizations, operating over 130 laboratories in more than 25 countries. Bodycote Testing Group provides technical and engineering services requiring demanding accreditation and technical expertise, to a broad range of industries. Clayton, Dubilier & Rice intends to build on the core strengths of the business to improve efficiency and to boost revenues and productivity in an industry resilient to a recessionary environment because of its non-discretionary sales pattern.

## AUSGEWÄHLTE REALISIERUNGEN IN 2008
## SELECTED REALIZATIONS IN 2008

**Apollo Investment Fund V, L.P. & Apax Excelsior VI, L.P.**

Im Februar verkauften die Princess-Partnerships Apollo Investment Fund V/ Apax Excelsior VI zusammen mit einem Private Equity-Konsortium *Intelsat Holdings* für rund USD 16.5 Mrd. an BC Partners. Dabei erzielten die Private Equity-Investoren einen hohen einstelligen Multiple sowie eine interne Verzinsung (IRR) von über 100%. Intelsat ist ein führender Anbieter weltweiter Satellitenkommunikation und bietet Video-, Sprach und Datenübertragung in rund 200 Ländern. Nachdem sich das Konsortium im August 2004 an Intelsat beteiligte, übernahm Intelsat ein Jahr später den direkten Konkurrenten PanAmSat für USD 3.2 Mrd.

**Pegasus Partners II, L.P.**

Im März verkaufte Pegasus Partners II, eine Partnership im Portfolio von Princess, *Cannondale Bicycle Corporation*, den führenden Designer, Entwickler und Hersteller qualitativ hochwertiger Fahrräder. Der Gesamtwert der Transaktion war vom Jahresergebnis per 30. Juni 2008 abhängig und belief sich auf ca. USD 200 Mio. Cannondale gilt als richtungweisender Innovator in der Branche und gewann während der Haltedauer durch Pegasus verschiedene Designauszeichnungen. Pegasus erwarb Cannondale in 2003 für rund USD 58 Mio. aus einem Insolvenzverfahren und half dem Unternehmen, sich wieder auf das Kerngeschäft – die Fahrradherstellung – zu konzentrieren, was sich in einem 30–40%-Umsatzwachstum niederschlug. Der Verkauf schliesst ebenso Cannondales Tochtergesellschaft Sugoi Performance Apparel ein, deren Geräte im Lauf-, Rad- sowie im Thriathlonsport höchste Anerkennung geniessen.

**GMT Communication Partners III, L.P.**

Im April veräusserte die Princess-Partnership GMT Communications Partners III ihr Portfoliounternehmen *Asiakastieto*. Als alleiniger Eigentümer der umfassendsten Datenbank für Geschäfts- und Kreditinformationen in Finnland ist Asiakastieto mit einem 74%-Marktanteil und 23'000 Kunden der landesweit grösste Anbieter von Informationen dieser Art. Seit der Übernahme durch GMT im Jahre 2006 steigerte Asiakastieto sein EBITDA um 31% und seinen Nettoumsatz um 20% jährlich. GMT erzielte bei einer Haltedauer von weniger als zwei Jahren mit dem Verkauf eine interne Verzinsung (IRR) von rund 70%.

**Graphite Capital Partners V, L.P.**

Im Mai schüttete Graphite Capital Partners V, eine Partnership im Portfolio von Princess, Erträge aus der Veräusserung des Medizinunternehmens *Summit Medical Ltd.* an die Investoren aus. Graphite erhielt aus dem Verkauf mehr als das Dreifache der ursprünglichen Investitionssumme zurück. Graphite hatte

**Apollo Investment Fund V, L.P. & Apax Excelsior VI, L.P.**

In February, Princess partnerships Apollo Investment Fund V and Apax Excelsior VI alongside a private equity consortium successfully sold *Intelsat Holdings* 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 successfully sold the *Cannondale Bicycle Corporation*, the leading designer, developer and manufacturer of high-end bicycles. The total value of the transaction was subject to the first half 2008 earning results, and estimated at USD 200 million. Widely regarded as the bicycle industry's leading innovator, Cannondale has 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% to 40% growth of its top lines over the period. The sale also includes Sugoi Performance Apparel whose products are used worldwide by runners, cyclists, tri-athletes and fitness enthusiasts who demand the best sporting apparel available.

**GMT Communication Partners III, L.P.**

In April, Princess partnership GMT Communications Partners III sold its portfolio company *Asiakastieto*. Being the sole owner of the most comprehensive business and credit information database in Finland, Asiakastieto is the country's largest provider of such information with a 74% market share and 23'000 customers. Since GMT's acquisition of Asiakastieto in 2006, EBITDA increased by 31% p.a. and net sales by 20% p.a. The sale generated an internal rate of return (IRR) of approximately 70% over a holding period of less than two years.

**Graphite Capital Partners V, L.P.**

In May, Princess partnership Graphite Capital returned money to the investors after the sale of medical firm *Summit Medical Ltd.*, which generated a return of more than three times its original investment. Graphite led a GBP 17 million management buy-in/buyout in 2001, after which Summit Medical developed strongly in the UK and overseas. Profit and turnover have both more than doubled. Summit im Jahre 2001 einen GBP 17 Mio. Management Buy-in/Buyout angeführt, in dessen Folge sich Summit Medical sehr gut in Grossbritannien und Übersee entwickelte. Umsatz als auch Gewinn haben sich während der Investitionsperiode mehr als verdoppelt. Summit Medical entwickelt, produziert und vertreibt qualitativ hochwertige medizinische Geräte und Zubehör. Zu den Kunden gehören Patienten und Ärzte sowie Gesundheitsdienste in Grossbritannien und in über 30 Exportmärkten, zu welchen auch die USA und Kontinentaleuropa zählen.

**Warburg Pincus Private Equity IX, L.P.**
Im Juni verkaufte die Princess-Partnership Warburg Pincus IX *Euromedic International NV* an Ares Life Sciences und Merrill Lynch Global Private Equity. Mit dieser erfolgreichen Veräusserung erzielt Warburg Pincus Berichten zufolge eine interne Verzinsung (IRR) von 60% und einen Multiple von 3x. Euromedic ist ein dänischer Investor und Dienstleister im europäischen Gesundheitswesen in den Bereichen Diagnostikzentren, Pflegezentren für nierenkranke Patienten und nephrologische Hilfe sowie Ausbildungszentren für medizinische Pflegekräfte. Warburg Pincus unterstützte Euromedic während einer starken Wachstumsphase und half dem Unternehmen, eine führende Marktposition zu erreichen.

**Warburg Pincus Private Equity IX, L.P.**
Im August schüttete die Princess-Partnership Warburg Pincus Private Equity IX Erträge aus der Veräusserung von *APT Generation* aus, einem Portfolio aus drei Elektrizitätskraftwerken, welches sie gemeinsam mit Tenaska Capital Management nur ein Jahr gehalten hatte. Zusammen mit einem weiteren Kraftwerk, das sich im alleinigen Eigentum von Tenaska befand, belief sich der Verkaufspreis der Anlagen auf USD 856.4 Mio. Die Veräusserung wurde beschlossen, nachdem im vergangenen Jahr der Verkauf eines anderen Kraftwerkes sehr gut vom Markt aufgenommen worden war.

Medical designs, produces and distributes world class medical devices and accessories. Its customers include individual patients and medical practitioners as well as health services in the UK and in over 30 export markets, including the USA and Continental Europe.

**Warburg Pincus Private Equity IX, L.P.**
In June, Princess portfolio partnership Warburg Pincus IX sold *Euromedic International NV* to Ares Life Sciences and Merrill Lynch Global Private Equity. The transaction was reported to have been a very successful one, with Warburg Pincus achieving an internal rate of return (IRR) of 60% and a money multiple of 3x. Euromedic International is a Dutch healthcare investor and operator in Europe with diagnostic centers, dialysis centers for renal care services and nephrological support, and training centers for medical staff. Warburg Pincus IX had originally backed Euromedic International at a time when it was growing significantly and helped it to achieve a market leadership position.

**Warburg Pincus Private Equity IX, L.P.**
In August, Princess portfolio partnership Warburg Pincus Private Equity IX returned money to its investors after the sale of *APT Generation*, an energy portfolio consisting of three electricity-generating plants jointly owned by Tenaska Capital Management, just one year after its purchase. The three plants were sold together with a fourth facility, which was owned solely by Tenaska, for USD 856.4 million. Subsequent to the sale of another facility in 2007, which was successfully received by the market, the investors decided to exit APT Generation.

## AUSBLICK AUF DAS JAHR 2009
## OUTLOOK FOR 2009

**Lernen aus der Vergangenheit**

Obwohl die Wahrscheinlichkeit eines schweren Wirtschaftsabschwungs angestiegen ist, beharren Regierungen nicht auf ausgeglichenen Haushalten und auch der Ausbruch eines Handelskrieges ist unwahrscheinlich. Regierungen und Zentralbanken haben aus der Grossen Rezession und der Verlorenen Dekade in Japan gelernt und werden einer Verknappung der Geldmenge nicht tatenlos zusehen. Die aktuellen massiven Eingriffe der Regierungen und Zentralbanken sollten die Kreditkrise eindämmen und das Vertrauen in die Verlässlichkeit des globalen Finanzsystems wieder herstellen. Zudem wird eine angepasste Geldpolitik vor dem Hintergrund abnehmender Inflationsraten unterstützend wirken und die Eigenkapitalinjektionen der Regierungen in den Finanzsektor sowie die Übernahme von riskanten Wertpapieren den Abbau der Verschuldungsgrade beschleunigen. Dadurch sollten sich die negativen Auswirkungen auf das Kreditangebot für Unternehmen und Verbraucher in Grenzen halten.

Folglich geht der Anlageberater für 2009 von einem globalen Wirtschaftswachstum von unter 2.0% aus, was per Definition einer weltweiten Rezession entspricht, bevor in 2010 eine Erholung eintreten sollte. Dieses geringe Wachstum wird vor allem von Wachstumsländern wie China und Indien getragen werden, die trotz der negativen Wachstumsraten in der industrialisierten Welt weiterhin wachsen. Nichtsdestotrotz könnten sich die aktuellen Wachstumserwartungen als zu optimistisch herausstellen.

In den Vereinigten Staaten und Europa wird die Erholung wohl erst schrittweise in 2010 beginnen. Dennoch wird eine Rezession/Depression wie während der Verlorenen Dekade in Japan nicht erwartet. Immerhin haben die Nicht-Finanzsektoren die Krise mit geringen Verschuldungsgraden und hohen Bargeldbeständen relativ komfortabel begonnen. Diese Sektoren sollte daher in der Lage sein, den Wirtschaftsabschwung relativ unbeschadet zu überstehen.

**Möglichkeiten für Private Equity im aktuellen Marktumfeld**

Momentan ist die weitere Entwicklung des Fremdkapitalmarktes zugegebenermassen schwierig zu prognostizieren, und eine Aussage darüber, wann dieser Markt wieder funktionieren wird, ist nicht verlässlich zu treffen. Obwohl die nahe Zukunft des Buyout-Kreditmarkts ungewiss ist, gibt es dennoch eine realistische Chance, dass sich der Markt für hochwertige Unternehmensanleihen auf Grund der

**Learning from the past**

Although the odds of a severe downturn have risen, governments and central banks have learned from the Great Depression and the "lost decade" in Japan and will not stand by watching the money supply contract, governments will not stick rigidly to balanced budgets and a trade war is unlikely to emerge. Recent massive government and monetary actions should finally succeed in containing the credit crisis and in re-establishing trust in the viability of the global financial system. Furthermore, accommodative monetary policy in the face of declining headline inflation will act supportive, while direct equity injections by western governments in financial institutions, in combination with the purchase of troubled assets, will accelerate the deleveraging process currently underway in the banking sector, thus mitigating the effects on corporate and consumer lending.

Consequently, the Investment Advisor believes the global economy will only grow at a rate of below 2.0% in 2009, meeting the technical definition of a global recession, before beginning to recover in 2010. The little amount of growth that there will be is supported by growth in some developing economies, such as China and India, which – albeit dragged down by the downturn in the industrialized world – will continue to expand, even if their current growth estimates may yet prove to be too optimistic.

For the United States and Europe, a recovery will likely only gradually set in towards 2010 and will be shallow; however, a Japanese-like recession/depression is not expected. After all, the non-financial corporate sector has entered the crisis in a relatively comfortable position, with low leverage levels and cash-rich balance sheets, and should therefore be able to weather a cyclical downturn relatively well.

**Private equity opportunities in the current market environment**

At the moment, the further development of the debt market is admittedly difficult to predict, visibility remains very low and forecasts as to when debt markets will function again smoothly are obsolete. While there is a realistic chance that the investment grade corporate bond market will eventually recover due to the massive government intervention in the banking sector and the nature of the overreaction we have seen over the last weeks, the immediate future of the leveraged loan market is less certain. Buyers of leveraged loans – i.e. hedge funds and collateralized loan obligations (CLOs) – are not expected to return massiven staatlichen Interventionen im Bankensektor und der Überreaktionen der Märkte in den letzten Wochen wieder erholen wird. Die ursprünglichen Käufer von Buyout-Krediten wie z.B. Hedge Fonds und CLOs werden in absehbarer Zeit wohl nicht auf den Markt zurückkehren, und vorrangiges Fremdkapital wird wahrscheinlich weiterhin den Engpass bei der Buyout-Finanzierung darstellen. Als Folge dieses Markumfelds sollten Eigenkapitalanforderungen, die bereits in den letzten Monaten signifikant angestiegen sind, genauso wie Gesamtkapitalkosten auf einem hohen Niveau bleiben, Refinanzierungen schwierig abzuschliessen sein und auch hohe Fremdverschuldungsgrade in grossen Transaktionen nicht möglich sein.

Buyout-Fonds sind jedoch in einer einzigartigen Position, da sie einer der wenigen Akteure an den Finanzmärkten mit verfügbarem Kapital sind und hierdurch von den aufkommenden Investitionsmöglichkeiten in den nächsten Monaten profitieren können. Gesunde Unternehmen, die Refinanzierungsschwierigkeiten haben und solche, die als nächsten Schritt in ihrem Wachstumsplan einen Börsengang angestrebt hatten, werden sich zur Kapitalbeschaffung vermehrt an Private Equity-Fonds wenden. Ausserdem beschleunigen Wirtschaftsabschwünge Konsolidierungen innerhalb von Industrien, um Skaleneffekte in einem solch schwierigen Umfeld zu nutzen; einer der Bereiche, in denen sich Private Equity-Häuser besonders auszeichnen. Folgeinvestitionen für Portfoliounternehmen sollten daher in 2009 häufiger vorkommen. Des Weiteren verstärkten die deutlichen Wertverluste an den Börsen die Attraktivität von Public-to-Private-Transaktionen, da starke Unternehmen mit stabilen Wachstumsaussichten nun zu attraktiven Konditionen von der Börse genommen werden können. PIPE-Transaktionen (Private Equity-Investitionen in börsennotierte Unternehmen) sind ebenfalls attraktiver geworden, da signifikante Anteile an börsennotierten Unternehmen jetzt mit deutlich weniger Kapital erworben werden können.

Die Schwellenländer, insbesondere Asien, werden weiterhin attraktive Investitionsmöglichkeiten für Private Equity bieten. Obwohl auch diese Länder von dem weltweiten Wirtschaftsabschwung betroffen sind, bleiben die guten Wachstumsaussichten für die meisten aufstrebenden Länder mittel- bis langfristig bestehen, da deren strukturelle Wachstumstreiber hiervon nicht betroffen sind. Ausserdem haben die Einstiegs-Multiples auf Grund der Kreditkrise begonnen abzunehmen, Investitionen sind durch die Abwertung der lokalen Währungen günstiger geworden und kleine und mittlere Unternehmen, z.B. in China und Indien, öffnen sich mehr und mehr für Private

at any point soon, and senior debt will probably continue to be a bottle neck for the financing of buyouts. Consequently, equity requirements – which have increased significantly during recent months – are expected to remain elevated, the costs of capital will stay high, refinancings difficult to obtain and significant leverage in large-cap transactions is not expected to be seen in this difficult market environment.

Buyout funds, however, are also in the unique position of being one of the few financial actors left with capital to deploy, putting them in an advantageous position to take advantage of attractive investment opportunities in the near to mid-term. Sound companies that encounter refinancing difficulties and those that have reached the stage where going public would be the next logical step in their growth plan will increasingly turn to private equity firms for capital. Furthermore, economic downturns accelerate consolidation across industries, an area in which private equity excels, as companies strive for economies of scale in a tough environment. Follow-on investments for existing portfolio companies are likely to be a frequent occurrence in 2009. In addition, the sharp adjustment in valuations of public companies has strongly increased the attractiveness of public-to-private transactions, as robust companies with strong growth prospects can now be taken private at attractive prices. PIPE (private investments in public equity) transactions have also become more attractive, as significant stakes in publicly listed companies can now be acquired with less capital.

Emerging markets, especially in Asia, will offer compelling investment opportunities for private equity. Despite being affected by the global economic downturn, the growth story for most emerging economies remains intact in the medium to long term as the underlying structural drivers of growth remain unscathed. Furthermore, entry multiples have started to lower gradually due to the credit crisis, investments have become cheaper as the currencies have depreciated and small and medium-sized enterprises – in China and India, for example – are increasingly opening up to private equity financing as banks have tightened lending standards.

**Private portfolio companies better positioned than public counterparts**

The continuing recessionary environment will be challenging for all companies, including private equity owned ones. However, their narrow shareholder base and long-term outlook will help them in weathering the storm. Top general

Equity-Finanzierungen, da Banken strengere Kreditvergabebedingungen implementieren.

**Private Equity-Portfoliounternehmen besser positioniert als börsennotierte Vergleichsunternehmen**

Die anhaltende gesamtwirtschaftliche Umgebung bleibt eine Herausforderung für alle Unternehmen, auch für solche mit Private Equity-Beteiligung. Deren begrenzte Eigentümerbasis und langfristige Ausrichtung wird ihnen jedoch helfen, den aufziehenden Sturm zu meistern. Führende General Partner werden eng mit ihren Portfoliounternehmen zusammenarbeiten, um deren Kernkompetenzen zu identifizieren, Kosten zu senken, Prozesse zu optimieren, Fusionsmöglichkeiten zu untersuchen und Unternehmen generell «fitter» zu machen. Diese Schritte werden den Portfoliounternehmen nicht nur kurzfristig helfen, sondern sie auch in eine erstklassige Position versetzen, um von einer zukünftigen Erholung der Wirtschaft profitieren zu können. Zudem haben viele Buyout-Fonds reichlich Liquidität zur Verfügung, die sie aussichtsreichen Portfoliounternehmen zur Überbrückung von kurzfristigen Liquiditätsengpässen zur Verfügung stellen können.

Schlussendlich ist die günstige Bereitstellung von Fremdkapital vor der Kreditkrise ein weiterer Vorteil von Private Equity-Portfoliounternehmen, da sie dadurch besser finanziert sind als vergleichbare börsennotierte Unternehmen. In den meisten Fällen werden signifikante Refinanzierungen erst 2011 oder 2012 fällig, und die bestehende Fremdkapitalfinanzierung wurde zu ungewöhnlich attraktiven Konditionen abgeschlossen. Vor der Kreditkrise zeichneten sich diese Finanzierungen neben attraktiven Zinssätzen auch durch eine «Covenant Light»-Struktur aus, deren Kreditbedingungen überaus flexibel sind.

**Herausforderungen, aber auch ein grosser Markt für Venture Capital**

Das rezessive Umfeld wird eine Herausforderung für viele Venture Capital-Portfoliounternehmen darstellen, da deren Exit-Möglichkeiten durch kaum lukrative Börsengänge stark reduziert wurden. Veräusserungen an industrielle Investoren sind weiterhin möglich, ihr Volumen wird jedoch gering bleiben. Folglich werden Venture Capital-Häuser eng mit ihren Portfoliounternehmen zusammenarbeiten, um Kosten zu senken, schlanker zu werden und, falls möglich, Cash Flow-neutral zu operieren, um bis zu einer Verbesserung des makroökonomischen Umfelds zu überleben.

partners will work closely with their portfolio companies in order to identify their core competencies, reduce costs, optimize processes, explore consolidation opportunities and in general just make companies "fitter". Such measures will not only help portfolio companies in the short term, they will also lead to them being in a prime position to reap the benefits once the economy recovers. In addition, since most buyout funds still have plenty of "dry powder", they will be able to inject further capital in promising portfolio companies that find themselves in short-term liquidity-induced peril.

Finally, one additional advantage of private equity owned companies stems from the "debt binge" leading up to the credit crunch, as such companies are better financed than their public counterparts. In most cases, significant refinancing activities are only expected to commence in 2011/12 and the debt on their balance sheets was negotiated at exceptionally attractive terms. Debt packages before the credit crunch were not only attractively priced, but further contained "covenant light" structures which are not easily breached.

**Challenges, but also large, addressable markets for venture capital**

The recessionary environment will be challenging for many venture backed companies. Their exit opportunities are severely impaired by the closing of the IPO window. Trade sales will still happen, although their volume will remain rather low. As a result, venture capital firms will be working closely with their portfolio companies in order to cut costs, become leaner and, where possible, cash flow neutral in order to survive until the macroeconomic environment improves.

Despite these short-term challenges, venture capital has a positive mid- to long-term outlook as innovative, fast-moving companies continue to be founded and target markets for their innovative products are still large and meaningful: the internet opportunity is vast and global; by 2012, the number of devices accessing the internet will double to more than 3 billion, half of which will be mobile devices. The rising prevalence of chronic disease, partly as a result of a population that is aging and increasingly obese, especially in the developed world, presents huge market opportunities for venture investors. Finally, concerns over climate change, increased interest in environmentally sensitive products and services, and high oil prices are creating opportunities for long-term-oriented investors in the alternative energy sectors.

Trotz dieser kurzfristigen Herausforderungen sind die Prognosen für das Venture-Segment mittel- bis langfristig positiv, da innovative, schnell wachsende Unternehmen auch weiterhin gegründet werden und deren Zielmärkte gross und bedeutend bleiben: Die Möglichkeiten des Internets sind enorm; bis 2012 wird sich die Anzahl der Geräte mit Internetzugang auf mehr als drei Milliarden verdoppeln, die Hälfte davon werden mobile Geräte sein. Die steigende Verbreitung von chronischen Krankheiten, teils auf Grund einer alternden und zunehmend fettleibigen Gesellschaft, insbesondere in den entwickelten Ländern, bietet enorme Möglichkeiten für Venture-Investoren. Des Weiteren bieten auch Bedenken über die Klimaveränderung, wachsendes Interesse an umweltschonenden Produkten und Dienstleistungen sowie hohe Ölpreise vielfältige Investitionsmöglichkeiten für langfristig orientierte Investoren im Bereich erneuerbarer Energien.

**Weitere kurzfristige Bewertungsanpassungen erwartet**

Mit den Jahresabschlüssen der General Partner werden negative Bewertungsanpassungen im Bereich von 15–20% für reife, diversifizierte Portfolios erwartet, um die Kurseinbrüche bei vergleichbaren börsennotierten Unternehmen vollständig widerzuspiegeln. Der Anlageberater ist dennoch zuversichtlich, dass die Bewertungen der Private Equity-Anlagen weder den drastischen Kurseinbrüchen an den Börsen folgen werden, noch in den Bereich kommen werden, der momentan durch die Preisabschläge bei börsennotierten Beteiligungsgesellschaften antizipiert wird.

Während Bewertungs- und Bilanzierungsmethoden zu «fairen Werten» eine passende Methode für börsennotierte Unternehmen darstellen, um deren Wert im Falle einer umgehenden Liquidation zu bestimmen, ist dieser «faire Wert» für Private Equity-Portfoliounternehmen im aktuellen Marktumfeld generell von eher geringer Bedeutung. Kurzfristige «faire Werte» spielen für Private Equity nur eine untergeordnete Rolle, da Private Equity-Investitionen auf einen langfristigen Wertzuwachs zielen und sich die Business-Pläne der Portfoliounternehmen in den meisten Fällen noch in der Umsetzungsphase befinden. Folglich besteht weder heute noch in näherer Zukunft Druck zur Veräusserung. Eine Investition kann kurzfristig runtergeschrieben werden und letztendlich eine positive Rendite generieren, ohne zwischenzeitlich unter Veräusserungsdruck zu kommen.

**Further revaluations expected in the short term**

As general partners finalize their audited annual reports, further revaluations in the range of 15–20% are expected for mature, diversified portfolios in order to fully reflect the decline in value of comparable publicly listed companies. The Investment Advisor is confident, however, that the valuation of private equity assets will not experience the dramatic reduction in value seen in the public markets, nor will they come close to the levels "anticipated" by market participants measured by the large discounts across the listed private equity universe.

While such revaluations in line with "fair value" accounting and valuation principles applied to individual public investments can be appropriate to measure a company's value in case of immediate liquidation at a given point in time, the "fair value" for private equity portfolio companies is usually less significant for investors in the present environment. This is because private equity investments are held for the purpose of long-term appreciation. The portfolio companies are still in the process of executing their business plans and do not have to, or are not supposed to, be exited today or in the near future. An investment can be written down in the short term and ultimately produce a positive return without much intervening pressure to liquidate.

**The secondary market: distressed sellers or distressed assets?**

The secondary market has been drowning in volume since the beginning of the financial crisis, but especially the second phase of the credit turmoil saw volumes explode and price expectations finally adjust to a new reality. Distressed sellers, mainly financial institutions with liquidity issues, will continue to increasingly try to free themselves of their private equity portfolios and cast off large amounts on the secondary market.

**Unique private debt opportunities offered by market dislocation**

Mezzanine volume is expected to stay limited in the near to mid-term, as buyout firms are constrained by difficulties in raising debt and an uncertain macroeconomic environment. On the other hand, those deals that are done will be highly attractive for mezzanine lenders. With capital scarce in the market, experienced mezzanine players will be able to choose the best deals while maintaining a strong negotiating position. Contractual yields will stay high, repayment protections in place and opportunities to purchase

**Sekundärmarkt: Liquiditätsgetriebene Verkäufer oder notleidende Vermögenswerte?**

Das Volumen am Sekundärmarkt ist seit dem Ausbruch der Finanzkrise stark gestiegen, insbesondere in der zweiten Stufe der Verwerfungen an den Kreditmärkten explodierte das Volumen und Erwartungen passten sich schliesslich der neuen Realität an. Liquiditätsgetriebene Verkäufer, hauptsächlich Finanzinstitute, werden sich auch zukünftig von ihren Private Equity-Beteiligungen trennen und grosse Mengen über den Sekundärmarkt veräussern.

**Einzigartige Private Debt-Möglichkeiten durch Verwerfungen an den Märkten**

Das Mezzanine-Volumen sollte in der nächsten Zeit begrenzt bleiben, da Buyout-Häuser durch die Schwierigkeiten bei der Fremdkapitalaufnahme und durch das unsichere makroökonomische Umfeld beeinträchtigt sind. Andererseits werden die Deals, die abgeschlossen werden können, sehr attraktiv für Mezzanine-Anbieter sein. Durch den Mangel an Kapital in den Märkten können sich erfahrene Mezzanine-Häuser die besten Deals aussuchen und haben eine gute Verhandlungsposition. Vertraglich vereinbarte Renditen werden hoch bleiben, Vorfälligkeitsschutz bleibt weiter bestehen und Eigenkapitaloptionen sind weiterhin möglich. Zudem wird der Eigenkapitalanteil auf einem hohen Niveau bleiben, wodurch sich das Risiko für Mezzanine-Investoren verringert.

equity kickers will persist. Furthermore, high equity contributions by the financial sponsors are likely to stay elevated reducing the risk for mezzanine investors.

## AUSBLICK 2009 FÜR PRINCESS
## OUTLOOK FOR PRINCESS FOR 2009

Private Equity ist in der Regel weniger von kurzfristigen Schwankungen globaler Finanzmärkte abhängig, sondern vielmehr mit der Entwicklung der Realwirtschaft verbunden. Da die Auswirkungen der Finanzkrise nun auch das makroökonomische Umfeld erreicht haben, wird dies den Private Equity-Markt weiter beeinträchtigen. Wie bereits im Jahresrückblick 2008 dargelegt, nehmen die IFRS-Wertanpassungen, welche vom Anlageberater vorgenommen werden, um «faire Werte» widerzuspiegeln, teilweise potentielle zukünftige Wertanpassungen der General Partner, mit denen in Anbetracht des momentanen makroökonomischen Ausblicks gerechnet werden muss, vorweg. Nichtsdestotrotz können in diesem rezessiven Umfeld weitere Wertanpassungen im Princess-Portfolio nicht ausgeschlossen werden: Der Anlageberater erwartet Wertanpassungen in der allgemeinen Private Equity-Branche im Bereich von 15–20% in 2009. Da rund 64% der unterliegenden Portfolio-Investitionen in den Jahren 2001 bis 2005 und nach dem ersten Halbjahr 2007 getätigt wurden, ist Princess Allokation zu diesen teuren Investitionsphasen, für welche eher mit Bewertungsanpassungen zu rechnen ist, gering. Aus diesem Grund geht der Anlageberater für Princess von moderateren Anpassungen im Vergleich zur gesamten Private Equity-Branche aus.

Während Rechnungslegungsstandards, die auf «fairen Werten» basieren, für börsennotierte Unternehmen angemessen sein können, um den Wert eines Unternehmens unter normalen Marktbedingungen zu ermitteln, wird der «faire Wert» für Private Equity-Portfoliounternehmen weniger aussagekräftig angesehen, wenn die Märkte signifikant illiquide geworden sind. Grund dafür ist die Tatsache, dass Private Equity-Investitionen auf einen langfristigen Wertzuwachs abzielen. Die Businesspläne der Portfoliounternehmen befinden sich noch immer in der Umsetzungsphase und folglich müssen und sollen diese weder heute noch in näherer Zukunft veräussert werden. Bis zum Zeitpunkt der Veräusserung stellen die Bewertungsanpassungen daher unrealisierte Verluste dar.

Der Relative Value-Anlagestrategie folgend wurden Large-Cap-Buyout-Fonds bereits frühzeitig untergewichtet und eine Allokation zu Special Situations- und Distressed-Fonds wurde aufgebaut. Diese Bereiche sollten von zahlreichen Investitionsmöglichkeiten im aktuellen Umfeld profitieren.

Selbst unter der Annahme, dass Rückflüsse aus Veräusserungen an Princess weiter zurückgehen und sich erst im Jahre 2011 erholen, hat der Anlageberater grosses Vertrauen in das Princess-Portfolio. Dieses ist breit diversifiziert und besteht aus qualitativ hochwertigen Investiti-

Private equity is typically less dependent on the short-term fluctuations of the global financial markets but rather is linked to developments in the real economy. As the effects of the financial crisis have also now hit the macroeconomic environment, this, however, is likely to further impact the private equity market. As already laid out in the review for 2008, the IFRS revaluations to reflect the "fair value" of Princess conducted by the Investment Advisor to a certain extent already factor in potential future adjustments that will likely be reported by the general partners given the current macroeconomic environment. Nevertheless, further valuation adjustments within the Princess portfolio cannot be ruled out in this recessionary environment: the Investment Advisor expects further revaluations of the broader private equity industry in the order of 15–20% in 2009. With around 64% of the underlying portfolio investments having been made during the period 2001 to 2005 and then after the first half of 2007, Princess, however, has limited exposure to expensive investment periods where valuation adjustments are more likely and therefore the Investment Advisor expects Princess to see more moderate adjustments as compared to the private equity industry in general.

While fair value accounting and valuation principles applied to individual public investments can be appropriate to measure a company's value when normal market conditions apply, the "fair value" for the private equity portfolio companies may be less appropriate when those markets have become severely illiquid. This is because private equity investments are held for the purpose of long-term appreciation. The portfolio companies are still in the process of executing their business plans and do not have to, or are not supposed to, be exited today or in the near future. Until the point of exit, valuation adjustments therefore represent unrealized losses.

Following the relative value investment approach, large-cap buyout funds were underweighted early on and an allocation to special situations and distressed players has been built up, sectors that will benefit from plenty of opportunities in environments such as the current one.

Even anticipating a further drop in distributions to the Princess portfolio, and which are only expected to recover in 2011, the Investment Advisor has high confidence in Princess' portfolio, with quality investments and high levels of diversification, managed by top-quartile private equity firms which the Investment Advisor believes are well equipped to weather the challenging environment of 2009. These general partners will capitalize on the opportunities onen, welche von den führenden Private Equity-Firmen verwaltet werden, von denen der Anlageberater glaubt, dass sie in dem herausfordernden Umfeld in 2009 erfolgreich bestehen können. Diese General Partner werden die Investitionsmöglichkeiten im Markt ausnutzen und dabei von stetig abnehmenden Einstiegsmultiples und liquiditätsgetriebenen Verkäufern profitieren. Obwohl Kapitalabrufe ebenfalls abnehmen sollten, dürfte der Rückgang weniger stark als bei den Rückflüssen ausfallen.

in the market, benefiting from steadily decreasing entry multiples and sellers in distressed situations. While capital calls are expected to slow down as well, the effect is not expected to be of the same magnitude as for distributions.

# VERWALTUNGSRAT
# BOARD OF DIRECTORS

# VERWALTUNGSRAT
# BOARD MEMBERS

**Colin Maltby** (Chairman) *(British, born 1951)* was Head of Investments at BP from August 2000 to June 2007. He was previously Chief Investment Officer of Equitas Limited from its formation in 1996. His career in investment management began in 1975 with NM Rothschild & Sons and included 15 years with the Kleinwort Benson Group, of which he was a Group Chief Executive at the time of its acquisition by Dresdner Bank AG in 1995. He was Chief Executive of Kleinwort Benson Investment Management from 1988 to 1995. Colin Maltby has served as a non-executive director of various public companies and agencies, and as an adviser to numerous institutional investors, including the Investment Advisory Boards of private equity and venture capital funds in both Europe and the United States. He is currently Chairman of BlackRock Absolute Return Strategies Limited and Investment Advisor to the British Coal Staff Superannuation Scheme and to Wolfson College, Oxford.

**Andreas Billmaier** *(German, born 1964)* has been division manager, head of participation management and private equity and member of several steering committees of Nuernberger Insurance Group since 2000. Prior to this, he has worked as controller and auditor with Nuernberger Insurance Group since his graduation in December 1993. Prior to his studies, he worked as client adviser with Deutsche Bank. Mr Billmaier is an advisory board member in several private equity and real estate fund and fund-of-funds. Mr Billmaier holds a degree in economics (banking, taxes, auditing, controlling).

**Jonathan Hooley** *(British, born 1955)* was until 30 September 2007 a senior partner and Chairman of KPMG Channel Islands Limited. He is a member of the Institute of Chartered Accountants in England and Wales and of the Chartered Institute of Taxation. He advises the States of Guernsey on its external tax affairs and is the Chairman of the Channel Islands Stock Exchange. He is also a member of the Offshore Advisory Committee of the Association of Investment Companies.

**Brian Human** *(British, born 1948)* was managing director of Princess Private Equity Holding Limited until March 2008 when he retired. He gained a Bachelor of Arts (Econ) degree from Rhodes University, South Africa and the IAC qualification from the UK's Securities and Investment Institute. Mr Human has been in the finance industry since graduating in 1971. He emigrated to England in 1973, joining first Midland Bank and then Grindlays Bank, which was acquired by the ANZ Bank in 1992 and then by Standard Chartered Bank in 2000. He has worked in Thailand, Hong Kong and Australia as well as England, Jersey and Guernsey. Prior to joining Princess in November 2003 he was head of risk management for Standard Chartered Bank (Jersey) Limited, and his previous posts include managing director of ANZ Grindlays Bank (Jersey) Limited, managing director of ANZ Bank Guernsey Limited, Senior Manager Credit ANZ Bank London, Senior Manager Business Banking ANZ Melbourne and general manager of Thailand-based General Finance and Securities Limited.

**Urs Wietlisbach** *(Swiss, born 1961)* is a founding Partner of Partners Group, a member of both the board of directors' business development committee and private equity investment committee, serves as an executive vice chairman and is responsible for the firm's marketing strategy. He was initially responsible for the firm's partnership investment activities and instrumental in building Partners Group's private equity funds portfolio and a global industry network. Later, he also focused on business development responsibilities, first in Europe, and subsequently in the USA and the Asia-Pacific region. Prior to founding Partners Group, he was an executive director at Goldman Sachs & Co. where, after assignments in London and New York, he was appointed head of the firm's institutional clients business in Switzerland. Previously, he was a relationship manager for multinational corporate clients at Credit Suisse in New York and Zurich. He holds a master's degree in business administration from the University of St. Gallen (HSG).

Princess

# FINANZZAHLEN
# FINANCIAL FIGURES

# DIRECTORS' REPORT

| | |
|---|---|
| **Directors** | C. Maltby (Chairman)<br>A. Billmaier<br>J. Hooley<br>B. Human<br>U. Wietlisbach |
| **Secretary:** | Dexion Capital (Guernsey) Limited |
| **Registered Office:** | Tudor House<br>St. Peter Port<br>Guernsey<br>GY1 1BT |

The Directors present their report and consolidated audited financial statements for the year from 1 January 2008 to 31 December 2008.

**Incorporation**
Princess Private Equity Holding Limited (the "Company") and Princess Private Equity Subholding Limited (the "Subholding" and together with the Company, the "Group") are limited liability companies, incorporated and domiciled in Guernsey, Channel Islands.

**Principal Activity**
The principal activity of the Group is the holding of investments for the purpose of capital appreciation.
The Investment Manager of the Company is Princess Management Limited (the "Investment Manager") and the Investment Adviser is Partners Group AG (the "Investment Adviser"), a Swiss limited liability company. The majority of the Board is independent of the Investment Manager and the Investment Adviser.

**Investment Objectives and Investment Policy**
The Company's investment objective is to provide shareholders with long-term capital growth and an attractive dividend yield through investment in a diversified portfolio of private equity and private debt investments which may be classified as private market investment.

Under the Company's investment policy detailed in the prospectus dated 12 October 2007, investments may include, inter alia:
- Fund investments: interests in private investment funds acquired from other investors (secondary investments) or through a commitment to a new fund (primary investments). Private investment funds may include vehicles focusing on buyouts, mezzanine funding, venture capital and special situations such as distressed or turnaround situations, private real estate, private infrastructure investments, PIPE (private investments in public equity) transactions and leveraged debt.
- Direct investments: interests in (typically unlisted) assets and operating companies (whether held directly or indirectly) and may include equity, debt or other kinds of securities.
- Listed private equity: interests in vehicles listed on a public stock exchange that invest in private investment transactions or funds.

To achieve the investment objective, the Company intends to continue to pursue a relative value investment strategy designed to systematically identify and invest in private equity, private debt and listed private equity that the Investment Manager and the Investment Adviser believe offer superior value at a given point in time.

The Investment Manager has complete discretion as to asset allocation within the private investment market and may at any time determine that up to 100% of the Company's assets may be invested in any particular private market segment.

**Review of Performance**
An outline of the performance, investment activity and developments in the portfolio can be found in the consolidated audited income statement and balance sheet.

**Monitoring Performance**
At each board meeting the Directors consider a number of performance indicators to assess the Company's success in achieving its investment objectives. These include:
- Price and NAV developments
- Net cash flow
- Capital call and distributions
- IRR reports at the underlying fund level
- Unfunded commitments
- Risk management and adherence to investment guidelines
- Corporate governance issues

**Principal Risks and Uncertainties**
The main focus of the Company is to invest in private equity funds, which themselves invest in unquoted companies, and direct investments co-investing with leading private equity fund managers. An explanation of the risks and how they are managed is contained in note 3 to the accounts.

**Share Capital**
The Company's issued and paid up share capital as at 31 December 2008 was 70'100'000 ordinary shares of EUR 0.001 each.

**Shareholder Information**
The Net Asset Value and the Net Asset Value per Share are calculated (in Euro) every month at the last Business Day of each month by Partners Group (Guernsey) Limited acting as Administrator.

Calculations are made in accordance with International Financial Reporting Standards ("IFRS") which require the Company's direct investments and fund investments to be valued at fair value and are announced by the Company on its website and are submitted to a regulatory information service approved by the UK Listing Authority as soon as practicable after the end of the relevant period.

**Dividends**
The Directors of Princess Private Equity Holding Limited declared and paid an interim dividend of EUR 0.30 per share which was paid on 20 June 2008. The Directors do not propose a final dividend for the year ended 31 December 2008.

**Results**
The results for the year are shown in the consolidated income statement on page 64.

**Directors**
The Directors of Princess Private Equity Holding Limited are detailed on page 54. The Directors had no beneficial interest in the Company other than as shown below.

Mr Human retired by rotation and was re-elected at the 2007 AGM. Mr Billmaier was appointed by the Board on 5 December 2006 and his appointment was confirmed at the 2007 AGM.

Mr Maltby and Mr Hooley were appointed by the board on 1 October 2007 and confirmation of their appointment was passed at the 2008 AGM. Mr Wietlisbach's re-appointment was passed at the 2008 AGM.

The sole Director of Princess Private Equity Subholding Limited, which held office during the year, was Princess Private Equity Holding Limited.

No contract or arrangement existed in the period in which any of the Directors had a material interest other than Mr Wietlisbach who is a Director of and shareholder in Partners Group AG, the beneficial owner of the Investment Manager and the Administrator.

No Director had a service contact with the company other than Mr Human who had a part time employment contract with the Company which ended in March 2008. Directors' remuneration is disclosed in note 22 and as shown below.

| **Split as follows:** | **31.12.2008** | 31.12.2007 |
|---|---|---|
| | **EUR** | EUR |
| Company | | |
| C. Maltby | **50'000** | 12'500 |
| A. Billmaier | **40'000** | 35'000 |
| G. Hall | **–** | 8'890 |
| J. Hooley | **40'000** | 10'000 |
| B. Human | **30'000** | – |

**Directors' and Officers' Liability Insurance**

The Company maintains insurance in respect of Directors' and officers' liability in relation to their acts on behalf of the Company. The Company's articles entitle the Directors, managers, agents, secretary and other officers to be indemnified out of the assets of the Company against any liability incurred by him as a Director or other officer of the Company. The premium for 2009 has been paid.

**Investment Management Arrangements**

Princess Management Limited, a wholly owned subsidiary of Partners Group Holding AG, is the Investment Manager to the Company. A revised Investment Management Agreement was signed ahead of the listing on the London Stock Exchange. The Investment Manager is permitted to delegate some or all of its obligations and has entered into an Investment Advisory Agreement with Partners Group AG. Mr Wietlisbach is a founding partner of Partners Group AG and currently serves as that firm's executive vice chairman. Details of the Management fees are shown under note 5. The Agreement may be terminated after ten years with three years notice. Termination will be without penalty or other additional payments save that the Company will pay management and performance fees due and additional expenses incurred.

The Directors (other than Messrs Wietlisbach and Billmaier who are not independent of the Investment Manager) have determined that the continuing appointment of the Investment Manager on the terms of the Investment Management Agreement is in the interests of Shareholders, given the strong performance, global reach, access to leading private equity houses and expertise of the Investment Manager and through the Investment Manager to the Investment Advisor.

**Significant Events**

At the Annual General Meeting held on 16 April 2008 the Financial Statements of the Company for the year ended 31 December 2007 together with the Report of the Directors and Auditors were received and adopted.

At a Meeting of the Directors held on 8 May 2008, the Directors approved a dividend of Euro 0.30 per share payable on 20 June 2008.

**Substantial Interest**

The European Union Transparency Directive came into force on 20 January 2007. The directive requires substantial shareholders to make relevant holding notifications to the Company and the UK Financial Services Authority. The Company must then disseminate this information to the wider market. The significant holdings in the Company which have been notified to the Company are shown in note 14.4.

**Corporate Governance**

*Introduction*

As a Guernsey registered company, the Company is not required to comply with the Combined Code. However, the Directors have determined to report against the AIC ("Association of Investment Companies") Code of Corporate Governance and to follow AIC's Corporate Governance Guide for Investment Companies. There are no specific corporate governance principles the Company is obliged to comply with either in Guernsey or Germany.

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are specific to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Combined Code), will provide better information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code, except as set out below.

The Combined Code includes provisions relating to
- The role of the Chief Executive
- Executive Directors' remuneration
- The need for an internal audit function

For the reasons set out in the AIC Guide, and in the preamble to the Combined Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

*FWB Listing (Frankfurt Stock Exchange)*
Listed stock corporations having their registered seat in Germany are subject to the German Corporate Governance Code adopted by the German Corporate Governance Code Commission on 26 February 2002, in the 2 June 2005 version thereof currently in force (hereinafter the "Code"). The Code's aim, in particular, is to make the German system of Corporate Governance more transparent, to clarify shareholder rights and to improve Management Board-Supervisory Board collaboration, internal reporting and auditor independence.

The Code is not applicable to the Company as its registered seat is in Guernsey. The Company will comply, however, with the AIC Code as set out above.

*The Board*
The Board consists of five non executive directors. The independent Chairman of the Board is Mr Maltby who has no other significant business commitments which need to be disclosed and the Board is satisfied that he has sufficient time available to discharge fully his responsibilities as Chairman of the Company. For the purposes of assessing compliance with the AIC Code, the Board considers all of the Directors (other than Mr Wietlisbach and Mr Billmaier) as independent of the Investment Manager and the Investment Adviser and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

Mr Human was appointed Managing Director pursuant to a service contract dated 20 March 2007 until March 2008, during which time he was a part time employee. Mr Human was formerly employed on a part time basis by Partners Group Global Opportunities Limited, a company which also retains the services of the Investment Adviser, but this employment was terminated in December 2007 and the Board now regards Mr Human as independent.

Prior to his appointment as a Director, Mr Hooley was a partner of a professional advisor to the manager of the Company. The nature of the advice sought and the limited role performed by Mr Hooley are such that the Board has concluded that this past relationship does not affect Mr Hooley's ability to exercise independent judgement.

Mr Billmaier is not regarded as independent as he serves on the Board of another company advised by Partners Group AG since December 2007.

The Board has a breadth of experience relevant to the Company and a balance of skills, experience and age and the Directors have not identified any gaps that require improvement at this time.

The Board undertakes an annual evaluation of its own performance and the performance of its committees and individual Directors. A full corporate governance review has been undertaken since the publication of the previous financial statements, which was facilitated by the Company Secretary. There were no matters of significance raised within the findings of the review.

The Board has undertaken an annual review of the effectiveness of the Company's system of internal controls and the safe-guarding of shareholders' investments and the Company's assets. There were no significant matters raised within the findings of the review.

Directors are appointed for a fixed term of no more than three years. The appointment shall be renewed for a further period if both the respective Director and the Board believe that a renewal is in the interest of the Company. The renewal shall always be subject to an assessment of the independence of the Director in question. In view of the long-term nature of the Company's investments, the Board believes that a stable board composition is fundamental to run the Company properly. The Board has not stipulated a maximum term of any directorship. Directors retire by rotation except for Mr Wietlisbach who is subject to annual re-election.

*Director's Duties and Responsibilities*

The Board of Directors has overall responsibility for the Company's affairs and is responsible for the determination of the investment policy of the Company, resolving conflicts and for monitoring the overall portfolio of investments of the Company.

To assist the Board in the day-to-day operations of the Company, arrangements have been put in place to delegate authority for performing certain of the day-to-day operations of the Company to the Investment Manager, the Investment Adviser and other third-party service providers, such as the Administrator and the Corporate Secretary.

The Board receives full details of the Company's assets, liabilities and other relevant information in advance of Board meetings. The Board meets formally at least four times a year; however, the Investment Manager and Company Secretary stay in more regular contact with the Directors on a less formal basis. Individual Directors have direct access to the Company Secretary and may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties.

The Directors have adopted a schedule of matters reserved for the Board as part of the LSE listing process. This includes approval of accounts, approval of dividends and the appointment and removal of service providers. The consent of the Board is required if the Investment Manager wishes to borrow more than 25% of the value of the Company assets, enter into any transaction with an affiliate of the Investment Manager or invest more than 10% of the Company's assets in any single investment (excluding investments in pooling vehicles).

*Board Meetings*

The Board considers agenda items laid out in the Notice and Agenda which are formally circulated to the Board in advance of any meeting as part of the board papers. The Directors may request any Agenda items to be added that they consider appropriate for Board discussion. In addition each Director is required to inform the Board of any potential or actual conflict of interest prior to Board discussion.

Board meetings are attended by representatives of the Investment Manager and the Investment Adviser. The Company's corporate broker also attends to assist the Directors in understanding the views of major shareholders about the Company.

Below is a summary of the Director attendance at Board meetings held in 2008:

Quarterly Board Meetings

| Meeting Date | Attendance | Apologies |
|---|---|---|
| 8 February 2008 | CM, JH, BH, UW | AB |
| 8 May 2008 | CM, AB, JH, BH, UW | |
| 14 August 2008 | CM, JH, BH, UW | AB |
| 30 October 2008 | CM, AB, JH, BH, UW | |

Ad-hoc Board Meetings

| Meeting Date | Attendance | Apologies |
|---|---|---|
| 28 January 2008 | CM, AB, JH, BH, UW | |
| 14 March 2008 | CM, AB, JH, BH, UW | |
| 30 April 2008 | CM, AB, JH | BH, UW |
| 28 July 2008 | CM, AB, JH | BH, UW |
| 8 December 2008 | CM, AB, JH, BH, UW | |

CM: Colin Maltby
AB: Andreas Billmaier
JH: Jonathan Hooley
BH: Brian Human
UW: Urs Wietlisbach

*Committees of the Board*
The Board has established an Audit and Management Engagement Committee. The Audit and Management Engagement Committee will meet at least four times a year and will be responsible for ensuring that the financial performance of the Company is properly reported on and monitored and will provide a forum through which the Company's external auditors may report to the Board. The Audit and Management Engagement Committee will review the annual, half yearly and quarterly accounts, results, announcements, internal control systems and procedures and accounting policies of the Company. With the exception of Mr Wietlisbach, the Audit and Management Engagement Committee is composed of all the members of the Board, and is chaired by Mr Hooley.

The Board has also established an Investment Committee of all the Directors, save for Mr Wietlisbach and Mr Maltby, which is responsible for considering and if thought appropriate agreeing matters that require the approval of the Board under the Investment Management Agreement. The Company's Investment Committee will otherwise not be involved in the Company's investment activities, which are executed by the Investment Manager in a discretionary mandate.

Given the size and nature of the Company, it is not deemed necessary to form a separate remuneration committee. The Board, as a whole, will also consider new Board appointments.

The Board consider that an internal audit function is not required within the Company as the internal controls systems operated by the Manager's and the Administrator's ultimate parent provide sufficient assurances as to the effectiveness of internal controls. Individual Directors undertake periodic visits to Partners Group to assess these controls and procedures.

*Directors' Interests*
The Directors had no beneficial interest in the Company other than as shown below:
– Mr. Wietlisbach 194'000 shares deliverable in the form of co-ownership interest.

**Shareholder Communication**
The Directors place great importance on shareholder communication while the Manager and the Investment Adviser also carry out a programme of regular meetings with shareholders and potential investors. The Company publishes a monthly report with

key financial data and issues affecting the portfolio, and publishes quarterly financial accounts as well as semi annual and audited annual accounts. Conference calls are arranged on a quarterly basis at which the Investment Adviser provides an in-depth review of developments in the portfolio and gives a market overview. Regular news releases are also published.

**Directors' Responsibilities**
The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Company and Group and of the profit or loss of the Company and Group for that period. In preparing those financial statements, the directors are required to:
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Investment Manager's report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Furthermore to the best of our knowledge and belief
- This annual report includes a fair review of the development and performance of the business and the position of the Company and Group together with a description of the principal risks and uncertainties that the Company and Group faces; and
- The financial statements, prepared in accordance with International Financial Reporting Standards give a true and fair view of the assets, liabilities, financial position and losses of the Company.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 1994 as amended from time to time. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the Company's website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Company Secretary**
The secretary of the Company as at 31 December 2008 is Dexion Capital (Guernsey) Limited.

**Auditors**
At a general meeting held on 16 April 2008, PricewaterhouseCoopers CI LLP were appointed Auditors of the Company for the year ending 31 December 2008, together with the fixing of their remuneration by the Directors.

J. Hooley
Director

B. Human
Director

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRINCESS PRIVATE EQUITY HOLDING LIMITED

PRICEWATERHOUSECOOPERS

**Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of Princess Private Equity Holding Limited which comprise the consolidated balance sheet as of 31 December 2008 and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Directors' responsibility for the consolidated financial statements**

The Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 1994.

Without qualifying our opinion, we draw attention to Notes 3 and 9 to the consolidated financial statements. As indicated in Notes 3 and 9, the consolidated financial statements include unquoted investments stated at their fair value of EUR 550'382'124. Because of the inherent uncertainty associated with the valuation of such investments and the absence of a liquid market, these fair values may differ from their realisable values, and the differences could be material.

**Report on other legal and regulatory requirements**

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements. The other information comprises the Directors' report, overview 2008, facts and figures, Chairman's report, structural overview, Investment Manager's report and Board of directors.

In our opinion the information given in the Directors' report is consistent with the consolidated financial statements.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 64 of The Companies (Guernsey) Law, 1994 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands, 2009

## CONSOLIDATED AUDITED INCOME STATEMENT

for the year from 1 January 2008 to 31 December 2008

| | Notes | **01.01.2008– 31.12.2008 EUR** | 01.01.2007– 31.12.2007 EUR |
|---|---|---|---|
| **Net income from designated financial assets at fair value through profit or loss** | | **(46'486'946)** | 93'123'630 |
| **Net income from investments in limited partnerships and directly held investments** | | | |
| – Dividend and interest income | 9&16 | 4'438'750 | 6'103'572 |
| – Revaluation | 9&18 | (83'839'577) | 103'667'915 |
| – Foreign exchange gains and (losses) | 9&17 | 32'913'881 | (16'647'857) |
| **Net income from financial assets at fair value through profit or loss held for trading** | | | |
| **Net income from listed private equity** | | **(14'655'475)** | (5'779'986) |
| – Gains and (losses) | 10 | (14'655'475) | (5'779'986) |
| **Net income from short-term investments** | | – | 301'065 |
| – Gains and (losses) | 11 | – | 950'535 |
| – Interest on short-term investments | 11&16 | – | 240'388 |
| – Foreign exchange gains and (losses) | 11&17 | – | (889'858) |
| **Net income from cash & cash equivalents** | | **1'939'616** | 3'783'945 |
| – Interest income | 13&16 | 2'107'894 | 4'784'610 |
| – Foreign exchange gains and (losses) | 17 | (168'278) | (1'000'665) |
| **Operating income** | | **(59'202'805)** | 91'428'654 |
| **Operating expenses** | | **(16'175'971)** | (16'143'182) |
| – Management fee | 5 | (14'214'475) | (13'609'628) |
| – Administration fee | 5 | (361'558) | (334'772) |
| – Incentive fee | 5 | (280'180) | (292'762) |
| – Audit fee | | (64'365) | (57'967) |
| – Tax exemption fee | 6 | (761) | (1'707) |
| – Restructuring costs | | 32'590 | (1'195'779) |
| – Other foreign exchange gains and (losses) | 17 | (435'312) | 193'306 |
| – Other operating expenses | | (851'910) | (843'873) |
| **Financing cost** | | **(138'991)** | (141'505) |
| – Non utilization fee – credit facility | 16&21 | (138'991) | (141'505) |
| **Surplus / (loss) for the financial year** | | **(75'517'767)** | 75'143'967 |

| | Notes | **01.01.2008– 31.12.2008** | 01.01.2007– 31.12.2007 |
|---|---|---|---|
| **Earnings per share** | | | |
| – Weighted average number of shares outstanding | 4 | 70'100'000 | 70'100'000 |
| – Basic surplus / (loss) per share for the financial year | 4 | (1.08) | 1.07 |
| – Diluted surplus / (loss) per share for the financial year | 4 | (1.08) | 1.07 |

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

The notes on pages 69 to 88 form an integral part of these consolidated financial statements.

# CONSOLIDATED AUDITED BALANCE SHEET

as at 31 December 2008

| | Notes | | 31.12.2008 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&9 | | **550'382'124** | | 565'123'026 |
| **Financial assets at fair value through profit or loss held for trading** | | | | | |
| Investment in listed private equity | 2&10 | **6'829'765** | | 31'283'850 | |
| Hedging assets | 2&9 | **12'558'606** | | 6'095'015 | |
| | | | **19'388'371** | | 37'378'865 |
| **Current assets** | | | | | |
| Other short-term receivables | 12 | **784'545** | | 616'560 | |
| Cash and cash equivalents | 13 | **13'707'132** | | 80'258'529 | |
| | | | **14'491'677** | | 80'875'089 |
| **Total assets** | | | **584'262'172** | | 683'376'980 |
| **Equity** | | | | | |
| **Capital and reserves** | | | | | |
| Issued capital | 14 | **70'100** | | 70'100 | |
| Distributable reserve | 14 | **668'881'890** | | 689'911'890 | |
| Accumulated loss | | **(89'293'248)** | | (13'775'481) | |
| **Total equity** | | | **579'658'742** | | 676'206'509 |
| **Liabilities falling due within one year** | | | | | |
| **Other short-term liabilities** | | | | | |
| Other short-term payables | 15 | **4'603'430** | | 7'170'471 | |
| | | | **4'603'430** | | 7'170'471 |
| **Total equity and liabilities** | | | **584'262'172** | | 683'376'980 |

The notes on pages 69 to 88 form an integral part of these consolidated financial statements. The consolidated financial statements on pages 64 to 88 were approved by the board of directors on 18 February 2009 and are signed on its behalf by:

J. Hooley — Director

B. Human — Director

## CONSOLIDATED AUDITED STATEMENT OF CHANGES IN EQUITY

for the year from 1 January 2008 to 31 December 2008 (all amounts in EUR)

| | Share capital | Distributable reserve | Accumulated surplus/(loss) | Total |
|---|---|---|---|---|
| **Equity at beginning of reporting year** | 70’100 | 689’911’890 | (13’775’481) | **676’206’509** |
| Dividend payment | – | (21’030’000) | – | **(21’030’000)** |
| Surplus / (loss) for the financial year | – | – | (75’517’767) | **(75’517’767)** |
| **Equity at end of reporting year** | **70’100** | **668’881’890** | **(89’293’248)** | **579’658’742** |

The notes on pages 69 to 88 form an integral part of these consolidated financial statements.

## CONSOLIDATED AUDITED STATEMENT OF CHANGES IN EQUITY for the year from 1 January 2007 to 31 December 2007 (all amounts in EUR)

| | Share capital | Share premium | Distributable reserve | Accumulated surplus/(loss) | Total |
|---|---|---|---|---|---|
| **Equity at beginning of reporting year** | 70'100 | 730'149'287 | – | (88'919'448) | **641'299'939** |
| Transfer share premium to distributable reserve | – | (730'149'287) | 730'149'287 | – | **–** |
| Dividend payment | – | – | (40'237'397) | – | **(40'237'397)** |
| Surplus / (loss) for the financial year | – | – | – | 75'143'967 | **75'143'967** |
| **Equity at end of reporting year** | **70'100** | **–** | **689'911'890** | **(13'775'481)** | **676'206'509** |

The notes on pages 69 to 88 form an integral part of these consolidated financial statements.

## CONSOLIDATED AUDITED CASH FLOW STATEMENT

for the year from 1 January 2008 to 31 December 2008

| | Notes | 01.01.2008– 31.12.2008 EUR | 01.01.2007– 31.12.2007 EUR |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| – Management fee | 5 | **(14'214'475)** | (13'609'628) |
| – Administration fee | 5 | **(361'558)** | (334'772) |
| – Incentive fee | 5 | **(280'180)** | (292'762) |
| – Audit fee | | **(64'365)** | (57'967) |
| – Tax exemption fee | 6 | **(761)** | (1'707) |
| – Restructuring costs | | **32'590** | (1'195'778) |
| – Other operating expenses | | **(851'910)** | (843'873) |
| – Proceeds from / (costs of) hedging activities | 9 | **23'224'508** | 12'475'305 |
| – Premium of hedging option | | **(12'378'234)** | – |
| – Redemption of hedging option | | **795'592** | – |
| – (Increase) / decrease in other short-term receivables | | **(603'297)** | (211'506) |
| – Increase / (decrease) in other short-term payables | | **(2'567'041)** | 5'175'550 |
| – Dividend income from limited partnerships and directly held investments | 9 | **2'601'398** | 2'874'253 |
| – Withholding tax from limited partnerships and directly held investments | 9 | **(373'658)** | – |
| – Interest income from limited partnerships and directly held investments | 9 | **1'343'690** | 2'217'059 |
| – Purchase of limited partnerships and directly held investments | 9 | **(123'807'873)** | (234'695'249) |
| – Distributions from limited partnerships and directly held investments | 9 | **70'384'942** | 167'743'226 |
| – Purchase of listed private equity | 10 | **–** | (37'063'836) |
| – Redemptions of listed private equity | 10 | **9'798'610** | – |
| – Redemptions of short-term investments | 11 | **–** | 197'302'644 |
| – Net purchase of short-term investments | 11 | **–** | (150'790'113) |
| – Interest on short-term investments | 11 | **–** | 240'388 |
| – Interest from cash and cash equivalents | 13&16 | **2'107'894** | 4'784'610 |
| – Financing cost / credit line charges | 21 | **(138'991)** | (141'505) |
| Net cash from / (used in) operating activities | | **(45'353'119)** | (46'425'661) |
| **Cash flow from financing activities** | | | |
| – Dividend payment | 14 | **(21'030'000)** | (40'237'397) |
| **Net increase / (decrease) in cash and cash equivalents** | | **(66'383'119)** | (86'663'058) |
| **Cash and cash equivalents at beginning of reporting year** | 13 | **80'258'529** | 167'922'252 |
| Effects on cash and cash equivalents | | | |
| – Movement in exchange rates | 17 | **(168'278)** | (1'000'665) |
| **Cash and cash equivalents at end of reporting year** | 13 | **13'707'132** | 80'258'529 |

The notes on pages 69 to 88 form an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS

## 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.

These consolidated financial statements were authorized for issue by the board of Directors on 18 February 2009.

## 2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies correspond to those of the consolidated audited financial statements for the year ended 2007 except for the changes discussed below. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements:

From 1 January 2008 the following new and existing revised International Financial Reporting Standards (IFRS) as well as interpretation standards were required to be adopted. The Group has consequently adopted all relevant and below-mentioned Standards since 1 January 2008.

| | |
|---|---|
| – IAS 39 (effective 1 July, 2008): | – Reclassification of financial assets |
| – IFRIC 11 (effective 1 March 2007): | – Group and treasury share transactions |
| – IFRIC 12 (effective 1 January 2008): | – Service concession arrangements |
| – IFRIC 13 (effective 1 July 2008): | – Customer loyalty programmes |
| – IFRIC 14 (effective 1 January 2008): | – The limit on a defined benefit asset, minimum funding requirements and their interaction |

The existing revised standard IAS 39 and the interpretations IFRIC 11 to 14 (International Financial Reporting Interpretations Committee) are effective for financial periods after 1 January 2008. These interpretations had no impact on the financial statements of the Group.

The following standards, interpretations and amendments to published standards that are mandatory for accounting periods beginning on or after 1 January 2009, or later periods have not been early adopted:

| | |
|---|---|
| – IAS 1 (amended, effective 1 January 2009): | – Presentation of financial statements |
| – IAS 16 (amended, effective 1 January 2009): | – Property, plant and equipment |
| – IAS 19 (amended, effective 1 January 2009): | – Employee benefits |
| – IAS 20 (amended, effective 1 January 2009): | – Accounting for government grants and disclosure of government assistance |
| – IAS 23 (amended, effective 1 January 2009): | – Borrowing cost |
| – IAS 27 (amended, effective 1 January 2009): | – Consolidated and separate financial statements |
| – IAS 28 (amended, effective 1 January 2009): | – Investments in associates, and consequential amendments to IAS 32 – Financial Instruments: Presentation and IFRS 7 – Financial instruments: Disclosures |
| – IAS 29 (amended, effective 1 January 2009): | – Financial reporting in hyperinflationary economies |
| – IAS 31 (amended, effective 1 January 2009): | – Interests in joint ventures |
| – IAS 32 (amended, effective 1 January 2009): | – Puttable financial instruments and obligations arising on liquidation |
| – IAS 36 (amended, effective 1 January 2009): | – Impairment of assets |
| – IAS 38 (amended, effective 1 January 2009): | – Intangible assets |

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

| | |
|---|---|
| – IAS 39 (amended, effective 1 January 2009): | – Financial instruments: Recognition and measurement |
| – IAS 40 (amended, effective 1 January 2009): | – Investment property and consequential amendments to IAS 16 |
| – IAS 41 (amended, effective 1 January 2009): | – Agriculture |
| – IFRS 2 (amended, effective 1 January 2009): | – Share-based payment |
| – IFRS 3 (amended, effective 1 July 2009): | – Business combination |
| – IFRS 5 (amended, effective 1 July 2009): | – Non-current assets held-for-sale and discontinued operations |
| – IFRS 8 (amended, effective 1 January 2009): | – Segment reporting |

The Group assessed the impact of the above mentioned amended and new standards and concluded that these standards will result in some additional disclosures, but will not affect the Group's results of operations or financial position. The Group will apply these standards for accounting periods beginning 1 January 2009.

| | |
|---|---|
| – IFRIC 15 (effective 1 January 2009): | – Agreements for the construction of real estate |
| – IFRIC 16 (effective from 1 October 2008): | – Hedges of a net investment in a foreign operation |

The Group assessed the impact of the interpretations of IFRIC 15 to 16 and concluded that these new interpretations will not affect the Group's results of operations or financial position.

**Basis of preparation**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and under the historical cost convention as modified by the revaluation of "financial assets and financial liabilities at fair value through profit or loss".

The preparation of consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas where assumptions, judgements and estimates are significant to the financial statements are disclosed in note 3.

**Net income from short-term investments and cash and cash equivalents**

Income from bank deposits and interest income from short-term investments are included on an accruals basis. Gains and losses from short-term investments and gains and losses from cash and cash equivalents also include the increase in value of bonds purchased at a discount. All realized and unrealized surpluses and losses are recognized in the income statement. Dividend income is recognized when the right to receive payment is established.

**Expenditure**

All items of expenditure are included in the consolidated financial statements on an accruals basis.

**Foreign currency translation**

a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro, which is the companies' functional and the Group's presentation currency.

b) Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailling at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated audited income statement.

**Financial assets and financial liabilities at fair value through profit or loss**

a) Classification

The Group classifies its investments in debt and equity securities, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Board of Directors at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the short term.

The Group's policy of hedging the value of non-Euro investments against the Euro does not qualify for hedge accounting as defined in IAS 39. Derivative financial instruments are classified as financial assets and liabilities held for trading or designated in case they are managed and their performance is evalutated on a fair value basis in accordance with the Group's documented investment strategy. They are initially recognized in the balance sheet at fair value and are subsequently remeasured at their fair value. As a result, the unrealized changes in the fair value of these derivatives and the realized net gains / (losses) on the derivatives that matured during the period are recognized in the income statement under the heading of "Net income from designated financial assets at fair value through profit or loss" and "Net income from financial assets at fair value through profit or loss held for trading". The fair values of various derivative instruments used for hedging purposes are disclosed in note 9.

Financial assets and financial liabilities designated at fair value through profit or loss at inception consist of investments in limited partnerships and directly held investments. They are managed and their performance is evaluated on a fair value basis in accordance with the Group's documented investment strategy. The Group's policy is used by the investment manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

In setting the Group's investment policy the Directors have determined that investments will only be made in entities that adopt an internationally recognized standard.

b) Recognition / Derecognition

All transactions relating to financial assets and financial liabilities at fair value through profit or loss are recognized on the settlement date.

Any distributions, including return of principal of investment, received from the underlying limited partnerships and directly held investments are recognized on the distribution date.

Financial assets and financial liabilities at fair value through profit or loss are derecognized when the right to receive cash flows has expired or where substantially all risks and rewards of ownership have been transferred.

c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognized at cost. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets or financial liabilities at fair value through profit or loss" category are presented in the income statement in the period in which they arise. Interest income from financial assets at fair value through profit or loss is recognized in the income statement within interest income using

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement within dividend income when the Group's right to receive payments is established. Transaction costs are expensed in the income statement.

d) Fair Value estimation
The fair values of financial instruments traded in active markets (such as listed private equity) are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the bid price at the balance sheet date.

In assessing the fair value of non-traded financial instruments, the Group uses a variety of methods such as time of last financing, multiple analysis, discounted cash flow method and third party valuation and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for specific or similar instruments are used for long-term debt. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments.

**Short-term investments**

The Group classifies its monetary investments in short-term investments as financial assets at fair value through profit or loss. Short-term investments are defined as investments with maturity between three and twelve months from the date of purchase and are treated as "financial assets at fair value through profit or loss".

The short-term investments purchased at par are included in the balance sheet at market values ruling at the balance sheet date. The changes in the fair value are included within "Net income from short-term investments – Gains and losses".

The short-term investments purchased at a discount are included in the balance sheet at market values ruling at the balance sheet date. The changes in the fair value and the interest received at maturity are included within "Net income from short-term investments – Gains and losses". Upon maturity of the short-term investments purchased at a discount, the difference between the last reported fair value and the maturity amount are included within "Realized gains and losses".

All transactions relating to short-term investments are recognized on the settlement date.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash at bank and term deposits with a maturity of three month or less. Cash and cash equivalents are stated at the carrying amount as this is a reasonable approximation of fair value.

**Other short-term receivables**

Other short term receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Other receivables are stated at the carrying amount as this is a reasonable approximation of fair value.

**Other short-term payables**

Other short-term payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current liabilities. Other payables are stated at the carrying amount as this is a reasonable approximation of fair value.

**Consolidation**

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, have been consolidated. All inter-company transactions, balances and unrealized surpluses and losses on transactions between group companies have been eliminated. A listing of the Group's subsidiaries is set out in note 23.

The consolidation is performed using the purchase method. All Group companies have a 31 December year-end.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There is significant subjectivity in the valuation of investments in limited partnerships and directly held investments with very little transparent market activity to provide support for fair value levels at which willing buyers and sellers would transact. In addition there is subjectivity in the cash flow modeling due to the fact that the underlying investments, in many cases, require funding based on the future development of their investments. The estimates and judgments employed therein are therefore continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

**Unquoted investments in limited partnerships and directly held investments**

For the valuation of such investments the Investment Manager reviews the latest information provided by underlying partnerships and other business partners, which frequently does not coincide with the valuation date, and apply widely recognized valuation methods to such data such as time of last financing, multiple analysis, discounted cash flow method and third party valuation as well as market prices to estimate a fair value as at the balance sheet date. As part of the fair valuation of such investments the Investment Manager uses observable market and cash flow data to consider and determine the fair values of the underlying investments. Furthermore the Investment Manager considers the overall portfolio against observable data and general market developments to determine if the values attributed appear fair based on the current market environment. The Investment Manager makes reasonable efforts to obtain the latest available information from the underlying investment.

As part of the continuous evaluation of the fair value of the underlying unquoted investments the fair value assessment procedures are determined by the Investment Manager independent of the Investment Advisor's investment committee. The Investment Manager, in addition, is also responsible for ensuring that these procedures are adhered to during the assessment of the fair values.

Based on an assessment of relevant applicable indicators of fair value, the Group estimates the fair values as at the valuation date. Such indicators may include, but are not limited to:
– Limited partnership's most recent reporting information including a detailed analysis of underlying company performance and investment transactions with the fund between the latest available fund reporting and the balance sheet date of the Group;
– Review of a direct investment's most recent accounting and cash flow reports and models, including data supplied by both the sponsor and the company and any additional available information between the date of these reports and the balance sheet date of the Group;
– Review of recent transaction prices and merger & acquisition activity for similar direct investments;
– Review of the limited partnership's application of generally accepted accounting principals and the valuation method applied for its underlying investments such as discounted cash flow and multiple analysis, which are based on available information; and
– Review of current market environment and the impact of it on limited partnerships, their investments and the Group's direct investments.

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

The variety of valuation bases adopted, quality of management information provided by the underlying partnerships and the lack of liquid markets for the investments held mean that there are inherent difficulties in determining the fair values of these investments that cannot be eliminated. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, and therefore the amounts realized on the sale of investments, will differ from the fair values reflected in these financial statements and the differences may be significant.

**Cash flow modeling**

In addition to the review of historical data within the cash flow modeling, the Investment Manager also takes into account current portfolio data together with the expected development of the market environment based on observable market information and subjects this to simulations and stress tests to consider certain scenarios which could occur and their potential impact on the Group and its investment commitment and funding strategy.

The results of such observations are included within the investment models to provide an insight into future expected cash flows and the liquidity requirements of the Group.

As at the balance sheet date, the Group estimates the cash flow requirements based on an assessment of all applicable indicators, which may include but are not limited to the following:
– Historical statistical data: external and internal data serve as the statistical basis of the quantitative model;
– Current portfolio company information: the model is updated to take into account current data from the Group's direct and limited partnership investments;
– Input from the Investment Advisor's investment professionals: Qualitative and quantitative inputs from the general market environment and the specific portfolio in the model; and
– Monte-Carlo simulations and stress-tests: stochastic behavior of private equity cash flows combined with valuations and tailor-made scenario analyses provide the basis for commitment decisions and quantitative risk management.

There is uncertainty in the estimates and judgment in the cash flow modeling assumptions concerning the future and as such the Investment Manager continuously compares these assumptions against actual developments and adjusts the cash flow model accordingly.

## 4 EARNINGS PER SHARE / NET ASSET VALUE PER SHARE

Basic earnings per share are calculated by dividing the surplus or loss for the financial year attributable to the shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

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 year-end.

## 5 EXPENSES

**Management fee**

Under the Investment Management Agreement between the Group and the Investment Manager the Group pays to the Investment Manager a quarterly management fee. The quarterly management fee is calculated as 0.375% of the higher of the sum of Private Equity Net Assets and the undrawn commitments or the Net Assets of the Group at the end of the quarter.

In respect of secondary investments, the Group pays an additional quarterly fee equal to 0.0625% of the secondary investment value. In respect of direct investments, the Group pays an additional quarterly fee equal to 0.125% of the direct investment value.

**Administration fee**

The administration fee is paid quarterly in advance pursuant to the Administration Agreement between the Group and Partners Group (Guernsey) Limited. ("the Investment Manager") The quarterly administration fee is calculated as 0.0125% of the first USD 1 billion of Net Assets and 0.005% of the amount by which such Net Assets exceed USD 1 billion.

**Incentive Fee**

The incentive fee in respect of direct investments is determined as provided below, and the incentive fee in respect of secondary investments is determined in the same manner, mutatis mutandis, save that the incentive fee in respect of secondary investments is determined using a rate of 10% instead of 15%. The incentive fee in respect of each direct investment is calculated as follows on a deal-by-deal basis:

First, Princess receives 100% of all distributions (being all amounts whether of an income or capital nature) derived from the relevant direct investment ("relevant distributions") until it has received relevant distributions equal to:

- its acquisition cost in respect of the relevant direct investment; plus

- an amount (the "preferred return") calculated at the rate of 8% per annum compounded annually on the amount outstanding in respect of the relevant direct investment from time to time (i.e. zero or acquisition cost less relevant distributions, whichever is greater), taking into account the timing of the relevant cash flows;

Second, an incentive fee equal to 100% of further relevant distributions received by Princess is due and payable to the Investment Manager until such time as the Investment Manager has received 15% of the sum of the preferred return distributed to Princess under the preceding paragraph and the incentive fee due and payable to the Investment Manager under this paragraph; and

Third, an additional incentive fee equal to 15% of further relevant distributions to Princess is due and payable to Princess Management Limited.

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

## 6 TAXATION STATUS

All companies in the Group are exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 and 1992 and they had been each charged an annual exemption fee of GBP 600.

## 7 SEGMENT REPORTING

The sole business segment is investing in private market investments resulting in no segment disclosure reporting in accordance with IAS 14. Therefore the results published in this report correspond to the primary segment-reporting format.

## 8 FINANCIAL RISK MANAGEMENT

**Financial risk factors**

The Group’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group may use derivative financial instruments such as foreign exchange contracts and foreign exchange options to hedge certain exposures.

(a) Foreign exchange risk
The Group holds assets denominated in currencies other than the Euro, the functional currency. The value of assets denominated in other currencies will fluctuate due to changes in exchange rates. The main currency risk for the Group results from the assets held in US dollars where a change of exchange rates can have a material impact on the value of these assets. The Investment Advisor’s hedging committee meets on a quarterly basis, to review the foreign exchange rate risk and decides on the use of derivative financial instruments such as foreign exchange contracts and foreign exchange options to hedge certain exposures. Furthermore the Investment Advisor’s risk management committee reviews the foreign exchange risk on a monthly basis and proposes changes to the actual hedging positions if necessary.

The annual volatility using cross-currency rates from 1 January 2001 to 31 December 2008 equals 9.8% (8.3% for the previous year) for the US dollar compared to the Euro. Under the assumption that the US dollar fluctuates with an annual volatility of 9.8% the value of these assets and the corresponding result would be either EUR 11’285’802 higher or lower (EUR 7’727’791 for 2007).

b) Interest rate risk
The Group invests in interest-bearing mezzanine investments that are exposed to the risk of changes in market interest rates. The interest on the mezzanine loans is partially based on Libor and Euribor rates. A decrease in the market interest rates can lead to a decrease in interest income of the Group. The overall interest rate risk is considered to be limited as only a small part of the portfolio depends on variable interest rates.

Cash and cash equivalents are only short-term and therefore interest rate exposure is very limited. At year-end all term-deposits invested have fixed interest rates.

Except as above, the income and operating cash flows are substantially independent from changes in market interest rates.

| Variable rate instruments | 31.12.2008 EUR | 31.12.2007 EUR |
|---|---|---|
| Mezzanine investments | **9’483’822** | 13’707’292 |
| Cash and cash equivalents | **13’707’132** | 80’258’529 |
| | **23’190’954** | 93’965’821 |

**Cash flow sensitivity analysis for variable rate instruments**

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

| | Profit or loss | |
|---|---|---|
| | **50bp increase** | **50bp decrease** |
| **2008** | | |
| Variable rate instruments | **115’955** | **(115’955)** |
| **2007** | | |
| Variable rate instruments | **469’829** | **(469’829)** |

(c) Credit risk
Whilst the Group intends to diversify its portfolio of investments, the Group’s investment activities may result in credit risk relating to investments in which the Group has direct or indirect (through a fund investment) exposure. Bad credit development or a default of investments in which the Group has direct or indirect exposure will lead to a lower net asset value and to lower dividend and interest income from limited partnerships and directly held investments.

It is expected that investments will be made in private debt funds. Many of the private debt funds may be wholly unregulated investment vehicles. In addition, certain of the private debt funds may have limited or no operational history and have no proven track record in achieving their stated investment objective. The investment risk is managed by an investment strategy that diversifies the investments in terms of geography, financing stage, industry or time.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions with a minimal rating of P-1 (Moody’s). In accordance with the Group Agreement the Board of Directors ensures that any surplus cash is invested in temporary investments as defined in the Group Agreement. In addition where the Group holds significant amounts of cash the Group may seek to diversify this exposure across multiple financial institutions.

The Group may also invest in mezzanine facilities of private equity backed companies. These companies financial performance is monitored on a monthly basis and classified by an internal rating system. If a company’s performance is below expectation with concern, the loan facility’s actual value will be assessed and if necessary impaired.

| Rating of Mezzanine instruments | 31.12.2008 EUR | 31.12.2007 EUR |
|---|---|---|
| Above expectation | – | – |
| As expected | **6’705’065** | 13’707’292 |
| Below expectation | **2’778’756** | – |
| Below expectation with concerns | **1** | – |
| **Total** | **9’483’822** | 13’707’292 |

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

The Group has no significant concentration of credit risk other than listed above. As noted above, derivative counterparties and cash transactions are limited to high credit quality financial institutions. As of 31 December 2008 the impairment on mezzanine investments amounts to EUR 3’599’999 (2007: EUR nil).

The Group provides mezzanine facilities to private companies which are represented as debt instruments. No collateral is received from the underlying companies. The credit quality of these investments is based on the financial performance of the individual portfolio company. For those assets that are not past due it is believed that the risk of default is limited and the capital repayments and interest payments will be made in accordance with the agreed terms and conditions.

| | Not past due EUR | Past due less than 1 year EUR | Past due more than 1 year EUR |
|---|---|---|---|
| **2008** | | | |
| Foreign exchange option | **12’558’606** | – | – |
| Cash at bank | **13’707’132** | – | – |
| Other short-term receivables | **784’545** | – | – |
| Mezzanine investments | **9’483’822** | | |
| **2007** | | | |
| Foreign exchange contracts | **6’095’015** | – | – |
| Cash at bank | **80’258’529** | – | – |
| Other short-term receivables | **616’560** | – | – |
| Mezzanine investments | **13’707’292** | | |

The change of the credit quality is reflected in the fair value of the instrument. Unrealized losses of EUR 3’599’999 (2007: nil) are attributable to these debt instruments.

(d) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

As the unfunded commitments can be drawn at any time, the Group’s over-commitment strategy could result in periods in which the Group has inadequate liquidity to fund its investments or to pay other amounts payable by the Group. The liquidity risk arising from the over-commitment strategy is managed through the use of quantitative models by the Investment Advisor’s internal risk committee on a quarterly basis. If the risk committee concludes that there is a risk of insufficient liquidity to fund investments, actions are taken into consideration such as entering into a credit line facility, reducing the amount of listed private equity or the selling of investments on the secondary market. The credit facility is due to be renegotiated in December 2009. The table below analyses the liquidity risk due to the over-commitment strategy.

| **Over-commitment Strategy** | **31.12.2008 EUR** | 31.12.2007 EUR |
|---|---|---|
| Unfunded commitments | **(374’928’358)** | (408’170’641) |
| Cash and Cash equivalents | **13’707’132** | 80’258’529 |
| Listed private equity | **6’829’765** | 31’283’850 |
| Hedging assets | **12’558’606** | 255’614’562 |
| Hedging liabilities | - | (249’519’547) |
| Net other current assets | **(3’818’885)** | (6’553’911) |
| Unutilized credit-line | **35’835’000** | 34’286’500 |
| **Over-commitment** | **(309’816’740)** | (262’800’658) |

| | | |
|---|---|---|
| Unfunded / NAV Ratio | **65%** | 60% |
| Unfunded / NAV Ratio (Inc. credit line) | **61%** | 57% |

The Group’s financial instruments include investments in unlisted securities, which are not traded in an organized public market and may generally be illiquid. As a result, the Group may not be able to quickly liquidate its investments in these instruments at an amount close to fair value in order to respond to its liquidity requirements or to specific events such as a deterioration in the creditworthiness.

The table below analyses the Group’s financial exposures into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date.

| **At 31 December 2008** | **Less than 3 months EUR** | 3 to 12 months EUR |
|---|---|---|
| Unfunded commitments | **374’928’358** | – |
| Other short-term payables | **4’603’430** | – |
| **Total** | **379’531’788** | – |

| **At 31 December 2007** | **Less than 3 months EUR** | 3 to 12 months EUR |
|---|---|---|
| Unfunded commitments | **408’170’641** | – |
| Hedging inflow | **(255’614’562)** | – |
| Hedging outflow | **249’519’547** | – |
| Other short-term payables | **7’170’471** | – |
| **Total** | **409’246’097** | – |

(e) Capital risk management
The Group’s objective when managing capital is to safeguard the Group’s ability to continue as going concern in order to provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(f) Market price risk
Designated financial assets at fair value through profit or loss and investments in listed private equity bear a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of investments within specified limits. The Group’s investments are monitored on a regular basis by the Group’s Investment Manager and are reviewed on a quarterly basis by the Board of Directors. The Group checks its performance against the Listed Private Equity Index (LPX50) which it uses as its benchmark. This reflects the performance of 50 listed private equity companies and the Group checks on a regular basis the weightings of the index, its composition, price development and volatility.

The annual volatility of the benchmark is 23.3% for the period between 1 January 2001 and 31 December 2008 (15.3% as at the previous year end). Under the assumption that designated financial assets at fair value through profit or loss and investments in listed private equity fluctuate with the annual volatility the value and the result of designated financial assets at fair value through profit or loss and investments in listed private equity would be either EUR 129’830’037 higher or lower (EUR 91’250’252 for 2007).

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

## 9 LIMITED PARTNERSHIPS AND DIRECTLY HELD INVESTMENTS

### 9.1 INVESTMENTS

| | 31.12.2008 EUR | 31.12.2007 EUR |
|---|---|---|
| **Balance at beginning of reporting year** | **565'123'026** | 430'576'071 |
| Capital activity recorded at the transaction rate | **123'807'873** | 234'695'249 |
| Distributions | **(70'384'942)** | (167'355'690) |
| Accrued PIK interest | **674'684** | 873'446 |
| Realized PIK interest | **–** | (387'536) |
| Accrued Cash interest | **192'636** | 138'814 |
| Revaluation | **(83'839'577)** | 103'667'915 |
| Foreign exchange gains / (losses) | **14'808'424** | (37'085'243) |
| **Balance at end of reporting year** | **550'382'124** | 565'123'026 |

### 9.2 DISTRIBUTIONS

| | 01.01.2008– 31.12.2008 EUR | 01.01.2007– 31.12.2007 EUR |
|---|---|---|
| Dividend income | **2'601'398** | 2'874'253 |
| Interest income | **1'343'690** | 2'217'059 |
| Accrued PIK interest | **674'684** | 873'446 |
| Accrued cash interest | **192'636** | 138'814 |
| Withholding taxes | **(373'658)** | – |
| | **4'438'750** | 6'103'572 |
| Realized PIK interest | **–** | 387'536 |
| Return of investments | **70'937'358** | 167'796'529 |
| Gains / (losses) from sale of stock distributions | **(552'416)** | (440'839) |
| | **70'384'942** | 167'743'226 |
| **Total distributions** | **74'823'692** | 173'846'798 |

### 9.3 FOREIGN EXCHANGE

| | 01.01.2008– 31.12.2008 EUR | 01.01.2007– 31.12.2007 EUR |
|---|---|---|
| Foreign exchange revaluation | **14'808'424** | (37'085'243) |
| Revaluation of foreign exchange hedges and options relating to investments in limited partnerships and directly held investments | **1'770'155** | 7'962'081 |
| Realized gains / (losses) from foreign exchange hedges relating to investments in limited partnerships and directly held investments | **23'224'508** | 12'475'305 |
| Realized gains / (losses) from foreign exchange option hedges relating to investments in limited partnerships and directly held investments | **(6'889'206)** | – |
| | **32'913'881** | (16'647'857) |

At the balance sheet date, the Group had the following forward foreign exchange contracts and foreign exchange options in place. The contracts and options 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) 31.12.2008 EUR** | Surplus / (loss) 31.12.2007 EUR |
|---|---|---|---|---|---|
| Buy EUR against USD | 335’000’000 | 0.7042 | 18.1.2008 | **–** | 6’205’019 |
| Buy EUR against USD | 20’000’000 | 0.6802 | 18.1.2008 | **–** | (110’004) |
| Revaluation FX Option EUR against USD | 382’000’000 | 0.7045 | 11.9.2009 | **7’865’170** | – |
| | | | | **7’865’170** | 6’095’015 |
| Premium on FX Option EUR against USD | 382’000’000 | 0.7045 | 11.9.2008 | **4’693’436** | – |
| | | | | **12’558’606** | 6’095’015 |

## 10 INVESTMENTS IN LISTED PRIVATE EQUITY

| | **31.12.2008 EUR** | 31.12.2007 EUR |
|---|---|---|
| **Balance at beginning of reporting year** | **31’283’850** | – |
| Purchases recorded at the transaction rate | **–** | 37’063’836 |
| Disposals recorded at the transaction rate | **(9’798’610)** | – |
| Gains / (losses) on listed private equity | **(14’655’475)** | (5’779’986) |
| **Balance at end of reporting year** | **6’829’765** | 31’283’850 |

## 11 SHORT-TERM INVESTMENTS

### 11.1 INVESTMENTS

| | **31.12.2008 EUR** | 31.12.2007 EUR |
|---|---|---|
| **At beginning of reporting year** | **–** | 46’451’854 |
| Additions | **–** | 150’790’113 |
| Redemptions | **–** | (197’302’644) |
| Unrealized gains / (losses) on short-term investments | **–** | 950’535 |
| Foreign exchange gains and (losses) | **–** | (889’858) |
| **At end of reporting year** | **–** | – |

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

### 11.2 INCOME

| | **01.01.2008–31.12.2008 EUR** | 01.01.2007–31.12.2007 EUR |
|---|---|---|
| Interest on short-term investments | **–** | 240’388 |
| Unrealized gains / (losses) from short-term investments | **–** | 950’535 |
| Foreign exchange gains and (losses) | **–** | (889’858) |
| **Total gains and losses from short-term investments** | **–** | 301’065 |

Due to the level of distributions received from limited partnerships, the Group held cash in excess of its immediate requirements during the previous financial year. To achieve better returns the cash was invested into short-term bonds with a maturity of less than one year. During this financial year the position has been reduced to zero to finance investment activities.

## 12 OTHER SHORT-TERM RECEIVABLES

| | **31.12.2008 EUR** | 31.12.2007 EUR |
|---|---|---|
| Distributions receivable | **784’545** | 616’560 |
| **Total other short-term receivables** | **784’545** | 616’560 |

Other short-term receivables are classified as follows:

| | **Within one year EUR** | **After one year and within five years EUR** | **After more/ than five years EUR** |
|---|---|---|---|
| Distributions receivable | 784’545 | – | – |
| **Total other short-term receivables** | **784’545** | **–** | **–** |

## 13 CASH AND CASH EQUIVALENTS

### 13.1 BALANCE

| | **31.12.2008 EUR** | 31.12.2007 EUR |
|---|---|---|
| Cash at banks | **13’707’132** | 80’258’529 |
| **Total cash and cash equivalents** | **13’707’132** | 80’258’529 |

### 13.2 INTEREST INCOME

| | **01.01.2008–31.12.2008 EUR** | 01.01.2007–31.12.2007 EUR |
|---|---|---|
| Interest received from cash at banks | **2’107’894** | 4’784’610 |
| **Total interest income from cash and cash equivalents** | **2’107’894** | 4’784’610 |

## 14 SHARE CAPITAL

Pursuant to an extraordinary general meeting on 12 October 2007 the shareholders approved a share split. Each authorized Ordinary Share of EUR 0.01 has been divided into 10 Ordinary Shares of EUR 0.001 each. 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.

| | **31.12.2008 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 the bond conversion | **70’100** | 70’100 |
| | **70’100** | 70’100 |

### 14.1 SHARE PREMIUM

| | **31.12.2008 EUR** | 31.12.2007 EUR |
|---|---|---|
| Share Premium from issuance of shares | **–** | 730’149’287 |
| Transfer from share premium to distributable reserves | **–** | (730’149’287) |
| **Total share premium** | **–** | – |

### 14.2 DISTRIBUTABLE RESERVES

| | **31.12.2008 EUR** | 31.12.2007 EUR |
|---|---|---|
| Transfer from share premium to distributable reserves[1)] | **689’911’890** | 730’149’287 |
| Dividend payment | **(21’030’000)** | (40’237’397) |
| **Total distributable reserves** | **668’881’890** | 689’911’890 |

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

[1)] On 20 April 2007 the Royal Court of Guernsey confirmed a special resolution passed by the members of the Company whereby the amount standing to the credit of the share premium account, net of issue costs, immediately following the initial placing was transferred to a special distributable reserve.

### 14.3 DIVIDEND PAYMENT

On 20 June 2008 a dividend of EUR 0.30 per Ordinary Share, as declared at the last Annual General Meeting, was paid to investors.

### 14.4 SHAREHOLDERS ABOVE 3% OF ORDINARY SHARES ISSUED

| | **Shares held** | **in %** |
|---|---|---|
| CVP/CAP | 3’551’206 | 5.07% |
| Deutsche Asset Management Investmentgesellschaft mbH | 5’700’000 | 8.13% |
| Institut für schweizer Finanzdienstleister | 2’576’428 | 3.68% |
| Novartis Pensionskasse | 3’000’000 | 4.28% |
| Pensionskasse SBB | 4’235’000 | 6.04% |
| Sulzer Vorsorgeeinrichtung | 2’498’000 | 3.56% |
| VEGA Invest Fund PLC | 6’000’000 | 8.56% |

## 15 OTHER SHORT-TERM PAYABLES

| | **31.12.2008 EUR** | 31.12.2007 EUR |
|---|---|---|
| Accrued interest | **143’731** | 137’146 |
| Accruals to related parties | **4’137’205** | 5’629’629 |
| Sundry payables | **322’494** | 1’403’696 |
| **Total other short-term payables** | **4’603’430** | 7’170’471 |

Amounts due and payable for the accounts shown under “Other short-term payables” are as follows:

| | **Within one year EUR** | **After one year and within five years EUR** | **After more than five years EUR** |
|---|---|---|---|
| Accrued interest | 143’731 | – | – |
| Accruals to related parties | 4’137’205 | – | – |
| Sundry payables | 322’494 | – | – |
| **Total other short-term payables** | **4’603’430** | **–** | **–** |

## 16 DIVIDEND AND INTEREST INCOME AND EXPENSE

| | **01.01.2008– 31.12.2008 EUR** | 01.01.2007– 31.12.2007 EUR |
|---|---|---|
| Interest income: | | |
| – Dividend and interest income from limited partnerships and directly held investments | **4’438’750** | 6’103’572 |
| – Interest on short-term investments | – | 240’388 |
| – Interest from cash and cash equivalents | **2’107’894** | 4’784’610 |
| **Total dividend and interest income** | **6’546’644** | 11’128’570 |
| Non utilization fee – credit facility | **(138’991)** | (141’505) |
| **Total expense** | **(138’991)** | (141’505) |

## 17 FOREIGN EXCHANGE GAINS AND LOSSES

| | **01.01.2008– 31.12.2008 EUR** | 01.01.2007– 31.12.2007 EUR |
|---|---|---|
| Foreign exchange gains and (losses) on: | | |
| – Limited partnerships and directly held investments | **(32’913’881)** | (16’647’857) |
| – Short-term investments | **–** | (889’858) |
| – Cash and cash equivalents | **(168’278)** | (1’000’665) |
| – Other | **(435’312)** | 193’306 |
| **Total foreign exchange gains and (losses)** | **(33’517’471)** | (18’345’074) |

## 18 REVALUATION AND REALIZED GAINS AND (LOSSES)

| | **01.01.2008– 31.12.2008 EUR** | 01.01.2007– 31.12.2007 EUR |
|---|---|---|
| – Limited partnerships and directly held investments | **(83’839’577)** | 103’667’915 |
| **Total revaluation and realised gains and (losses)** | **(83’839’577)** | 103’667’915 |

# NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

## 19 COMMITMENTS

| | **31.12.2008** | 31.12.2007 |
|---|---|---|
| | **EUR** | EUR |
| Total commitments translated at the rate prevailing at the balance sheet date | **1'512'898'499** | 1'426'422'963 |
| Unfunded commitments translated at the rate prevailing at the balance sheet date | **374'928'358** | 408'170'641 |

## 20 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.

| | **31.12.2008** | 31.12.2007 |
|---|---|---|
| | **EUR** | EUR |
| Net assets of the Group | **579'658'742** | 676'206'509 |
| Outstanding shares at the balance sheet date | **70'100'000** | 70'100'000 |
| Net asset per share at year-end | **8.27** | 9.65 |
| Diluted net assets per share at the balance sheet date | **8.27** | 9.65 |

## 21 CREDIT LINE FACILITY

The Company entered into a revolving credit facility with Bank of Scotland on 31 December 2002 for a maximum of USD 130'000'000. Security is inter alia, by way of a security agreement over the entire issued share capital of Princess Private Equity Subholding Limited. The credit facility has been reduced to USD 50'000'000 by the Company. The credit facility is due to terminate on 31 December 2009.

Interest is calculated using a LIBOR rate on the day of the advance plus a margin. The margin depends on the total draw-down amount. An additional margin may be added if the ratio of Net Asset Value to the borrowings due to Bank of Scotland (including capitalized interest) is less than 5:1.

There is a non utilization fee which is payable yearly in arrears and this is calculated at 0.40% per annum on the average undrawn amount of the revolving credit during the period. In 2008 EUR 138'991 non utilization fee has been paid (2007: EUR 141'505).

As at the balance sheet date, the amount drawn under the credit facility was nil (2007: nil).

## 22 RELATED PARTY TRANSACTIONS

Partners Group Holding held 10’000 Ordinary shares at the balance sheet date.

Partners Group Holding and all its subsidiaries and affiliates are considered to be related parties to the Group.

The directors as disclosed in the Directors’ Report are also considered to be related parties to the Group.

**Transactions and balances with related parties**

The following transactions were carried out with related parties:

| i) Services | Notes | **01.01.2008–31.12.2008 EUR** | 01.01.2007–31.12.2007 EUR |
|---|---|---|---|
| Management fee paid to: | | | |
| - Princess Management Limited | 5 | **14’214’475** | 13’609’628 |
| Administration fee paid to: | | | |
| - Partners Group (Guernsey) Limited | 5 | **361’558** | 334’772 |
| Incentive fee | | | |
| - Princess Management Limited | 5 | **280’180** | 292’762 |
| IFRS Valuation advice: | | | |
| - Princess Management Limited | | **71’670** | 68’573 |
| Directors’ fees paid | | **160’000** | 66’390 |
| Split as follows: | | | |
| Company | | | |
| C. Maltby | | **50’000** | 12’500 |
| A. Billmaier | | **40’000** | 35’000 |
| G. Hall | | **–** | 8’890 |
| J. Hooley | | **40’000** | 10’000 |
| B. Human | | **30’000** | – |
| Directors’ compensation | | | |
| - Short-term employee benefits | | **23’560** | 95’648 |
| The Company does not operate a pension scheme. | | | |
| Reimbursement of fees due to investments in related limited partnerships | | **2’805’353** | 3’213’957 |

Princess Management Limited and Partners Group (Guernsey) Limited are companies incorporated in Guernsey and owned by Partners Group Holding.

## NOTES TO THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS
(continued)

ii) Year-end balances:

| | **31.12.2008** | 31.12.2007 |
|---|---|---|
| | **EUR** | EUR |
| Other short-term payables to related parties: | | |
| – Princess Management Limited | **4'137'205** | 5'629'627 |

### 23 GROUP ENTERPRISES – SIGNIFICANT SUBSIDIARIES

| | **Country of** | **Ownership interest** | |
|---|---|---|---|
| | **incorporation** | **31.12.2008** | 31.12.2007 |
| Princess Private Equity Subholding Limited | Guernsey | 100% | 100% |

### 24 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors is of the opinion that no events took place between 31 December 2008 and 18 February 2009 that would require disclosure in these financial statements.

# NOTITZEN
# NOTES

# NOTITZEN
# NOTES

Princess

# ADRESSEN
# LIST OF ADDRESSES

**Sitz der Gesellschaft**
**Registered Office**

Princess Private Equity Holding Limited
Tudor House
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Registered Number: 35241

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**Investment Manager**

Princess Management Limited
Guernsey, Channel Islands

**Investor Relations**

princess@princess-privateequity.net

**Abschlussprüfer**
**Auditors**

PricewaterhouseCoopers CI LLP

**Handelsinformation**
**Trading Information**

| | | |
|---|---|---|
| Börsenzulassung<br>Listing | Frankfurter Wertpapierbörse<br>Frankfurt Stock Exchange | Londoner Wertpapierbörse<br>London Stock Exchange |
| ISIN | DE000A0LBRM2 | GG00B28C2R28 |
| WKN | A0LBRM | AOLBRL |
| Valor | 2 830 461 | 2 830 461 |
| Börsenkürzel<br>Trading symbol | PEY1 | PEY |
| Bloomberg | PEY1 GR | PEY GR |
| Reuters | PEYGz.DE / PEYGz.F | PEY.L |
| Designated Sponsor | Sal. Oppenheim jr. & Cie. | JPMorgan Cazenove |