

MONTHLY REPORT

as per 31 July 2010

Princess Private Equity Holding Limited (Princess) is an investment holding company domiciled in Guernsey that invests in private market investments. Investments include primary and secondary fund investments, direct investments and listed private equity. Princess aims to provide shareholders with long-term capital growth and an attractive dividend yield in the mid- to long-term. The shares are traded on the Frankfurt Stock Exchange (in the form of co-ownership interests in a global bearer certificate) and on the London Stock Exchange.

Key facts

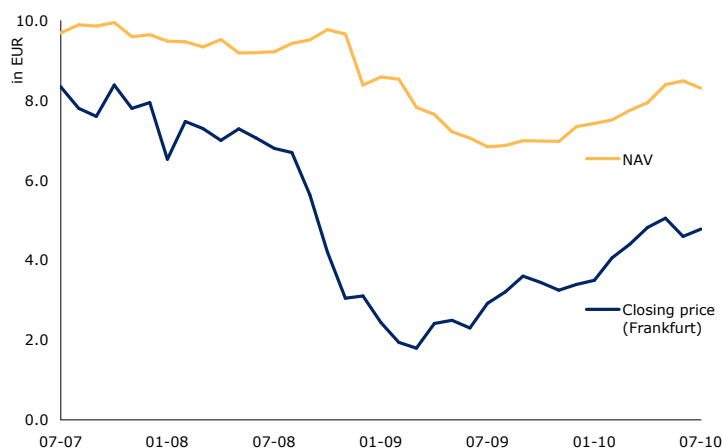
| | Frankfurt | London |
|--------------------------|-----------------------|--------------|
| Trading symbol | PEY1 | PEY |
| Reuters | PEYGz.DE/PEYGz.F | PEY.L |
| Bloomberg | PEY1 GY | PEY LN |
| WKN | A0LBRM | A0LBRL |
| ISIN | DE000A0LBRM2 | GG00B28C2R28 |
| Valor | 2 830 461 | 2 830 461 |
| Formation of the Company | 12.05.1999 | |
| Base currency | EUR | |
| Dividends 2008 | EUR 0.30 (20/06/2008) | |

Key figures

| | 31.07.2010 | 30.06.2010 | YTD |
|--------------------------------------|------------|------------|--------|
| Net asset value (NAV) | EUR 8.31 | EUR 8.49 | |
| Net asset value (NAV) incl. dividend | EUR 9.12 | EUR 9.33 | 13.23% |
| Investment level | 102.65% | 101.86% | |
| Gross Investment level | 96.91% | 95.98% | |
| Overcommitment | 47.33% | 49.22% | |
| Overcommitment incl. credit line | 37.98% | 39.22% | |
| Closing price Frankfurt | EUR 4.78 | EUR 4.60 | 41.00% |
| Premium | -42.46% | -45.85% | |
| Closing price London | EUR 4.71 | EUR 4.45 | 42.30% |
| Premium | -43.30% | -47.59% | |

Where applicable, returns are calculated according to the standard BVI-method of the Bundesverband Investment and Asset Management and may be subject to decimal rounding.

NAV and price development



Monthly commentary

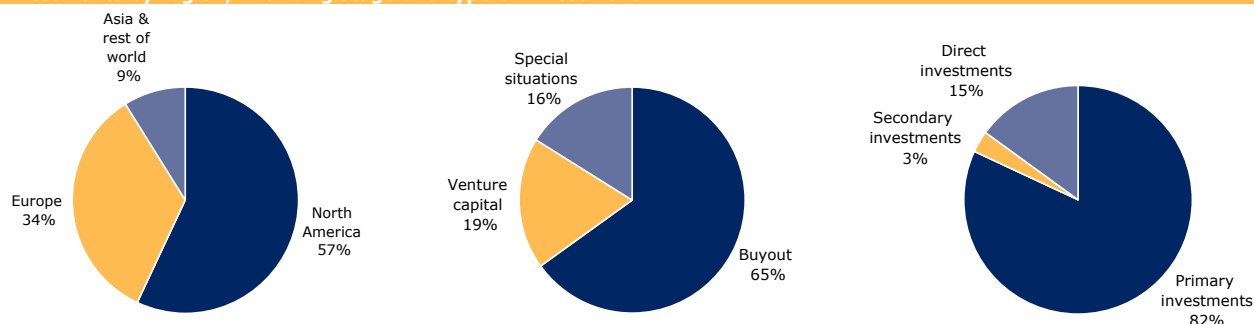
After a strong performance of +15.74% during the first half of the year, Princess' net asset value (NAV) decreased during the month of July by 2.16% to EUR 8.31 per share. Princess' portfolio companies continued the upward trend of the past quarters and had a positive impact of 1.60% on the NAV. Investments in the buyout and special situations segments in particular contributed to this favorable development. However, foreign exchange movements had an adverse effect on the NAV due to the strong recovery of the euro against the US dollar in July. This effect was mitigated by hedging gains as Princess purchased a new USD put option at the end of June with a strike of 1.23.

Over the past three quarters distributions from exited portfolio companies exceeded capital calls for new investment opportunities. The month of July, however, saw a relatively low level of distributions amounting to EUR 3.4 million and a slightly higher level of drawdowns amounting to EUR 10.6 million in comparison to previous months. The investment advisor believes, however, that the negative net cash flow in July is a temporary effect only and continue to expect distributions from Princess' mature portfolio to exceed capital calls over the coming quarters. Unfunded commitments declined to EUR 260.2 million as of 31 July 2010, translating into an overcommitment ratio including credit line of just 38.0%.

In July, Battery Ventures VI announced the sale of portfolio company ITA Software, a flight information software company, to Google for USD 700 million in cash. ITA Software develops solutions for the travel industry and offers software tools for organizing flight information that is used by leading airlines and travel distributors worldwide. The company was founded in 1996 by a group of MIT computer scientists and raised USD 100 million in growth capital in 2006 from venture capital investors including Battery Ventures. The exit is expected to generate a return of about 2.25x the original investment.

Furthermore, Providence Equity Partners VI announced the acquisition of Study Group, an Australia-based global leader in private higher education, language and career education, for AUD 660 million (USD 570 million). Study Group operates 38 campuses in the United States, the United Kingdom, Australia and New Zealand and currently has a total of more than 55'000 students. The company also has an extensive network of alliances with internationally focused universities in these countries. Study Group currently generates approximately AUD 500 million in annual sales. It plans to continue its growth strategy over the coming years.

PE investments by region, financing stage and type of investment



The accompanying notes form an integral part of this monthly report.

On a bondholders' meeting on 5 December 2006, bondholders approved to amend the terms and conditions of the Bonds by entering into a fifth supplemental trust deed with Law Debenture Trustees Limited (the Fourth Supplemental Trust Deed) giving the Company a mandatory conversion right. Accordingly the Company was granted the right (the Mandatory Conversion Right) to convert all of the Bonds into Co-ownership Interests. On 8 December 2006 each bond has been converted into 10 Ordinary shares deliverable in the form of Co-ownership Interests in a global bearer certificate issued by Clearstream, Frankfurt such that each Co-ownership Interest in a global bearer certificate carries rights corresponding to one Ordinary Share.

The conversion of 700'000 convertible bonds at a par value of USD 1'000 each at USD 100 per share resulted in the issuance of 7'000'000 Ordinary Shares. 10,000 shares were already issued and outstanding leading to a total amount of 7'010'000 issued and outstanding Ordinary shares. The Extraordinary Shareholder Meeting of the holders of ordinary shares in Princess Private Equity Holding Limited on 12 October 2007 agreed on a 1 to 10 share split according to which each ordinary share was subdivided into 10 ordinary shares. The share split became effective after close of trading on 12 October 2007.

The Net asset value (NAV) is calculated based on a total of 70,100,000 shares outstanding.

GLOSSARY

| | |
|--------------------------------------|--|
| Buyout (BO) | Acquisition of a controlling stake in a company, typically with financial or managerial reorganization needs. Small/mid/large/mega large size buyout refers to the enterprise value of the acquired company. Whereas the bandwidths are set at (EUR or USD) <250m/250m-EUR 1bn/1bn-5bn/>5bn for small/mid/large/mega large size buyout respectively. |
| Closing price | Last price paid on the Frankfurt Stock Exchange or on the London Stock Exchange on the respective date |
| Frankfurt Stock Exchange (Frankfurt) | First listing on 13/12/2006. The shares deliverable in the form of co-ownership interests in a global bearer certificate are admitted to trading on the regulated market (Reglementierter Markt) with concurrent admission to trading on the segment of the regulated market with additional post-admission obligations (Prime Standard). |
| Gross Investment level | The value of private equity investments divided by the sum of NAV and drawn credit line |
| Investment level | The value of private equity investments divided by NAV |
| London Stock Exchange (London) | First listing on 01/11/2007. Shares are admitted to the Official List. |
| Net asset value (NAV) | The net asset value, as described in the Prospectus dated 12 October 2007, equals the total assets less liabilities due in one year of the company calculated in accordance with the International Financial Reporting Standard (IFRS). |
| Overcommitment | Unfunded commitments less net current assets divided by NAV |
| Overcommitment incl. credit line | Unfunded commitments less the sum of net current assets and total credit line divided by NAV |
| Premium | Price divided by NAV |
| Private equity (PE) | Investments in companies, which typically are not publicly traded and in which the investor may significantly influence the management, and other investments of similar character. |
| Special situations (SS) | Any form of investment that falls within the definition of private equity but cannot be attributed to venture capital or buyout as described above. Special situations includes mezzanine, turnaround, distressed and other investments. |
| Total Return | Total return is calculated according the standard BVI-method of the Bundesverband Investment and Asset Management. |
| Value of private equity investments | Private equity investments are being held at fair value as required under the Company's adopted accounting standards IFRS. |
| Venture capital (VC) | Financing for companies typically in their build-up phase. Seed Stage describes the period where product feasibility is confirmed; Early Stage involves the identification of the position in the market, the establishment of production lines and the development of marketing channels; Later Stage portrays the subsequent rapid expansion phase of a young company. |

This Newsletter is produced based on information available on the last working day of the month.

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