

MONTHLY REPORT

as per 31 August 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

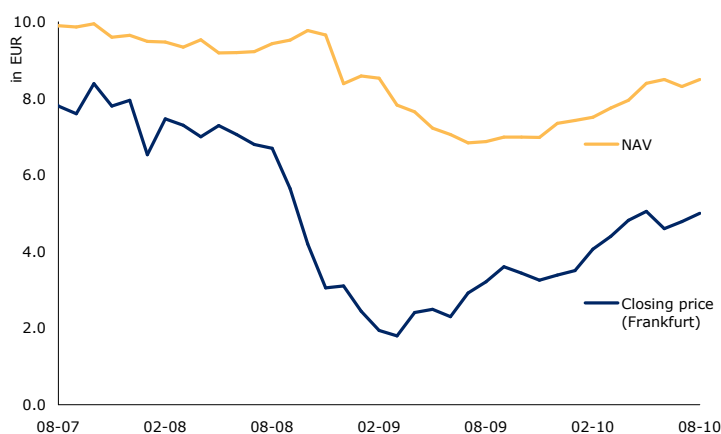
	Frankfurt	London
Trading symbol	PEY1	PEY
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Bloomberg	PEY1 GY	PEY LN
WKN	A0LBRM	A0LBRL
ISIN	DE000A0LBRM2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends 2008	EUR 0.30 (20/06/2008)	

Key figures

	31.08.2010	31.07.2010	YTD
Net asset value (NAV)	EUR 8.49	EUR 8.31	
Net asset value (NAV) incl. dividend	EUR 9.33	EUR 9.12	15.77%
Investment level	104.42%	102.65%	
Gross Investment level	97.16%	96.91%	
Overcommitment	47.28%	47.33%	
Overcommitment incl. credit line	36.37%	37.98%	
Closing price Frankfurt	EUR 5.00	EUR 4.78	47.49%
Premium	-41.13%	-42.46%	
Closing price London	EUR 5.00	EUR 4.71	51.13%
Premium	-41.19%	-43.30%	

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

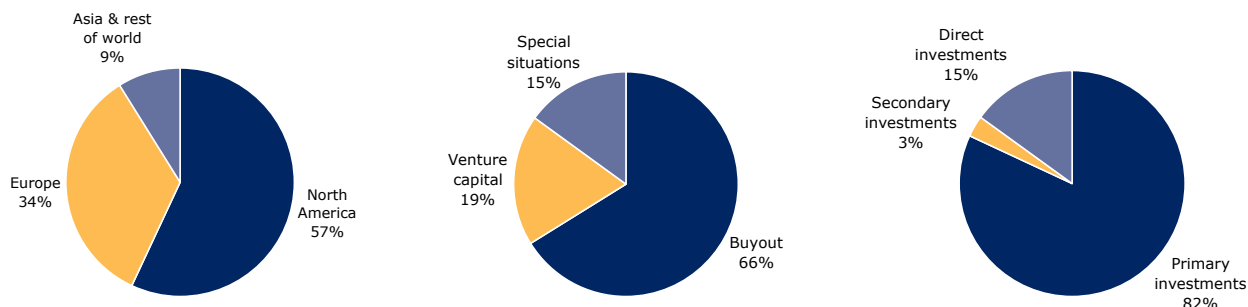
The net asset value (NAV) of Princess showed a positive development in August, closing the month at EUR 8.49 per share. This corresponds to an increase of 2.24% compared to the July NAV and leads to a NAV increase of 15.77% since the end of 2009. The positive performance of Princess' portfolio companies resulted in increased valuations during the past month with companies in the small and mid-cap buyout segment having a particularly favorable impact on the NAV. Overall valuation developments of portfolio companies contributed +1.09% to the NAV. With the US dollar appreciating against the Euro during the past month, foreign exchange movements also had a positive effect on the NAV.

Princess continued to witness a sound investment and exit activity. In August, Princess received EUR 3.0 million in distributions from exited investments while investing EUR 9.3 million in new investment opportunities. As a result of the high investment activity, unfunded commitments declined to EUR 255.2 million as of 31 August 2010.

In August, GMT Communications Partners (GMT) and Veronis Suhler Stevenson (VSS) announced the sale of their combined 81% of PEPcom to STAR Capital Partners for an undisclosed amount. PEPcom is Germany's sixth-largest cable TV operator, with more than 630'000 subscribers of video, broadband and voice services. Set up as a platform investment designed to consolidate the fragmented German cable TV market, GMT and VSS built the company through organic growth and the completion of twelve bolt-on acquisitions, targeting fully integrated regional networks in small towns where a strong market position existed. Among these was the 2005 purchase of Kabelfernsehen München ServiCenter, a Bavarian cable TV and broadband operator which more than doubled PEPcom's business.

At the beginning of the reporting period, Warburg Pincus and Silver Lake Partners completed the acquisition of Interactive Data Corporation, a leading provider of financial market data, analytics and related solutions, for a transaction value of USD 3.4 billion. The company is a leader in financial information and employs over 2'400 people worldwide. Interactive Data Corporation will use the funds to finance its global expansion strategy and extend its leadership position in the market.

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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