

MONTHLY REPORT

as of 31 May 2011

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

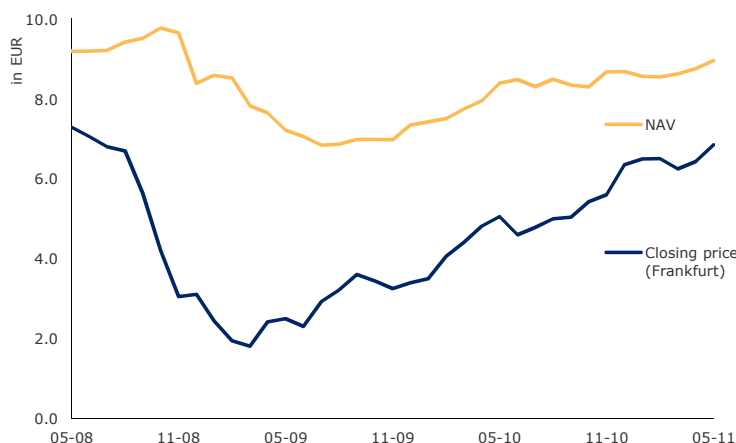
	Frankfurt	London
Trading symbol	PEY1	PEY
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Bloomberg	PEY1 GY	PEY LN
WKN	AOLBRM	AOLBRL
ISIN	DE000AOLBRM2	GG00B28C2R28
Valor	2 830 461	2 830 461
Formation of the Company	12.05.1999	
Base currency	EUR	
Dividends 2011	EUR 0.22 (15/07/2011)	

Key figures

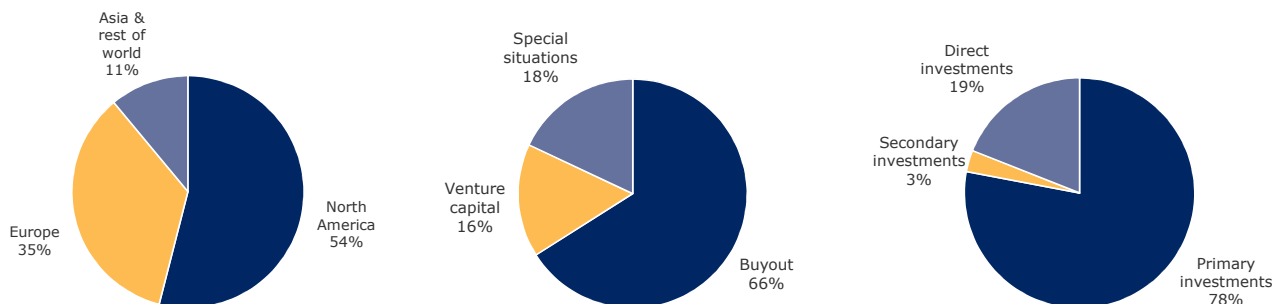
	31.05.2011	30.04.2011	YTD
Net asset value (NAV)	EUR 8.96	EUR 8.76	
Net asset value (NAV) incl. dividend	EUR 9.84	EUR 9.62	3.17%
Investment level	90.85%	91.24%	
Gross Investment level	86.37%	86.65%	
Overcommitment	17.73%	19.10%	
Overcommitment incl. credit line	7.36%	8.50%	
Closing price Frankfurt	EUR 6.85	EUR 6.43	7.87%
Discount	-23.58%	-26.59%	
Closing price London	EUR 6.80	EUR 6.41	8.80%
Discount	-24.13%	-26.82%	

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



PE investments by region, financing stage and type of investment



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

Monthly commentary

Princess' net asset value (NAV) increased by 2.3% to EUR 8.96 per share in May, maintaining the strong NAV trend over recent months. The bulk of the NAV increase over the month was attributable to valuation developments of portfolio companies, as both exits and the improving operating performance of underlying portfolio companies culminated in a +1.6% increase in Princess' NAV. For instance, the announced exit of the Swiss-based pharmaceutical company Nycomed had a positive impact on Princess' NAV, as this exit was realized at a significant premium to Princess' previous carrying value for the company. The NAV received an added boost from Princess' largest portfolio company, General Nutrition Centers (GNC), as its share price continued to rise following the recent initial public offering (IPO). Also, in contrast to previous months, currency effects had a positive impact, adding 0.9% to May's NAV, as the US dollar rebounded against the euro.

In May Princess' portfolio generated net cash of EUR 10.0 million, as exits of its mature portfolio companies generated distributions of EUR 13.8 million. For instance Kruk, a Polish receivables management company, returned EUR 1.5 million after successfully floating on the Warsaw Stock Exchange last month. This generated an 8x return on the original investment. Capital calls for new investments over the four week investment horizon equated to EUR 3.8 million.

During the month the Board of Directors of Princess announced the resumption of the dividend program and declared an interim dividend of EUR 0.22 to be paid on each Ordinary Share on 15 July 2011. The May-end NAV of EUR 8.96 per share does not account for the declared interim dividend of EUR 0.22 per share. The pro-forma ex-dividend NAV as of 31 May 2011 would thus amount to EUR 8.74 per share. Shares started trading ex-dividend on 8 June 2011.

A notable exit in May was the EUR 9.6 billion sale of Nycomed to Osaka-based research company Takeda Pharmaceutical by Nordic Capital IV and Avista Capital Partners. Headquartered in Zurich, Switzerland, Nycomed is a pharmaceutical company with a broad and strong presence in Europe and the emerging markets. The deal represents the largest European private equity transaction since the beginning of the global financial crisis.

Also, Princess received a capital call for the acquisition of German chemicals company CABB by Bridgepoint Europe for approximately EUR 340 million. The company is a supplier of chemical building blocks which are used in the development of herbicides, personal care products and the food industry. CABB has a dominant position in its markets and a solid cash flow profile. Last year it produced sales of EUR 311 million.

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 Board of Directors of Princess Private Equity Holding Limited passed a resolution to implement a share buyback program on 13 December 2010. During May 2011, a total of 37'610 shares were repurchased under the share buyback program. All of the shares bought back in May 2011 were cancelled. As of 31 May 2011 there were 69'920'181 shares outstanding, and the net asset value (NAV) was thus calculated based on a total of 69'920'181 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.

CONTACT DETAILS

Princess Private Equity Holding Limited
 Tudor House
 P.O. Box 477
 St. Peter Port
 Guernsey, GY1 1BT
 Channel Islands
www.princess-privateequity.net

Investor Relations
 Phone: +44 (0)1481 730 946
 Fax: +44 (0)1481 730 947
 Email: princess@princess-privateequity.net

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