

INTERIM REPORT

for the period from 1 January 2008 to 30 September 2008



INVESTMENT MANAGER'S REPORT

Princess Private Equity Holding Limited ("Princess") is an investment holding company domiciled in Guernsey that invests in private equity and private debt 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.

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.

POSITIVE NAV DEVELOPMENT IN 2008

In performance terms the first half of 2008 recorded stable development; the net asset value ("NAV") of Princess showed a strong increase during the third quarter of the year of 3.6%, reaching EUR 9.52 per share by the end of September. The Princess NAV demonstrated resilience to market turbulences, and was able to record a respectable gain of 2.1% since the start of the year after inclusion of the dividend payment of EUR 0.30 per share in June.

Due to record levels of volatility and the necessary adjustments which had to be made to reflect the underlying investments at fair value, the NAV was negatively affected by 2.8%. However, despite the sharp decline in public markets portfolio partnerships have overall reported increases in value to date, stressing their confidence in the underlying investments, which has lifted the NAV by 2.5%.

Irrespective of the quality of the underlying assets, the publicly listed part of the Princess portfolio – which comprises listed private equity funds as well as public portfolio companies and accounts for approximately 11% of the total portfolio – did not escape the market downturn unscathed; this had a negative impact of 1.2% on the NAV during the first three quarters of 2008. In September, Princess reduced its listed private equity holdings by approximately 30%.

A change in the Princess hedging policy from forward contracts to options has been implemented. This change has allowed Princess to benefit from the appreciation of the US dollar against the Euro while providing protection in a scenario where the US dollar would depreciate. The overall effect of the hedging gains made on the applied strategy, together with the favorable foreign exchange impact on the unhedged US dollar exposure resulted in an increase of 4.4% on the NAV as at the end of September.

Whereas the NAV of Princess has returned solid positive gains as at 30 September 2008, reflecting a healthy and stable underlying portfolio, the Princess share price has not been immune to global stock market volatility and closed after the first nine months of the year down 26.0% in Frankfurt at EUR 5.64 per share when including the June dividend payment. The bulk of the share price fall experienced in September was principally attributable to the record levels of uncertainty and loss of confidence which prevailed in global markets. However, it should be noted that the current discount is not based on revaluations within the underlying portfolio. From the Investment Advisor's point of view this discount does not reflect the high quality of Princess' portfolio, which is broadly diversified across industries, regions, investment types and stages.

NEW COMMITMENTS OF EUR 79 MILLION IN 2008

In 2008, Princess has made one secondary transaction, two direct investments and six primary commitments to date, bringing total commitments for the year to EUR 79 million as at 30 September 2008. The reduced level of Princess' commitment activity in 2008 reflects the generally prevailing appetite of the private equity industry for new investment, which reflects the tight lending standards and scarce financing facilities prevalent in the market.

INVESTMENT ACTIVITY REMAINS CAUTIOUS

The investment activity for the third quarter was broadly in line with the development observed throughout the first two quarters. After a very active year in 2007, investment activity slowed down considerably in the first half of 2008. In the third quarter the capital called, amongst others by Doughty

Hanson V to fund their investment in Svendborg Brakes decreased further, adding up to a total amount of EUR 102 million as at the end of September. Since the sellers' price expectations are still in an adjustment phase and funding conditions remain stringent, deal volume stays below the levels seen in 2007. This holds true for the entire industry as well. However, numerous deals are still being completed, mainly in the small and mid-cap sectors.

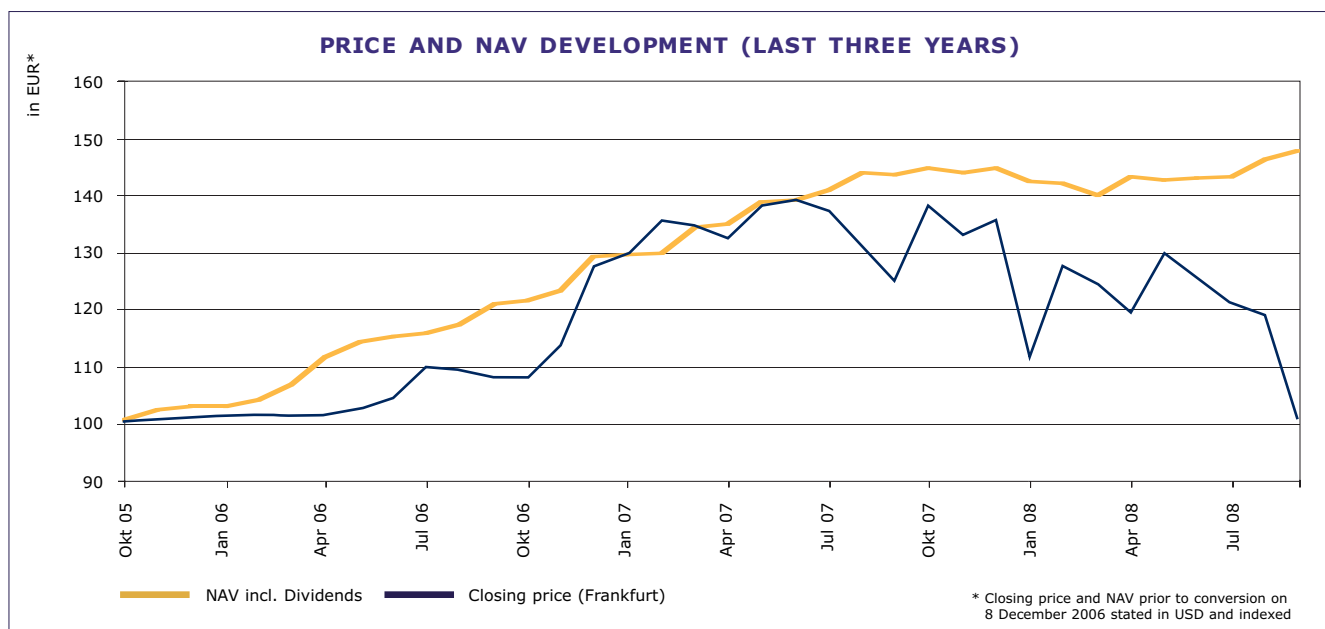
As a result of Princess' healthy diversification over investment years, and despite experiencing a challenging exit environment, invested partnerships were still able to achieve attractive returns on the sale of selected portfolio companies as exemplified by Warburg Pincus, which successfully sold APT Generation just one year after its purchase. Total distributions amounted to EUR 59 million in the first nine months of 2008.

FULL INVESTMENT LEVEL

With capital calls from the general partners exceeding distributions, Princess was able to deploy some of its cash reserves during the year. The investment level of Princess thus rose from 88% at year-end 2007 to 96% by the end of the third quarter 2008, providing the investor with full undiluted exposure to the underlying private equity investments.

OUTLOOK

Princess pursues a long-term investment strategy applying a relative value approach, which is designed to capitalize on the most attractive opportunities at any given point in time. Clearly with current market conditions, short term negative impacts on the product performance cannot be ruled out, however, in the mid to long term Princess and its Investment Advisor, Partners Group, remain confident about the development of the NAV, given the broad diversification and maturity of the portfolio.



MARKET TRENDS

Financial markets have been highly volatile, with equity markets showing a sharp correction recently, and consumer confidence has deteriorated. The current lack of liquidity, which was triggered by the subprime mortgage crisis, has resulted in a severe impact on credit globally.

In response to the current public market situation and the challenging economic environment, Princess' Investment Advisor, Partners Group, would like to provide an update of its private market views and the expected impact on private equity portfolios.

In assessing the current environment's impact on private equity portfolios, Partners Group differentiates between the impact on existing portfolios and the current environment's influence on future investments.

EXISTING PRIVATE EQUITY INVESTMENTS

Private equity is typically less dependent on short-term fluctuations of the global financial markets but is rather linked to developments in the real economy. Even though private equity sponsored companies are also affected by a softening, or likely recessionary, environment, Partners Group is convinced that these are better positioned than their public peers by the nature of the private equity business.

First and foremost, private equity financed companies do not have a broadly diversified shareholder base, but usually – and this is especially true for the buyout side – only one to two majority shareholders. These majority shareholders are close to the firm, often have a very hands-on approach to its development and management, have the ability to adjust strategies or management very swiftly if necessary, and, most importantly, are not dependent on the short-term focus of public markets. Private equity firms build companies and generate shareholder value over the long term, through business and market cycles. The Investment Advisor's leading private equity investment partners have been through such times before and Partners Group is convinced they will successfully adapt again to the current environment, as they have managed to in the past.

Secondly, many private equity backed companies are financed better than their public counterparts. In particular, they benefited in the past from highly attractive financing terms and "covenant-light" structures, putting them in a much better position to weather a softening, or likely recessionary, environment. In most cases, significant refinancing activities for these transactions are not expected to start until 2011/12 or later. In addition, many private equity sponsors have substantial undrawn capital available for the further financing of their existing portfolio companies as

needed. However, Partners Group expects that a few large, “high-profile” transactions could well fail – with an associated high level of publicity – investors though should bear in mind that these cases should not be representative of broader private equity portfolios. In this regard, Princess’ portfolio will benefit from its significant diversification by vintage year, region, stage, industry and size.

Moreover, private equity has proven in the past that returns have remained remarkably stable throughout various public market crises, such as the bursting of the dot.com bubble, the Russian debt default or the Black Monday stock market crash, generating positive returns even in the most difficult years.

That said, in the short to mid-term Partners Group expects to see modest valuation adjustments – some of which

should only be temporary – to private equity portfolios, in particular based on “fair market value” accounting and valuation principles applied to individual investments; the recent performance of the financial markets has resulted in a decline in valuations of comparable public companies across most sectors and may lead to downward revisions of certain investments. While such adjustments are expected for diversified large-cap buyout portfolios with recent vintages, Partners Group sees such effects having a more limited impact on the small-cap sector; given that the small-cap sector did not see significant multiple expansion in the past, valuations here should be more stable. Although, of course, private equity firms are not required to exit their investments at this point in time, the IRRs of recent vintage years – 2006 and 2007 in particular – are, however, expected to be affected.

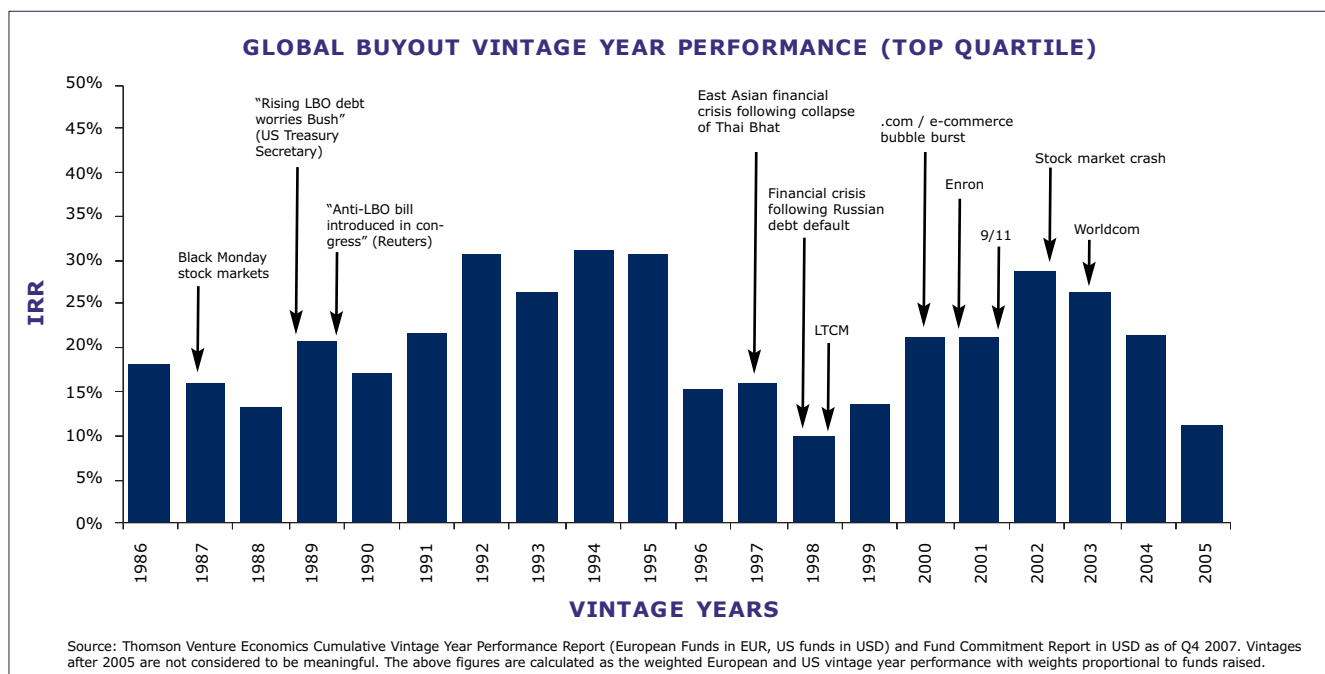
In summary, Partners Group has a high degree of confidence in Princess’ portfolio, with its quality investments and high levels of diversification, managed by top-quartile private equity firms which Partners Group believes are well-equipped to weather a difficult economic environment.

NEW INVESTMENTS

With hindsight, past crises and recessionary environments have not only had a remarkably limited impact on private equity performance, but, more importantly, have proven to be the best times for highly successful private equity investments. Hence, Partners Group believes that the current environment offers an attractive period for new investments.

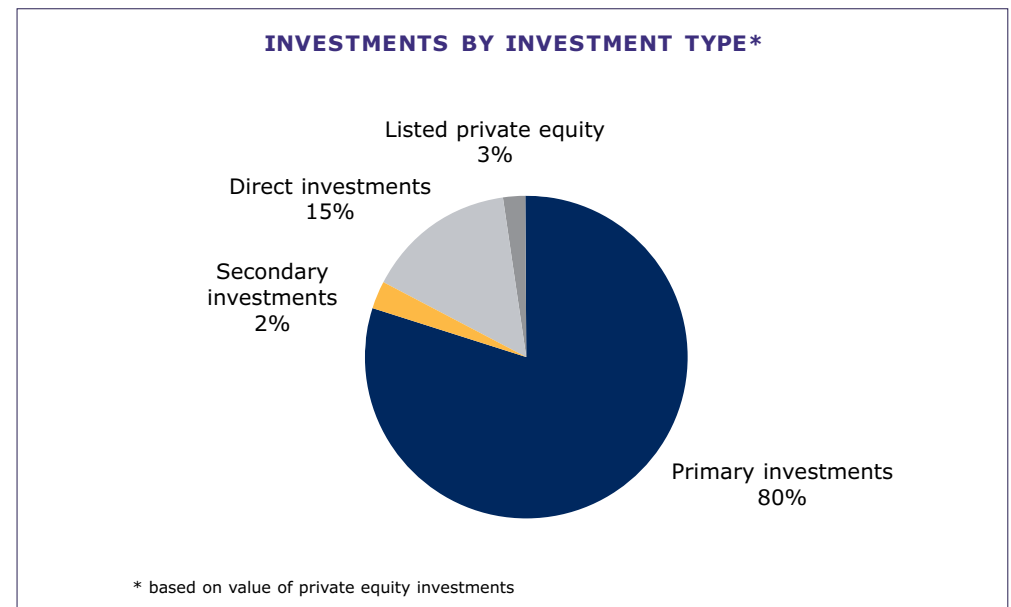
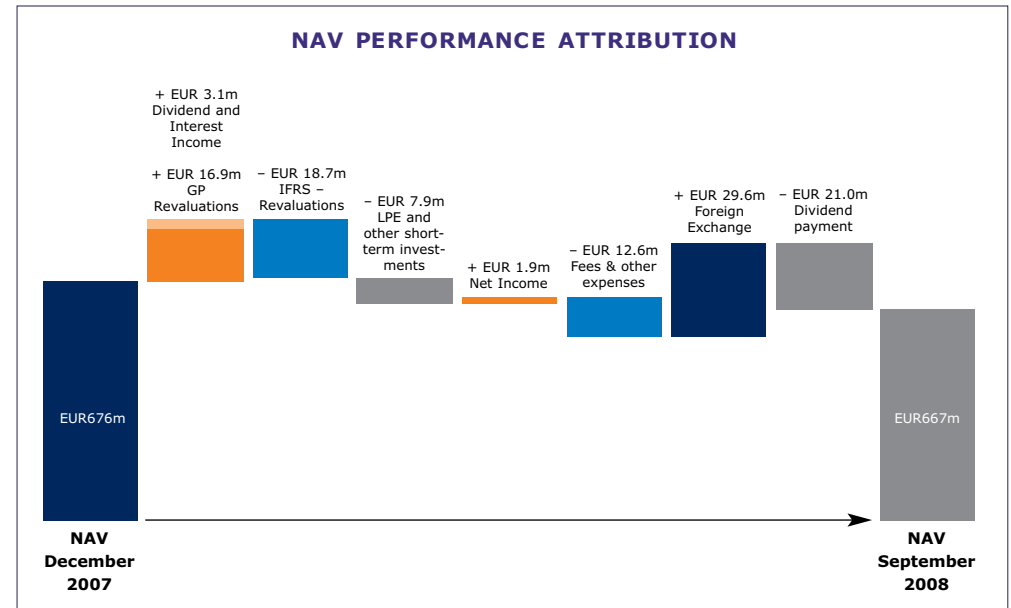
On the primary and direct sides, Princess investors should benefit from lower valuations for new deals. The current environment allows experienced private equity firms to be highly selective about which industries and companies they invest in, to adjust strategies to the changing environment and, most importantly, to wait for the next up-cycle to exit investments at higher prices (“buy low, buy complexity; sell high, sell visibility”). Over the past decade, Partners Group has built a network of, and long-lasting relationships with, private equity investment partners that rank as some of the most experienced and often contrarian investors. With the dispersion of returns expected to become more pronounced, having access to and working closely together with the leading private equity investors will be crucial in securing long-term success for investors.

With over 330 people in 10 offices, Partners Group is fully committed to Princess, and will invest its global resources to capture current opportunities for the benefit of its global clientele.

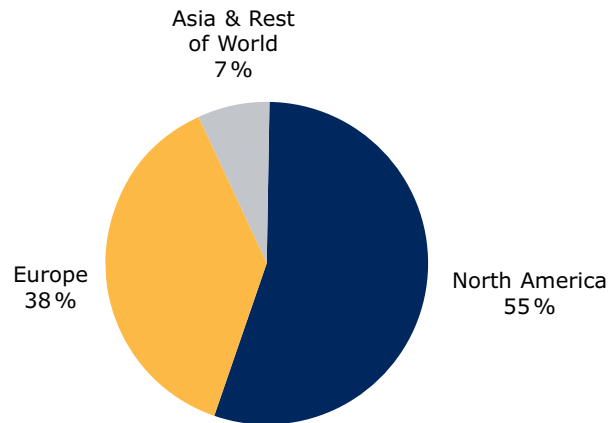


PORTFOLIO ALLOCATION

The portfolio is well-balanced and broadly diversified according to investment types, regions, financing stages and investment years, and maintains a suitable level of currency hedging.

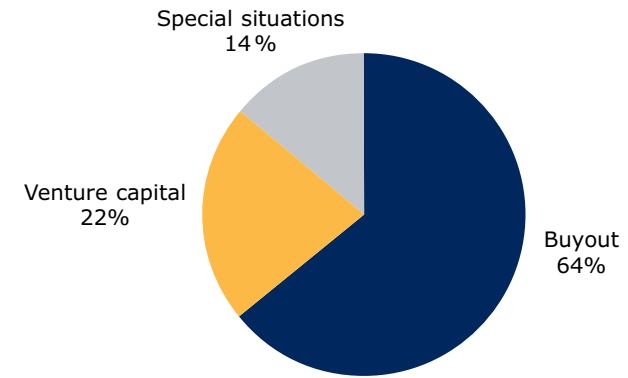


INVESTMENTS BY GEOGRAPHIC REGION*



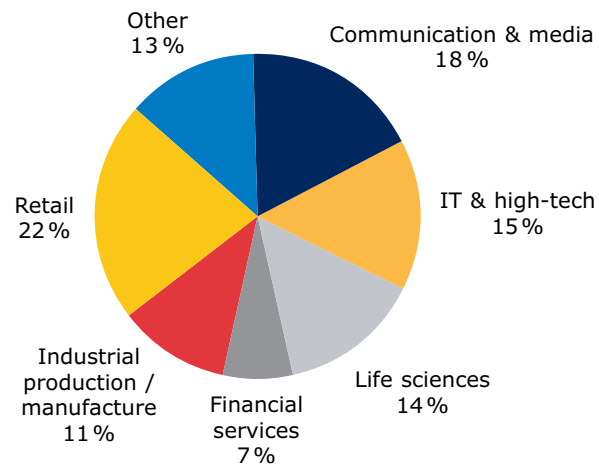
* based on value of private equity investments

INVESTMENTS BY FINANCING STAGE*



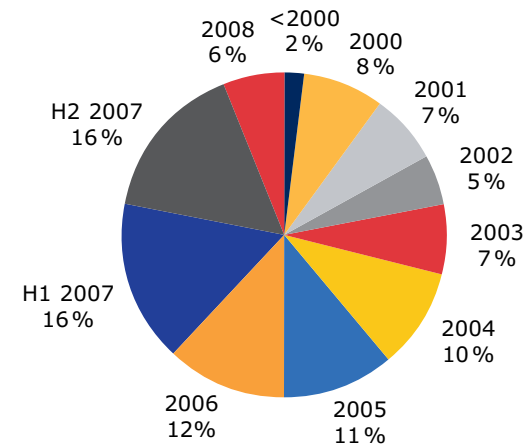
* based on value of private equity investments

INVESTMENTS BY INDUSTRY SECTOR*



* based on value of private equity investments

INVESTMENTS BY INVESTMENT YEAR*



* based on value of private equity investments

PORTFOLIO

Since the beginning of the year Princess made new commitments for EUR 79 million.

In 2008, Princess funded EUR 102 million in capital calls from partnerships and for direct investments and received EUR 59 million in distributions. Unfunded commitments at the end of the quarter totaled EUR 394 million.

SELECTED PARTNERSHIP INVESTMENTS

Doughty Hanson & Co V, L.P.

In July, 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 new 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.

Doughty Hanson & Co Fund V, L.P.

In August, Doughty Hanson & Co Fund V made a drawdown to fund its EUR 460 million investment into *Svendborg Brakes*, a leading global supplier of industrial braking systems to the wind power industry. Headquartered in Denmark, the company operates in more than 15 countries and currently supplies many of the world's largest wind turbine manufacturers. *Svendborg Brakes* has achieved a remarkable increase in revenues during the past few years and this, combined with the fact that renewable energy is one of the fastest developing sectors in the alternative energy space, makes it a highly attractive acquisition for Doughty Hanson.

Providence Equity Partners VI-A, L.P.

In August, Providence Equity Partners VI-A increased its investment in *Volia Cable*, the leading Ukrainian cable TV and internet access provider, to over USD 300 million. *Volia Cable* has merged with regional cable operator *Oisiw Limited* and the combined business has operations in over 15 of Ukraine's largest cities and will be uniquely positioned to meet the rapidly expanding demand in the Ukraine for the most advanced television and broadband services. This is the largest private equity investment in the Ukraine to date, illustrating the interest of Western investors in Eastern European companies.

Baring Asia Private Equity Fund IV, L.P.

In August, Baring Private Equity Asia agreed to acquire *Nord Anglia Education* in a deal worth approximately 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.

SELECTED REALISATIONS

Warburg Pincus Private Equity IX, L.P.

In August, 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 last year, which was successfully received by the market, the investors decided to exit *APT Generation*.

PORTFOLIO OVERVIEW

The Princess portfolio is broadly diversified over primary, secondary, directs and listed private equity investments.

PRIMARY INVESTMENTS
Europe – Buyout

3i Europartners IIIA, L.P.
3i Eurofund Vb
AXA LBO Fund IV
APAX Europe VII-B, L.P.
Astorg II, FCPR
August Equity Partners II A, L.P.
BC European Capital VIII, L.P.
Bridgepoint Europe III, L.P.
Bridgepoint Europe IV "A", L.P.
Botts Capital Partners, L.P.
Candover 2005 Fund, L.P.
Capvis Equity III, L.P.
Clessidra Capital Partners II
Doughty Hanson & Co V, L.P.
Bridgepoint Europe I "D", L.P.
Fourth Cinven Fund, L.P.
GMT Communications Partners III
Advent International GPE VI, L.P.
Advent International GPE VI, L.P.
Graphite Capital Partners V, L.P.
HitecVision V, L.P.
Industri Kapital 2000, L.P.
Industri Kapital 2007 Fund, L.P.
Italian Private Equity Fund III, L.P.
Magenta, L.P.
Mercapital Spanish Private Equity Fund II, L.P.
Nmas1 Private Equity Fund II, L.P.
Nordic Capital IV, L.P.
Nordic Capital VI, L.P.
Nordic Capital VII, L.P.
Partners Group Direct Investments 2006, L.P.
Partners Private Equity, L.P.
Palamon European Equity "C", L.P.
Permira Europe II, L.P.

Quadriga Capital Private Equity Fund II, L.P.
Quadriga Capital Private Equity Fund III, L.P.
Segulah II, L.P.
Terra Firma Capital Partners III, L.P.
Ventizz Capital Fund IV, L.P.
Warburg Pincus International Partners, L.P.

Europe – Venture Capital

Abingworth Bioventures III, L.P.
Elderstreet Capital Partners, L.P.
European E-Commerce Fund
European Equity Partners (III), L.P.
European Equity Partners (IV), L.P.
GMT Communications Partners II, L.P.
Index Ventures I (Jersey), L.P.
Partners Group European Growth 2008, L.P.
Summit Partners Europe Fund I
SV Life Sciences Fund II, L.P.
Wellington Partners II, L.P.

Europe – Special Situations

AP Investment Europe Limited
Apollo Principal Finance Fund, L.P.
Coller International Partners III, L.P.
Doughty Hanson & Co. European Real Estate Fund, L.P.
EQT Infrastructure (No.1) Limited Partnership
ICG Mezzanine Fund 2000, L.P. No. 2
ICG European Fund 2006, L.P.
Innisfree PFI Secondary Fund
Mezzanine Management Fund III, L.P.
Partners Group Global Real Estate 2008, L.P.
Partners Group Infrastructure 2007, L.P.
Penta CLO 1 S.A.
Perusa Partners 1, L.P.
The Rutland Fund

North America – Buyout

American Securities Partners III, L.P.
Apax US VII, L.P.
Apollo Investment Fund V, L.P.
Apollo Overseas Partners VI, L.P.
Apollo Overseas Partners VII, L.P.
Ares Corporate Opportunities Fund III, L.P.
Avista Capital Partners (Offshore), L.P.
Bain Capital Fund X, L.P.
Bain Capital X Co-Investment Fund, L.P.
Blackstone Communications Partners I, L.P.
Bruckmann, Rosser, Sherrill & Co. II, L.P.
Carlyle Partners III, L.P.
Clayton, Dubilier & Rice Fund VII L.P.
Clayton, Dubilier & Rice Fund VIII, L.P.
Fenway Partners Capital Fund II, L.P.
Green Equity Investors Side V, L.P.
Heritage Fund III, L.P.
INVESCO U.S. Buyout Partnership Fund II, L.P.
Kohlberg Investors IV, L.P.
Kohlberg TE Investors VI, L.P.
Providence Equity Partners IV, L.P.
Providence Equity Partners VI-A, L.P.
Silver Lake Partners III, L.P.
Silver Lake Partners, L.P.
Sterling Investment Partners II, L.P.
T3 Partners, L.P.
Thomas H. Lee Parallel Fund V, L.P.
Thomas H. Lee Parallel Fund VI, L.P.
TPG Partners III, L.P.
TPG VI L.P.
Vestar Capital Partners IV, L.P.
Warburg Pincus Private Equity IX, L.P.
Warburg Pincus Private Equity X, L.P.

North America – Venture Capital

Access Technology Partners, L.P.

Advanced Technology Ventures VI, L.P.
APAX Excelsior VI, L.P.
Austin Ventures VII, L.P.
Battery Ventures VI, L.P.
Cardinal Health Partners II, L.P.
Catterton Partners IV Offshore, L.P.
Chancellor V, L.P.
Columbia Capital Equity Partners III (Cayman), L.P.
Crescendo IV, L.P.
Dolphin Communications Fund, L.P.
Draper Fisher Jurvetson Fund VII, L.P.
EnerTech Capital Partners II, L.P.
Infinity Capital Venture Fund 1999, L.P.
INVESCO Venture Partnership Fund II, L.P.
INVESCO Venture Partnership Fund II-A, L.P.
Lightspeed Venture Partners VI, L.P.
Menlo Ventures IX, L.P.
Morgan Stanley Dean Witter VC Partners IV, L.P.
Morgenthaler Partners VII, L.P.
Prism Venture Partners IV, L.P.
Sevin Rosen Fund VIII, L.P.
Sierra Ventures VIII-A, L.P.
Summit Ventures VI-B, L.P.
SV Life Sciences Fund IV, L.P.
TA IX, L.P.
TH Lee Putnam Parallel Ventures, L.P.
Thomas Weisel Capital Partners, L.P.
TL Ventures V, L.P.
Vortex Corporate Development Fund, L.P.
Worldview Technology Partners III, L.P.
Worldview Technology Partners IV, L.P.

North America – Special Situations

Alinda Infrastructure Fund II, L.P.
Ares Corporate Opportunities Fund II, L.P.
Blackstone Mezzanine Partners, L.P.
Canterbury Mezzanine Capital II, L.P.

PORTFOLIO OVERVIEW

First Reserve Fund XI, L.P.
 H.I.G Bayside Debt & LBO Fund II, L.P.
 Levine Leichtman Capital Partners II, L.P.
 MatlinPatterson Global Opportunities Partners III, L.P.
 OCM Mezzanine Fund II, L.P.
 OCM Opportunities Fund III, L.P.
 OCM/GFI Power Opportunities Fund, L.P.
 Pegasus Partners II, L.P.
 Peninsula Fund IV, L.P.
 Sun Capital Partners V, L.P.
 TCW/Crescent Mezzanine Partners III, L.P.

Asia & Rest of World – Buyout

Asia Opportunity Fund III L.P.
 Abris CEE Mid-Market Fund, L.P.
 Advent Central & Eastern Europe IV, L.P.
 Advent Latin American PE Fund II, L.P.
 Advent Latin American PE Fund IV, L.P.
 Affinity Asia Pacific Fund III, L.P.
 Archer Capital Fund 4, L.P.
 ChrysCapital V, LLC
 CVC Capital Partners Asia Pacific III, L.P.
 DLJ SAP International, LLC
 Exxel Capital Partners VI, L.P.
 GP Capital Partners IV, L.P.
 GP Capital Partners V, L.P.
 Global Buyout Fund, L.P.
 Hony Capital Fund 2008, L.P.
 IVF III (Mauritius) Holdings Limited
 Navis Asia Fund V, L.P.
 Newbridge Asia III, L.P.
 Pacific Equity Partners Fund IV, L.P.
 Patria - Brazilian Private Equity Fund III, L.P.
 Polish Enterprise Fund IV, L.P.
 Russia Partners III, L.P.
 Southern Cross Latin America Private Equity Fund III, L.P.
 TPG Asia V, L.P.

Unison Capital Partners, L.P.
 Unison Capital Partners III, (B) L.P.

Asia & Rest of World – Venture Capital

Baring Asia Private Equity Fund IV, L.P.
 Carlyle Asia Growth Partners IV, L.P.
 Carmel Software Fund (Cayman), L.P.
 Carmel Ventures III, L.P.
 CDH Venture Partners II, L.P.
 Crimson Velocity Fund, L.P.
 Enterprise Venture Fund I, L.P.
 Genesis Partners II LDC
 IDG-Accel China Capital Fund
 Jerusalem Venture Partners III, L.P.
 NewMargin Growth Fund, L.P.
 Pitango Venture Capital Fund III
 SBCVC Fund III, L.P.
 SBCVC Fund II-Annex, L.P.

Asia & Rest of World – Special Situations

3i India Infrastructure Fund D L.P.
 Advent Central & Eastern Europe IV, L.P.
 IDFC Private Equity (Mauritius) Fund III

SECONDARY INVESTMENTS

Asia Opportunity Fund I, L.P.
 Asia Opportunity Fund II, L.P.
 Affinity Asia Pacific Fund II, L.P.
 Aksia Capital III, L.P.
 AsiaVest Opportunities Fund IV
 Axcel III
 The Baring Asia Private Equity Fund III, L.P.1
 Blackstone Real Estate Partners VI, L.P.
 CapVis Equity II, L.P.
 Chase 1998 Pool Participation Fund, L.P.
 Second Cinven Fund (No.2), L.P.
 Coller International Partners III NW1, L.P.
 Coller International Partners III NW2, L.P.
 Cybersnaut Growth Fund, L.P.
 Doughty Hanson & Co. Fund III, L.P.
 Esprit Capital I Fund, L.P.
 Fortress Investment Fund V, LP
 Taiwan Special Opportunities Fund III
 William Blair Capital Partners VI, L.P.

DIRECT INVESTMENTS

AHT Cooling Systems GmbH
 Arcos Dorados Limited
 (aka: McDonalds Latin American Operation)
 AWAS Aviation Holding
 Cengage (fka: Thomson Learning, Inc.)
Direct selling company
 Essmann
 Ferretti SpA
Foodservice and distribution company
 General Nutrition Centers, Inc.
Healthcare company
 Hospital Xanit Internacional
Information service company
 Lifeways Community Care Limited
Media company

Partners Group Direct Investments 2006, L.P.

Plantasjen

Purple Labs

Telecommunication company

The Reader's Digest Association

Tokyo Star Bank

Universal Hospital Services, Inc. (UHS)

US entertainment company

LISTED PRIVATE EQUITY

Partners Group Listed Investments – Listed Private Equity

Partners Group Private Equity Performance Holding Limited
(P³)

Some investments may be made through Partners Group pooling vehicles at no additional fees.



CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

for the period from 1 January 2008 to 30 September 2008

CONSOLIDATED UNAUDITED INCOME STATEMENT

for the period from 1 January 2008 to 30 September 2008

	Notes	01.07.2008– 30.09.2008 EUR	01.01.2008– 30.09.2008 EUR	01.07.2007– 30.09.2007 EUR	01.01.2007– 30.09.2007 EUR
Net income from designated financial assets at fair value through profit or loss		29'559'469	31'460'285	28'805'995	81'863'231
– Dividend and interest income	3	855'446	3'104'526	1'621'406	4'129'890
– Revaluation	3	(10'107'360)	(1'864'212)	34'537'857	89'558'133
– Foreign exchange gains & losses	3	38'811'383	30'219'971	(7'353'268)	(11'824'792)
Net income from financial assets at fair value through profit or loss held for trading					
Net income from listed private equity		(2'882'610)	(7'997'260)	(3'089'415)	(3'247'771)
– Gains and losses	4	(2'882'610)	(7'997'260)	(3'089'415)	(3'247'771)
Net income from short-term investments		–	–	–	301'064
– Gains and losses		–	–	–	950'535
– Interest on short-term investments		–	–	–	240'387
– Foreign exchange gains & losses		–	–	–	(889'858)
Net income from cash & cash equivalents		527'134	1'577'984	861'216	2'837'090
– Interest income		483'578	1'978'121	957'110	3'682'708
– Foreign exchange gains & losses		43'556	(400'137)	(95'894)	(845'618)
Operating income		27'203'993	25'041'009	26'577'796	81'753'614
Operating expenses		(4'731'325)	(12'725'639)	(5'619'847)	(12'281'069)
– Management fee		(3'823'229)	(10'979'578)	(3'587'489)	(10'289'547)
– Administration fee		(79'909)	(244'714)	(111'597)	(276'553)
– Incentive fee		(503'246)	(797'374)	(177'710)	(177'710)
– Tax exemption fee		–	–	–	(891)
– Restructuring costs		–	–	(1'195'779)	(1'195'778)
– Other foreign exchange gains & losses		(184'496)	(168'318)	(451'838)	148'689
– Other operating expenses		(140'445)	(535'655)	(95'434)	(489'279)
Financing cost		(34'184)	(100'530)	(35'910)	(72'742)
– Interest expense		(34'184)	(100'530)	(35'910)	(72'742)
Surplus / (loss) for the financial period		22'438'484	12'214'840	20'922'039	69'399'803

	01.01.2008– 30.09.2008	01.01.2007– 30.09.2007
Earnings per share		
– Weighted average number of shares outstanding	70'100'000	7'010'000
– Basic surplus / (loss) per share for the financial period	0.17	9.90
– Diluted surplus / (loss) per share for the financial period	0.17	9.90

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 22 to 25 form an integral part of these financial statements.

CONSOLIDATED UNAUDITED BALANCE SHEET

as at 30 September 2008

	Notes	30.09.2008 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	3	623'700'172	565'123'026
Financial assets at fair value through profit or loss held for trading			
Investment in listed private equity	4	16'919'810	31'283'850
Hedging assets	3	6'239'389	6'095'015
		23'159'199	37'378'865
Current assets			
Other short-term receivables		2'557'196	616'560
Cash and cash equivalents		28'758'685	80'258'529
		31'315'881	80'875'089
Total assets		678'175'252	683'376'980
Equity			
Capital and reserves			
Issued capital	5	70'100	70'100
Distributable reserve	5	668'881'890	689'911'890
Accumulated loss		(1'560'641)	(13'775'481)
Total equity		667'391'349	676'206'509
Liabilities falling due within one year			
Other short-term liabilities			
Other short-term payables		10'783'904	7'170'471
Rounding		(1)	-
		10'783'903	7'170'471
Total liabilities and equity		678'175'252	683'376'980

The notes on pages 22 to 25 form an integral part of these financial statements.

CONSOLIDATED UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2008 to 30 September 2008 (all amounts in EUR)

	Share capital	Distributable reserve	Accumulated surplus/(loss)	Total
Equity at beginning of reporting period	70'100	689'911'890	(13'775'481)	676'206'509
Dividend payment	-	(21'030'000)	-	(21'030'000)
Surplus / (loss) for the financial period	-	-	12'214'840	12'214'840
Equity at end of reporting period	70'100	668'881'890	(1'560'641)	667'391'349

CONSOLIDATED UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2007 to 30 September 2007 (all amounts in EUR)

	Share capital	Share premium	Distributable reserve	Accumulated surplus/(loss)	Total
Equity at beginning of reporting period	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	-	-	(19'207'398)	-	(19'207'398)
Surplus / (loss) for the financial period	-	-	-	69'399'803	69'399'803
Equity at end of reporting period	70'100	-	710'941'889	(19'519'645)	691'492'344

The notes on pages 22 to 25 form an integral part of these financial statements.

CONSOLIDATED UNAUDITED CASH FLOW STATEMENT

for the period from 1 January 2008 to 30 September 2008

	Notes	01.01.2008– 30.09.2008 EUR	01.01.2007– 30.09.2007 EUR
Cash flow from operating activities			
– Management fee		(10'979'578)	(10'289'547)
– Administration fee		(244'714)	(276'553)
– Incentive Fee		(797'374)	(177'710)
– Tax exemption fee		–	(891)
– Restructuring costs		–	(1'195'778)
– Other operating expenses		(535'655)	(489'279)
– Proceeds from / (costs of) hedging activities	3	27'311'594	7'172'368
– Premium of hedging option		(12'378'234)	–
– Redemption of hedging option		795'592	–
– (Increase) / decrease in other short-term receivables		(2'108'954)	(3'647'317)
– Increase / (decrease) in other short-term payables		3'613'433	3'314'240
– Dividends received from limited partnerships and directly held investments	3	2'151'091	1'516'136
– Withholding tax from limited partnerships and directly held investments	3	(372'933)	(73'699)
– Interest received from limited partnerships and directly held investments	3	659'956	2'687'453
– Purchase of limited partnerships and directly held investments	3	(101'600'386)	(187'912'628)
– Distributions from limited partnerships and directly held investments	3	56'172'083	122'734'111
– Purchase of listed private equity	4	–	(37'063'837)
– Redemptions of listed private equity	4	6'366'780	–
– Redemptions of short-term investments		–	197'302'644
– Net purchase of short-term investments		–	(150'790'113)
– Interest on short-term investments		–	240'388
– Interest from cash and cash equivalents		1'978'121	3'682'708
– Financing cost / credit line charges		(100'530)	(72'742)
Net cash from / (used in) operating activities		(30'069'708)	(53'266'347)
Cash flow from financing activities			
– Dividend payment		(21'030'000)	(19'207'398)
Net increase / (decrease) in cash and cash equivalents		(51'099'708)	(72'473'745)
Cash and cash equivalents at beginning of reporting period		80'258'529	167'922'252
Effects on cash and cash equivalents			
– Movement in exchange rates		(400'137)	(845'618)
– Rounding		1	(1)
Cash and cash equivalents at end of reporting period		28'758'685	94'602'888

The notes on pages 22 to 25 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

1 ORGANIZATION AND BUSINESS ACTIVITY

Princess Private Equity Holding Limited 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 corporation that operates in the private equity and private debt market and invests directly or through its wholly-owned subsidiary, Princess Private Equity Subholding Limited, 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 been listed additionally on the London Stock Exchange.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 2007.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2007, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2008; with the exception of IFRS 8, which is effective from 1 January 2009.

- IFRS 8 - Segmental reporting
- IFRIC 11 - Group and treasury share transactions
- IFRIC 12 - Service Concession Arrangements
- IFRIC 13 - Customer Loyalty Programmes
- IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRIC 15 - Agreements for the Construction of Real Estate

The Group assessed the impact of IFRS 8 and the interpretations of IFRIC 11 to 15 and concluded that this new standard and these new interpretations will not affect the Group's results of operations or financial position.

3 LIMITED PARTNERSHIPS AND DIRECTLY HELD INVESTMENTS**3.1 INVESTMENTS**

	30.09.2008	31.12.2007
	EUR	EUR
Balance at beginning of reporting period	565'123'026	430'576'071
Capital activity recorded at the transaction rate	101'600'386	234'695'249
Distributions	(56'172'083)	(167'355'690)
Accrued PIK Interest	500'236	873'446
Realized PIK	-	(387'536)
Accrued Cash Interest	166'175	138'814
Revaluation	(1'864'212)	103'667'915
Foreign exchange gains / (losses)	14'346'644	(37'085'243)
Balance at end of reporting period	623'700'172	565'123'026

3.2 DISTRIBUTIONS

	01.01.2008– 30.09.2008 EUR	01.01.2007– 30.09.2007 EUR
Dividends	2'151'091	1'516'136
Interest income	659'956	2'175'123
Accrued PIK Interest	500'236	512'330
Accrued Cash Interest	166'175	–
Withholding taxes	(372'933)	(73'699)
Rounding	1	–
	3'104'526	4'129'890
Return of investments	56'124'020	122'865'695
Gains / (losses) from sale of stock distributions	48'063	(131'584)
	56'172'083	122'734'111
Total distributions	59'276'609	126'864'001

The amount shown for withholding relates to monies deducted by the underlying investments when making distribution to the Company.

3.3 FOREIGN EXCHANGE

	01.01.2008– 30.09.2008 EUR	01.01.2007– 30.09.2007 EUR
Foreign exchange revaluation	14'346'644	(27'245'153)
Revaluation of foreign exchange hedges and options relating to investments in limited partnerships and directly held investments	(4'549'061)	8'247'993
Realized gains / (losses) from foreign exchange hedges relating to investments in limited partnerships and directly held investments	27'311'594	7'172'368
Realized gains / (losses) from foreign exchange Option hedges relating to investments in limited partnerships and directly held investments	(6'889'207)	–
Rounding	1	–
	30'219'971	(11'824'792)

At the balance sheet date, the Company had the following forward foreign exchange contracts in place. The contracts 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) 30.09.2008 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)	
Buy EUR against USD	36'850'000	0.6320	17.10.2008	(2'926'394)	–	
Revaluation FX Option						
EUR against USD	382'000'000	0.7045	11.9.2009	4'472'348	–	
				1'545'954	6'095'015	
Premium on FX Option						
EUR against USD	382'000'000	0.7045	11.9.2008	4'693'435	–	
				6'239'389	6'095'015	

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

(continued)

4 INVESTMENTS IN LISTED PRIVATE EQUITY		30.09.2008	31.12.2007	5.1 DISTRIBUTABLE RESERVES		30.09.2008	31.12.2007
		EUR	EUR			EUR	EUR
Balance at beginning of reporting year		31'283'850	–	Distributable reserves		689'911'890	730'149'287
Purchases recorded at the transaction rate		–	37'063'836	Dividend payment		(21'030'000)	(40'237'397)
Disposals recorded at the transaction rate		(6'366'780)	–	Total distributable reserves		668'881'890	689'911'890
Gains / (losses) on listed private equity		(7'997'260)	(5'779'986)				
Balance at end of reporting year		16'919'810	31'283'850				
5 SHARE CAPITAL		30.09.2008	31.12.2007	5.2 DIVIDEND PAYMENT			
		EUR	EUR	On 20 June 2008 an interim dividend of EUR 0.30 per Ordinary Share, as declared at the Board of Directors Meeting on the 8 May, was paid to investors.			
Authorized				5.3 SHAREHOLDERS ABOVE 3% OF ORDINARY SHARES ISSUED			
200'100'000 Ordinary shares of EUR 0.001 each		200'100	200'100			Shares held	in %
		200'100	200'100	CVP/CAP		215'210	3.07%
Issued and fully paid				Deutsche Asset Management Investmentgesellschaft mbH		609'590	8.70%
70'100'000 Ordinary shares of EUR 0.001 each out of the bond conversion		70'100	70'100	VEGA Invest Fund PLC		600'000	8.56%
		70'100	70'100				

6 COMMITMENTS

	30.09.2008	31.12.2007
	EUR	EUR
Total commitments translated at the rate prevailing at the balance sheet date	1'531'012'456	1'426'422'963
Unfunded commitments translated at the rate prevailing at the balance sheet date	393'918'892	408'170'641

7 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.

	30.09.2008	31.12.2007
	EUR	EUR
Net assets of the Group	667'391'349	676'206'509
Outstanding shares at the balance sheet date	70'100'000	70'100'000
Net asset per share at period-end	9.52	9.65
Diluted net assets per share at the balance sheet date	9.52	9.65

NOTES



LIST OF ADDRESSES

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Auditors

PricewaterhouseCoopers CI LLP

Trading Information

Listing	Frankfurt Stock Exchange	London Stock Exchange
ISIN	DE000A0LBRM2	GG00B28C2R28
WKN	A0LBRM	AOLBRL
Valor	2 830 461	2 830 461
Trading symbol	PEY1	PEY
Bloomberg	PEY1 GR	PEY LN
Reuters	PEYGz.DE / PEGz.F	PEY.L
Designated Sponsor	Sal. Oppenheim jr. & Cie. KGaA	JPMorgan Cazenove