PRINCESS PRIVATE EQUITY HOLDING LIMITED

HALF-YEARLY REPORT 2009

Half-yearly report for the period from
1 January 2009 to 30 June 2009

Princess

PRINCESS PRIVATE EQUITY HOLDING LIMITED

Princess Private Equity Holding Limited ("Princess") is an investment holding company domiciled in Guernsey that invests in private equity and private debt investments. The portfolio includes primary and secondary fund investments, direct investments and listed private equity investments. 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.

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1 INVESTMENT MANAGER´S REPORT

NAV decreases in recessionary environment

The net asset value ("NAV") of Princess fell by 14.59 % to EUR 7.06 per share during the first half of the year. This result is mainly attributable to valuation adjustments, which had an 11.89 % negative effect on the NAV.

Reports from underlying general partners received in the first half of 2009 reflected the global recessionary macroeconomic environment, the weakening operating results of certain underlying portfolio companies, as well as the fall in public comparables specifically in the first quarter of the year. However, since March 2009, the rebound in public equity markets meant this pronounced negative impact was counterbalanced to a certain extent by positive IFRS adjustments made by Princess' investment manager, to reflect the fair values of underlying portfolio companies.

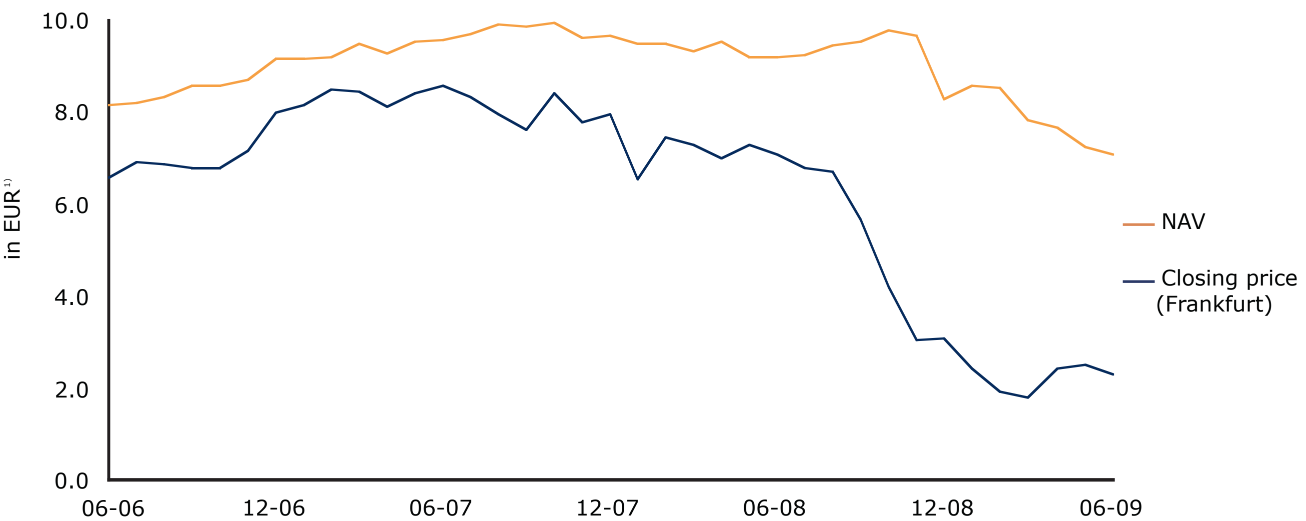
Over the six-month period, listed private equity investments generally held up well, benefitting from the recent recovery in stock prices. This offered an opportunity to raise further liquidity, and towards the end of the first half, Princess divested a major part of its listed private equity investments.

Positive effects from the appreciation of the US dollar versus the Euro during the first three months of the year were offset by the subsequent depreciation in the second quarter. Over the six months, currency movements exerted a negative 1.63 % impact on the NAV.

Share price recovers somewhat

After significant losses in the first quarter of the year in line with the listed private equity market as a whole, the share price of Princess recorded a sharp 27.78 % gain for the second quarter, closing out the period at EUR 2.30 per share in Frankfurt, a 25.81 %

PRICE AND NAV DEVELOPMENT (LAST THREE YEARS)



1) NAV and price prior to conversion stated in USD

decrease over the past half year. Stock prices in the listed private equity segment continue to be driven by the high degree of uncertainty pervading the market. Nonetheless, the investment manager believes that the high quality of Princess' portfolio is still not reflected in its current share price.

Further slowdown in investment pace

The pace of new investments by Princess' underlying private equity partnerships, already slow at the beginning of the year, decreased further toward the end of the first half of 2009. Only EUR 18.4 million was called by portfolio partnerships during the period under review, down from EUR 58.3 million in the second half of 2008, and of this, only about a third was seen since March. One of the key factors behind this development is the continuing difficulty of obtaining debt finance for traditional buyout transactions, particularly in the mega- and large-cap buyout segment. Moreover, general partners are tending to wait for better visibility in terms of the macroeconomic environment and operating performance of individual companies before considering new investments.

However, selected transactions were closed by Princess' partnerships. In April, for instance, Navis Asia Fund V acquired a controlling stake in Edutech, an Indian education company. Navis intends to use the capital to increase the number of Edutech's campuses and expand its range of courses. In May, Advent Latin America Private Equity Fund IV acquired a 30 % stake in CETIP S.A., the largest depository for private fixed income securities and over-the-counter derivatives in Latin America, which should allow Advent further to develop the company's product range.

In contrast to the significantly slowed investment pace, distributions received by Princess held up a little better, amounting to EUR 12.1 million. Although these proceeds were down compared to the second half of 2008, when Princess received EUR 24.4 million in distributions, partnerships found that high quality portfolio companies ready for disposal were still able to command premium prices. For example, a group of investors led by Avista Capital Partners exited MedServe, a US company specializing in medical and hazardous waste management services, selling it to Nasdaq-listed Stericycle for USD 185 million. Medserve had been acquired by the group of investors in 2006 for USD 70 million.

Sound balance sheet

As at the end of June 2009, Princess remained fully invested and had cash and liquid assets of EUR 9.7 million, with only EUR 5.0 million drawn down from its USD 50.0 million credit line, which matures in December 2009. During the course of the first half of the year, the difference between drawdowns by and distributions from partnerships and direct investments decreased from EUR 5.5 million in the first quarter to EUR 0.8 million in the second quarter. Hence, Princess has enjoyed a narrowing funding gap in the short term.

As a part of its active approach to portfolio management, the investment manager selectively reduced unfunded commitments by EUR 42.6 million in recent months, which has resulted in a comparatively moderate overcommitment ratio (including the credit line) of 57.08 %. Rather than selling mature fund interests at deep discounts in the secondary market, the investment manager has carefully divested a minority of partnerships with high unfunded commitment levels. Those transactions had an overall negative impact on the NAV of less than 1 %. Although some of the transactions will only settle in the second half of the year, their negative impact, albeit slight, has been fully reflected in the net asset value as at 30 June 2009. The reduction of unfunded commitments, together with the narrowing funding gap, has further strengthened Princess' sound balance sheet, while the sale of listed private equity investments mentioned above has provided Princess with further liquidity.

Outlook

The fact that half of all general partner valuations are already reflecting first quarter 2009 financial performance, coupled with the additional IFRS revaluations as of end-June 2009, supports the investment manager's view that the current NAV is a fair and accurate reflection of the value of the portfolio. Since total valuation adjustments for mature, diversified private equity portfolios in 2009 are expected by the investment manager to be in the range of –15% to –20%, the investment manager anticipates only minor additional revisions to valuations in the portfolio for the second half of the year, provided the economic environment does not experience a further significant deterioration.

The investment manager foresees a higher rate of drawdowns than distributions in the coming quarters, which in turn would result in a funding gap. In order to finance this funding gap without the need for secondary sales of mature partnership interests or dilutive capital increases, the investment manager is currently in the final stages of negotiations, on the Board's behalf, to open a new credit facility. Given the advanced state of negotiations, the investment manager is confident that this line of credit can be secured and announced in the coming weeks.

This, along with its reduced commitment ratio and sound balance sheet, means Princess is well positioned in this challenging environment.

2 PRIVATE EQUITY MARKET ENVIRONMENT

Attractive conditions for private equity value creation

The success of a private equity investment is dependent on the general partner's ability to drive operational improvements, to provide guidance and financial backing, as well as to put in place a strong management team that is capable of implementing effective business strategies to develop the investment's potential. Besides achieving organic growth through ways such as driving sales initiatives and improving operational efficiencies, a private equity owner can also turn to bolt-on acquisitions to merge expertise, to expand the scale of the company's operations and to prepare it for a profitable exit.

The bolt-on or buy-and-build strategy refers to a private equity firm doing an acquisition in order to enhance the value of an existing portfolio company. Bolt-on acquisitions could well include a company's industry competitor or a business which has a complementary product or technology to offer.

Recessionary climate conducive to bolt-on acquisitions

In the present recessionary environment, the availability of attractively priced companies is on the increase. The downturn in the global economy has caused consumer and corporate spending to decline, putting many companies under cash flow pressures. To worsen the situation, a tight global credit situation has prevented companies from obtaining favourable financing. Raising capital in the public market is also challenging in the present economic climate given that stock market investors are facing similar liquidity woes. As a result of the environment, an increasing number of operationally sound companies are considering partnering with private equity firms for financial backing.

Similarly, ever more big conglomerates facing liquidity constraints are considering spinning off divisions in order to raise capital. Such assets are usually well developed in terms of their operations and infrastructure and employ a highly trained workforce. The increase in this kind of deal flow is providing private equity firms with a further stream of high quality opportunities that could be beneficial to their underlying investments.

Private equity firms in strong position to acquire bolt-ons

The buy-and-build strategy is one of the value-adding approaches private equity firms use to improve their portfolio companies. Having a deep knowledge of their companies, private equity firms understand the kind of businesses that would best complement their portfolio companies. In addition, private equity firms have the necessary skills to integrate the human capital and resources as well to create synergies within the combined entity.

Furthermore, in a world where even promising and operationally sound companies are having difficulty gaining access to capital, private equity firms are one of the few market participants left with abundant liquidity. According to research group Preqin, private equity firms had more than USD 1 trillion available for deal-making at the beginning of 2009. Thanks to this strong financial position, private equity firms can support their portfolio companies in consolidating their market positions by acquiring industry competitors or businesses which offer complementary products or services.

Bolt-on acquisitions as a way to increase market share…

The benefits of bolt-on investments are manifold. The most obvious advantage that a private equity-backed company gains over its competitors is a stronger market position with a bigger market share achieved either through acquiring other competing firms or by expanding vertically.

A recent example of a traditional buy-and-build strategy to increase market share is the purchase of ten bolt-on companies by Princess partnership August Equity Partners II-A for its portfolio company Enara Group, a London-based home care provider. The acquisition of multiple smaller competitors has enabled Enara to access new markets and to extend its geographical reach across the United Kingdom.

…and reduce costs…

Besides achieving a stronger market position within the industry, the benefits of integrating the two companies' resources are considerable. Synergies are generated by combining the production processes through sharing resources and platforms which can boost efficiency and thus lower production costs. A combined entity can also streamline the back-office operations and reduce inventory expenses, resulting in more efficient processes in the long run. Overall, the greater economies of scale will lead to lower operational costs, while greater market influence will result in stronger negotiating power with vendors.

…and broaden product offerings

A company can also use the particular products, services and skill sets offered by the bolt-on company in order to broaden its own product or service offering. One such example is the acquisition of healthcare education content provider Concept Media by Delmar, an underlying company of direct investment Cengage Learning and a leading provider of lifelong learning products and services for the healthcare education market.

Concept Media's digital media library of education materials will be integrated into Delmar to complement its existing product line of training materials for health and nursing customers. The addition of Concept Media's more than 500 programs to Delmar's existing offering of nursing education programs will provide an even greater choice of content and media format to students and instructors within the core nursing and allied health subject areas. This has helped to boost Cengage Learning's position as the leading provider of state-of-the-art customised learning solutions and as the leading publisher in the higher education publishing and reference market.

Making the right choices in the current economic climate

Despite a wealth of investment opportunities, private equity owners are all too aware of the importance of only buying businesses that truly complement their existing companies. Private equity firms use stringent due diligence processes to filter out good investments and focus not just on the lower valuations for companies but more so on long-term profitability and the creation of synergies through their merger with existing portfolio companies.

More importantly, private equity firms possess the know-how and skills necessary to be able to integrate companies and develop the combined entity to its full potential. The recessionary environment has increased the number of high quality investments that are being offered at attractive prices, while private equity firms have the buying power to cherry-pick the investments that should add most value to their existing investments.

With private equity firms' expertise in building up their companies through bolt-on acquisitions, plus the opportunities arising in the current economic climate, private equity-owned companies can increasingly expect to benefit from this method of value creation.

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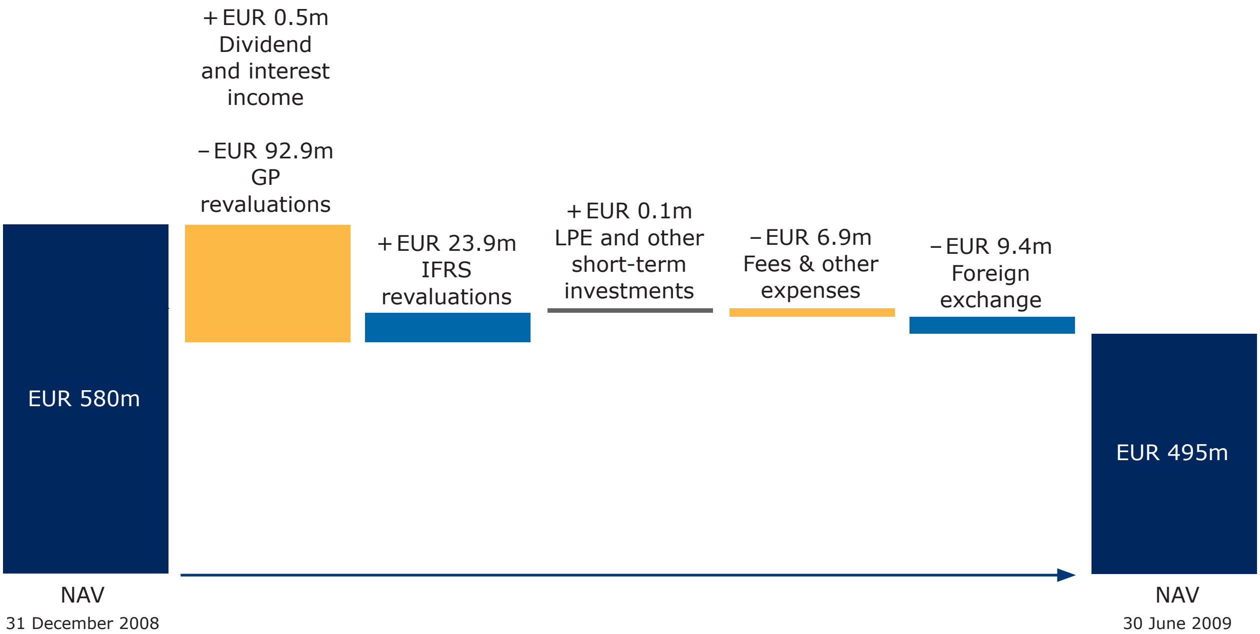
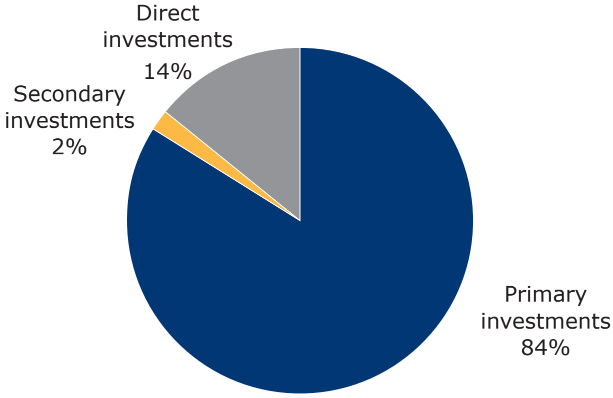
3 PORTFOLIO ALLOCATION

NAV PERFORMANCE ATTRIBUTION IN 2009

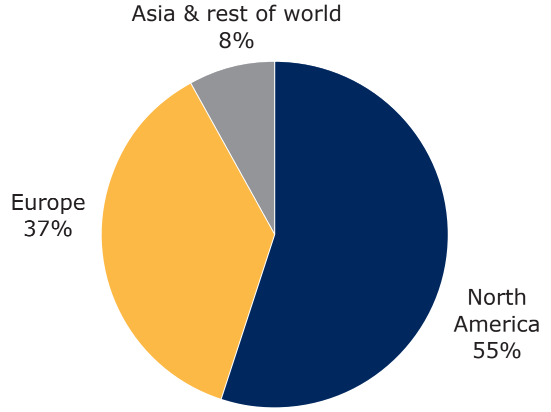


INVESTMENTS* BY INVESTMENT TYPE

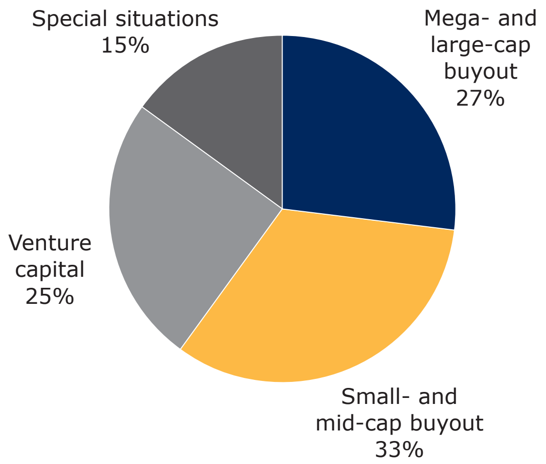


* based on value of private equity investments

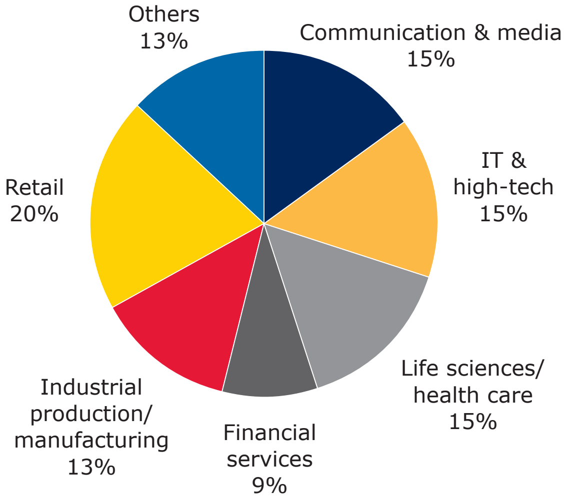
INVESTMENTS* BY GEOGRAPHIC REGION



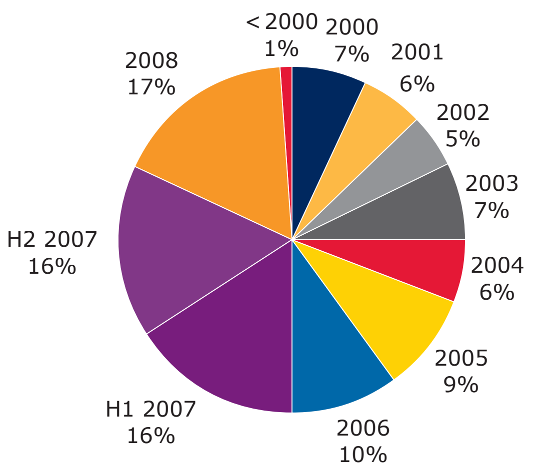
INVESTMENTS* BY FINANCING STAGE



INVESTMENTS* BY INDUSTRY SECTOR



INVESTMENTS* BY INVESTMENT YEAR



* based on value of private equity investments

4 PORTFOLIO

In 2009, Princess funded EUR 18 million in capital calls from partnerships and received EUR 12 million in distributions. Unfunded commitments at the end of the quarter totaled EUR 337 million.

Selected partnership investments

■ Navis Asia Fund V, L.P.

In April, Princess partnership Navis Asia Fund V acquired a controlling stake in Edutech, an education company offering post-graduate and part-time executive programs at seven campuses across India, for USD 30 million. Edutech has a strong brand name, and currently demand for its courses exceeds availability. The capital will therefore be used to increase Edutech's number of campuses and to expand its range of courses. Education is generally a defensive business with limited downside risk with respect to the economic cycle and as such is considered a suitable investment in the current market environment.

■ TPG Partners III, L.P. and Thomas H. Lee Parallel Fund V, L.P

In April, Fidelity National Information Services (FIS), a portfolio company of Princess partnerships TPG Partners III and Thomas H. Lee Parallel Fund V, acquired Metavante Technologies, a Wisconsin-based company that provides banking and payment technology services worldwide, for approximately USD 2.9 billion in stock. FIS, a global leader in processing and technology solutions for financial institutions, intends to combine the complementary customer bases and product capabilities as well as use the market breadth of both companies. This transaction will further strengthen FIS's competitive position as a leading global provider of technology solutions and lift organic revenue by two percent.

■ Advent Latin America Private Equity Fund IV, L.P

In May, Princess partnership Advent Latin America Private Equity Fund IV acquired a 30 % stake in CETIP S.A., the largest depository for private fixed-income securities and over-the-counter derivatives in Latin America, for approximately USD 170 million, subject to an earn-out achievement and other conditions. CETIP, which has USD 1.1 trillion in assets under custody, is the only player in the Brazilian market to provide custody of interbank deposits, short-term deposits and quoted funds. Advent plans to further develop the company's competencies, and also capitalize on Brazil's higher-than-average credit growth, in order to realize its full potential.

Selected realisation

■ Avista Capital Partners (Offshore), L.P.

In May, Princess portfolio partnership Avista Capital Partners (Offshore) sold portfolio company Medserve Inc, a Houston-based company specializing in medical and hazardous waste management services, to Nasdaq-listed Stericycle for USD 185 million. Medserve had been acquired by a group of investors led by Avista in 2006 for USD 70 million. As a result of the private owners' clear growth strategy for the company, Medserve grew rapidly, integrating more than 20 companies into its operations and making significant inroads in consolidating its position in the waste management sector. The completion of the transaction is subject to standard regulatory clearances.

5 PORTFOLIO OVERVIEW

Primary investments

Europe – Buyout

3i Eurofund Vb
3i Europartners IIIA, L.P.
Advent International GPE VI, L.P.
Anonymized European Buyout Fund 1*
Anonymized European Buyout Fund 3*
Anonymized European Buyout Fund 7*
APAX Europe VII – B, L.P.
August Equity Partners II A, L.P.
AXA LBO Fund IV
BC European Capital VIII, L.P.
Bridgepoint Europe I 'D', L.P.
Bridgepoint Europe III, L.P.
Clessidra Capital Partners II
Doughty Hanson & Co V
ECI 9, L.P.
Fourth Cinven Fund, L.P.
Graphite Capital Partners V, L.P.
HitecVision V, L.P.
Industri Kapital 2000, L.P.
Industri Kapital 2007 Fund, 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.
Palamon European Equity 'C', L.P.
Partners Group Direct Investments 2006, L.P.
Partners Private Equity, 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.
Warburg Pincus International Partners, L.P.

Europe – Venture capital

Abingworth Bioventures III, L.P.
DFJ Esprit Capital III, L.P.
European E-Commerce Fund*
European Equity Partners (III), L.P.
European Equity Partners (IV), L.P.
GMT Communications Partners II, L.P.
GMT Communications Partners III, L.P.
Index Ventures Growth I (Jersey), L.P.
Index Ventures I (Jersey), L.P.
Sofinnova Capital VI FCPR
Summit Partners Europe Private Equity Fund, L.P.
SV Life Sciences Fund II, L.P.
Ventizz Capital Fund IV, L.P.
Wellington Partners II, L.P.

Europe – Special situations

AP Investment Europe Limited
Apollo European Principal Finance Fund (Feeder), L.P.
Coller International Partners III, L.P.
Doughty Hanson & Co. European Real Estate Fund
EQT Infrastructure (No.1) Limited Partnership
ICG European Fund 2006, L.P.
ICG Mezzanine Fund 2000 L.P. No. 2
Innisfree PFI Secondary Fund
Mezzanine Management Fund III, L.P.
Nordic Fund IV*
Penta CLO I S.A.
Perusa Partners 1, L.P.
UK Fund II
The Rutland Fund
Value Enhancement Partners Special Situations Fund I, L.P.

North America – Buyout

American Securities Partners III, L.P.
Anonymized US Buyout Fund 2*
Anonymized US Buyout Fund 8*
Anonymized US Buyout Fund 9*
Apax US VII, L.P.
Apollo Investment Fund V, L.P.
Apollo Overseas Partners VI, L.P.
Avista Capital Partners (Offshore), 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 X, L.P.

North America – Venture capital

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.
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 Venture 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. (Tailwind)
Vortex Corporate Development Fund, L.P.
Worldview Technology Partners III, L.P.
Worldview Technology Partners IV, L.P.

North America – Special situations

Alinda Infrastructure Parallel Fund II, L.P.
Anonymized US Real Estate Fund 1*
Anonymized US Real Estate Fund 2*
Ares Corporate Opportunities Fund II, L.P.
Ares Corporate Opportunities Fund III, L.P.
Blackstone Mezzanine Partners, L.P.
First Reserve Fund XI, L.P.
GSREA AAA CMBS I, LLC
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

Abris CEE Mid-Market Fund, L.P.
Advent Central & Eastern Europe IV, L.P.
Advent Latin American Private Equity Fund II, L.P.
Advent Latin American Private Equity Fund IV, L.P.
Advent Latin American Private Equity Fund V, L.P.
Affinity Asia Pacific Fund III, L.P.
Anonymized Asian Buyout Fund 3*
Anonymized Emerging Markets Buyout Fund 1*
Archer Capital Fund 4, L.P.
CVC Capital Partners Asia Pacific III, L.P.
DLJ SAP International, LLC
Exxel Capital Partners VI, L.P.
Global Buyout Fund, L.P.
GP Capital Partners IV, L.P.
GP Capital Partners V, L.P.
Hony Capital Fund 2008, L.P.
Indium III (Mauritius) Holdings Limited
Indium IV (Mauritius) Holding Ltd
Navis Asia Fund V, L.P.
Navis Asia Fund VI, L.P.
Newbridge Asia III, L.P.
Pacific Equity Partners Fund IV, 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 III, (B) L.P.

Asia & rest of world – Venture capital

Anonymized Asian Venture Fund 1*
Anonymized Emerging Markets Venture Fund 2*
Baring Asia Private Equity Fund IV, L.P.
Carlyle Asia Growth Partners IV, L.P.
Carmel Software Fund (Cayman), L.P.
ChrysCapital V, LLC
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 II-Annex, L.P.
SBCVC Fund III, L.P.

Asia & rest of world – Special situations

3i India Infrastructure Fund D L.P.
Asian Fund I*
Chinese Fund III*
IDFC Private Equity (Mauritius) Fund III
Indian Fund II*
Intermediate Capital Asia Pacific Fund 2008
Japanese Fund IV*
Mexican Residental Fund III
Seleucus III, L.P.
Standard Chartered IL&FS Asia Infrastructure Growth Fund, L.P.

Secondary investments
Affinity Asia Pacific Fund II, L.P.
Aksia Capital III, L.P.
Anonymized Asian Buyout Fund 5*
Asia Opportunity Fund I, L.P.
Asia Opportunity Fund II, L.P.
AsiaVest Opportunities Fund IV
Axcel III K / S 2
CapVis Equity II, L.P.
Chase 1998 Pool Participation Fund, L.P.
Coller International Partners III NW1, L.P.
Coller International Partners III NW2, L.P.
Cybernaut Growth Fund, L.P.
Doughty Hanson & Co. Fund III, L.P.
Esprit Capital I Fund, L.P.
Global Office and Hotel Fund VI*
Global Real Estate Hybrid Co-Investment Fund V*
Global Real Estate Hybrid Fund V*
Nordic Fund III*
Partners Group SPP1 Limited
Second Cinven Fund (No. 2), L.P.
Taiwan Special Opportunities Fund III*
The Baring Asia Private Equity Fund III, L.P.
William Blair Capital Partners VI, L.P.

Direct investments
AHT Cooling Systems GmbH
Arcos Dorados Limited
AWAS Aviation Holding
Cengage Learning
China Forestry Holdings Co. Ltd.
Diagnostic imaging company*
Direct marketing and sales company*
Distressed debt purchase*
Essmann
General Nutrition Centers, Inc.
Healthcare company*
Healthcare operator*
Indian communications company*
Information service company*
Japanese financial institution*
Kofola S.A.
Luxury goods company*
Media and communications company*
Media company*
Myriad Group AG
Plantasjen ASA
Real estate service provider*
The Readers' Digest Association, Inc.
U.S. Foodservice, Inc.
Universal Hospital Services, Inc.
US entertainment company*

Listed Private Equity investments
Partners Group Private Equity Performance Holding Limited (P^3)

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

*Names may not be disclosed for confidentiality reasons

6 STATEMENTS UNDER DISCLOSURE AND TRANSPARENCY RULES

Condensed set of financial statements

The condensed set of financial statements are set out in the section “financial statements”.

Interim management report

- Important events during the past six months

The important events that have occurred during the period under review and the key factors influencing the financial statements are all set out in the investment manager’s report.

In addition, Princess held its Annual General Meeting on 7 May 2009. The resolutions put to Shareholders for the adoption of the 31 December 2008 financial statements, re-appointment of PricewaterhouseCoopers CI LLP as auditor for the year ending 31 December 2009, re-election of Directors, fixing of the Directors’ remuneration, authorisation of the Company to make market purchases of Ordinary Shares in the Company and the adoption of a new Memorandum and Articles of Incorporation were all duly passed.

Princess announced on 7 May 2009 that Colin Maltby and Jonathan Hooley had tendered their resignations as directors of the Company. On 2 June 2009, Princess announced that Richard Battey and Fergus Dunlop had joined the Board as independent Non-Executive Directors with immediate effect. Subsequently, the new Board elected Brian Human, a Director of the Company since November 2003 and an independent Director since December 2007, as Chairman of the Board, and Richard Battey as Chairman of the Audit Committee.

- 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. The investment manager believes that for the remaining six months of the financial year Princess’ principal risk relate to the performance of its existing private equity portfolio and the ability of underlying fund managers to source and invest in new assets as well as in shifts in the global credit and economic markets that may impact the exit environment in the short term. A further explanation of the risks and how they are managed is contained in note 8 to the accounts in the Princess annual report 2008.

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34;
- the interim management report includes a fair review of the information required by: (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board of Directors on 30 July 2009

Brian Human Chairman	Richard Battey Chairman of the audit committee

7 FINANCIAL STATEMENTS

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Income statement

for the period from 01 January 2009 to 30 June 2009

In thousands of EUR	Notes	**01.04.2009 30.06.2009**	**01.01.2009 30.06.2009**	**01.04.2008 30.06.2008**	**01.01.2008 30.06.2008**
Net income from designated financial assets at fair value through profit or loss		**(49'804)**	**(67'833)**	**15'632**	**(17'263)**
Private Equity		*(38'240)*	*(56'385)*	*14'561*	*(16'313)*
Interest & dividend income		1	(138)	-	-
Revaluation	6	(19'607)	(56'580)	14'483	9'326
Net foreign exchange gains / (losses)	6	(18'634)	333	78	(25'639)
Private Debt		*(12'062)*	*(11'816)*	*1'043*	*(1'176)*
Interest income (including PIK)		317	603	-	-
Revaluation	6	(10'807)	(12'751)	901	865
Net foreign exchange gains / (losses)	6	(1'572)	332	142	(2'041)
Private Real Estate		*(48)*	*(178)*	*28*	*226*
Revaluation	6	(20)	(192)	22	301
Net foreign exchange gains / (losses)	6	(28)	14	6	(75)
Private Infrastructure		*546*	*546*	-	-
Revaluation	6	546	546	-	-
Net income from financial assets at fair value through profit or loss held for trading		**1'891**	**139**	**(722)**	**(5'115)**
Net income from opportunistic investments		*1'891*	*139*	*(722)*	*(5'115)*
Revaluation	7	1'891	139	(722)	(5'115)
Net income from cash & cash equivalents and other income		**(27)**	**230**	**553**	**1'051**
Interest income		3	22	802	1'495
Net foreign exchange gains / (losses)		(30)	208	(249)	(444)
Total Net Income		**(47'940)**	**(67'464)**	**15'463**	**(21'327)**
Operating expenses		**(3'275)**	**(6'692)**	**(4'078)**	**(7'994)**
Management fee		(3'107)	(6'564)	(3'636)	(7'156)
Incentive fee		(9)	200	(219)	(294)
Administration fee		(69)	(109)	(80)	(165)
Other operating expenses		(179)	(280)	(131)	(395)
Other net foreign exchange gains / (losses)		89	61	(12)	16
Other financial activities		**(2'473)**	**(10'471)**	**194**	**19'097**
Interest expense - credit facility		(59)	(97)	(32)	(66)
Other finance cost		(1)	(2)	-	-
Net result from hedging activities		(2'413)	(10'372)	226	19'163
Surplus / (loss) for the financial period		**(53'688)**	**(84'627)**	**11'579**	**(10'224)**
Other comprehensive income for the period; net of tax		-	-	-	-
Total comprehensive income for the period		**(53'688)**	**(84'627)**	**11'579**	**(10'224)**
Earnings per share					
Weighted average number of shares outstanding		70'100'000	70'100'000	70'100'000	70'100'000

Basic surplus / (loss) per share for the financial period	(0.77)	(1.21)	0.17	(0.15)

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

Balance sheet
As at 30 June 2009

In thousands of EUR	Notes		**30.06.2009**		**31.12.2008**
ASSETS					
Designated assets at fair value through profit or loss					
Private Equity	6	449'471		500'602	
Private Debt	6	36'663		49'167	
Private Real Estate	6	435		613	
Private Infrastructure	6	2'057		-	
Non-current assets			**488'626**		**550'382**
Financial assets at fair value through profit or loss held for trading	7	1'630		6'830	
Other short-term receivables		2'015		784	
Hedging assets		2'187		12'559	
Cash and cash equivalents	8	9'719		13'707	
Current assets			**15'551**		**33'880**
TOTAL ASSETS			**504'177**		**584'262**
LIABILITIES					
Share capital		70		70	
Reserves	9	668'882		668'882	
Retained Earnings		(173'920)		(89'293)	
Total Equity			**495'032**		**579'659**
Short term credit facilities	10	5'000		-	
Other short-term payables		4'145		4'603	
Liabilities falling due within one year			**9'145**		**4'603**
TOTAL EQUITY AND LIABILITIES			**504'177**		**584'262**

Statement of changes in equity
for the period from 01 January 2009 to 30 June 2009

In thousands of EUR	Share capital	Reserves	Retained Earnings	Total
Equity at beginning of reporting period	70	668'882	(89'293)	579'659
Other comprehensive income for the period; net of tax			-	-
Surplus / (loss) for the financial period			(84'627)	(84'627)
Equity at end of reporting period	**70**	**668'882**	**(173'920)**	**495'032**

for the period from 01 January 2008 to 30 June 2008

In thousands of EUR	Share capital	Reserves	Retained Earnings	Total
Equity at beginning of previous period	70	689'912	(13'775)	676'207
Dividend paid	-	(21'030)	-	(21'030)
Other comprehensive income for the period; net of tax			-	-
Surplus / (loss) for the financial period		-	(10'224)	(10'224)
Equity at end of previous period	**70**	**668'882**	**(23'999)**	**644'953**

Cash flow statement

for the period from 01 January 2009 to 30 June 2009

In thousands of EUR	Notes	**01.01.2009 30.06.2009**	**01.01.2008 30.06.2008**
Operating activites			
Surplus / (loss) for the financial period		(84'627)	(10'224)
Adjustments:			
Foreign exchange result		(948)	28'183
Investment revaluation		68'838	(5'377)
Net gain / (loss) on interests & dividends		(390)	(1'429)
(Increase) / decrease in receivables		9'101	(1'324)
Increase / (decrease) in payables		(358)	1'031
Purchase of private equity investments	6	(15'846)	(61'530)
Purchase of private debt investments	6	(994)	(4'023)
Purchase of private infrastructure investments	6	(1'511)	-
Distributions of private equity investments	6	10'730	44'549
Distributions of private debt investments	6	1'364	3'414
Distributions of private real estate investments	6	-	283
Sale of opportunistic investments	7	5'339	-
Interest & dividends received		203	1'162
Net cash from / (used in) operating activities		**(9'099)**	**(5'285)**
Financing activities			
Increase / (decrease) in credit facilities	10	5'000	-
Interest expense - credit facility		(97)	(66)
Distribution of dividends		-	(21'030)
Net cash from / (used in) financing activities		**4'903**	**(21'096)**
Net increase / (decrease) in cash and cash equivalents		**(4'196)**	**(26'381)**
Cash and cash equivalents at beginning of reporting period	**8**	**13'707**	**80'259**
Movement in exchange rates		208	(444)
Cash and cash equivalents at end of reporting period	**8**	**9'719**	**53'434**

Notes to the financial statements
for the period from 01 January 2009 to 30 June 2009

1 Organisation 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.

2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed financial statements do not include all the information and disclosures required in the consoliated annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2008.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated annual financial statements for the year ended 31 December 2008, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2009, with the exception of IFRS 3, 5 and IFRIC 17 and 18 that are only effective for annual periods beginning on or after 1 July 2009.

IFRS 2 - Share based payments
IFRS 3 - Business combinations
IFRS 5 - Non-current assets held for sale and discontinued operations
IFRS 7 - Financial instruments
IFRS 8 - Operating segments
IAS 1 - Presentation of financial statements
IAS 16 - Property, plant and equipment
IAS 19 - Employee benefits
IAS 20 - Government grants and disclosure of government assistance
IAS 23 - Borrowing costs
IAS 27 - Consolidated and separate financial statements
IAS 28 - Investment in associates
IAS 31 - Interests in joint ventures
IAS 32 - Financial instruments: presentation
IAS 36 - Impairment of assets
IAS 38 - Intangible assets
IAS 39 - Recognition and measurement
IAS 40 - Investment property
IAS 41 - Agriculture
IFRIC 15 - Agreements for the construction of real estate
IFRIC 16 - Hedges of a net investment in a foreign operation
IFRIC 17 - Distribution of non-cash assets to owners
IFRIC 18 - Transfers of assets from customers

The board of Directors has assessed the impact of these amendments and concluded that these standards and new interpretations will not affect the Group's results of operations or financial position.

The adoption of IFRS 8 - Operating segments requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes and therefore results in presentational changes within these financial statements. Operating segments are reported in a manner consistent with the internal reporting of Partners Group AG, the investment advisor and are based on the following segments: private equity, private debt, private real estate, private infrastructure and private resources.

The investment advisor assesses the performance of the operating segments based on net income from designated financial assets at fair value through profit or loss. This measurement basis excludes additional income and expenses which are not allocated to segments but are managed by the administrator on a central basis.

3 Change in accounting policy

With effect from 1 January 2009, interest and dividend income received from financial assets at fair value through profit or loss, other than those derived from assets within the operating segment private debt or where the fund holds a direct interest, are recognized against the cost or fair value of the applicable financial asset in the period in which they arise or the right to receive payments is established.
As in previous accounting periods, 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 and dividend income derived from assets within the operating segment private debt or where the fund holds a direct interest continue to be recognized in the income statement within interest and dividend income, when the right to receive payments is established.

4 Shareholders above 3% of Ordinary shares issued

Shares held

3'551'206 (5.07%; CVP/CAP)
6'095'900 (8.70%; Deutsche Asset Management Investmentgesellschaft GmbH)
6'000'000 (8.56%; VEGA Invest Fund PLC)

5 Segment calculation

In thousands of EUR	Private Equity		Private Debt		Private Real Estate		Private Infrastructure		Non attributable	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Interest & dividend income	(138)	-	603	-	-	-	-	-	22	1'495
Revaluation	(56'580)	9'326	(12'751)	865	(192)	301	546	-	139	(5'115)
Net foreign exchange gains / (losses)	333	(25'639)	332	(2'041)	14	(75)	-	-	208	(444)
Total Net Income	**(56'385)**	**(16'313)**	**(11'816)**	**(1'176)**	**(178)**	**226**	**546**	**-**	**369**	**(4'064)**
Segment Result	**(56'385)**	**(16'313)**	**(11'816)**	**(1'176)**	**(178)**	**226**	**546**	**-**	**(6'323)**	**(12'058)**
Other Financial activities not allocated										
Surplus / (loss) for the financial period										

In thousands of EUR	Total	
	2009	**2008**
Interest & dividend income	487	1'495
Revaluation	(68'838)	5'377
Net foreign exchange gains / (losses)	887	(28'199)
Total Net Income	**(67'464)**	**(21'327)**
Segment Result	**(74'156)**	**(29'321)**
Other Financial activities not allocated	(10'471)	19'097
Surplus / (loss) for the financial period	**(84'627)**	**(10'224)**

6 Designated assets at fair value through profit or loss

6.1 Private Equity

In thousands of EUR	30.06.2009	31.12.2008
Balance at beginning of period	500'602	517'532
Purchase of limited partnerships and directly held investments	15'846	117'018
Distributions from limited partnerships and directly held investments; net	(10'730)	(67'456)
Revaluation	(56'580)	(79'958)
Foreign exchange gains / (losses)	333	-
Reclassification	-	13'466
Balance at end of period	**449'471**	**500'602**

6.2 Private Debt

In thousands of EUR	30.06.2009	31.12.2008
Balance at beginning of period	49'167	46'721
Purchase of limited partnerships and directly held investments	994	6'734
Distributions from limited partnerships and directly held investments; net	(1'364)	(2'429)
Accrued cash and PIK interest	285	868
Revaluation	(12'751)	(3'711)
Foreign exchange gains / (losses)	332	984
Balance at end of period	**36'663**	**49'167**

6.3 Private Real Estate

In thousands of EUR	30.06.2009	31.12.2008
Balance at beginning of period	613	870
Purchase of limited partnerships and directly held investments	-	56
Distributions from limited partnerships and directly held investments; net	-	(500)
Revaluation	(192)	(171)
Foreign exchange gains / (losses)	14	358
Balance at end of period	**435**	**613**

6.4 Private Infrastructure

In thousands of EUR	30.06.2009	31.12.2008
Purchase of limited partnerships and directly held investments	1'511	-
Revaluation	546	-
Balance at end of period	**2'057**	**-**

7 Financial assets at fair value through profit or loss held for trading

In thousands of EUR	30.06.2009	31.12.2008
Balance at beginning of period	6'830	31'284
Sale of listed private equity investments	(5'339)	-
Revaluation	139	(24'454)
Balance at end of period	**1'630**	**6'830**

8 Cash and cash equivalents

In thousands of EUR	**30.06.2009**	**31.12.2008**
Bank balances	9'719	13'707
Total cash and cash equivalents	**9'719**	**13'707**

9 Capital

Reserves

In thousands of EUR	**30.06.2009**	**31.12.2008**
Distributable reserves		
Distributable reserves at beginning of reporting period	668'882	689'912
Dividend payment	-	(21'030)
Total distributable reserves at end of reporting period	**668'882**	**668'882**

10 Short term credit facilities

In thousands of EUR	**30.06.2009**	**31.12.2008**
Balance at end of period	**5'000**	**-**

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 drawdown amount. An additional margin may be added if the ratio of Net Asset Value to the borrowings due to Bank of Scotland (including capitalised interest) is less than 5:1.

There is a non utilisation 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.

As at the balance sheet date, the amount drawn under the credit facility was EUR 5'000'000.

11 Commitments

In thousands of EUR	**30.06.2009**	**31.12.2008**
Unfunded commitments translated at the rate prevailing at the balance sheet date	337'388	374'928

12 Net assets and diluted assets per share

In thousands of EUR	**30.06.2009**	**31.12.2008**
Net assets of the Company	495'032	579'659
Outstanding shares at the balance sheet date	70'100'000	70'100'000
Net assets per share at period-end	7.06	8.27

Registered office
Princess Private Equity Holding Limited
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Auditors
PricewaterhouseCoopers CI LLP

Trading information

Listing	Frankfurt Stock Exchange	London Stock Exchange
ISIN	DE000A0LBRM2	GG00B28C2R28
WKN	A0LBRM	A0LBRL
Valor	2 830 461	2 830 461
Trading symbol	PEY1	PEY
Bloomberg	PEY1 GR	PEY LN
Reuters	PEYGz.DE/PEYGz.F	PEY.L
Designated sponsor	Sal. Oppenheim jr. & Cie. KGaA	JPMorgan Cazenove

Princess